INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP
AS AT 30 JUNE 2013

TABLE OF CONTENTS

* *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

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 (Spain) - 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) – "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
Fidenza (PR) - "Fidenza Village" (Piquadro S.p.A.)	*Retail outlet*
Rome – Centro Commerciale Cinecittà (Piquadro S.p.A.)	*Point of sale*
Rome - Galleria N. Commerciale di "Porta Roma"(Piquadro S.p.A.)	*Point of sale*
Macau - Venetian Mall (Piquadro Macau Limitada)	*Point of sale*
Vicolungo (NO) - Parco Commerciale (Piquadro S.p.A.)	*Retail outlet*
Rome - Euroma 2 (Piquadro S.p.A.)	*Point of sale*
Valdichiana (AR) - "Valdichiana Outlet Village" (Piquadro S.p.A.)	*Retail outlet*
Noventa di Piave (VE) - "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 (Spain) - "La Roca Village" (Piquadro España)	*Retail outlet*
Shanghai (China) - Shanghai Int. Golden Eagle Square (Piquadro Shenzhen)	*Point of sale*
Taipei (Taiwan) Eslite Dun Nan (Piquadro Taiwan)	*Point of sale*
Taipei (Taiwan) Xin Yin Shop (Piquadro Taiwan)	*Point of sale*
Hong Kong - Kowloon – I Square Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
Marcianise (CE) - c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
Hong Kong - Sogo Causeway Bay (Piquadro Hong Kong Ltd)	*Point of sale*
Agira (EN) - Sicilia Fashion Outlet Centre (Piquadro S.p.A.)	*Retail outlet*
Rome - Fiumicino Airport - Terminal 3 (Piquadro S.p.A.)	*Point of sale*
Rimini - Shopping Mall "Le Befane" (Piquadro S.p.A.)	*Point of sale*
Hong Kong – Elements Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
Hong Kong - Times Square Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
Milan – Corso Buenos Aires 10 (Piquadro S.p.A.)	*Point of sale*
Hong Kong – Queen's Road Central 57 (Piquadro Hong Kong Ltd)	*Point of sale*
Roermond (Netherlands) – Outlet Centre (Piquadro BV)	*Retail outlet*
Kaohsiung City (Taiwan) - Shopping Mall "Dream Mall" (Piquadro Taiwan)	*Point of sale*
Shanghai (China) – Jiu Guang Dept. Store (Piquadro Shenzhen)	*Point of sale*
Suzhou (China) – Jiu Guang Dept. Store (Piquadro Shenzhen)	*Point of sale*
Assago (MI) – Shopping Mall "Milanofiori" (Piquadro S.p.A.)	*Point of sale*
Pescara – Via Trento 10 (Piquadro S.p.A.)	*Point of sale*
Mantova – Shopping Mall "Fashion District" (Piquadro S.p.A.)	*Retail outlet*
Taipei (Taiwan) - Sogo Zhongxiao Shop (Piquadro Taiwan)	*Point of sale*

Rozzano (MI) – Shopping Mall "Fiordaliso" (Piquadro S.p.A.)	*Point of sale*
Rome – Via Frattina 149 (Piquadro S.p.A.)	*Point of sale*
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 - Tulipano Area (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) – "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
Venice – Mercerie del Capitello 4940 (Piquadro S.p.A.)	*Point of sale*

REPORT ON OPERATIONS
AS AT 30 JUNE 2013

PIQUADRO

Introduction

The quarterly report as at 30 June 2013 (Consolidated interim quarterly financial statements pursuant to article 154-*ter* of Legislative Decree no. 58/1998) was prepared in compliance with the mentioned Legislative Decree, as amended, as well as with the Issuers' Regulation issued by Consob.
This Report on Operations (or the "Report") relates to the consolidated and separate financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company" or the "Parent Company") and its subsidiaries ("Piquadro Group" or the "Group") as at 30 June 2013, as 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 Report must be read together with the Financial Statements and the related Notes, which make up the consolidated interim quarterly financial statements relating to the period 1 April 2013 – 30 June 2013.

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

CORPORATE BODIES HOLDING OFFICE AT 30 JUNE 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 2013)

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

INTERNAL AUDIT AND REMUNERATION COMMITTEE

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

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

- **LEAD INDEPENDENT DIRECTOR**

Gianni Lorenzoni

- **BOARD OF STATUTORY AUDITORS**

(holding office for three years until the approval of the financial statements as at 31 March 2013)

Regular members

Pietro Michele Villa	*Chairman*
Alessandro Galli	
Vittorio Melchionda	

Substitute members

Matteo Rossi
Giacomo Passaniti

INDEPENDENT AUDITORS

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

PricewaterhouseCoopers S.p.A.

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

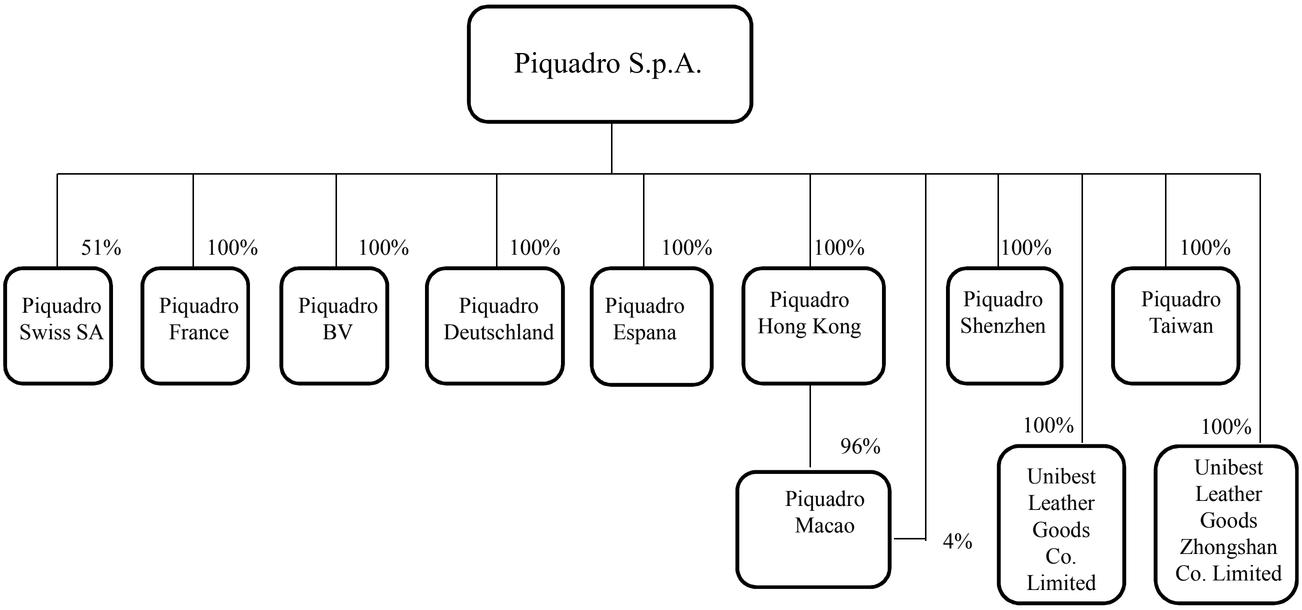
Roberto Trotta

- **SUPERVISORY BOARD**

Mario Panzeri

THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 30 June 2013:



INFORMATION ON OPERATIONS

Significant events for the three months ended 30 June 2013

On 14 June 2013 the Board of Directors of Piquadro S.p.A. approved the separate and 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. In the quarter under consideration, the Company opened the Venice shop and the retail outlet in Castel Romano (RM) and signed the contracts relating to the shops of Florence, Forte dei Marmi (LU) and Turin, which are expected to be opened in the course of the second quarter.

The Group's business

Operations

In the first three months of the 2013/2014 financial year ended 30 June 2013, the Group reported an improved performance compared to the same period in the 2012/2013 financial year.
The Piquadro Group reported net sales revenues equal to Euro 12,293 thousand compared to Euro 11,331 thousand reported in the corresponding period in the 2012/2013 financial year (+8.5%). In the first three months of the 2013/2014 financial year, sales volumes, in terms of quantities sold in the relevant period, showed a decrease of about 2.0% compared to the same period in the 2012/2013.

As at 30 June 2013 the Piquadro Group reported, in terms of profitability, EBITDA[1] equal to Euro 1,761 thousand (with the net sales revenues accounting for 14.3%), showing a slight decrease by 1.2% compared to the value recorded in the same period of the 2012/2013 financial year (Euro 1,783 thousand, equal to 15.7% of net sales revenues).

The Group's EBIT[2] came to about Euro 1,208 thousand (9.8% of net sales revenues), down by 8.7% compared to 30 June 2012 (Euro 1,323 thousand, equal to 11.7% 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.

As at 30 June 2013 the Group net profit was equal to Euro 709 thousand, down by 20.2% compared to 30 June 2012 (net profit equal to Euro 888 thousand).

Net sales revenues

As at 30 June 2013 the Piquadro Group recorded net sales revenues equal to about Euro 12,293 thousand, an increase of 8.5% compared to 30 June 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 which, as at 30 June 2013, included 51 directly operated single-brand stores (the so-called "Directly Operated Stores" or "DOS");
ii) an indirect channel (Wholesale), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements (44 shops as at 30 June 2013) and by distributors who then resell the articles in specialist multi-brand shops.

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

Sales channel *(In thousands of Euro)*	**Net revenues as at 30 June 2013**	**%**	**Net revenues as at 30 June 2012**	**%**	**% change 2013/2012**
DOS	4,232	34.4%	3,670	32.4%	15.3%
Wholesale	8,061	65.6%	7,661	67.6%	5.2%
Total	**12,293**	**100.0%**	**11,331**	**100.0%**	**8.5%**

The revenues reported by the DOS channel showed an increase of about 15.3% compared to the same period in the 2012/2013 year; this increase was determined both by the increase in the quantities sold in the already existing shops, where this occurred, also in the first three months ended 30 June 2012 ("comparable shops") and by the contribution given by the opening of 12 new shops that were not present as at 30 June 2012 and that are listed below (note, on the other hand, that 10 shops were closed, which were present in the first three months ended 30 June 2012: 2 in Hong Kong, 4 in China, 1 in Spain, 1 in Germany, 1 in Italy and 1 in Taiwan).

Month of opening	**Location**	**Channel**
September 2012	Taipei (Taiwan) - Sogo Zhongxiao Shop	DOS
September 2012	Rome – Via Frattina 149	DOS
September 2012	Rozzano (MI) – Shopping Mall "Fiordaliso"	DOS
October 2012	Mendrisio (Switzerland) – Fox Town Outlet Centre	DOS Outlet Store
November 2012	Barcelona (Spain) – El Corte Ingles, Placa Catalunya 14	DOS
November 2012	Taipei (Taiwan) – Eslite Xin Ban Store	DOS
November 2012	Verona – Piazza delle Erbe 10	DOS
December 2012	Milan - Malpensa Airport - Terminal 1 - Tulipano Area	DOS
February 2013	Paris (France) – Rue Saint Honorè 330/332	DOS
April 2013	Chongqing (China) – Chongqing Time Square	DOS
April 2013	Castelromano (RM) – "Factory Outlet Centre"	DOS Outlet Store
May 2013	Venice – Mercerie del Capitello 4940	DOS

Assuming that the perimeter remained unchanged and then deducted the sales recorded by the shops which were not yet opened as at 1 April 2012, the performance of sales revenues reported by the DOS channel was equal to about 4.6%.
The Same Store Sales Growth (SSSG) (assuming an equal number of days of opening and constant rates of exchange) reported a positive change equal to 5.2% in the three months under consideration. Despite the continuing economic and financial crisis, the SSSG reported in the quarter was positive also in Italy, equal to about 3.2% assuming an equal number of days of opening.
Sales reported by the Wholesale channel, which as at 30 June 2013 represented 65.6% of the Group's total turnover, showed an increase of 5.2%, also by reason of the opening of 4 additional franchise shops, of which 1 in Italy, 1 in Spain, 1 in Romania and 1 in Switzerland.

Breakdown of revenues by geographical area

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

Geographical area *(in thousands of Euro)*	**Net revenues as at 30 June 2013**	**%**	**Net revenues as at 30 June 2012**	**%**	**% change 2013/2012**
Italy	8,720	70.9%	7,966	64.8%	9.5%
Europe	2,564	20.9%	2,228	18.1%	15.1%
Rest of the world	1,009	8.2%	1,137	9.2%	(11.3%)
Total	**12,293**	**100.0%**	**11,331**	**100.0%**	**8.5%**

As at 30 June 2013, the Group's revenues showed that the Italian market, which still accounts for a high percentage of the Group's total turnover (equal to about 70.9%), recorded an increase equal to about 9.5% compared to the same period in the 2012/2013 financial year, also benefitting from the opening, compared to the same period in 2012/2013, of 6 new DOS and of 1 franchise shop.

The Group operates through the two DOS and Wholesale sales channels in 25 European Countries. Within the European market, the Group achieved a turnover equal to Euro 2,564 thousand, equal to about 20.9% of consolidated sales, up by 15.1% compared to the same period in the year 2012/2013. In the European region, the Group was also able to benefit from the opening of 3 new DOS and of 3 new franchise shops.
In the non-European geographical area (named "Rest of the world"), where the Group sells in 9 Countries, turnover decreased by 11.3%, as a result of the closing of 7 DOS (2 shops in Hong Kong, 4 shops in China and 1 in Taiwan). The revenues generated in this geographical area, in absolute terms, are not yet able to significantly affect the total turnover.

In the first three months of the financial year ended 30 June 2013, the Group reported a reduction of 1.2% in EBITDA compared to the same figure posted as at 30 June 2012 and in the operating result, which also decreased by around 8.7% (from Euro 1,323 thousand – equal to about 11.7% of total sales revenues - in the first three months of the financial year ended 30 June 2012 to Euro 1,208 thousand in the first three months of the financial year ended 30 June 2013 - equal to about 9.8% of total sales revenues).

In the opinion of the Management, the relative decrease in the operating result, despite the increase reported in sales both in the Wolesale 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).

Summary economic-financial data

Below are reported the Group's main economic-financial indicators as at 30 June 2013 and 30 June 2012:

(In thousands of Euro)	**30 June 2013**	**30 June 2012 Restated**
Revenues from sales	12,293	11,331
EBITDA *(a)*	1,761	1,783
EBIT *(b)*	1,208	1,323
Pre-tax result	1,152	1,368
Net Financial Position *(c)*	11,048	8,030
Group's profit for the period	709	888
Amortisation and depreciation of fixed assets and write-down of receivables	608	510
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	1,317	1,398

a) EBITDA (which is the acronym of 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.

b) Operating Result (EBIT – Earnings Before Interest and Taxes) is the Earnings for the period before financial income and charges and income taxes.

c) 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.

Starting from the Interim Financial Report as at 30 June 2013, the Piquadro Group applied, on a mandatory and retrospective basis, the revised version of IAS 19 – Employee benefits, in relation to the financial statements of the financial years that commenced from 1 April 2013; therefore, the 2012/2013 comparative data were re-determined consistently. The effects of the retrospective application of said changes entailed the failure to recognize an actuarial loss, reported for an amount of Euro 6 thousand in the income statement of the first quarter 2013/2014, with an increase in the net profit for the abovementioned period, including the related tax effect of Euro 2 thousand.

EBITDA for the period came to Euro 1,761 thousand, against Euro 1,783 thousand recorded in the same period ended 30 June 2012 and as at 30 June 2013 it accounted for 14.3% of consolidated revenues (against 15.7% recorded as at 30 June 2012).

As at 30 June 2013, the Group's amortisation and depreciation were equal to Euro 554 thousand and related to property, plant and equipment for Euro 382 thousand (depreciation of the building where the Parent Company operates for Euro 49 thousand; depreciation of business equipment, including automated warehouse and fittings for shops, for Euro 310 thousand; depreciation of general systems for Euro 23 thousand), intangible assets for Euro 172 thousand (of which Euro 58 thousand for software, Euro 98 thousand for key money, Euro 15 thousand for trademarks and Euro 1 thousand for rights and patents).

As at 30 June 2013 EBIT came to Euro 1,208 thousand, equal to about 9.8% of net sales revenues, down by 8.7% compared to the value recorded as at 30 June 2012 (for a percentage equal to 11.7%).

The result from financial operations as at 30 June 2013, which was negative for a value equal to Euro 56 thousand, was attributable to the net financial debt dynamics, in addition to the differential between foreign exchange gains and losses.

The pre-tax result recorded by the Group as at 30 June 2013 came to Euro 709 thousand and was affected by income taxes, including the effects of deferred taxation, equal to Euro 443 thousand.

Investments

Investments in intangible assets, property, plant and equipment and financial assets in the three months ended 30 June 2013 were equal to Euro 1,332 thousand (Euro 504 thousand as at 30 June 2012), as reported below:

(in thousands of Euro)	**30 June 2013**	**30 June 2012**
Investments		
Intangible assets	945	81
Property, plant and equipment	387	423
Financial fixed assets	-	-
Total	**1,332**	**504**

Increases in intangible assets, equal to Euro 945 thousand in the quarter ended 30 June 2013, related to trademarks for Euro 6 thousand, investments in software for Euro 8 thousand, to the key money paid for the opening of the new shop in Venice, Florence and Forte dei Marmi for Euro 916 thousand (the last two items were entered under intangible assets under development due to the opening that took place after 30 June 2013).

Increases in property, plant and equipment, equal to Euro 387 thousand in the quarter ended 30 June 2013 were mainly attributable to fittings relating to directly-operated stores for Euro 318 thousand (of which Euro 62 thousand related to shops that had not yet been opened as at 30 June 2013) and to the purchase of equipment for Euro 54 thousand.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is summarised the Group's consolidated statement of financial position as at 30 June 2013 (compared to the corresponding statement as at 31 March 2013 and 30 June 2012):

(in thousands of Euro)	**30 June 2013**	**31 March 2013**	**30 June 2012**
Trade receivables	19,688	21,517	20,636
Inventories	16,522	14,227	13,836
(Trade payables)	(13,500)	(15,030)	(10,253)
Total net current trade assets	*22,710*	*20,714*	*24,219*
Other current assets	1,520	870	1,510
Tax receivables	778	1,447	236
(Other current liabilities)	(2,188)	(2,695)	(3,070)
(Tax payables)	-	-	-
A) Working capital	***22,820***	***20,336***	***22,895***
Intangible assets	4,724	3,951	1,524
Property, plant and equipment	12,691	12,684	12,157
Receivables from others beyond 12 months	889	877	1,064
Deferred tax assets	1,381	1,424	1,458
B) Fixed assets	***19,685***	***18,936***	***16,203***
C) Non-current provisions and non-financial liabilities	***(1,505)***	***(1,517)***	***(1,352)***
Net invested capital (A+B+C)	**41,000**	**37,755**	**37,746**
FINANCED BY:			
D) Net financial debt	*11,048*	*8,482*	*8,030*
E) Equity attributable to Minority interests	*12*	*20*	*-*
F) Equity attributable to the Group	*29,940*	*29,253*	*29,716*
Total borrowings and Shareholders' Equity (D+E+F)	**41,000**	**37,755**	**37,746**

CONSOLIDATED NET FINANCIAL POSITION

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

(in thousands of Euro)	**30 June 2013**	**31 March 2013**	**30 June 2012**
(A)Cash	91	102	64

(B) Other cash and cash equivalents (available current bank accounts)	19,528	20,374	10,426
(C) Liquidity (A) + (B)	**19,619**	**20,476**	**10,490**
(D) Finance leases	(562)	(562)	(663)
(E) Current bank debt	(4,349)	(1,000)	(9,091)
(F) Current portion of non-current debt	(6,496)	(6,796)	(3,015)
(G) Current financial debt (D) + (E) + (F)	**(11,407)**	**(8,358)**	**(12,769)**
(H) Short-term net financial position (C) + (G)	**8,212**	**12,118**	**(2,279)**
(I) Non-current bank debt	(16,214)	(17,420)	(2,169)
(L) Finance leases	(3,046)	(3,180)	(3,582)
(M) Non-current financial debt (I) + (L)	**(19,260)**	**(20,600)**	**(5,751)**
(N) Net Financial Debt (H) + (M)	**(11,048)**	**(8,482)**	**(8,030)**

As at 30 June 2013 the net financial position posted a negative value of Euro 11,048 thousand, showing an increase of Euro 2,566 thousand compared to the debt recorded as at 31 March 2013, and of Euro 3,018 thousand compared to 30 June 2012, mainly due to the trends in the growth of stock and partly of trade receivables.

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

- investments in property, plant and equipment and intangible assets for about Euro 1,332 thousand;
- increase in the net current assets of about Euro 2.4 million, which was mostly due to the increase in inventories, by reason of different seasonality and of early production relating to the increased sales expected in the current financial year.

OTHER INFORMATION

Human resources

The products that the Group offers are conceived, manufactured and distributed according to the guidelines of an organisational model whose feature is that it monitors all the most critical phases of the chain, from conception and manufacturing to subsequent distribution. This entails great care with the correct management of human resources, which, while respecting the different local environments in which the Group operates, must necessarily lead to intense personal involvement, above all in what the Group considers the strategic phases for the success of the brand.
As at 30 June 2013 the Group had 742 members of staff compared to 735 units as at 30 June 2012. Below is reported the breakdown of staff by country:

Country	30 June 2013	30 June 2012
Italy	206	191
China	466	457
Hong Kong	28	45
Macau	6	6
Germany	1	4
Spain	9	13
Netherlands	-	4
Taiwan	18	15
France	3	
Switzerland	5	
Total	**742**	**735**

With reference to the Group's organisational structure, as at 30 June 2013 47.7% of staff operated in the production area, 24.7% in the retail area, 16.4% in the support functions (Administration, IT Systems, Purchasing, Human Resources, etc.), 7.4% in the Research and Development area and 3.8% 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 13 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 42 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.

Relations with related parties

The "Regulation bearing provisions governing transactions with related parties" was adopted by CONSOB resolution no. 17221 of 12 March 2010, as amended by CONSOB resolution no. 17389 of 23 June 2010. On 18 November 2010 the Board of Directors of Piquadro S.p.A. adopted the procedure concerning related parties which was also drawn up by taking account of the instructions subsequently provided by CONSOB for the application of the new regulations by DEM/10078683 notice of 24 September 2010.
The said procedure, which is published on the website of Piquadro (www.piquadro.com), has the purpose to determine the criteria to be complied with for the approval of the transactions with related parties to be effected by Piquadro or its subsidiaries, in order to ensure transparency, as well as the material and procedural correctness of the transactions themselves. The identification of transactions with related parties is made as required by the CONSOB regulation referred to.
As to relations with related parties, these are commented on in the consolidated interim quarterly financial statements and in the Notes to the Financial Statements.

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 instructions to their subsidiary; 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 quarter

On 26 July 2013, the ordinary Shareholders' Meetings of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2013 and the distribution of a unit dividend of Euro 0.02 to the Shareholders, 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 ordinary Shareholders' Meeting also appointed, on the basis of lists submitted by shareholders, the new board of directors and the new board of statutory auditors, which will hold office for three financial years and precisely until the approval of the financial statements as at 31 March 2016. 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 and 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 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.
Furthermore, 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, in order to pursue, also acting, if required, pursuant to the market practice no. 1 and 2 referred to in the Consob Resolution 16839/2009, the following objectives: *(i)* contributing to the stabilisation of the stock performance and the support to liquidity; *(ii)* establishing the so-called "stock of securities", so that the Company may keep and dispose of shares for any possible use of the same as fees in extraordinary operations, including any exchange of shareholdings, with other persons within any transactions of interest to the Company.
The Shareholders' Meeting authorised the board of directors to acquire the maximum number of treasury shares permitted by law, for a period of 12 months from the date of authorisation – that is until the Shareholders' Meeting which approves the financial statements as at 31 March 2014 – by using the reserves available according to the last financial statements as duly approved. The abovementioned transactions may be carried out, on one or more occasions, by purchasing shares, pursuant to article 144-*bis*, paragraph 1, letter b, of the Issuers' Regulation, on regulated markets according to operating procedures set out in the regulations governing the organization and management of the markets themselves, which do not allow the direct matching of any proposed buy orders with any predetermined proposed sales orders.
Purchases may took place according to procedures other than those specified above pursuant to article 132, paragraph 3, of the TUF or specified by any other provisions applicable from time to time at the time of the transaction.
The purchase price of the shares shall be identified, from time to time, on the basis of the procedure selected to carry out the transaction and in accordance with permitted provisions of law, regulations or market practices, between a minimum amount and a maximum amount that may be determined according to the following criteria:

- in any case, the minimum purchase price shall not be 20% less than the reference price that the stock shall have recorded in the trading session on the day prior to any individual transaction;
- in any case, the maximum purchase price shall not be 10% more than the reference price that the stock shall have recorded in the trading session on the day prior to any individual transaction.

In the event that the purchases of treasury shares are carried out within the context of practices permitted with reference to the support to liquidity referred to in point 1 of Consob resolution 16839/2009, and without prejudice to any additional limits set out therein, the price relating to any proposed buy orders shall not exceed the price that is the higher of the price of the last independent transaction and the current price of the highest proposed independent buy order present on the market where the buy orders are placed.
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, at a minimum of not less, by 20%, than the reference price that the share recorded in the stock exchange session of the day preceding each individual transaction.
Likewise, the Shareholders' Meeting is required to authorise the sale starting from the date of the resolution passed by the Shareholders' Meeting, and such authorization will be effective up to the Shareholders' Meeting that will approve the financial statements as at 31 March 2014.
In the event that the sales of treasury shares are carried out within the context of practices permitted with reference to the support to market liquidity referred to in point 1 of Consob resolution 16839/2009, and without prejudice to any additional limits set out therein, the price relating to any proposed sales orders shall not be less than the price that is the lower of the price of the last independent transaction and the current price of the highest proposed independent sales order present on the market where the sales orders are placed

In addition to the above, no significant events are reported which occurred at Group level from 1 July 2013 to the date of this Report.

Outlook

The development of the Piquadro Group in the 2013/2014 financial year will be affected by the evolution of the economic situation in the countries where the Group mostly operates and, obviously, within this context, the trend in the Italian economy shall be considered while assuming expected potential growth. The positive trend in the turnover that was recorded in the first quarter of the current financial year demonstrates that the investments made in support of the business and repositioning strategy are producing the results expected by the Management. The positive trend of the DOSs, which shows positive rates also in Italy within a market context that is certainly difficult, attests to the effectiveness of the development strategy of the retail activities through the opening of single-brand stores. The Group is increasingly 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. For these reasons, the opening of single-brand stores in Paris, Venice, Florence, Forte dei Marmi, which have all already taken place, and in Turin and Beijing in next months, represents an important step forward in the brand development and internationalisation strategy.

Therefore, the forecasts for the 2013/2014 financial year will depend particularly on the development of the economic situation in Italy, which is still the main relevant market of Piquadro, with specific regard to the Wholesale channel, as well as on the ability to gain positions in foreign markets in the fastest possible time, by increasing the number of points of sales, and to develop the brand in any new markets in which the Group has already started to operate. In this context, the Management will be engaged in constantly monitoring operating costs, in order to maintain gross profit margins higher than the averages in the sector, which can allow greater commitments both in Research and Development and marketing, the latter above all at international level, in order to further increase visibility of the brand and its knowledge at world level.

Silla di Gaggio Montano (BO), 7 August 2013

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED CONDENSED QUARTERLY FINANCIAL STATEMENTS
AS AT 30 JUNE 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 June 2013**	**31 March 2013**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	4,724	3,951
Property, plant and equipment	(2)	12,691	12,684
Receivables from others	(3)	889	877
Deferred tax assets	(4)	1,381	1,424
TOTAL NON-CURRENT ASSETS		**19,685**	**18,936**
CURRENT ASSETS			
Inventories	(5)	16,522	14,227
Trade receivables	(6)	19,688	21,517
Other current assets	(7)	1,479	870
Tax receivables	(8)	778	1,447
Derivative assets	(9)	41	-
Cash and cash equivalents	(10)	19,619	20,476
TOTAL CURRENT ASSETS		**58,127**	**58,537**
TOTAL ASSETS		**77,812**	**77,473**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	Notes	30 June 2013	31 March 2013
LIABILITIES			
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		648	712
Retained earnings		26,575	23,278
Group profit for the period		717	3,263
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**29,940**	**29,253**
Capital and Reserves attributable to minority interests		20	40
Profit/(loss) for the period attributable to minority interests		(8)	(20)
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**12**	**20**
EQUITY	(11)	**29,952**	**29,273**
NON-CURRENT LIABILITIES			
Borrowings	(12)	16,214	17,420
Payables to other lenders for lease agreements	(13)	3,047	3,180
Provision for employee benefits	(14)	247	252
Provisions for risks and charges	(15)	1,084	1,069
Deferred tax liabilities	(16)	174	196
TOTAL NON-CURRENT LIABILITIES		**20,766**	**22,117**
CURRENT LIABILITIES			
Borrowings	(17)	10,844	7,796
Payables to other lenders for lease agreements	(18)	562	562
Derivative liabilities	(19)	-	-
Trade payables	(20)	13,500	15,030
Other current liabilities	(21)	2,188	2,695
Tax payables	(22)	-	-
TOTAL CURRENT LIABILITIES		**27,094**	**26,083**
TOTAL LIABILITIES		**47,860**	**48,200**
TOTAL EQUITY AND LIABILITIES		**77,812**	**77,473**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	30 June 2013	30 June 2012 Restated
REVENUES			
Revenues from sales	(23)	12,293	11,331
Other income	(24)	207	113
TOTAL REVENUES (A)		**12,500**	**11,444**
OPERATING COSTS			
Change in inventories	(25)	(2,475)	(1,741)
Costs for purchases	(26)	3,297	3,052
Costs for services and leases and rentals	(27)	6,519	5,345
Personnel costs	(28)	3,278	2,912
Amortisation, depreciation and write-downs	(29)	608	510
Other operating costs		65	43
TOTAL OPERATING COSTS (B)		**11,292**	**10,121**
OPERATING PROFIT (A-B)		**1,208**	**1,323**
Financial income	(30)	250	424
Financial charges	(31)	(306)	(379)
TOTAL FINANCIAL INCOME AND CHARGES		**(56)**	**45**
PRE-TAX RESULT		**1,152**	**1,368**
Income tax	(32)	(443)	(480)
PROFIT FOR THE PERIOD		**709**	**888**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		717	888
MINORITY INTERESTS		(8)	-
(Basic) Earnings per share in Euro	(33)	0.014	0.018
(Diluted) Earnings per share in Euro		0.013	0.017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 June 2013	30 June 2012
Profit (Loss) for the period (A)	**709**	**882**
Profit/(Losses) arising from the translation of financial statements of foreign companies	(48)	34
Profit/(Losses) on hedging instruments of cash flows (cash flow hedge)	-	2
Actuarial gain (losses) on defined-benefit plans	-	6
Total Profits/(Losses) recognised in equity (B)	**(48)**	**42**
Total comprehensive Income/(Losses) for the period (A) + (B)	**661**	**924**
Attributable to		
- the Group	669	924
- Minority interests	(8)	

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY
(in thousands of Euro)

Description	Share capital	Share premium reserve	Translation reserve	Fair value reserve	Reserve for Employee Benefits	Other reserves	Total Other Reserves	Retained earnings	Group profit	Equity attributable to the Group	Capital and Reserves attributable to minority interests	Profit/ (Loss) attributable to minority interests	Total Equity attributable to the Group and minority interests
			Other reserves										
Balances as at 31.03.2012	**1,000**	**1,000**	**66**	**(2)**		**448**	**512**	**18,499**	**7,779**	**28,790**	**0**	**0**	**28,790**
Change in the standard (Reserve for defined-benefit plans)					-32		**(32)**	32		**0**			**0**
Profit for the period									882	**882**			**882**
Other components of the comprehensive result as at 30 June 2012:													
Exchange differences from translation of financial statements in foreign currency			34				**34**			**34**			**34**
Fair value of financial instruments				2			**2**			**2**			**2**
Total Comprehensive Income for the period			**34**	**2**	**(32)**	**0**	**4**	**32**	**882**	**918**			**918**
Allocation of the result for the period as at 31 March 2012:													
-to dividends										**0**			**0**
-to reserves								7,779	(7,779)	**0**			**0**
Fair value of Stock Option Plans						8	**8**			**8**			**8**
Reserve for actuarial gains (losses) on defined-benefit plans					(6)		**(6)**		6	**0**			**0**
Balances as at 30.06.2012	**1,000**	**1,000**	**100**	**0**	**(38)**	**456**	**518**	**26,310**	**888**	**29,716**	**0**	**0**	**29,716**

Description	Share capital	Share premium reserve	Translation reserve	Fair value reserve	Reserve for Employee Benefits	Other reserves	Total Other Reserves	Retained earnings	Group profit	Equity attributable to the Group	Capital and Reserves attributable to minority interests	Profit/ (Loss) attributable to minority interests	Total Equity attributable to the Group and minority interests
			Other reserves										
Balances as at 31.03.2013	**1,000**	**1,000**	**143**	**0**	**0**	**569**	**712**	**23,278**	**3,263**	**29,253**	**40**	**-20**	**29,273**
Change in the standard (Reserve for defined-benefit plans)					-34		**(34)**	34		**0**			**0**
Profit for the period									717	**717**		-8	**709**
Other components of the comprehensive result as at 30 June 2013:													
Exchange differences from translation of financial statements in foreign currency			-48				**(48)**			**(48)**			**(48)**
Fair value of financial instruments										**0**			**0**
Total Comprehensive Income for the period			**-48**		**-34**		**(82)**	**34**	**717**	**669**		**-8**	**661**
Allocation of the result for the period as at 31 March 2012:													
-to dividends									0	**0**			**0**
-to reserves								3,263	-3,263	**0**	-20	20	**0**
Fair value of Stock Option Plans					0	18	**18**			**18**			**18**
Reserve for actuarial gains (losses) on defined-benefit plans					0		**0**			**0**			**0**
Balances as at 30.06.2013	**1,000**	**1,000**	**95**	**0**	**-34**	**587**	**648**	**26,575**	**717**	**29,940**	**20**	**-8**	**29,952**

CONSOLIDATED STATEMENT OF CASH FLOWS

(*in thousands of Euro*)	**30 June 2013**	**30 June 2012 Restated**
Pre-tax profit	**1,152**	**1,368**
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	554	460
Provision for bad debts	55	50
Adjustment to the provision for employee benefits	-	(62)
Net financial charges/(income), including exchange rate differences	56	(48)
Cash flow from operating activities before changes in working capital	**1,817**	**1,768**
Change in trade receivables (net of the provision)	1,774	2,477
Change in inventories	(2,295)	(1,925)
Change in other current assets	(621	322
Change in trade payables	(1,529)	(3,703)
Change in provisions for risks and charges	53	(22)
Change in other current liabilities	(509)	43
Cash flow from operating activities after changes in working capital	**(1,310)**	**(1,040)**
Payment of taxes	203	(2)
Interest paid	(54)	(144)
Cash flow generated from operating activities (A)	**(1,161)**	**(1,186)**
Investments in intangible assets	(945)	(81)
Investments in property, plant and equipment	(387)	(423)
Investments in fixed financial assets		-
Changes generated from investing activities (B)	**(1,332)**	**(504)**
Financing activities		
Change in long-term financial receivables	-	-
Repayment of short- and medium/long-term borrowings	1,855	(460)
Registering of short- and medium/long-term borrowings	-	-
Changes in financial instruments	(41)	(2)
Lease instalments paid	(148)	(171)
Payment of dividends	-	-
Other changes in Equity	(30)	
Cash flow generated from/(absorbed by) financing activities (C)	**1,636**	**(633)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(857)	(2,323)
Cash and cash equivalents at the beginning of the period	**20,476**	**12,813**
Cash and cash equivalents at the end of the period	**19,619**	**10,490**

Note to the statement of cash flows:
As required by IAS 7, paragraph 44 (a), the items "investments in property, plant and equipment" and "registering of borrowings" do not include the effects of financial changes relating to the recognition of finance leases according to IAS 17 as they are non-monetary items (the disbursements relating to the payment of lease rentals, including the related financial charges, have also been considered).

NOTES TO THE CONSOLIDATED CONDENSED QUARTERLY FINANCIAL STATEMENTS AS AT 30 JUNE 2013

PIQUADRO

GENERAL INFORMATION

The Group's business

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.
The Company was established on 26 April 2005. The share capital has been subscribed through the contribution of the branch of business relating to operating activities on the part of the former Piquadro S.p.A (now Piqubo S.p.A., the ultimate company controlling the Company), which became effective for legal, accounting and tax purposes on 2 May 2005.
Effective from 14 June 2007, the registered office of Piquadro S.p.A. was moved from Riola di Vergato (Bologna), via Canova no. 123/O-P-Q-R to Località Sassuriano 246, Silla di Gaggio Montano (Bologna).
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 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.
Furthermore, it should be noted that for a better understanding of the economic performance of the company, reference is made to the extensive information reported in the Report on Operations prepared by the Directors.

These consolidated condensed quarterly financial statements relating to the first three months of the financial year were prepared by the Board of Directors on 7 August 2013.

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 three months of the financial year (i.e. from April to June) account for about 20.1% of the consolidated turnover of the financial year (a percentage calculated on the basis of consolidated revenues as at 30 June 2012 compared to consolidated revenues 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 30 June 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 30 June 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 interim financial statements have been prepared in a "condensed" form and they must therefore be read together with the Group's consolidated financial statements ended 31 March 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 income statement, balance sheet, 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 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 it is permitted by law, the Parent Company applied said changes starting from the 2013/2014 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:

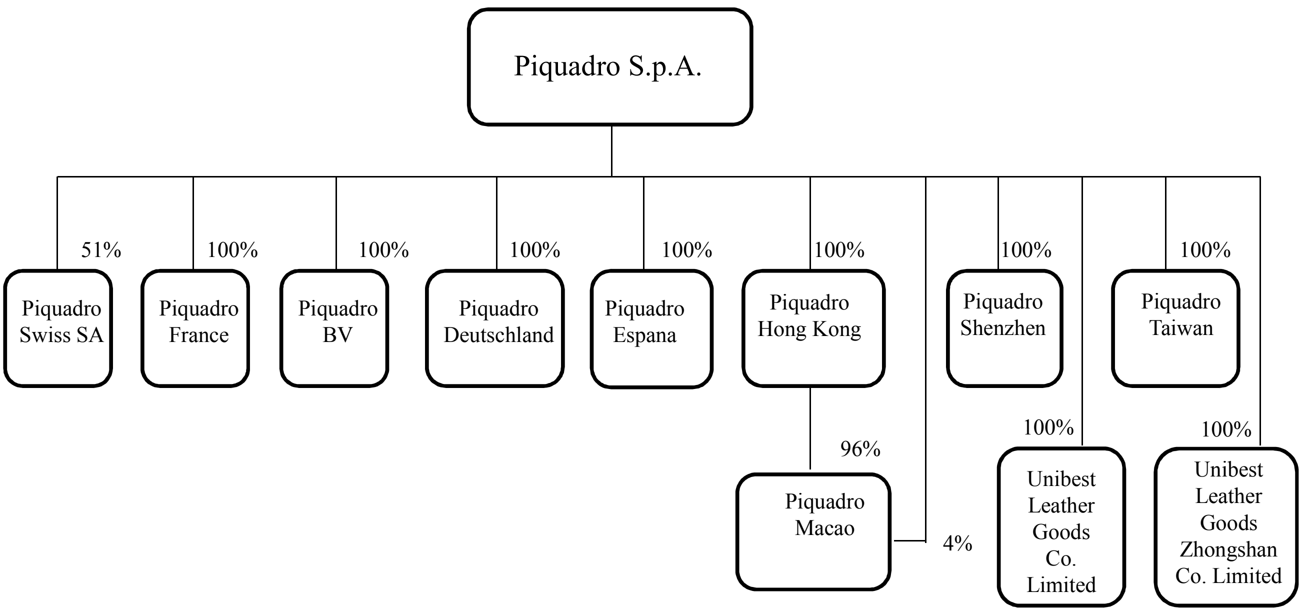
- in the income statement of the first 2013/2014 quarter, the non-recognition of the actuarial loss reported for an amount of Euro 6 thousand, with an increase in the net profit for the abovementioned period, including any related tax effect equal to Euro 2 thousand;
- the negative change, to the same amount, in the item "Reserve for actuarial gains (losses) for defined-benefit plans" included in the balance sheet.

Any other changes, amendments, improvements and interpretations that are applicable from 1 April 2013 regulate cases and series of cases that were not relevant to the group as at the date of this Interim Financial Report.

The consolidated interim financial statements are made up of the Balance Sheet, the Income Statement, the Statement of Cash Flows, the Statements of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the quarter ended 30 June 2013 are compared with the quarter ended 30 June 2012. Financial data as at 30 June 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.

The Group structure

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 30 June 2013:



Principles of consolidation

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 30 June 2013 and 30 June 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, during the quarter ended 30 June 2013 no new Company was included in the scope of consolidation.

The complete list of the companies included in the scope of consolidation as at 30 June 2013 and 30 June 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 30 June 2013

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro S.p.A.	Gaggio Montano (BO)	Italy	EUR	1,000	30,592	Parent Company
Uni Best Leather Goods Co. Limited*	Kowloon	Hong Kong	EUR	-	-	100%
Piquadro España Slu	Barcelona	Spain	EUR	898	718	100%
Piquadro Deutschland Gmbh	Munich	Germany	EUR	25	(75)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	9,891	(1,048)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	50	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	91	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,799	1,081	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	25,000	562	100%
Piquadro BV	Zoetermeer	Netherland	EUR	300	309	100%
Piquadro France	Paris	France	EUR	2,500	2,508	100%

Piquadro Swiss	Mendrisio	Switzerland	CHF	100	25	51%

[*] Company being wound up.

Scope of consolidation as at 30 June 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	30,190	Parent Company
Uni Best Leather Goods Co. Limited[*]	Kowloon	Hong Kong	HKD	1	97	100%
Piquadro España Slu	Barcelona	Spain	Euro	898	702	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(53)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	3,576	(101)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	97	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	98	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,799	1,184	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	25,000	541	100%
Piquadro Middle East Leather Products LLC[**]	Abu Dhabi	United Arab Emirates	AED	150	(916)	49%
Piquadro BV	Zoetermeer	Netherland	Euro	300	301	100%
Piquadro France	Paris	France	Euro	2,500	2,500	100%

[*] Company being wound up.
[**] 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 quarters ended 30 June 2013 and 30 June 2012 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
Hong Kong Dollar (HKD)	10.14	9.95	10.15	9.77
Renminbi (RMB)	8.04	8.11	8.03	8.00
Taiwan Dollar	39.02	37.99	39.32	37.60
Swiss Franc (CHF)	1.23	-	1.23	-

Amendments to Accounting Standards

Accounting Standards, amendments and interpretations

Starting from 1 April 2012, the following amendments to international accounting standards shall be applied, which have been issued by the IASB and adopted by the European Union:

- IFRS 7 (amendments) – *"Financial Instruments: Disclosures" – Transfers of financial assets (Regulation 1205/2011*). The amendments promote transparent disclosures, in the accounts, on the transfer (derecognition) of financial assets in the portfolio, thus improving the disclosures relating to the risks retained by the entity that has made the transfer (continuing involvement) and the effects on the financial position, in particular in the event that these transfers have been made at the end of an accounting period.

- IAS 12 (amendments) – "*Income taxes: Recovery of underlying assets (Regulation 1255/2012*)". The amendments simplify the assessment of the recoverability of deferred tax assets, introducing the presumption that a deferred tax asset will be recovered through the sale. These amendments also allow to overcome the interpretation SIC 21– Income taxes: Recovery of Revalued Non-Depreciable Assets. The application is expected to be carried out on a retrospective basis.

These amendments did not entail significant effects on the disclosure provided in this report and on the valuation of the related balance sheet items.

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

Starting from 1 April 2013, the following accounting standards, interpretations and amendments to the accounting standards will be applicable on a compulsory basis, as the EU endorsement process has already been concluded:

- 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 will 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 obligation within specific financial instruments. As to IAS 32, the amendments are applicable retroactively starting from the financial statements for the financial year commencing after 1 April 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 1 (amendments) – "*First-time Adoption of International Financial Reporting Standards*" (*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.

- 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 is expected to be applied on a prospective basis and will not entail significant effects on the Group's financial statement.

- 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 will not entail significant effects on the Group's financial statements.

On 17 May 2012, the International Accounting Standards Board (IASB) issued "*Improvements to International Financial Reporting Standards* (2009 – 2011 Cycle)" (*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.

- IFRS 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 and 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 Instrument Presentation: Tax effects of distributions to holders of equity instruments and on transaction costs of the equity instruments*". The amendment clarifies that direct taxes relating to such case 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.

Therefore, starting from 1 April 2014, the following amendments to the accounting standards will be applied:

- 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.

- 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 Ventures*". 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.

- 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.

- 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.

- 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. 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.

Accounting Standards being adopted by the European Union

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

- IFRS 9 – "*Financial instruments*". The standard was published by the IASB on 12 November 2009 and was subsequently 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 – "*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 (amendment) – *"Recoverable amount disclosures for non-financial assets"*. This amendment, which was published by the IASB on 29 May 2013, clarifies that the information to be provided on the recoverable value of assets that have reported an impairment loss only concerns those assets the recoverable value of which is based on the fair value, net of selling costs.

- Ifric 21 – "*Levies*". The interpretation, which was published by the IASB on 20 May 2013, clarifies the accounting treatment of liabilities for the payment of levies imposed by the Government other than income taxes.

As at the date of this report, it is not deemed that the accounting standards, interpretations and amendments to accounting standards listed above may have potential significant impacts on the equity, financial and economic position of the Group.

COMMENT ON THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 30 June 2013 the value of intangible assets was equal to Euro 4,724 thousand (Euro 3,951 thousand as at 31 March 2013).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 June 2013**
Balance as at 31 March 2013	3,951
Increases	945
Other changes	-
Amortisation and write-downs	(172)
Total	**4,724**

In the quarter ended 30 June 2013, the increases in intangible assets, equal to Euro 945 thousand, related to trademarks for Euro 6 thousand, investments in software for Euro 8 thousand and to the key money paid for the opening of the new shops in Venice, Florence and Forte dei Marmi (the last two items were entered under intangible assets under development due to the opening that took place after 30 June 2013) for Euro 916 thousand.

No intangible assets with an indefinite useful life are reported in the accounts.

Note 2 – Property, plant and equipment

As at 30 June 2013, the value of property, plant and equipment was equal to Euro 12,691 thousand (Euro 12,684 thousand as at 31 March 2013).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 June 2013**
Balance as at 31 March 2013	12,684
Increases	387
Other Changes	2
Depreciation and write-downs	(382)
Total	**12,691**

On the contrary, increases in property, plant and equipment, equal to Euro 387 thousand in the quarter ended 30 June 2013 were mainly attributable to fittings relating to directly-operated stores for Euro 318 thousand (of which Euro 62 thousand related to shops that had not yet been opened as at 30 June 2013) and to the purchase of equipment for Euro 54 thousand.

Below is reported the net book value as at 30 June 2013 of the assets used by the Group by virtue of finance lease agreements:

(in thousands of Euro)	**30 June 2013**
Land	878
Buildings	4,910
Industrial and business equipment	272
Total	**6,060**

Note 3 – Receivables from others

Receivables from others, equal to Euro 889 thousand as at 30 June 2013 (Euro 877 thousand as at 31 March 2013) relate to the guarantee deposits paid for various utilities, including those relating to the operation of Company-owned shops, and deposits relating to the lease of Company-owned shops that are not yet operating.

Note 4 – Deferred tax assets

As at 30 June 2013, the amount of deferred tax assets was equal to Euro 1,381 thousand (Euro 1,424 thousand as at 31 March 2013) and was mainly made up of Euro 964 thousand of temporary tax differences relating to Piquadro S.p.A. (Euro 964 thousand as at 31 March 2013) relating to the IRES and IRAP 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 advanced tax effect equal to Euro 348 thousand against 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 30 June 2013**	**Provision for write-down**	**Net value as at 30 June 2013**	**Net value as at 31 March 2013**
Raw Materials	4,110	(151)	3,959	2,996
Semi-finished products	1,074	-	1,074	690
Finished products	11,809	(320)	11,489	10,541
Inventories	**16,993**	**(471)**	**16,522**	**14,227**

Below is reported the breakdown and the changes in the provision for write-down of inventories:

(in thousands of Euro)	**Provision as at 31 March 2013**	**Use**	**Allocation**	**Provision as at 30 June 2013**
Provision for write-down of raw materials	151	-	-	151
Provision for write-down of finished products	299	-	21	320
Total provision for write-down of inventories	**450**	**-**	**21**	**471**

As at 30 June 2013, inventories showed an increase compared to the corresponding values as at 31 March 2013. This increase is mainly attributable to the different seasonality and to the early production relating to the increased sales expected in the current financial year.

Note 6 – Trade receivables

As at 30 June 2013, trade receivables were equal to Euro 19,688 thousand compared to Euro 21,517 thousand as at 31 March 2013. The decrease, equal to Euro 1,829 thousand, is mainly attributable to the decline in the business volume in the Wholesale channel.

The adjustment to the face value of receivables from customers at their presumed realisable value is obtained through a special provision for bad debts, whose changes are showed in the table below:

(in thousands of Euro)	**Provision as at 30 June 2013**	**Provision as at 31 March 2013**

Balance at the beginning of the year	1,377	1,230
Provision	55	417
Uses	-	(270)
Total provision for bad debts	**1,432**	**1,377**

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**30 June 2013**	**31 March 2013**
Other assets	540	195
Accrued income and prepaid expenses	939	675
Other current assets	**1,479**	**870**

Other assets related to advances to suppliers of the Parent Company for Euro 107 thousand, INAIL advances of the Parent Company equal to Euro 49 thousand, and VAT credits related to subsidiaries for Euro 224 thousand.

Note 8 – Tax receivables

As at 30 June 2013 tax receivables were equal to Euro 778 thousand (Euro 1,447 thousand at 31 March 2013) and related to the excess advances paid by the Parent Company for IRES and IRAP taxes 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)	**30 June 2013**	**31 March 2013**
Receivables for income taxes	508	1,177
Receivable for IRES tax refund	270	270
Tax receivables	**778**	**1,447**

Note 9 - Derivative assets

As at 30 June 2013 there were assets relating to the currency forward purchases (USD) equal to Euro 41 thousand (there were no assets at fair value as at 31 March 2013), while there were no assets relating to hedging of financial instruments.

The Company hedges the exchange risk connected to purchases of raw materials in US dollars and for contract work done in China. In consideration for this risk, the Company makes use of instruments to hedge 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 forecasts. Only a portion of the derivative financial instruments has met all the conditions laid down for hedge accounting, accounting for at fair value again an entry in the income statement.

Note 10 – Cash and cash equivalents

Below is reported the breakdown of cash and cash equivalents (mainly relating to the Parent Company):

(in thousands of Euro)	**30 June 2013**	**31 March 2013**
Available current bank accounts	19,528	20,374
Cash, cash on hand and cheques	91	102
Cash and cash equivalents	**19,619**	**20,476**

The balance represents cash and cash equivalents and the existence of cash and cash on hand at the closing dates 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 – Equity

a) Share capital

As at 30 June 2013, the Share Capital of the Piquadro Group, 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.

During the financial year 2012/013, 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 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	1,350,000
Options expired, as they were not exercised	87,500
Options in place as at 30 June 2013	162,500

This stock option plan provides for a subscription price of Euro 2.20 and an accrual subject not only to condition that the directors, executives, subordinate employees or collaborators concerned are still serving the Company, but to the official Piquadro share price reaching certain arithmetic mean targets. Currently, against the trend in the stock market of the quotations of the Piquadro stock, this plan may not be exercised by the beneficiaries.

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

As at 30 June 2013 none of the 3,600,000 options granted against the new stock option plan had accrued.

In the financial year ended 30 June 2013 the abovementioned stock option plans entailed the recognition of a cost of Euro 18 thousand in the income statement.

b) *Share premium reserve*

This reserve, which remained unchanged compared to the financial year ended at 30 June 2013, was equal to Euro 1,000 thousand.

c) Translation reserve

As at 30 June 2013 the reserve was positive for Euro 95 thousand (it reported a positive balance of 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), Uni Best Leather Goods (Zhongshang) Co. Ltd and Piquadro Trading Shenzhen (the relevant currency being the Chinese Renminbi), Piquadro Middle East (the relevant currency being the Dirham), Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar) and Piquadro Swiss SA (the relevant currency being the Swiss Franc).

d) Group net profit

This item relates to the recognition of the Group profit, equal to Euro 717 thousand, in the first three months ended 30 June 2013.

e) Equity attributable to minority interests

The item refers to the portions of revenue reserves, equal to Euro 12 thousand (at 31 March 2013 there were profits and reserves attributable to the minority interests equal to Euro 20 thousand), which are attributable to the minority interests of Piquadro Swiss SA 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)	**30 June 2013**	**31 March 2013**
Borrowings from 1 to 5 years	16,214	17,420
Borrowings beyond 5 years	-	-
Medium/long-term borrowings	**16,214**	**17,420**

As at 30 June 2013, borrowings mainly related to Piquadro S.p.A. and included:

1. Euro 75 thousand for the 60-month unsecured loan disbursed by Carisbo S.p.A. on 1 September 2008 (for an initial amount of Euro 1,500 thousand) fully related to the current portion;
2. Euro 750 thousand for the unsecured loan granted by Carisbo S.p.A. on 28 February 2009 (for an initial amount of Euro 3,500 thousand), fully related to the current portion. In relation to this loan, it is specified that, following an amendment to the relevant agreement entered into on 31 May 2010, the Parent Company is no longer required to comply with any covenants;
3. Euro 1,350 thousand for the unsecured loan granted by Carisbo S.p.A. in 22 November 2010 (for an initial amount of Euro 2,700 thousand), of which a current portion of Euro 540 thousand and a non-current portion of Euro 810 thousand;
4. Euro 4,117 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 1,216 thousand and a non-current portion of Euro 2,901 thousand;

5. Euro 2,647 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 725 thousand and a non-current portion of Euro 1,922 thousand;
6. Euro 5,291 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 1,452 thousand and a non-current portion of Euro 3,839 thousand;
7. Euro 3,308 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 907 thousand and a non-current portion of Euro 2,401 thousand;
8. 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 556 thousand and a non-current portion of Euro 4,444 thousand;
9. Euro 187 thousand fully relating to the short-term portion and to the Unicredit loan (Shanghai branch) granted to the subsidiary Piquadro Trading Shenzhen;
10. Euro 161 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.

Below is reported the breakdown of the loans:

(in thousands of Euro)	**Date of granting of the loan**	**Initial amount**	**Currency**	**Current borrowings**	**Amort. cost (S/T)**	**Non-current borrowings**	**Amort. Cost (L/T)**	**Total**
Carisbo loan	1 September 2008	1,500	EUR	75	(1)	-	-	74
Carisbo loan	28 February 2009	3,500	EUR	750	(2)	-	-	749
Carisbo loan	22 November 2010	2,700	EUR	540	(2)	810	-	1,349
UBI loan	25 July 2012	5,000	EUR	1,216	(15)	2,901	(15)	4,087
Credem loan	5 October 2012	3,000	EUR	725	(5)	1,922	(4)	2,638
Unicredit loan	31 October 2012	6,000	EUR	1,452	(25)	3,839	(29)	5,237
ICCREA loan	11 December 2012	3,750	EUR	907	(11)	2,401	(13)	3,284
Mediocredito loan	28 February 2013	5,000	EUR	556	(13)	4,444	(32)	4,955
Currency loan Unicredit	Piquadro Trading Shenzhen	900	CNY	187	-	-	-	187
Currency loan	Piquadro Swiss SA	197	CHF	161	-	-	-	161
				6,569	**(74)**	**16,317**	**(93)**	**22,719**

Note 13 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**30 June 2013**	**31 March 2013**
Non-current portion:		
Payables to leasing companies	3,047	3,180
Current portion:		
Payables to leasing companies	562	562
Payables to other lenders for lease agreements	**3,609**	**3,742**

As at 30 June 2013, payables to other lenders due beyond 12 months were equal to Euro 3,047 thousand, and mainly related to the lease agreement in relation to the plant and the land located in Sassuriano, Silla di Gaggio Montano (Province of Bologna) (Euro 3,180 thousand at 31 March 2013).

Note 14 – Provision for Employee Benefits

As at 30 June 2013 the value of the provision was equal to Euro 247 thousand (Euro 252 thousand as at 31 March 2013)) and has been determined by an independent actuary.

As previously commented on in the section "Accounting standards and policies", the Parent Company has applied the IAS 19 revised on a compulsory basis; this entailed the recalculation of the income statement values, the effects of which are reported in Note 28 and Note 31. Any actuarial gains and losses arising from the re-measurement of assets and liabilities in each financial year are recognized under the reserve for actuarial gains(losses) on defined-benefit plans.

Note 15 – Provisions for risks and charges

Below are the changes in provisions for risks and charges as at 30 June 2013:

(in thousands of Euro)	**Provision as at 31 March 2013**	Use	Allocation	**Provision as at 30 June 2013**
Provision for supplementary clientele indemnity	738	-	15	753
Other provisions for risks	331	-	-	331
Total	**1,069**	**-**	**15**	**1,084**

The "provision for supplementary clientele indemnity" represents the potential liability with respect to agents in the event of Group companies' terminating agreements or agents retiring.
Other provisions for risks of Euro 331 thousand mainly relate to other provisions for risks on returns on sales equal to Euro 79 thousand, to the provision for risks on repairs for Euro 10 thousand and to other provisions for risks on potential liabilities generated by current operations equal to Euro 242 thousand. This item remained unchanged compared to 31 March 2013.

Note 16 – Deferred tax liabilities

As at 30 June 2013 the amount of deferred tax liabilities was equal to Euro 174 thousand (Euro 196 thousand as at 31 March 2013) and was fully referable to the Parent Company.

CURRENT LIABILITIES

Note 17 – Borrowings

As at 30 June 2013 borrowings were equal to Euro 10,844 thousand (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 6,495 thousand and payables to banks for credit lines for Euro 4,349 thousand.

Note 18 - Payables to other lenders for lease agreements

As at 30 June 2013 they were equal to Euro 562 thousand (Euro 562 thousand as at 31 March 2013) and related to the current portion of payables to leasing companies in relation to finance lease agreements mainly involving hardware and software (Euro 32 thousand) and the building of the operational headquarters (Euro 530 thousand).

NET FINANCIAL POSITION

(in thousands of Euro)	**30 June 2013**	**31 March 2013**	**30 June 2012**
(A)Cash	91	102	64
(B) Other cash and cash equivalents (available current bank accounts)	19,528	20,374	10,426
(C) Liquidity (A) + (B)	**19,619**	**20,476**	**10,490**

(D) Finance leases	(562)	(562)	(663)
(E) Current bank debt	(4,349)	(1,000)	(9,091)
(F) Current portion of non-current debt	(6,496)	(6,796)	(3,015)
(G) Current financial debt (D) + (E) + (F)	**(11,407)**	**(8,358)**	**(12,769)**
(H) Short-term net financial position (C) + (G)	**8,212**	**12,118**	**(2,279)**
(I) Non-current bank debt	(16,214)	(17,420)	(2,169)
(L) Finance leases	(3,046)	(3,180)	(3,582)
(M) Non-current financial debt (I) + (L)	**(19,260)**	**(20,600)**	**(5,751)**
(N) Net Financial Debt (H) + (M)	**(11,048)**	**(8,482)**	**(8,030)**

As at 30 June 2013 the net financial position posted a negative value of Euro 11,048 thousand, showing an increase of Euro 2,566 thousand compared to the debt recorded as at 31 March 2013, and of Euro 3,018 thousand compared to 30 June 2012, mainly due to the trends in the growth of stock and partly of trade receivables.

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

- investments in property, plant and equipment and intangible assets for about Euro 1,332 thousand;
- an increase in the net current assets of about Euro 2.4 million, which was mostly due to the increase in inventories, by reason of different seasonality and of early production relating to the increased sales expected in the current financial year.

Note 19 – Derivative liabilities

On both 30 June 2013 and 31 March 2013 there were no liabilities relating to the hedging of derivative financial instruments (IRS) and liabilities relating to currency forward purchases (USD).

Note 20 – Trade payables

Below is the breakdown of current trade liabilities:

(*in thousands of Euro*)	30 June 2013	31 March 2013
Payables to suppliers	13,500	15,030

As at 30 June 2013, the decrease in payables to suppliers, equal to Euro 1,530 thousand, compared to 31 March 2013, was mainly attributable to the Group's seasonality dynamics.

Note 21 – Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	30 June 2013	31 March 2013
Payables to social security institutions	412	338
Payables to Pension funds	28	24
Other payables	343	454
Payables to employees	332	554
Advances from customers	50	42
Accrued expenses and deferred income	206	197
Payables for VAT	526	815
IRPEF tax payables and other tax payables	291	271
Other current liabilities	**2,188**	**2,695**

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees as at 30 June 2013 mainly included the Company'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)	**30 June 2013**	**31 March 2013**
IRES tax (income taxes)	-	-
IRAP tax	-	-
Tax payables	**-**	**-**

On both 30 June 2013 and 31 March 2013 the advance payments made by the Company were higher than the effective IRES and IRAP tax charge. For this reason, the Company reported tax receivables equal to Euro 778 thousand and Euro 1,447 thousand, respectively.

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 the quarter ended 30 June 2013 compared with the data recorded in the same period ended 30 June 2012:

(in thousands of Euro)	**30 June 2013**	**30 June 2012**
Italy	8,720	7,966
Europe	2,564	2,228
Rest of the world	1,009	1,137
Revenues from sales	**12,293**	**11,331**

In the quarter ended 30 June 2013, revenues from sales reported an increase by about 8.5% equal to Euro 962 thousand compared to the corresponding revenues achieved in the quarter ended 30 June 2012.

Note 24 – Other income

In the quarter ended 30 June 2013, other income amounted to Euro 207 thousand (Euro 113 thousand in the quarter ended 30 June 2012).

Note 25 – Change in inventories

The change in inventories was positive in both the quarter ended 30 June 2013 (equal to Euro 2,475 thousand) and the quarter ended 30 June 2012 (a positive value of Euro 1,741 thousand); this positive change is due to the higher inventories existing at the closing dates of the various accounting periods in relation to the seasonality of the Group's businesses.

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 quarter ended 30 June 2013, costs for purchases were equal to Euro 3,297 thousand (Euro 3,052 thousand in the quarter ended 30 June 2012).

Note 27 - Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**30 June 2013**	**30 June 2012**
External production	2,272	1,305
Advertising and marketing	446	568
Transport services	782	796
Business services	501	434
Administrative services	323	307
General services	597	534
Others	-	-
Total Costs for services	**4,921**	**3,944**
Costs for leases and rentals	**1,598**	**1,401**
Costs for services and leases and rentals	**6,519**	**5,345**

Costs for leases and rentals mainly related 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)	**30 June 2013**	**30 June 2012 Restated**
Wages and salaries	2,723	2,498
Social security contributions	461	379
TFR	93	35
Personnel costs	**3,277**	**2,912**

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

The table below reports the exact number by category of employees as at 30 June 2013, 30 June 2012 and 31 March 2013:

	30 June 2013	**30 June 2012**	**31 March 2013**
Executives	8	8	8
Office workers	288	279	273
Manual workers	446	448	412
Total	**742**	**735**	**693**

The number of employees as at 30 June 2013 increased by 7 units compared to the number of employees reported as at 30 June 2012 mainly as a result of the opening of new DOS shops.
In the quarter ended 30 June 2013, personnel costs reported an increase of 12.5%, passing from Euro 2,912 thousand in the quarter ended 30 June 2012 to Euro 3,277 thousand in the quarter ended 30 June 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 quarters ended 30 June 2013 and 30 June 2012.

Average unit	**30 June 2013**	**30 June 2012**
Executives	8	8
Office workers	286	279
Manual workers	439	464
Total for the Group	**733**	**751**

Note 29 - Amortisation, depreciation and write-downs

In the quarter ended 30 June 2013, amortisation and depreciation were equal to Euro 554 thousand (Euro 460 thousand in the quarter ended 30 June 2012). Write-downs, equal to Euro 54 thousand in the quarter ended 30 June 2013 (Euro 50 thousand in the quarter ended 30 June 2012) relate to the provision for bad debts.

Note 30 - Financial income

The amount of Euro 250 thousand as at 30 June 2013 (Euro 424 thousand as at 30 June 2012) mainly related for Euro 65 thousand to interest receivable on current accounts held by the Parent Company and for Euro 180 thousand of foreign exchange gains either realised or estimated (Euro 413 thousand as at 30 June 2012).

Note 31 - Financial charges

Below is the breakdown of financial charges:

(in thousands of Euro)	**30 June 2013**	**30 June 2012 Restated**
Interest payable on current accounts	17	17
Interest and expense subject to final payment	7	8
Financial charges on loans	68	38
Lease charges	13	21
Commissions on credit cards	2	5
Other charges	21	55
Net financial charges on defined-benefit plans	2	3
Foreign exchange losses (both realised and estimated)	176	232
Financial Charges	**306**	**379**

Financial charges mainly relate to financial charges on loans, in addition to financial charges on lease agreements (mainly relating to the use of the plant in Silla di Gaggio Montano).

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

Note 32 - Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	**30 June 2013**	**30 June 2012 Restated**
IRES tax	348	382
IRAP tax	119	98
Total current taxes	**467**	**480**

Current taxes mainly relate to the tax burden calculated on the Parent Company's taxable income.

(in thousands of Euro)	**30 June 2013**	**30 June 2012 Restated**
Deferred tax liabilities	(24)	-
Deferred tax assets	-	-
Total deferred tax assets and liabilities	**(24)**	**-**

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

Note 33 - Earnings per share

As at 30 June 2013 diluted earnings per share amounted to Euro 0.013 (basic earnings per share amounted to Euro 0.014 as at 30 June 2013 and 0.018 as at 30 June 2012); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 717 thousand, divided by the weighted average number of ordinary shares outstanding in the quarter, equal to 52,595,813 shares, including potential shares relating to the stock option plan resolved and granted on 31 January 2008. As at 30 June 2013, no. 87,500 options assigned expired, relating to the stock option plan named "Piquadro S.p.A. 2008 – 2013 Stock Option Plan".

As at 30 June 2012, diluted earnings per share were equal to Euro 0.017.

(in thousands of Euro)	**30 June 2013**	**30 June 2012 Restated**
Group net profit (in thousands of Euro)	717	888
Weighted average number of outstanding ordinary shares (in thousands of shares)	53,763	51,118
Diluted earnings per share (in Euro)	**0.013**	**0.017**

OTHER INFORMATION

Segment reporting

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

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

- DOS channel
- Wholesale channel

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

- a direct channel, which as at 30 June 2013, included 51 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOS");
- an indirect channel ("Wholesale"), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements (44 shops as at 30 June 2013) and by distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 30 June 2013, approximately 34.4% of the Group's consolidated revenues was realised through the direct channel, while 65.6% of consolidated revenues was realised through the indirect channel.

The table below illustrates the segment data of the Piquadro Group broken down by sales channel (DOS and Wholesale), in relation to the three months ended 30 June 2013 and 30 June 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 quarter ended 30 June 2013, compared to the results recorded as at 30 June 2012, was affected by the following factors:

- positive performance in terms of SSSG of the DOS segment, equal to +5.2% with unchanged exchange rates and perimeter
- greater absorption of indirect costs due to higher sales in terms of volumes

The increase in EBITDA in the DOS channel in the quarter ended 30 June 2013, compared to 30 June 2012, is around 227 bps, equal to Euro 86 thousand (positive by Euro 21 thousand as at 30 June 2013 against a negative value of Euro 65 thousand as at 30 June 2012).

There was a slight percentage decrease in margins as regards the performance of the wholesale channel in the quarter ended 30 June 2013, compared with the results recorded as at 30 June 2012, in spite of the lower allocation of costs directly attributable to the wholesale channel.

(*in thousands of Euro*)	**30 June 2013**				**30 June 2012**				
	DOS	Wholesale	Total for the Group (including non-allocated items)	% Impact	DOS	Wholesale	Total for the Group (including non-allocated items)	% Impact	% Change 2013-2012
Revenues from sales	**4,232**	**8,061**	**12,293**	**100.0%**	**3,670**	**7,661**	**11,331**	**100.0%**	**8.5%**
Segment result before amortisation and depreciation	21	1,740	1,761	14.3%	(65)	1,848	1,783	15.7%	(1.2%)
Amortisation, depreciation and write-downs			(554)	(4.5%)			(460)	(4.1%)	20.3%
Financial income and charges			(55)	(0.5%)			45	(0.3%)	(222.8%)

Pre-tax result	**1,152**	**9.4%**	**1,368**	**12.1%**	**(15.7%)**
Income taxes	(443)	(3.6%)	(480)	(4.21%)	(7.7%)
Profit	**709**	**5.8%**	**888**	**7.8%**	**(20.2%)**
Result attributable to minority interests	-	-	-	-	
Group net profit	**709**	**5.8%**	**888**	**7.8%**	**(20.2%)**

Commitments

As at 30 June 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.

Relations with related parties

Piquadro S.p.A., the parent company of the Piquadro Group, operates in the leather goods market and designs, produces and markets articles under its own brand. The subsidiaries mainly carry out activities of distribution of products (Piquadro España SLU, Piquadro Hong Kong Ltd, Piquadro Deutschland GmbH, Piquadro Trading – Shenzhen- Ltd. and Piquadro Taiwan Co. Ltd., Piquadro BV, Piquadro France SARL and Piquadro Swiss SA), or production (Uni Best Leather Goods Hong Kong Co Ltd. and Uni Best Leather Goods Zhongsanhg Co. Ltd.).
The relations with Group companies are mainly commercial and are regulated at arm's length. There are also financial relations (inter-group loans) between the Parent Company and some subsidiaries, conducted at arm's length.

On 18 November 2010 Piquadro S.p.A. adopted, pursuant to and for the purposes of article 2391-*bis* of the Italian Civil Code and of the "Regulation on transactions with related parties" as adopted by Consob resolution, the procedures on the basis of which Piquadro S.p.A. and its subsidiaries operate to complete transactions with related parties of Piquadro S.p.A. itself.

The Directors report that, in addition to Piqubo S.p.A., Piquadro Holding S.p.A. and Palmieri Family Foundation, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

In the first quarter of the 2013/2014 financial year, Piqubo S.p.A., the ultimate parent company, charged Piquadro 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 between Piquadro Holding S.p.A. and Piquadro S.p.A., concerning the lease of a property to be used as offices and located in Milan, Piazza San Babila n. 5, used as a show room of Piquadro S.p.A. and the amounts of which are reported in the table below. This lease agreement has been entered into at arm's length.

In the first quarter of the 2013/2014 financial year, no transactions were effected with Palmieri Family Foundation which is a non-profit foundation, whose Founder is Marco Palmieri and which has the purpose of promoting activities aimed at the study, research, training, innovation in the field for the creation of jobs and employment opportunities for needy persons.

Below is reported the breakdown of the main financial relations maintained with related companies (thousands of Euro).

	Receivables		**Payables**	
(in thousands of Euro)	**30 June 2013**	**31 March 2013**	**30 June 2013**	**31 March 2013**
Financial relations with Piqubo S.p.A.	-	-	-	-
Financial relations with Piquadro Holding S.p.A.	-	-	-	-
Financial relations with Palmieri Family	-	-	-	-

Foundation				
Total Receivables from and Payables to controlling companies	**-**	**-**	**-**	**-**

The table below reports the breakdown of the main economic and financial relations maintained with related companies (thousands of Euro).

	Revenues		**Costs**	
(in thousands of Euro)	**30 June 2013**	**30 June 2012**	**30 June 2013**	**30 June 2012**
Economic relations with Piqubo S.p.A.	-	-	7.5	7.5
Economic relations with Piquadro Holding S.p.A.	-	-	60	-
Financial relations with Palmieri Family Foundation	-	-	-	-
Total Revenues and Costs to controlling companies	**-**	**-**	**67.5**	**7.5**

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 of Piquadro S.p.A., in relation to the first quarter 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 30 June 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 [1)]**	**Fees due for the position**	**Non-monetary benefits**	**Bonuses and other incentives**	**Other fees**	**Total**
Marco Palmieri	Chairman and CEO	01/04/13-30/06/13	2013	100	2	-	-	102
PierpaoloPalmieri	Managing Director	01/04/13-30/06/13	2013	50	1	-	-	51
Marcello Piccioli	Managing Director	01/04/13-30/06/13	2013	45	1	-	1	47
Roberto Trotta	Managing Director	01/04/13-30/06/13	2013	[2)]	1	-	35[3)]	36
Roberto Tunioli	Director	01/04/13-30/06/13	2013	6	-	-	-	6
Gianni Lorenzoni	Director	01/04/13-30/06/13	2013	6	-	-	-	6
Sergio Marchese	Director	01/04/13-30/06/13	2013	2	-	-	-	2
				209	**5**	**-**	**36**	**250**

[1)] Up to the approval of the financial statements as at 31 March.
[2)] He waived the emolument for the period 01/04/13 - 30/06/13.
[3)] It should be noted that, in addition to the pay as an employee, the Company will pay the executive, as per contract, a variable portion of remuneration equal to 20% of the annual gross remuneration if certain Group and Company targets are achieved.

Events after the period end

On 26 July 2013, the ordinary Shareholders' Meetings of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2013 and the distribution of a unit dividend of Euro 0.02 to the Shareholders, 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 ordinary Shareholders' Meeting also appointed, on the basis of lists submitted by shareholders, the new board of directors and the new board of statutory auditors, which will hold office for three financial years and precisely

until the approval of the financial statements as at 31 March 2016. 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 and 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 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.
Furthermore, 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, in order to pursue, also acting, if required, pursuant to the market practice no. 1 and 2 referred to in the Consob Resolution 16839/2009, the following objectives: *(i)* contributing to the stabilisation of the stock performance and the support to liquidity; *(ii)* establishing the so-called "stock of securities", so that the Company may keep and dispose of shares for any possible use of the same as fees in extraordinary operations, including any exchange of shareholdings, with other persons within any transactions of interest to the Company.
The Shareholders' Meeting authorised the board of directors to acquire the maximum number of treasury shares permitted by law, for a period of 12 months from the date of authorisation – that is until the Shareholders' Meeting which approves the financial statements as at 31 March 2014 – by using the reserves available according to the last financial statements as duly approved. The abovementioned transactions may be carried out, on one or more occasions, by purchasing shares, pursuant to article 144-*bis*, paragraph 1, letter b, of the Issuers' Regulation, on regulated markets according to operating procedures set out in the regulations governing the organization and management of the markets themselves, which do not allow the direct matching of any proposed buy orders with any predetermined proposed sales orders.
Purchases may took place according to procedures other than those specified above pursuant to article 132, paragraph 3, of the TUF or specified by any other provisions applicable from time to time at the time of the transaction.
The purchase price of the shares shall be identified, from time to time, on the basis of the procedure selected to carry out the transaction and in accordance with permitted provisions of law, regulations or market practices, between a minimum amount and a maximum amount that may be determined according to the following criteria:

- in any case, the minimum purchase price shall not be 20% less than the reference price that the stock shall have recorded in the trading session on the day prior to any individual transaction;
- in any case, the maximum purchase price shall not be 10% more than the reference price that the stock shall have recorded in the trading session on the day prior to any individual transaction.

In the event that the purchases of treasury shares are carried out within the context of practices permitted with reference to the support to liquidity referred to in point 1 of Consob resolution 16839/2009, and without prejudice to any additional limits set out therein, the price relating to any proposed buy orders shall not exceed the price that is the higher of the price of the last independent transaction and the current price of the highest proposed independent buy order present on the market where the buy orders are placed.
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, at a minimum of not less, by 20%, than the reference price that the share recorded in the stock exchange session of the day preceding each individual transaction.
Likewise, the Shareholders' Meeting is required to authorise the sale starting from the date of the resolution passed by the Shareholders' Meeting, and such authorization will be effective up to the Shareholders' Meeting that will approve the financial statements as at 31 March 2014.
In the event that the sales of treasury shares are carried out within the context of practices permitted with reference to the support to market liquidity referred to in point 1 of Consob resolution 16839/2009, and without prejudice to any additional limits set out therein, the price relating to any proposed sales orders shall not be less than the price that is the lower of the price of the last independent transaction and the current price of the highest proposed independent sales order present on the market where the sales orders are placed

In addition to the above, no significant events are reported which occurred at Group level from 1 July 2013 to the date of this Report.

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CERTIFICATION PURSUANT TO ARTICLE 154-*bis,* PARAGRAPH 2, of the TUF

The Manager responsible for the preparation of corporate accounting documents declares, pursuant to article 154-*bis*, paragraph 2, of the Consolidation Act on Finance, that the accounting information contained in this document corresponds to the documentary results, as well as to the results in the accounting books and records.

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