INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP
AS AT 31 DECEMBER 2013

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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) - "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) - "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 - "G. Marconi" Airport (Piquadro S.p.A.)	*Point of sale*
Barcelona - "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*
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*
Kaohsiung City (Taiwan) - Shopping Mall "Dream Mall" (Piquadro Taiwan)	*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*
Rozzano (MI) – Shopping Mall “Fiordaliso” (Piquadro S.p.A.)	*Point of sale*
Rome – Via Frattina 149 (Piquadro S.p.A.)	*Point of sale*
Mendrisio (Switzerland) – Fox Town Outlet Centre (Piquadro Swiss)	*Retail outlet*
Barcelona (Spain) – El Corte Ingles, Placa Catalunya 14 (Piquadro España)	*Point of sale*
Taipei (Taiwan) – Eslite Xin Ban Store (Piquadro Taiwan)	*Point of sale*
Verona – Piazza delle Erbe 10 (Piquadro S.p.A.)	*Point of sale*
Milan - Malpensa Airport - Terminal 1 - Area Tulipano (Piquadro S.p.A.)	*Point of sale*
Paris (France) – Rue Saint Honorè 330/332 (Piquadro France)	*Point of sale*
Chongqing (China) – Chongqing Time Square (Piquadro Shenzhen)	*Point of sale*
Castelromano (RM) – c/o “Factory Outlet Centre” (Piquadro S.p.A.)	*Retail outlet*
Venice – Mercerie del Capitello 4940 (Piquadro S.p.A.)	*Point of sale*
Turin – Via Roma 330/332 (Piquadro S.p.A.)	*Point of sale*
Florence – Via Calimala 7/r (Piquadro S.p.A.)	*Point of sale*
Forte dei Marmi (LU) – Via Mazzini 15/b	*Point of sale*
Beijing (China) – China World Shopping Mall (Piquadro Shenzhen)	*Point of sale*
Valencia (Spain) – El Corte Ingles, Calle Pintor Sorolla (Piquadro España)	*Point of sale*
Tainan City (Taiwan) – Mitsukoshi (Piquadro Taiwan)	*Point of sale*
Taichung City (Taiwan) – Mitsukoshi Taichung (Piquadro Taiwan)	*Point of sale*
Barcelona (Spain) – El Corte Ingles Diagonal, Av. Diagonal (Piquadro España)	*Point of sale*
Roissy en France (France) – Aeroville (Piquadro France)	*Point of sale*
Shenyang City (China) – Shenyang Jiu Guang Dep. Store (Piquadro Shenzhen)	*Point of sale*

<u>REPORT ON OPERATIONS</u>
<u>AS AT 31 DECEMBER 2013</u>

Introduction

The consolidated interim financial report as at 31 December 2013 was prepared in compliance with Article 154-*ter* of Legislative Decree no. 58/1998, as amended, as well as with the Issuers' Regulation issued by Consob (*Commissione Nazionale per le Società e la Borsa,* Italian Securities and Exchange Commission).
This Interim financial report was prepared by the Directors in relation to the attached consolidated interim financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company") and its subsidiaries ("Piquadro Group") relating to the nine-month period ended 31 December 2013. The financial statements were prepared in accordance with IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The interim financial report must therefore be read together with the accounting statements and the related Explanatory Notes.

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

CORPORATE BODIES HOLDING OFFICE AT 31 DECEMBER 2013

- **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 2016)

Marco Palmieri	*Chairman and CEO*
Marcello Piccioli	*Managing director*
Roberto Trotta	*Managing director*
Pierpaolo Palmieri	*Managing director*
Anna Gatti	*Director*
Paola Bonomo	*Director*
Gianni Lorenzoni	*Director*

- **AUDIT AND RISK COMMITTEE**

(holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements as at 31 March 2016)

Gianni Lorenzoni	*Chairman*
Paola Bonomo	*Independent non-executive director*
Anna Gatti	*Independent non-executive director*

- **REMUNERATION COMMITTEE**

(holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements as at 31 March 2016)

Paola Bonomo	*Chairman*
Gianni Lorenzoni	*Independent non-executive director*
Anna Gatti	*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 2016)

Regular members

Giuseppe Fredella *Chairman*
Pietro Michele Villa
Patrizia Lucia Maria Riva

Substitute members

Giacomo Passaniti
Maria Stefania Sala

- **INDEPENDENT AUDITORS**

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

PricewaterhouseCoopers S.p.A.

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

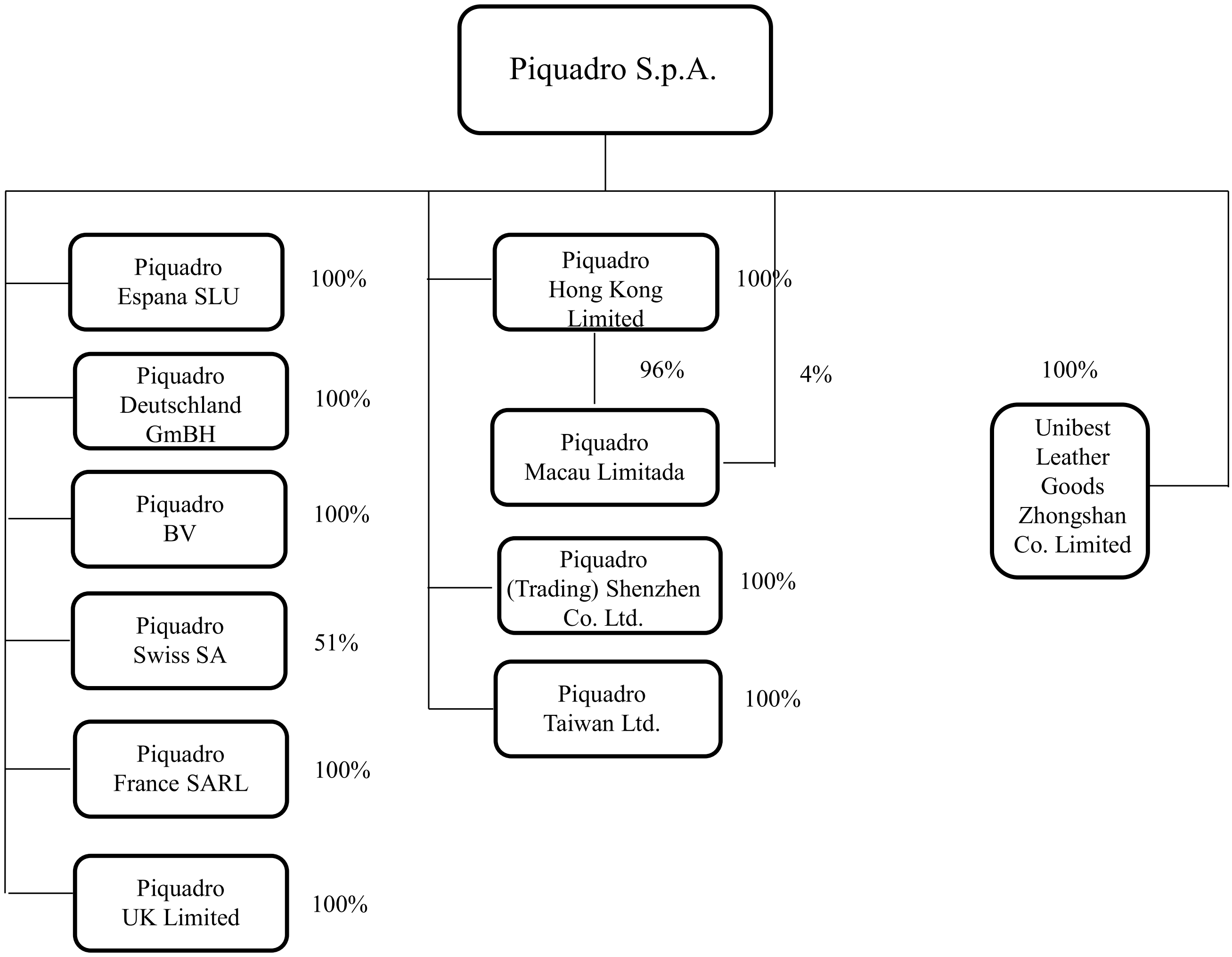
Roberto Trotta

- **SUPERVISORY BOARD**

Mario Panzeri

THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 31 December 2013:



INFORMATION ON OPERATIONS

Significant events for the nine months ended 31 December 2013

No significant events occurred in the course of the first nine months ended 31 December 2013. The Board of Directors' meeting held on 26 July 2013 approved the consolidated financial statements as at 31 March 2013 and proposed to distribute a dividend of Euro 0.02 per share, for a total amount of Euro 1 million. The dividend was paid starting from 8 August 2013 with coupon no. 6 being detached on 5 August 2013. The new Board was confirmed as being made up of 7 members, including Marco Palmieri, Pierpaolo Palmieri, Marcello Piccioli, Roberto Trotta, Gianni Lorenzoni, Paola Bonomo e Anna Gatti. The Shareholders' Meeting also confirmed the appointment of Marco Palmieri as Chairman of the Board of Directors and set overall annual fees of Euro 845,000 due to the Directors, to be apportioned by the Board to all the Directors, including those holding special offices, without prejudice to the right of the Board itself to grant further variable fees to any Directors holding special offices.

The new Board of Statutory Auditors is made up of the standing auditors Giuseppe Fredella, Pietro Michele Villa and Patrizia Lucia Maria Riva, and of the alternate auditors Giacomo Passaniti and Maria Stefania Sala. Finally the Shareholders' Meeting set the fees due to the entire Board of Statutory Auditors at a maximum amount of Euro 58,000 per year, in addition to the supplementary contribution prescribed by law and to the reimbursement of any expenses incurred to perform said duties.

On the same date, the Shareholders' Meeting also 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.

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 authorization - that is until the Shareholders' Meeting which approves the financial statements as at 31 March 2014 - 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 20%, of the reference price that the share recorded in the Stock Exchange session of the day preceding each individual transaction.

The Group's business

Operations

In the first nine months of the 2013/2014 financial year ended 31 December 2013, the Group, even within a macro-economic context which was still dominated by the uncertainty reported a significantly improved performance compared to the same period in the 2012/2013 financial year.
In the first nine months of the financial year ended 31 December 2013, the Piquadro Group reported net sales revenues equal to Euro 45,327 thousand compared to Euro 40,509 thousand recorded in the same period in the 2012/2013 financial year (+11.9%). In the first nine months ended 31 December 2013 sales volumes, in terms of quantities sold in the relevant period, showed an increase of about 5.2% compared to the same period in the 2012/2013 financial year.

In the first nine months of the financial year ended 31 December 2013, the Piquadro Group reported, in terms of profitability, EBITDA[1] equal to about Euro 6.4 million (equal to 14.0% of net sales revenues), down by 2.9% compared to the value recorded in the same period of the 2012/2013 financial year (Euro 6.6 million, equal to 16.2% of net sales revenues).

The Group's EBIT[2] came to Euro 4.5 million (10.0% of net sales revenues), down by 2.4% compared to the first nine months of the financial year ended 31 December 2012 (Euro 4.7 million, equal to 11.5% of net sales revenues).

As at 31 December 2013 the Group net profit was equal to about Euro 2.6 million, down by 10.5% compared to the same period ended 31 December 2012 (net profit of Euro 2.9 million).

In the third quarter of the 2013/2014 financial year (October-December 2013) the consolidated turnover reported an increase of about 17.7% compared to the same quarter in the 2012/2013 financial year.
In the third quarter of the 2013/2014 financial year, the revenues reported by the DOS channel showed an increase of 16.0%, while the sales reported by the Wholesale channel showed a 18.9% increase compared to the same quarter in the 2012/2013 financial year.

In the quarter October – December 2013, the Piquadro Group reported, in terms of profitability, EBITDA equal to about Euro 1.8 million (equal to 11.5% of net sales revenues), up by 20.1% compared to the value recorded in the same period of the 2012/2013 financial year (Euro 1.5 million equal to11.3% of net sales revenues).

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.

In the quarter October – December 2013, the Group's EBIT came to Euro 1.1 million (7.4% of net sales revenues), up by 44.0% compared to the same quarter of the financial year ended 31 December 2012 (Euro 0.8 million, equal to 6.1% of net sales revenues).

In the quarter October – December 2013 the Group net profit was equal to about Euro 0.6 million, up by 37.0% compared to the same period ended 31 December 2012 (net profit of Euro 0.4 million).

Net sales revenues

As at 31 December 2013 the Piquadro Group recorded net sales revenues equal to about Euro 45,327 thousand, up by about 11.9% compared to 31 December 2012. 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, directly operated (the so-called "Directly Operated Stores" or "DOS"), which, as at 31 December 2013, included 57 single-brand stores;
(ii) an indirect channel (Wholesale), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements and distributors who then resell the articles in specialist multi-brand shops (n. 44 shops as at 31 December 2013).

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

(in thousands of Euro)	**Net revenues as at 31 December 2013**	**%**	**Net revenues as at 31 December 2012**	**%**	**% change 2013/2012**
DOS	16,264	35.9%	13,920	34.4%	16.8%
Wholesale	29,063	64.1%	26,589	65.6%	9.3%
Total	**45,327**	**100.0%**	**40,509**	**100.0%**	**11.9%**

The revenues reported by the DOS channel showed an increase of 16.8% compared to the same period in the 2012/2013 financial year; this increase was determined by both the marginal increase in the quantities sold in the already existing shops also in the first nine months ended 31 December 2012 ("*negozi comparabili*") ("comparable shops") and the contribution given by the opening of 14 new shops (5 in Italy, 4 in Europe and 5 in Asia) that were not present as at 31 December 2012, and that are listed below:

Month of opening	**Location**	**Channel**
Jan-13	Milan – Malpensa Airport -Terminal 1 – Area Tulipano	DOS
Feb-13	Paris (France) – Rue Saint Honorè 330/332	DOS
Apr-13	Chongqing (China) – Chongqing Time Square	DOS
Apr-13	Castelromano (RM) – "Factory Outlet Centre"	DOS Outlet Store
May-13	Venice - Mercerie del Capitello 4940	DOS
Jul-13	Florence - via Calimala 7/r	DOS
Jul-13	Forte dei Marmi (LU) - via Mazzini 15/b	DOS
Aug-13	Beijing (China) - China World Shopping Mall	DOS
Sep-13	Turin - via Roma 330/332	DOS
Sep-13	Valencia (Spain) – Calle Pintor Sorolla	DOS
Sep-13	Tainan City (Taiwan) – Mitsukoshi	DOS

Oct-13	Barcelona (Spain) - El Corte Ingles Diagonal	DOS
Oct-13	Shen Yang Jiu Guang (China) - Shen Yang Jiu Guang Dep. Store	DOS
Oct-13	Roissy en France (France) - Aeroville	DOS
Dec-13	Taichung City (Taiwan) - Mitsukoshi	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 2012, was equal to about 1.7% (2.5% assuming an equal number of days of opening and constant rates of exchange). Despite the difficult economic situation, the SSSG recorded in Italy in the first nine months was also positive, coming to about 1.0%, assuming an equal number of days of opening.
Sales reported by the Wholesale channel, which as at 31 December 2013 accounted for 64.1% of the Group's total turnover, showed an increase of 9.3%. This growth was driven by sales in the foreign market, which recorded a 29.4% increase. Sales reported by the Wholesale channel in the European market increased by 20.9% and at 31 December 2013 they accounted for 27% of the Wholesale sales of the Piquadro Group. At 31 December 2013 sales reported by the Wholesale channel in the foreign market (which includes Europe and the non-European geographical area named "Rest of the world") accounted for 19.2% of the consolidated turnover (16.6% as at 31 December 2012). Sales reported by the Wholesale channel in the domestic market accounted for 44.9% of the consolidated turnover (49.0% as at 31 December 2012), up by 2.4%.

Breakdown of revenues by geographical area

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

(in thousands of Euro)	**Net revenues as at 31 December 2013**	**%**	**Net revenues as at 31 December 2012**	**%**	**% change 2013/2012**
Italy	32,062	70.7%	29,501	72.8%	8.7%
Europe	9,697	21.4%	7,760	19.2%	25.0%
Rest of the world	3,568	7.9%	3,248	8.0%	9.9%
Total	**45,327**	**100.00**	**40,509**	**100.00**	**11.9%**

As at 31 December 2013, the Group's revenues showed that the Italian market accounts for a percentage of the Group's total turnover which is still very high (equal to about 70.7%), up by 8.7% compared to the same period in the 2012/2013 financial year, also benefiting from the opening of 6 new DOS and 1 franchise shop.
Within the European market, the Group achieved growth of 25.0% compared to the same period in the 2012/2013 financial year, with a turnover equal to Euro 9,682 thousand, equal to 21.4% of consolidated sales (19.2% at 31 December 2012). In the non-European geographical area (named "Rest of the world"), where the Group sells in 16 Countries, the turnover increased by 9.9% compared to the same period in the 2012/2013 financial year.

In the opinion of the management, the slight and relative decrease in the operating result, despite the increase reported in sales both in the Wholesale channel and much more in the DOS channel, was attributable to the following factors:

(i) higher structure costs, also in order to meet the requirements of the more complex operations of both retail activities and sales structure and foreign operations;
(ii) positive performances in the DOS segment, in terms of SSSG, counterbalanced by new openings with margins which are not always 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;
(iii) an increase in investments, which entailed increased amortisation and depreciation for the period, mainly due to higher investments in the retail sector, both at the level of intangible assets (key money) and property, plant and equipment (furnishings).

The EBIT achieved by the Group in the first nine months of the 2013/2014 financial year was affected by the performances commented on above, to which must be added amortization and depreciation of Euro 1,773 thousand, relating to sharp increase in the Group’s investments and write-downs equal to Euro 47 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 31 December 2013 and 31 December 2012 (financial indicators are also compared to the similar values inferred from the consolidated financial statements ended 31 March 2013):

Economic and financial indicators *(in thousands of Euro)*	**31 December 2013**	**31 December 2012**
Revenues from sales	45,327	40,509
EBITDA	6,361	6,551
EBIT	4,542	4,652
Pre-tax result	3,989	4,404
Group’s profit for the period	2,561	2,862
Amortisation and depreciation of fixed assets and write-downs	2,167	2,249
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	4,728	5,111

Financial indicators *(in thousands of Euro)*	**As at 31 December 2013**	**As at 31 March 2013**
Net Financial Position [3]	(14,493)	(8,482)
Shareholders’ equity	30,779	29,273

EBITDA for the period came to Euro 6.4 million, against Euro 6.6 million recorded in the same period ended 31 December 2012 and as at 31 December 2013 it accounted for 14.0% of consolidated revenues (against 16.2% recorded in the first nine months ended 31 December 2012).

In the period ended 31 December 2013, the Group’s amortisation and depreciation and write-downs were equal to Euro 1,773 thousand and Euro 47 thousand, respectively.
Depreciation of property, plant and equipment, equal to Euro 1,196 thousand, relates to the depreciation of the building where the Company operates for Euro 147 thousand, to the depreciation of plant and equipment for Euro 59 thousand, to the depreciation of business equipment and fittings for shops equal to Euro 979 thousand and to the depreciation of other assets for Euro 11 thousand.
Amortisation of intangible assets is equal to Euro 577 thousand and relates to the amortization of software equal to Euro 176 thousand, to the amortization for the patent rights equal to Euro 3 thousand, to the amortization for the key money paid for the opening of new shops for Euro 355 thousand and to the amortization of concessions, licenses and trademarks for Euro 43 thousand.
Write-downs, equal to Euro 47 thousand, relate to furniture and fittings concerning the closure of some shops operating in Italy and in the Far East area.

As at 31 December 2013, EBIT came to Euro 4.5 million, equal to 10.0% of net sales revenues, down by about 146 basis points compared to the value recorded as at 31 December 2012 (equal to 11.5%).

The result from financial operations, as at 31 December 2013, was negative for a value equal to about Euro 553 thousand and was attributable to the net financial debt dynamics, in addition to the differential between foreign exchange gains and losses.

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

The pre-tax result recorded by the Group as at 31 December 2013 came to about Euro 4.0 million (down by 9.4% against the value of Euro 4.4 million recorded in the nine months ended 31 December 2012), and was affected by income taxes, including the effects of deferred taxation, equal to Euro 1.4 million.

Investments

Below are reported the investments in intangible assets, property, plant and equipment and financial assets in the nine months ended 31 December 2013 and 31 December 2012:

(in thousands of Euro)	**31 December 2013**	**31 December 2012**
Investments		
Intangible assets	1,583	2,975
Property, plant and equipment	1,453	1,551
Financial fixed assets		-
Total	**3,036**	**4,526**

Increases in intangible assets equal to Euro 1,583 thousand in the first nine months of the financial year ended 31 December 2013 mainly related to software investments and IT products for Euro 69 thousands, to trademarks for Euro 19 thousand, and to the key money (Euro 1,495) paid for the opening of new points of sale in Venice (Euro 412 thousand), Florence (Euro 470 thousand), Forte dei Marmi (Euro 61 thousand) and London (Euro 552 thousand).

On the contrary, increases in property, plant and equipment, equal to Euro 1,453 thousand in the first nine months of the financial year ended 31 December 2013, were mainly attributable to fittings purchased for new DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 1,285 thousand, to electric and electronic office machines for Euro 84 thousand, to the purchases of moulds relating to new products for Euro 77 thousand, to the purchase of equipment for Euro 3 thousand, to minor assets for Euro 4 thousand.

CONSOLIDATED BALANCE SHEET

Below is summarised the Group's consolidated equity and financial structure as at 31 December 2013 (compared to the corresponding structure as at 31 March 2013 and 31 December 2012):

(in thousands of Euro)	**31 December 2013**	**31 March 2013**	**31 December 2012**
Trade receivables	24,434	21,517	24,960
Inventories	16,808	14,227	14,590
(Trade payables)	(12,540)	(15,030)	(13,732)
Total net current trade assets	*28,702*	*20,714*	*25,818*
Other current assets	1,433	870	1,007
Tax receivables	1,286	1,447	1,328
(Other current liabilities)	(3,287)	(2,695)	(2,459)
(Tax payables)	(1,627)	-	(1,118)
A) Working capital	***26,507***	***20,336***	***24,576***
Intangible assets	4,957	3,951	4,095
Property, plant and equipment	12,894	12,684	12,350
Receivables from others beyond 12 months	779	877	886
Deferred tax assets	1,525	1,424	1,513
B) Fixed assets	***20,155***	***18,936***	***18,844***
C) Non-current provisions and non-financial liabilities	***(1,390)***	***(1,517)***	***(1,351)***
Net invested capital (A+B+C)	**45,272**	**37,755**	**42,069**
FINANCED BY:			
D) Net financial debt	*14,493*	8,482	*13,238*
E) Equity attributable to Minority interests	*14*	20	*36*
F) Equity attributable to the Group	*30,765*	29,253	*28,795*
Total borrowings and Shareholders' Equity (D+E+F)	**45,272**	**37,755**	**42,069**

CONSOLIDATED NET FINANCIAL POSITION

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

(in thousands of Euro)	**31 December 2013**	**31 March 2013**	**31 December 2012**
(A) Cash	107	102	69
(B) Other cash and cash equivalents (available current bank accounts)	14,981	20,374	15,459
(C) Liquidity (A) + (B)	**15,088**	**20,476**	**15,528**
(D) Finance leases	(571)	(562)	(561)
(E) Current bank debt	(6,351)	(1,000)	(4,098)
(F) Current portion of non-current debt	(6,685)	(6,796)	(6,296)
(G) Current financial debt (D) + (E) + (F)	**(13,607)**	**(8,358)**	**(10,955)**
(H) Short-term net financial position (C) + (G)	**1,481**	**12,118**	**4,573**
(I) Non-current bank debt	(13,221)	(17,420)	(14,471)
(L) Finance leases	(2,753)	(3,180)	(3,340)
(M) Non-current financial debt (I) + (L)	**(15,974)**	**(20,600)**	**(17,811)**
(N) Net financial debt (H) + (M)	**(14,493)**	**(8,482)**	**(13,238)**

As at 31 December 2013 the consolidated net financial position was negative for about Euro 14.5 million.
The main reasons for the trend in the Net Financial Position, compared to 31 March 2013, are attributable to the following factors:

- the distribution of a dividend of Euro 1 million that took place in August 2013;
- investments in property, plant and equipment and intangible assets of Euro 3.0 million;

- an increase in working capital of about Euro 6.2 million, which was mostly due to the different seasonality trends.

The consolidated net financial position at 31 December 2013, compared to the value recorded at 31 December 2012, showed an increase of about Euro 1.3 million, mainly due to the increase in working capital due to the Group's growth.

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 individual different local environments in which the Group operates, must necessarily lead to intense personal involvement, above all in what the Group considers the strategic phases for the success of the brand.

As at 31 December 2013 the Group had 781 members of staff compared to 726 units as at 31 December 2012.

Below is reported the breakdown of staff by country:

Country	31 December 2013	31 December 2012
Italy	241	219
China	448	428
Hong Kong	26	32
Macau	7	7
Germany	1	-
Spain	19	11
Taiwan	26	17
Holland	-	6
France	8	1
Switzerland	5	5
Total	**781**	**726**

With reference to the Group's organisational structure, as at 31 December 2013, 43.9% of staff operated in the production area, 30.7% in the retail area, 14.2% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 7.9% in the Research and Development area and 3.3% in the sales area.

Research and development activity

The Piquadro Group's Research and Development activity is carried out by the Parent Company in house through a dedicated team that currently consists of 11 persons mainly engaged in the product research and development department and the style office at the head office of the Company. Furthermore, the plants of the Chinese subsidiary employ a team of 34 people dedicated to prototyping and the implementation of new models according to the instructions defined by the central organisation. Products are conceived within the Group and occasionally in collaboration with outside industrial designers, taking account of the information regarding market trends supplied by the Group's internal departments (Product Management and sales departments). In this manner, the Group develops its collections trying to meet the needs of end customers that are not yet satisfied by the market. The internal unit dedicated to the design of products manages operating activities and also coordinates the external consultants of which the Company makes use. In some cases, in fact, the Group only uses external designers for the product design phase, while the development and implementation phase is in any case carried out in house

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

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

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

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

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

Significant events after the first nine months

No significant events are reported which occurred at Group level from 1 January 2014 to the date of this Report.

Outlook

The growth of the Piquadro Group in the 2013/2014 financial year will be affected by both the stability of the economic situation in the relevant markets, with the domestic market accounting for a significant portion, and the Group's ability to continue the process of international expansion, the first results of which have already been seen in the first nine months of the financial year. The increase in the turnover recorded at 31 December 2013, as well as the related acceleration in the sales performance and profitability recorded in the third quarter and the positive trend in the DOS sales, which also achieved positive performance in the domestic market despite a very difficult economic context, attest that the Group's investments linked to a more glamorous repositioning of the brand are producing the results expected by the Management. The Group is focused on the global development of the brand and is consistently pursuing a strategy to increase the visibility and awareness of the Piquadro brand internationally, which consistently explicated in the opening of single-brand stores in Paris, Venice, Florence, Forte dei Marmi, Turin and Beijing, to which will be added the London store in the short term, in March 2014.

The Management foresees the fourth quarter of the current fiscal year will register the same trend of the third quarter ended as of December 2013.

Silla di Gaggio Montano (BO), 11 February 2014

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**31 December 2013**	**31 March 2013 Restated**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	4,957	3,951
Property, plant and equipment	(2)	12,894	12,684
Receivables from others	(3)	779	877
Deferred tax assets	(4)	1,525	1,424
TOTAL NON-CURRENT ASSETS		**20,155**	**18,936**
CURRENT ASSETS			
Inventories	(5)	16,808	14,227
Trade receivables	(6)	24,434	21,517
Other current assets	(7)	1,433	870
Tax receivables	(8)	1,286	1,447
Derivative assets	(9)	-	-
Cash and cash equivalents	(10)	15,088	20,476
TOTAL CURRENT ASSETS		**59,049**	**58,537**
TOTAL ASSETS		**79,204**	**77,473**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	Notes	31 December 2013	31 March 2013 Restated*
LIABILITIES			
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		623	678
Retained earnings		25,575	23,312
Group profit for the period		2,567	3,263
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**30,765**	**29,253**
Capital and Reserves attributable to minority interests		20	40
Profit/(loss) for the period attributable to minority interests		(6)	(20)
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**14**	**20**
EQUITY	(11)	**30,779**	**29,273**
NON-CURRENT LIABILITIES			
Borrowings	(12)	13,221	17,420
Payables to other lenders for lease agreements	(13)	2,753	3,180
Provision for employee benefits	(14)	249	252
Provisions for risks and charges	(15)	1,039	1,069
Deferred tax liabilities	(16)	102	196
TOTAL NON-CURRENT LIABILITIES		**17,364**	**22,117**
CURRENT LIABILITIES			
Borrowings	(17)	13,036	7,796
Payables to other lenders for lease agreements	(18)	571	562
Derivative liabilities	(19)	57	-
Trade payables	(20)	12,540	15,030
Other current liabilities	(21)	3,230	2,695
Tax payables	(22)	1,627	-
TOTAL CURRENT LIABILITIES		**31,061**	**26,083**
TOTAL LIABILITIES		**48,425**	**48,200**
TOTAL EQUITY AND LIABILITIES		**79,204**	**77,473**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	31 December 2013	31 December 2012 Restated*
REVENUES			
Revenues from sales	(23)	45,327	40,509
Other income	(24)	634	612
TOTAL REVENUES (A)		**45,961**	**41,121**
OPERATING COSTS			
Change in inventories	(25)	(2,877)	(2,649)
Costs for purchases	(26)	8,706	9,461
Costs for services and leases and rentals	(27)	22,582	18,197
Personnel costs	(28)	10,592	9,153
Amortisation, depreciation and write-downs	(29)	2,166	2,249
Other operating costs		250	58
TOTAL OPERATING COSTS (B)		**41,419**	**36,469**
OPERATING PROFIT (A-B)		**4,542**	**4,652**
Financial income	(30)	397	467
Financial charges	(31)	(950)	(715)
TOTAL FINANCIAL INCOME AND CHARGES		**(553)**	**(248)**
PRE-TAX RESULT		**3,989**	**4,404**
Income tax expenses	(32)	(1,428)	(1,542)
PROFIT FOR THE PERIOD		**2,561**	**2,862**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		2,567	2,862
MINORITY INTERESTS		(6)	
(Basic) Earnings per share in Euro	(33)	0.05134	0.05724
(Diluted) Earnings per share in Euro	(34)	0.04775	0.05525

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31 December 2013	31 December 2012
Profit (Loss) for the period (A)	**2,561**	**2,862**
Components that can be reclassified to the income statement:		
Profit/(Losses) arising from the translation of financial statements of foreign companies	(78)	84
Effect of IAS 39 fair value of derivative contracts	(41)	11
Components that cannot be reclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	10	(6)
Total other profits/(losses) not recognised in the income statement (B)	**(109)**	**89**
Total comprehensive income/(losses) (A) + (B)	**2,452**	**2,951**
Attributable to		
the Group	2,458	2,951
Minority interests	(6)	-

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: Employee benefits 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)**	**0**	**448**	**512**	**18.499**	**7.779**	**28.790**	**0**	**0**	**28.790**
Retrospective application of IAS 19 Revised					(32)		**(32)**	32		**0**			**0**
Balances as at 31.03.2012 (Restated)	**1.000**	**1.000**	**66**	**(2)**	**(32)**	**448**	**480**	**18.531**	**7.779**	**28.790**	**0**	**0**	**28.790**
Profit for the period									**2,862**	**2,862**			**2,862**
Other components of the comprehensive income as at 31 December 2012:													
Foreign exchange differences from translation			84				**84**			**84**			**84**
Reserve for actuarial gains (losses) on defined-benefit plans					(6)		**(6)**			**(6)**			**(6)**
Fair value of financial instruments				11			**11**			**11**			**11**
Total comprehensive income for the period			**84**	**11**	**(6)**	**0**	**89**	**0**	**2,862**	**2,951**	**0**	**0**	**2,951**
Fair Value of the Stock Option Plan						54	**54**			**54**			**54**
Change in the scope of consolidation										**0**	40	(4)	**36**
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**
Balances as at 31.12.2012 (Restated)	**1.000**	**1,000**	**150**	**9**	**(38)**	**502**	**623**	**23.310**	**2.862**	**28.795**	**40**	**(4)**	**28,831**

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Employee benefits 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 31.03.2013 (Restated)	**1.000**	**1.000**	**143**	**0**	**(34)**	**569**	**678**	**23.312**	**3.263**	**29.253**	**40**	**(20)**	**29.273**
Profit for the period									2.567	**2.567**		(6)	**2.561**
Other components of the comprehensive income as at 31 December 2013:													
Foreign exchange differences from translation			(78)				**(78)**			**(78)**			**(78)**
Reserve for actuarial gain (losses) on defined-benefit plans					10		**10**			**10**			**10**
Fair value of financial instruments				-41			**(41)**			**(41)**			**(41)**
Total comprehensive income for the period			(78)	**-41**	**10**		**(109)**	**0**	**2,567**	**2,458**		(6)	**2,452**
Fair Value of the Stock Option Plan						54	**54**			**54**			**54**
Allocation of the result for the period as at 31 March 2013:													
- to dividends									(1,000)	**(1,000)**			**(1,000)**
- to reserves								2,263	(2,263)	**0**	(20)	20	**0**
Balances as at 31.12.2013	**1.000**	**1.000**	**65**	**-41**	**(24)**	**623**	**623**	**25,575**	**2,567**	**30,765**	**20**	**(6)**	**30,779**

CONSOLIDATED STATEMENT OF CASH FLOWS

(*in thousands of Euro*)	31 December 2013	31 December 2012 Restated
Pre-tax profit	**3,989**	**4,404**
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,773	1,609
Write-downs of property, plant and equipment/intangible assets	47	290
Provision for bad debts	347	350
Adjustment to the provision for employee benefits	-	-
Net financial charges/(income), including exchange rate differences	553	248
Cash flow from operating activities before changes in working capital	**6,709**	**6,901**
Change in trade receivables (net of the provision)	(3,264)	(2,197)
Change in inventories	(2,581)	(2,679)
Change in other current assets	(465)	375
Change in trade payables	(2,490)	(124)
Change in provisions for risks and charges	7	174
Change in other current liabilities	535	(565)
Change in tax receivables/payables	1,790	504
Cash flow from operating activities after changes in working capital	**241**	**2,389**
Payment of taxes	(1,661)	(1,786)
Interest paid	(121)	(101)
Cash flow generated from operating activities (A)	**(1,541)**	**502**
Investments in intangible assets	(1,583)	(2,975)
Investments in property, plant and equipment	(1,453)	(1,551)
Investments in fixed financial assets	-	-
Changes generated from investing activities (B)	**(3,036)**	**(4,526)**
Financing activities		
Change in long-term financial receivables	-	-
Registering of short- and medium/long-term borrowings	-	12,750
Repayment of short- and medium/long-term borrowings	644	(2,605)
Changes in financial instruments	57	(15)
Lease instalments paid	(455)	(568)
Payment of dividends	(1,000)	(3,000)
Other changes in equity	(57)	177
Cash flow generated from/(absorbed by) financing activities (C)	**(811)**	**6,739**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(5,388)	2,715
Cash and cash equivalents at the beginning of the period	**20,476**	**12,813**
Cash and cash equivalents at the end of the period	**15,088**	**15,528**

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2013

GENERAL INFORMATION

The Company and the Group

Piquadro S.p.A. (hereinafter also referred to as "Piquadro", "the Company" or "the Parent Company") and its subsidiaries ("the Piquadro Group" or "the Group") design, produce and market leather goods - bags, suitcases and accessories - characterised by attention to design and functional and technical innovation.
As of today's date, the Company is owned by Marco Palmieri through Piqubo S.p.A, which is 100% owned. Piqubo S.p.A, in fact, holds 93.34% of the share capital of Piquadro Holding S.p.A, which in its turn holds, as at 31 December 2013, 68.37% of the share capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.
These consolidated condensed financial statements were approved by the Board of Directors on 11 February 2014.

Seasonality

The Piquadro Group operates in a seasonal market that is typical of the sector to which it belongs.
Historically, the Group's sales revenues achieved in the first nine months of the financial year (i.e. from April to December) about 72.0% (a percentage calculated on the basis of consolidated revenues of Euro 40,509 thousand as at 31 December 2012 compared to revenues of Euro 56,267 thousand as at 31 March 2013), with a consequent impact on margins.

Accordingly, it should be noted that, even if expressing the Group's economic and financial performance, the result as at 31 December 2013 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2014.

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

Accounting standards and policies

These consolidated condensed quarterly financial statements as at 31 December 2013 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 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 2013 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group's business and structure and of the accounting standards and criteria adopted.
The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.

The Accounting statements of the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2013.

The accounting standards and policies adopted in preparing the consolidated interim financial statements are the same as those used in preparing the consolidated financial statements of Piquadro S.p.A. ended 31 March 2013, to which reference is made for a description of the same.

June 2012 saw the issue of Regulation (EC) no. 475/2012, which adopted, at EU level, the revised version of IAS 19 (Employee benefits), which will be applicable effective from 1 April 2013 on a mandatory and retrospective basis, as required by IAS 8 (accounting policies, changes in accounting estimates and errors).

As required by this standard, the Parent Company applied said changes starting from the 2012/2013 consolidated financial statements. Specifically, IAS 19 revised provides for the recognition of changes in actuarial gains/losses ("re-measurements") for defined-benefit plans (e.g. the Staff Severance Pay [*Trattamento di Fine Rapporto* – TFR]) under other components in the statement of comprehensive income, thus eliminating any other options previously envisaged (including that adopted by the Piquadro Group, which recognised said components under personnel costs in the income statement). Any cost relating to work performance, as well as any interest expense relating to the time value component in actuarial calculations (reclassified under financial charges) remained in the income statement.
Below are the effects of the retrospective application of said changes:

- the reclassification for Euro 32 thousand from the reserve of "Undivided profit" to the reserve for "Employee benefits" (classified under Other reserves), against actuarial effects recognised before 31 March 2012;
- the reclassification of actuarial effects relating to the first nine months of 2012/2013, equal to Euro 6 thousand (including the related tax effect) from the profit for the period to the statement of comprehensive income.

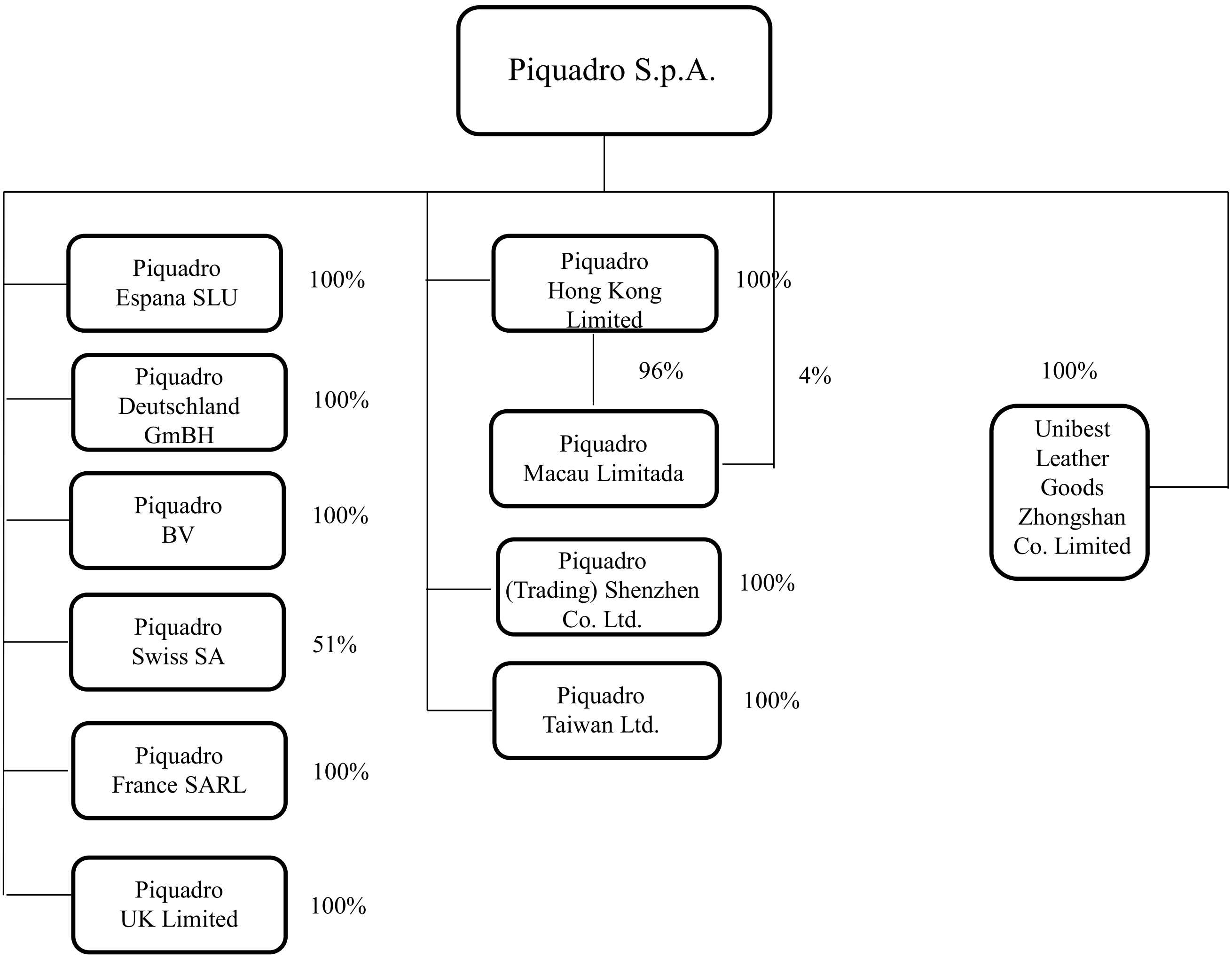
These consolidated interim financial statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the first nine months of the financial year ended 31 December 2013 are compared with the first nine months ended 31 December 2012. Financial data as at 31 December 2013 are compared with the corresponding values as at 31 March 2013 (relating to the last consolidated annual accounts).

For a better description, accounting data are reported in thousands of Euro in both the accounting statements and these Notes.
The reporting currency of these consolidated financial statements is the Euro, since this currency prevails in the economies of the countries where the Piquadro Group companies conduct their business.

Except as indicated above in the interim Report of operations and in the following notes to the financial statements, the management believes that no other significant non-recurring events or transactions occurred either in the first nine months ended 31 December 2013 or in the first nine months ended 31 December 2012, nor did any atypical or unusual transactions significantly affect the operating result.

The Group structure

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 31 December 2013:



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.

Scope of consolidation

The consolidated interim financial statements ended 31 December 2013 and 31 December 2012 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 2013, in the first nine months ended 31 December 2013, a new company, named Piquadro UK Limited, was included in the scope of consolidation. Piquadro UK Limited, with registered office in London, is the company that will manage the first directly-operated flagship store of the Group in London, the opening of which is expected in March 2014.

In the first nine months ended 31 December 2013 the subsidiary Piquadro BV was put into liquidation.

27 September 2013 saw the completion of the winding-up of the subsidiary Unibest Leather Goods Co. Limited.

The complete list of the companies included in the scope of consolidation as at 31 December 2013 and 31 December 2012, with the related shareholders' equity and share capital recognised according to Italian or foreign accounting standards (as the Group companies have prepared their interim financial statements according to the Italian or foreign regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the tables below:

Scope of consolidation as at 31 December 2013

Name	HQ	Country	Currency	Share Capital (local currency/000)	Shareholders' equity (Euro/000)	Control %
Piquadro S.p.A.	Gaggio Montano (BO)	Italy	Euro	1,000	31,755	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1,000	94	100%
Piquadro España Slu	Barcelona	Spain	Euro	898	744	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(37)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	9,891	(1,304)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	(28)	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	61	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,799	1,136	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	25,000	541	100%
Piquadro BV	Zoetermeer	Holland	EUR	300	303	100%
Piquadro France SARL	Paris	France	EUR	2,500	2,551	100%
Piquadro Swiss SA	Mendrisio	Switzerland	CHF	100	29	51%
Piquadro UK Limited	London	United Kingdom	GBP	-	830	100%

Scope of consolidation as at 31 December 2012

Name	HQ	Country	Currency	Share Capital (local currency/000)	Shareholders' equity (Euro/000)	Control %
Piquadro S.p.A.	Gaggio Montano (BO)	Italy	Euro	1,000	30,007	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1,000	94	100%
Piquadro España Slu	Barcelona	Spain	Euro	898	712	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(47)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	9,891	(577)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	(42)	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	82	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,799	1,072	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	25,000	524	100%
Piquadro Middle East Leather Products LLC*	Abu Dhabi	United Arab Emirates	AED	150	(924)	49%
Piquadro BV	Zoetermeer	Holland	EUR	300	310	100%
Piquadro France SARL	Paris	France	EUR	2,500	2,371	100%
Piquadro Swiss SA	Mendrisio	Switzerland	CHF	82	73	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.*

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

The financial statements expressed in a foreign currency other than the Euro are translated into Euro by applying the exchange rates applied below for the first nine months ended 31 December 2013 and 31 December 2012 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Hong Kong Dollar (HKD)	10.32	9.91	10.69	10.23
Renminbi (Yuan)	8.15	8.06	8.35	8.22
Arab Emirates Dirham (AED)	4.89	4.69	5.07	4.85
Taiwan Dollar (NTD)	39.59	37.71	41.14	38.33
Swiss franc (CHF)	1.23	1.20	1.23	1.21
Great Britain Pound (GBP)	0.85	-	0.83	-

Amendments to the accounting standards

Accounting standards, amendments and interpretations

Starting from 1 April 2013 the following amendments to accounting standards shall be applied, which have been issued by the IASB and adopted by the European Union:

- IFRS 1 (amendments) – "First-time Adoption of International Financial Reporting Standards (Regulation 1255/2012)". The amendments provide for simplifications for first-time adopters and for companies that could not have adopted the IFRS accounting standards as a result of hyperinflation.
  It is expected that the adoption of these amendments will not entail effects on the financial statements of the Group.

- IAS 1 (amendments) – "Presentation of financial statements (Regulation 475/2012)". The amendment, which was issued by the IASB on 16 June 2011, requires the aggregation of the elements of the Statement of comprehensive income into two categories, according to their nature, or that may be, in the future, reclassified or not reclassified to the income statement. The application is expected to be carried out on a retrospective basis.
  This amendment did not entail any effect on the valuation of the items of the financial statements.

- IAS 19 (amendments) – "Employee benefits (Regulation 475/2012)". These amendments, which were issued by the IASB on 16 June 2011, concern significant issues such as: the elimination of the option of the "corridor method" for the recognition of actuarial gains and losses; the presentation and recognition of changes in assets and liabilities related to employee benefit plans in the income statement and in the statement of comprehensive income; the strengthening of the disclosure requirements on the characteristics of benefit plans and the risks to which the entity is exposed. The amendments are applicable on a retrospective basis.

- IAS 32 (amendments) – "Financial Instruments: Presentation and amendments to IFRS 7 – Financial Instruments: Disclosures (Regulation 1256/2012)". The amendment, which was issued by the IASB on 16 December 2011, concerns the rules for the offsetting of financial assets and liabilities and the related disclosure obligations within specific financial instruments. As to IAS 32, the amendments are applicable retroactively starting from financial years that will commence on or after 1 January 2014. As to IFRS 7, the amendments will be applicable from 1 April 2013. The required information must be provided on a retrospective basis.

- IFRS 13 – "Fair Value Measurement (Regulation 1255/2012)". The amendment, which was issued by the IASB on 12 May 2011, defines the concept of fair value, provides guidance for its determination and introduces qualitative and quantitative disclosure common to all balance sheet items measured at fair value, in order to ensure greater consistency and to reduce complexity. The amendment was expected to be applied on a prospective basis and currently it has not entailed significant effects on the Group's financial statements.

- IFRIC 20 – "Stripping Costs in the Production Phase of a Surface Mine (Regulation 1255/2012)". The interpretation, which was published by the IASB on 19 October 2011, is applicable with prospective effect and is not applicable to the sector in which the Group operates; accordingly, it will not entail effects on the financial statements.

- IFRS 1 (amendments) – "First-time Adoption of International Financial Reporting Standards: Government Grants (Regulation 183/2013)". The amendment was issued by the IASB on 19 March 2011. With reference to the loans granted to the entity by a public institution, with a rate below the market rate, the amendment allows a first-time adopter to apply IAS 20 on a prospective basis, without changing the initial entry value of the payable itself if it had not been accounted for in accordance to IAS 39.

On 17 May 2012, the International Accounting Standards Board (IASB) issued "Improvements to International Financial Reporting Standards (2009 – 2011 Cycle)", which was subsequently adopted by the European Union by Regulation 301/2013. These improvements include amendments to the following existing international accounting standards:

- IFRS 1 (improvement) – "First Time Adoption of International Financial Reporting Standards: Repeated Application". The improvement clarifies that IFRS 1 must be re-applied in the event of a new transition to IFRS, if the entity had previously applied different accounting standards.

- IFRS 1 (improvement) – "First Time Adoption of International Financial Reporting Standards: Capitalized borrowing costs". The improvement clarifies that the entity, at the date of transition, may capitalise the borrowing costs in the value of an asset and IAS 23 shall be applied after the transition.

- IAS 1 (improvement) – "Presentation of Financial Statements: Comparative Information". The amendment clarifies that any additional comparative information must be submitted in accordance with IAS/IFRS. Furthermore, in the event of retrospective amendments, the entity must present a balance sheet at the beginning of the comparative period (the third balance sheet), without providing full information for this new scheme, but only for the items concerned.

- IAS 16 (improvement) – "Property, Plant & Equipment: Classification of servicing equipment". The amendment clarifies that the service equipment must be classified under Property, Plant and equipment if used for more than one financial years, under inventories if used for only one financial year.

- IAS 32 (improvement) – "Financial Instruments Presentation: Tax effects of distributions to holders of equity instruments and on transaction costs on equity instruments". The amendment clarifies that direct taxes relating to such cases must apply the requirements under IAS 12.

- IAS 34 (improvement) – "Interim Financial reporting: Total assets for a segment". The amendment clarifies that the total of the assets must be disclosed only if it is used by the Management and a change in the total amount occurred compared to the last annual financial statements for that segment.

No effects are expected on the Group's financial statements following the application of such amendments.

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 2014 the following accounting standards and amendments to accounting standards shall be applied obligatorily, as the EU endorsement process has also been completed for them:

- IFRS 10 – "Consolidated Financial Statements (Regulation 1254/2012)". The amendment, which was issued by the IASB on 12 May 2011, replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The new standard introduces a new definition of control, it clarifies the concept of *de facto* control (control with less than the majority of voting rights) and clarifies the link between control and agency relationship. The amendment is expected to be applied with retrospective effect. The Group is currently considering the potential effects on the consolidated financial statements arising from the adoption of such standard.

- IFRS 11 – "Joint arrangements (Regulation 1254/2012)". The amendment, which was issued by the IASB on 12 May 2011, replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". The new standard provides for the distinction between joint operation and joint ventures, focusing on the rights and obligations of participants rather than on the legal form of the agreement; furthermore, the consolidation on a proportional basis in case of joint ventures is abolished. The amendment is expected to be applied with retrospective effect. The Group is currently considering the potential effects on the consolidated financial statements arising from the adoption of such standard.

- IFRS 12 – "Disclosure of Interests in Other Entities (Regulation 1254/2012)". The amendment, which was issued by the IASB on 12 May 2011, is a newly introduced standard which must be applied when an entity has interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The amendment requires to disclosure information on judgments and significant assumptions carried out to determine the existence of the control, joint control or connection relationship. The Group is currently considering the potential effects on the consolidated financial statements arising from the adoption of such standard.

- IAS 27 (Revised) – "Separate Financial Statements (Regulation 1254/2012)". The standard was issued by the IASB on 12 May 2011 as a result of the issue of IFRS 10; the scope of application of IAS 27 is limited to separate financial statements only. The standard regulates the accounting treatment of investments in subsidiaries, associates and joint ventures in separate financial statements.

- IAS 28 (Revised) – "Investments in Associates and Joint Ventures (Regulation 1254/2012)". The standard, which was issued by the IASB on 12 May 2011, as a result of the issue of IFRS 10 and IFRS 11, regulates the accounting treatment of investments in associates and joint ventures and the criteria for the application of the equity method.

- IFRS 10, IFRS 11 and IFRS 12 (amendments) – "Transition guidance (Regulation 313/2013)". The amendment, which was issued by the IASB on 28 June 2012, clarifies the time of the first application of IFRS 10 and provides operational guidelines in the event that the application of IFRS 10 determines the entry or the exit of an entity from the scope of consolidation. The amendment also introduces simplifications concerning the initial application of IFRS 11 and IFRS 12.

Accounting standards being adopted by the European Union

The following updates of and amendments to the IFRS standards (as already approved by the IASB), as well as the following interpretations (as already approved by the IFRS IC) 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". The standard, the application of which has been postponed to 1 January 2015, falls within the scope of a large 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 and the management and accounting for hedging transactions.

- IFRS 10, IFRS 12 and IAS 27 (amendments) – "Investment Entities" – Amendments issued by the IASB on 31 October 2012. The document introduces the exemption for any entities that measure their investments at fair value (Investment entities) from the consolidation obligations laid down under IFRS 10, as the board has deemed it appropriate that, as regards these entities, the information arising from the measurement of investments at fair value is more significant that that arising from the consolidation of assets and liabilities. Furthermore, it is specified that an investment entity must not apply IFRS 3 at the time of the acquisition of control over an entity, but it must proceed with the measurement at fair value as required by IFRS 9 or by IAS 39. Finally, instructions are provided on the accounting treatment in the separate financial statements and on the type of information to be provided.

- IAS 36 (amendments) – "Recoverable Amount Disclosures for Non-Financial Assets". These amendments were issued by the IASB on 29 May 2013 and will be applicable, on a retrospective basis, starting from financial years that will commence on or after 1 January 2014. The document provides that the disclosure obligation relating to the recoverable value of assets or CGUs arises only in the cases when an impairment or a reversal of a previous write-down has been accounted for. It also provides clarifications as to the information to be provided in the case of impairment of an asset, when the recoverable value has been determined by using the fair value method, net of selling costs.

- IAS 39 (amendments) – Novation of derivatives and Continuation of Hedge Accounting. These amendments were issued by the IASB on 27 June 2013 and will be applicable, on a retrospective basis, starting from financial years that will commence on or after 1 January 2014, permitting an early adoption. The document specifies some exemptions from the hedge accounting requirements defined by IAS 39 in the case that an existing derivative must be replaced by a new derivative that has a central counterparty, either directly or indirectly, pursuant to law or regulations. Specifically, this document acknowledges that, if some specific conditions are fulfilled, the novation of a hedging derivative instrument shall not be considered as an expiry or termination of the instrument, generating the prospective discontinuation of hedge accounting.

- IFRIC 21 – Levies. This interpretation was issued by IFRS IC on 20 May 2013 and will be applicable, on a retroactive basis, starting from financial years that will commence on or after 1 January 2014. The interpretation was issued to identify the methods to account for levies, i.e. the payments to a government body for which the entity does not receive specific goods or services. The document identifies various types of levies and specifies the event that gives rise to the obligation, which in turn determines, pursuant to IAS 37, the recognition of a liability.

COMMENT ON THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 31 December 2013 the value of intangible assets was equal to Euro 4,957 thousand (Euro 3,951 thousand as at 31 March 2013).
Below is reported the statement of changes of this item:

(in thousands of Euro)	**31 December 2013**
Balance as at 31 March 2013	3,951
Investments	1,583
Sales and disposals	
Other changes	
Amortisation	(577)
Write-downs	
Total	**4,957**

Increases in intangible assets equal to Euro 1,583 thousand in the first nine months of the financial year ended 31 December 2013 mainly related to investments in software and IT products for Euro 69 thousand, to trademarks for Euro 19 thousand, and to the key money (Euro 1,495) paid for the opening of new points of sale in Venice (Euro 412 thousand), Florence (Euro 470 thousand), Forte dei Marmi (Euro 61 thousand) and London (Euro 552 thousand).

Note 2 - Property, plant and equipment

As at 31 December 2013, the value of property, plant and equipment was equal to Euro 12,894 thousand (Euro 12,684 thousand as at 31 March 2013) Below is reported the statement of changes of this item:

(in thousands of Euro)	**31 December 2013**
Balance as at 31 March 2013	12,684
Investments	1,453
Sales and disposals	-
Other changes	-
Depreciation	(1,196)
Write-downs	(47)
Total	**12,894**

On the contrary, increases in property, plant and equipment, equal to Euro 1,453 thousand in the first nine months of the financial year ended 31 December 2013, were mainly attributable to fittings purchased for new DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 1,285 thousand, to electric and electronic office machines for Euro 84 thousand, to the purchases of moulds relating to new products for Euro 77 thousand, to the purchase of equipment for Euro 3 thousand and to minor assets for Euro 4 thousand.

Below is reported the net book value as at 31 December 2013 of the assets used by the Group by virtue of finance lease agreements:

(in thousands of Euro)	**31 December 2013**
Land	878
Buildings	4,812
Plant and equipment	
Industrial and business equipment	210
Total	**5,900**

Note 3 – Receivables from others

Receivables from others, equal to Euro 779 thousand as at 31 December 2013 (compared to Euro 877 thousand as at 31 March 2013) relate to both guarantee deposits paid for various utilities, including those relating to the operation of Company-owned shops, and deposits relating to the lease of DOS.

Note 4 – Deferred tax assets

As at 31 December 2013, deferred tax assets amounted to Euro 1,525 thousand (Euro 1,424 thousand as at 31 March 2013). The balance is mainly made up of temporary fiscal differences relating to Piquadro S.p.A. for Euro 1,088 thousand (Euro 964 thousand as at 31 March 2013) referred to the IRES (*Imposta sul Reddito delle Società*, Corporate Income Tax) and IRAP (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) tax effect on taxed funds, in addition to adjustments made at the time of the preparation of the consolidated financial statements (including the reversal of the intercompany profit with an anticipated tax effect equal to Euro 392 thousand against about Euro 360 thousand as at 31 March 2013).

CURRENT ASSETS

Note 5 - Inventories

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

(in thousands of Euro)	**Gross value as at 31 December 2013**	**Provision for write-down**	**Net value as at 31 December 2013**	**Net value as at 31 March 2013**
Raw Materials	3,145	(151)	2,994	2,996
Semi-finished products	1,040		1,040	690
Finished products	13,063	(289)	12,774	10,541
Inventories	**17,248**	**(440)**	**16,808**	**14,227**

(in thousands of Euro)	**Provision as at 31 March 2013**	**Use**	**Allocation**	**Provision as at 31 December 2013**
Provision for write-down of raw materials	151	-		151
Provision for write-down of finished products	299	(99)	89	289
Total provision for write-down of inventories	**450**	**(99)**	**89**	**440**

As at 31 December 2013, inventories showed an increase compared to the corresponding values as at 31 March 2013. This increase is mainly attributable to seasonal trends, to the early production relating to the increased sales expected in the current financial year and to the increased number of shops opened in the course of the nine months.

Note 6 – Trade receivables

As at 31 December 2013, trade receivables were equal to Euro 24,434 thousand compared to Euro 21,517 thousand as at 31 March 2013. The increase over 31 March 2013 is mainly attributable to the seasonal trends in sales.

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 quarter under consideration are showed in the table below:

(in thousands of Euro)	**Provision as at 31 December 2013**	**Provision as at 31 March 2013**
Balance at the beginning of the period	1,377	1,230

Effect through P&L	347	417
Uses		(270)
Total Provision for bad debts	**1,724**	**1,377**

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**31 December 2013**	**31 March 2013**
Other assets	704	195
Accrued income and prepaid expenses	729	675
Other current assets	**1,433**	**870**

Nota 8 – Derivative assets

As at both 31 December 2013 and 31 March 2013, there were no assets relating to currency forward purchases - USD.

Note 9 – Tax receivables

As at 31 December 2013, tax receivables were equal to Euro 1,286 thousand (Euro 1,447 thousand as at 31 March 2013) and referred to the excess advances paid by the Parent Company for IRES (Euro 615 thousand) and IRAP (Euro 207 thousand) tax, with respect to the payable for current taxes for the period. The balance also includes "Receivable for IRES tax refund" (equal to Euro 270 thousand), relating to the refund of the IRES tax due following the deductibility of the IRAP tax relating to the cost of subordinate employment and employment treated as such referred to in Decree Law 201/2011 and Decree Law 16/2012 for the years 2007- 2011. This amount must be considered as a receivable due beyond 12 months.

(in thousands of Euro)	**31 December 2013**	**31 March 2013**
Receivables for income taxes	1,016	1,177
Receivable for IRES tax refund	270	270
Tax receivables	**1,286**	**1,447**

Note 10 – Cash and cash equivalents

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

(in thousands of Euro)	**31 December 2013**	**31 March 2013**
Available current bank accounts	14,981	20,374
Cash, cash on hand and cheques	107	102
Cash and cash equivalents	**15,088**	**20,476**

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 11 - TOTAL EQUITY

Share capital

As at 31 December 2013, 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 31 December 2013" of the Interim Report on Operations, during the first nine months of the financial year ended 31 December 2013, 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 S.p.A., 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	1,345,000
Options expired, as they were not exercised	87,500
Options in place as at 31 December 2013	162,500

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 31 December 2013 none of the 3,600,000 options granted against the new stock option plan had accrued.

In the first nine months of the financial year ended 31 December 2013, the abovementioned stock option plans entailed the recognition of a cost of Euro 54 thousand in the income statement.

Share premium reserve

This reserve, which has not undergone changes compared to the financial year ended 31 March 2013, was equal to Euro 1,000 thousand.

Translation reserve

As at 31 December 2013 the translation reserve was positive for Euro 65 thousand (while was positive for Euro 143 thousand as at 31 March 2013). This item is referred to the exchange rate differences due to the consolidation of the companies with a relevant currency other than the Euro, *i.e.* Uni Best Hong Kong Ltd, Piquadro Hong Kong and Piquadro Macau (the relevant currency being the Hong Kong Dollar) and Uni Best Leather Goods (Zhongshan) Co. Ltd and Piquadro Shenzhen (the relevant currency being the Chinese Renminbi), Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar), Piquadro Swiss (the relevant currency being the Swiss franc) and Piquadro UK Limited (the relevant currency being the Great Britain Pound).

Group net profit

This item relates to the recognition of the Group profit recorded, equal to Euro 2,567 thousand in the first nine months ended 31 December 2013.

Profit and reserves attributable to minority interests

The item refers to the portions of reserves and profit, equal to Euro 14 thousand (Euro 20 thousand as at 31 March 2013), which are attributable to the minority interests of Piquadro Swiss SA, which was established during the nine months ended 31 December 2012 and of which the Parent Company owns 51% of the share capital.

Note 12 – Borrowings

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

(in thousands of Euro)	**31 December 2013**	**31 March 2013**
Borrowings from 1 to 5 years	13,221	17,420
Borrowings beyond 5 years		-
Medium/long-term borrowings	**13,221**	**17,420**

As at 31 December 2013, borrowings mainly related to Piquadro S.p.A. and included:

- Euro 250 thousand relating to the unsecured loan granted by Carisbo S.p.A. on 28 February 2009 (against an initial amount of Euro 3,500 thousand), fully related to the current portion.
- Euro 1,080 thousand relating to the unsecured loan granted by Carisbo S.p.A. on 22 November 2010 (against an initial amount of Euro 2,700 thousand), of which a current portion of Euro 540 thousand and a non-current portion of Euro 540 thousand;
- Euro 3,514 thousand relating to the unsecured loan granted by UBI – Banca Popolare Commercio & Industria on 25 July 2012 (against an initial amount of Euro 5,000 thousand), of which a current portion of Euro 1,238 thousand and a non-current portion of Euro 2,276 thousand;
- Euro 2,288 thousand relating to the unsecured loan granted by Credem – Gruppo Emiliano on 5 October 2012 (against an initial amount of Euro 3,000 thousand), of which a current portion of Euro 737 thousand and a non-current portion of Euro 1,551 thousand;
- Euro 4,571 thousand relating to the unsecured loan granted by Unicredit on 31 October 2012 (against an initial amount of Euro 6,000 thousand), of which a current portion of Euro 1,475 thousand and a non-current portion of Euro 3,096 thousand;
- Euro 2,858 thousand relating to the unsecured loan granted by ICCREA – Banca Impresa S.p.A. on 11 December 2012 (against an initial amount of Euro 3,750 thousand), of which a current portion of Euro 922 thousand and a non-current portion of Euro 1,936 thousand;
- Euro 5,000 thousand relating to the unsecured loan granted by Mediocredito Italiano S.p.A. on 28 February 2013, of which a current portion of Euro 1,111 thousand and a non-current portion of Euro 3,889 thousand.

- Euro 164 thousand fully relating to the short-term portion and related to the Minority shareholders loan of the subsidiary Piquadro Swiss SA, which was entered into on 16 October 2012 for an initial amount of 196 thousand Swiss Francs.
- Euro 319 thousand fully relating to the short-term portion and related to the credit line of the subsidiary Piquadro Trading Shenzhen, which was entered into on 30 September 2013 for an initial amount of 4,150 thousand Chinese Yuan.

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	28 February 2009	3,500	Euro	250	-	-	-	250
Carisbo loan	22 November 2010	2,700	Euro	540	(1)	540	(1)	1,078
UBI loan	25 July 2012	5,000	Euro	1,238	(13)	2,276	(10)	3,491
Credem loan	5 October 2012	3,000	Euro	737	(4)	1,551	(3)	2,281
Unicredit loan	31 October 2012	6,000	Euro	1,475	(21)	3,096	(19)	4,531
ICCREA loan	11 December 2012	3,750	Euro	922	(9)	1,936	(8)	2,841
Mediocredito loan	28 February 2013	5,000	Euro	1,111	(23)	3,889	(26)	4,951
Currency loan - Unicredit	Piquadro Trading Shenzhen	4,150	CNY	319	-	-	-	319
Currency loan	Piquadro Swiss SA	197	CHF	164	-	-	-	164
				6,756	**(71)**	**13,288**	**(67)**	**19,906**

Note 13 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**31 December 2013**	**31 March 2013**
Non-current portion:		
Payables to leasing companies	2,753	3,180
Current portion:		
Payables to leasing companies	571	562
Payables to other lenders for lease agreements	**3,324**	**3,742**

As at 31 December 2013, payables to other lenders due beyond 12 months were equal to Euro 2,753 thousand and mainly related to payables to the lease agreement in relation to the plant and the land located in Sassuriano, Silla di Gaggio Montano BO (Euro 3,180 thousand as at 31 March 2013).

Note 14 – Provision for Employee Benefits

As at 31 December 2013, the value of the provision was equal to Euro 249 thousand (Euro 252 thousand as at 31 March 2013) 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 2013.

Note 15 – Provision for risks and charges

Below are the changes of provisions for risks and charges as at 31 December 2013:

(in thousands of Euro)	**Provision as at 31 March 2013**	Use	Allocation	**Provision as at 31 December 2013**
Provision for supplementary clientele indemnity	738	(70)	47	715
Other provisions for risks	331	(17)	10	324
Total	**1,069**	**87**	**57**	**1,039**

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 16 – Deferred tax liabilities

As at 31 December 2013, deferred tax liabilities amounted to Euro 102 thousand (Euro 196 thousand as at 31 March 2013), fully referable to the Parent Company.

CURRENT LIABILITIES

Note 17 – Borrowings

As at 31 December 2013, borrowings were equal to Euro 13,036 thousand compared to Euro 7,796 thousand as at 31 March 2013; for the breakdown, reference is made to Note 12. The balance related to a current portion of payables to banks for loans for Euro 6,685 thousand and payables to banks for credit lines for Euro 6,351 thousand.

Note 18 - Payables to other lenders for lease agreements

As at 31 December 2013 they were equal to Euro 571 thousand (Euro 562 thousand as at 31 March 2013) and related to the current portion of payables to leasing companies relating to the finance lease agreements of hardware and software, and of the property of the operational headquarters of the Parent Company.

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:

(in thousands of Euro)	**31 December 2013**	**31 March 2013**	**31 December 2012**
(A) Cash	107	102	69
(B) Other cash and cash equivalents (available current bank accounts)	14,981	20,374	15,459
(C) Liquidity (A) + (B)	**15,088**	**20,476**	**15,528**
(D) Finance leases	(571)	(562)	(561)
(E) Current bank debt	(6,351)	(1,000)	(4,098)
(F) Current portion of non-current debt	(6,685)	(6,796)	(6,296)
(G) Current financial debt (D) + (E) + (F)	**(13,607)**	**(8,358)**	**(10,955)**
(H) Short-term net financial position (C) + (G)	**1,481**	**12,118**	**4,573**
(I) Non-current bank debt	(13,221)	(17,420)	(14,471)
(L) Finance leases	(2,753)	(3,180)	(3,340)
(M) Non-current financial debt (I) + (L)	**(15,974)**	**(20,600)**	**(17,811)**
(N) Net financial debt (H) + (M)	**(14,493)**	**(8,482)**	**(13,238)**

As at 31 December 2013, the consolidated net financial position was negative for about Euro 14.5 million.

The main reasons for the trend in the Net Financial Position, compared to 31 March 2013, are attributable to the following factors:

- the distribution of a dividend of Euro 1 million that took place in August 2013;
- investments in property, plant and equipment and intangible assets of Euro 3.0 million;
- an increase in working capital of about Euro 6.2 million which was mostly due to the different seasonality trends.

The consolidated net financial position at 31 December 2013, compared to the value recorded at 31 December 2012, showed an increase of about Euro 1.3 million, mainly as a result of the increase in the working capital due to the Group's growth.

Note 19 – Derivative liabilities

As at 31 December 2013 there were liabilities relating to currency forward purchases (USD), equal to Euro 57 thousand (at 31 March 2013 there were no liabilities measured at fair value), while there were no assets relating to the hedging of financial instruments.
The Parent Company hedges the exchange risk connected to purchases of raw materials in US dollars and for contract work done in China. In consideration for this risk, the Parent Company makes use of instruments to hedge the risk attached to the related rate, trying to fix and crystallise the exchange rate at a level that is in line with the budget forecast. As a whole, the derivative financial instruments have met all the conditions laid down for hedge accounting, accounting for at fair value again an entry in the Income Statement.

Note 20 – Trade payables

Below is the breakdown of current trade liabilities:

(in thousands of euro)	**31 December 2013**	**31 March 2013**
Payables to suppliers	12,540	15,030

As at 31 December 2013 payables to suppliers, which were fully trade payables, amounted to Euro 12,540 thousand compared to Euro 15,030 thousand as at 31 March 2013.

Note 21 – Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	**31 December 2013**	**31 March 2013**
Payables to social security institutions	727	338
Payables to pension funds	34	24
Other payables	514	454
Payables to employees	736	554
Advances from customers	60	42
Accrued expenses and deferred income	-	197
Payables for VAT	630	815
IRPEF* tax payables and other tax payables	529	271
Other current liabilities	**3,230**	**2,695**

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

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees as at 31 December 2013, equal to Euro 736 thousand (Euro 554 thousand as at 31 March 2013) mainly included the Group's payables for remunerations to be paid and deferred charges with respect to employees.

Note 22 – Tax payables

Below is the breakdown of tax payables:

(in thousands of Euro)	**31 December 2013**	**31 March 2013**
IRES tax (income taxes)	1,214	-
IRAP	413	-
Tax payables	**1,627**	**-**

Current income tax liabilities for IRES and IRAP tax relate to the allocation of taxes on an accruals basis on the income produced in the period.
At 31 March 2013 there were only tax receivables (for advances paid) and there were no payables.

COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Note 23 – Revenues from sales

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

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

(in thousands of Euro)	**31 December 2013**	**31 December 2012**
Italy	32,062	29,501
Europe	9,697	7,760
Rest of the world	3,568	3,248
Revenues from sales	**45,327**	**40,509**

In the first nine months ended 31 December 2013, revenues from sales were equal to Euro 45,327 thousand compared to the corresponding revenues realised in the nine months ended 31 December 2012 (+11.9%).

Note 24 – Other income

In the first nine months ended 31 December 2013, other income amounted to Euro 634 thousand (Euro 612 thousand as at 31 December 2012). Other revenues are mainly attributable to the Parent Company and mainly include revenues for charging back Corner shops for Euro 58 thousand and charging back customers for transport costs and collection for Euro 113 thousand.

Note 25 – Change in inventories

The change in inventories was positive in both the nine months ended 31 December 2013 (Euro 2,877 thousand) and the nine months ended 31 December 2012 (Euro 2,649 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 first nine months of the financial year.

Note 26 - 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 first nine months of the financial year ended 31 December 2013, costs for purchases were equal to Euro 8,706 thousand (Euro 9,461 thousand in the nine months of the financial year ended 31 December 2012).

Note 27 - Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**31 December 2013**	**31 December 2012**
External production	6,808	4,694
Advertising and marketing	2,425	1,861
Transport services	2,752	2,462
Business services	1,663	1,597
Administrative services	1,194	1,179
General services	1,163	965
Services for production	1,286	1,062
Others		-
Total Costs for services	**17,291**	**13,820**
Costs for leases and rentals	**5,291**	**4,377**
Costs for services and leases and rentals	**22,582**	**18,197**

Costs for leases and rentals mainly relate to lease rentals relating to the shops of the Parent Company and of the Group companies that are responsible for the distribution of products, and significantly increased as a result of the new openings of DOS.

Note 28 - Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	**31 December 2013**	**31 December 2012 Restated**
Wages and salaries	8,705	7,656
Social security contributions	1,554	1,188
TFR	333	309
Personnel costs	**10,592**	**9,153**

As previously commented on in the section "Accounting standards and policies", the Parent Company has applied the IAS 19 revised on a retrospective basis; this entailed the recalculation of the income statement values of the comparative nine months.

The table below reports the exact number by category of employees as at 31 December 2013, 31 December 2012 and 31 March 2013:

Category	**31 December 2013**	**31 December 2012**	**31 March 2013**
Executives	5	8	8
Office workers	350	300	273
Manual workers	426	418	412
Total	**781**	**726**	**693**

The number of employees as at 31 December 2013 increased by 55 units compared to the number of employees recorded as at 31 December 2012, mainly as a result of the opening of new DOS shops.
In the first nine months of the financial year ended 31 December 2013, however, personnel costs reported an increase of 15.7%, passing from Euro 9,153 thousand in the first nine months of the financial year ended 31 December 2012 to Euro 10,592 thousand in the first nine months of the financial year ended 31 December 2013.
The increase in personnel costs is mainly due to the increase in staff employed by the Parent Company, mainly for the opening of new points of sales and to the increase in the labour cost of the Chinese subsidiary Unibest Zhongshan.

To supplement the information provided, below is also reported the average number of employees for the nine months ended 31 December 2013 and 31 December 2012:

Average unit	**31 December 2013**	**31 December 2012**
Executives	6	8
Office workers	310	286
Manual workers	438	439
Total for the Group	**754**	**733**

Note 29 - Amortisation, depreciation and write-downs

As at 31 December 2013, the Group's amortisation and depreciation and write-downs were equal to Euro 1,773 thousand and Euro 47 thousand, respectively.
Depreciation of property, plant and equipment, equal to Euro 1,196 thousand, relate to the depreciation of the building where the Company operates for Euro 147 thousand, to the depreciation of plant and equipment for Euro 59 thousand, to the depreciation of business equipment and fittings for shops equal to Euro 979 thousand and to the depreciation of other assets for Euro 11 thousand.
Amortisation of intangible assets is equal to Euro 577 thousand and relates to the amortization of software equal to Euro 176 thousand, to the amortization for the patent rights equal to Euro 3 thousand, to the amortization for the key money paid for the opening of new shops for Euro 355 thousand and to the amortization of concessions, licenses

and trademarks for Euro 43 thousand.
Write-downs, equal to Euro 47 thousand, relate to furniture and fittings concerning the closure of some shops operating in Italy and in the Far East area.

Note 30 - Financial income

In the first nine months of the financial year ended 31 December 2013, financial income was equal to Euro 397 thousand (Euro 467 thousand as at 31 December 2012) and mainly related to Euro 156 thousand of interest receivable on current accounts mainly held by the Parent Company and to Euro 241 thousand of foreign exchange gains either realised or estimated.

Note 31 - Financial charges

Below is reported the breakdown of financial charges:

(in thousands of Euro)	**31 December 2013**	**31 December 2012 Restated**
Interest payables on current accounts	33	25
Interest and expenses subject to final payment	15	22
Financial charges on loans	398	95
Lease charges	37	54
Other charges	117	175
Net financial charges on defined-benefit plans	5	11
Foreign exchange losses (both realised and estimated)	345	333
Financial charges	**950**	**715**

Nota 32 - Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	**31 December 2013**	**31 December 2012 Restated**
IRES tax	1,248	1,438
IRAP tax	413	350
Total current taxes	**1,661**	**1,788**

Current taxes mainly relate to the tax burden calculated on the Parent Company's taxable income, as the majority of the subsidiaries closed the period as at 31 December 2013 with non-significant taxable income.

(in thousands of Euro)	**31 December 2013**	**31 December 2012**
Deferred tax liabilities	(96)	-
Deferred tax assets	(137)	(246)
Total deferred tax assets and liabilities	**(233)**	**(246)**

Note 33 - Earnings per share

As at 31 December 2013 diluted earnings per share amounted to Euro 0.04775 (basic earnings per share amounted to Euro 0.05134 as at 31 December 2013 and Euro 0.05724 as at 31 December 2012); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 2,567 thousand, divided by the weighted average number of ordinary shares outstanding in the quarter, equal to 53,762,500 shares, including potential shares relating to the stock option plan resolved and granted on 31 January 2008. As at 31 December 2012, diluted earnings per share were equal to Euro 0.05525.

	31 December 2013	**31 December 2012**
Group net profit (in thousands of Euro)	2,567	2,862
Average number of outstanding ordinary shares (in	53,763	51,797

thousands of shares)		
Diluted earnings per share (in Euro)	**0.04775**	**0.05525**
Group net profit (in thousands of Euro)	2,567	2,862
Average number of outstanding ordinary shares	50,000	50,000
Basic earnings per share (in Euro)	**0.05134**	**0.05724**

OTHER INFORMATION

a) Segment reporting

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

The distribution channels selected as those being presented are the following ones:
- DOS channel;
- Wholesale channel

In fact, the Group distributes its products through two distribution channels:
- a direct channel, which as at 31 December 2013 included no. 57 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOS");
- an indirect channel ("Wholesale"), which is represented by 44 multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements and distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 31 December 2013, approximately 35.9% of the Group's consolidated revenues was realised through the direct channel, while 64.1% of consolidated revenues was realised through the indirect channel.
The table below illustrates the segment data of the Piquadro Group broken down by sales channel (DOS and Wholesale), in relation to the nine months ended 31 December 2013 and 31 December 2012, respectively.
Segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation". DOS channel's performance in the first nine months ended 31 December 2013, compared to the results recorded as at 31 December 2012, shows that margins are decreasing, the following factors having impacts:
- *Same Store Sales Growth* (SSSG) assuming constant exchange rates and perimeter, reported in the period equal to 1.7%;
- new shops opened with performance not yet in line with the management's expectations and with the Company's benchmark.

The performance of the wholesale channel in the nine months ended 31 December 2013, compared with the results recorded as at 31 December 2012, shows a decrease in margins in percentage terms mainly due to higher structure costs incurred for business operations and to higher marketing costs.

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

(*in thousands of Euro*)	**31 December 2013**				**31 December 2012**				
	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	**16,264**	**29,063**	**45,327**	**100%**	**13,920**	**26,589**	**40,509**	**100%**	**(11.9%)**
Segment result before amortisation and depreciation	934	5,427	6,361	14.0%	1,239	5,312	6,551	16.2%	(2.9%)
Amortisation and depreciation			(1,819)	4.0%			(1,899)	(4.7%)	(4.2%)
Financial income and charges			(553)	(1.2%)			(248)	(0.6%)	
Pre-tax result			**3,989**	**8.8%**			**4,404**	**10.9%**	**(9.4%)**
Income taxes			(1,428)	(3.2%)			(1,542)	(3.8%)	(7.4%)
Profit for the first nine months			**2,561**	**5.7%**			**2,862**	**7.1%**	**(10.5%)**
Result attributable to minority interests			0	0			0	0	
Group net profit			**2,561**	**5.7%**			**2,862**	**7.1%**	**(10.5%)**

b) Commitments

As at 31 December 2013, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2013/2014 financial year.

c) 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 Trading –Shenzhen- Ltd., Piquadro Taiwan Co. Ltd., Piquadro France Sarl, Piquadro Swiss (SA) and Piquadro UK Limited), or production (Uni Best Leather Goods Zhongsanhg Co. Ltd.).
The relations with Group companies are mainly commercial and are regulated at arm's length. There are also financial relations (inter-group loans) between the Parent Company and some subsidiaries, conducted at arm's length.
The Directors report that, in addition to Piquadro Holding S.p.A., Piqubo S.p.A. and Fondazione Famiglia Palmieri, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

In the first nine months of the 2013/2014 financial year Piqubo S.p.A., the ultimate parent company, charged Piquadro S.p.A. the rent 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 at arm's length 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..

The table below reports the breakdown of the economic and financial relations with these related companies in the first nine months of the 2013/2014 and 2012/2013 financial years:

(in thousands of euro)	Receivables		Payables	
	31 December 2013	**31 March 2013**	**31 December 2013**	**31 March 2013**
Financial relations with Piqubo S.p.A.	-	-	-	-
Financial relations with Piquadro Holding S.p.A.	-	-	-	
Financial relations with con Fondazione Famiglia Palmieri	-	-	-	-
Total Receivables from and Payables to controlling companies	**-**	**-**	**-**	**-**

(in thousands of euro)	Revenues		Costs	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Economic relations with Piqubo S.p.A. (rents)	-	-	24	23
Economic relations with Piquadro Holding S.p.A.	-	-	187	120
Economic relations with Fondazione Famiglia Palmieri	-	-		-
Total Receivables from and Payables to controlling companies	**-**	**-**	**211**	**143**

In the first nine months of the 2013/2014 and 2012/2013 financial years, no economic transactions occurred with the Fondazione Famiglia Palmieri.

Furthermore, below are reported the following relations with Piquadro Holding S.p.A.:

- during the first nine months of the 2013/2014 financial year, Piquadro S.p.A. distributed dividends of Euro 683,724, relating to the profit for the 2012/2013 financial year, to the majority shareholder Piquadro Holding S.p.A.;
- during the first nine months of the 2012/2013 financial year, Piquadro S.p.A. distributed dividends of Euro 2,051,172, relating to the profit for the 2011/2012 financial year, to the majority shareholder Piquadro Holding S.p.A..

d) Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors, in relation to the first nine months of the 2013/2014 financial year, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any executives with strategic responsibilities (as at 31 December 2013, Directors had not identified executives with strategic responsibilities):

First and last Name	**Position held**	**Period in which the position was held**	**Term of office**	**Fees due for the position**	**Non-monetary benefits**	**Bonuses and other incentives**	**Other fees**	**Total**
Marco Palmieri	Chairman and CEO	01/04/13-31/12/13	2016	300	5	-	-	305
PierpaoloPalmieri	Managing director	01/04/13-31/12/13	2016	150	3	-	-	153
Marcello Piccioli	Managing director	01/04/13-31/12/13	2016	135	2	-	3	140
Roberto Trotta	Managing director	01/04/13-31/12/13	2016		2	-	104	106
Gianni Lorenzoni	Director	01/04/13-	2016	16.5	-	-	-	16.5

		31/12/13						
Roberto Tunioli	Director	01/04/13-26/07/13	2013	7.9	-	-	-	7.9
Sergio Marchese	Director	01/04/13-26/07/13	2013	2.5	-	-	-	2.5
Paola Bonomo	Director	26/07/13-31/12/13	2016	8.6	-	-	-	8.6
Anna Gatti	Director	26/07/13-31/12/13	2016	8.6	-	-	-	8.6
				629.1	**12**	**-**	**107**	**748.1**

e) Events after the period end

In addition to the above, no significant events are reported which occurred at Group level from 1 January 2014 to the date of this Report.

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

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