



Piquadro S.p.A.
The Board of Directors Approves
the Consolidated Interim Report as of June 30, 2012

- **Consolidated revenue amounted to Euro 11.3 million (Euro 12.4 million for the same period of the previous year)**

Silla di Gaggio Montano (BO), August 7, 2012 – Today the Board of Directors of Piquadro S.p.A, which designs, manufactures and distributes innovative-design, high tech leather goods, approved its Consolidated Interim Report as of June 30, 2012.

For the first quarter at June 30, 2012, the Piquadro Group reported a revenues of Euro 11.3 million with an 8.6% decrease compared to the Euro **12.4 million** reported the same period of the previous year.

The decrease in sales is attributable to the shrinking Italian market and to the struggling Wholesale channel. **The Italian market**, which accounted for a 70.3% of the Group's turnover, showed a **15.6% decrease** compared to the same period of the 2011/2012 financial year. Such a decrease was only partially countered by the increasing sales of the European and Extra-European markets where the Group recorded increasing revenues respectively of 15.7% and 10.7% compared to the same period of the 2011/2012 financial year.

The revenues of the Wholesale channel showed a 15.6% decrease. That decrease too was only partially countered by the increasing revenues of the DOS channel (+10.6% compared to the same period of the 2011/2012 financial year) because the revenues of the Wholesale channel stand at 67.6%. Positive was the trend in sales revenue of the DOS channel, adjusted for sales from the stores that were not yet open as of April 1, 2011. The reported rise was about 6.7% while the Same Store Sales Growth (SSSG) data, with the same number of days open and constant exchange rates, registered a variation of 4.1% during the three month period. The SSSG registered in the Italian stores has been positive during the quarter.

As of June 30, 2012, **EBITDA** of the Piquadro Group was Euro 1.8 million (with a **ratio of 15.6%** to net sales revenue), compared to Euro 2.5 million reported the same period of financial year 2011/2012 (20.1% of net sales revenue).

For the first quarter at June 30, 2012, **EBIT** of the Piquadro Group was about Euro 1.3 million (**11.6%** of net sales revenue), **down about 34.6%** compared to June 30, 2011 (16.2% of net sales revenue).

The **pre-tax result** recorded by the **Group** as at 30 June 2012 came to about Euro 1,360 thousand and was affected by income taxes, including the effects of deferred taxation, equal to Euro 478 thousand.

As of June 30, 2012, **Net Financial Position** was negative for Euro **8,030** thousand with an increase of about Euro 1,802 thousand compared to March 31, 2012 and Euro 3,883 thousand compared to June 30 2011 due to inventories growth dynamics and, in part, trade receivables.

“The results of the recently closed quarter clearly show the difficult situation in the domestic market, especially in the wholesale area”. stated Marco Palmieri, Chairman and CEO of Piquadro. “On the other hand, the positive trend in the company stores and foreign markets gives us confidence in pursuing our international expansion and single brand retail development strategies. We will continue to head in this direction, concentrating investments in projects and human resources aimed at the internationalization of the Piquadro brand”.



Foreseeable evolution

In the financial year 2012/2013 the development dynamics of the Piquadro Group will be influenced by the economic scenario in which it operates, mainly Italy in which the Group reports over 70% of its revenues.

The expectations for the 2012/2013 financial year, in terms of both turnover and profitability, will also be influenced by whether wholesale clients are able to restore normal conditions for accessing credit, which would allow them to carry out a more regular procurement activity. The results achieved in directly-operated shops in the first quarter go against the negative trend described above and provide comfort to management regarding its growth strategy which hinges on the opening of directly-operated shops also with a view to improving distribution and positioning. The Group is also focusing on global development and is consistently pursuing a strategy to increase the visibility and awareness of the Piquadro brand internationally. In this perspective, the plan to open the Paris shop on Rue Saint Honoré by the end of 2012 is an important aspect which is to be followed by the flagship store in London; these are places where there is the greatest concentration of the target consumers (travel and business) and where the flow of Asian, Russian, Middle-Eastern and American tourists is constantly increasing; these will represent the greatest areas of expansion for the Group in the immediate future.

Therefore, the forecasts for the 2012/2013 financial year will depend particularly on the development of the economic situation in Italy and therefore on the solidity of the main relevant market of Piquadro as well as on the speed of obtaining returns from the foreign investments. In this context, the management will be and is engaged in constantly monitoring operating costs in order to maintain gross profit margins higher than the averages in the sector, which will allow the Company to make greater commitments to research and development as well as marketing and in retail, with the aim of further raising awareness of the Piquadro brand around the world.

The manager responsible for preparing the Piquadro S.p.A.'s, financial reports, Roberto Trotta, declares – pursuant to paragraph 2 of Article 154-bis of Italy's Legislative Decree 58/1998 – that the accounting information contained in this press release, corresponds to the documented results, books, and accounting records.

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In reference to details of the Board Members, including those with special responsibilities, the Board of Directors voted to allocate the overall fixed compensation determined at the meeting on July 24, 2012, until the approval of the financial statement on March 31, 2013, in Euro 845.000 as follows:

- For President and CEO Marco Palmieri, a gross fixed compensation of Euro 400,000 (four hundred thousand Euros) per year;
- for Executive Director Marcello Piccioli, a gross fixed compensation of Euro 180,000 (one hundred and eighty thousand Euros) per year;
- for Executive Director Pierpaolo Palmieri, a gross fixed compensation of Euro 200,000 (two hundred thousand Euros) per year;
- for Director Gianni Lorenzoni, a gross fixed compensation of Euro 25,000 (twenty-five thousand Euros) per year;
- for Director Roberto Tunioli, a gross fixed compensation of Euro 25,000 (twenty-five thousand Euros) per year;
- for Director Sergio Marchese, a gross fixed compensation of Euro 7,500 (seven thousand five hundred Euros) per year;
- for Executive Director Roberto Trotta, a gross fixed compensation of Euro 7,500 (seven thousand five hundred Euros) per year;

The Board also established that the aforementioned compensation regarding Directors Gianni Lorenzoni, Roberto Tunioli and Sergio Marchese, are to be understood as including remuneration for the work performed by them as members of internal company committees and in particular the Internal Audit Committee and the Remuneration Committee.

Please note that the remuneration of directors vested with special powers and key management personnel is determined based on the proposal of the Remuneration Committee, the Board of Directors after the



Board of Statutory Auditors. The current remuneration systems requires that the remuneration is comprised of a fixed annual gross component and a variable component linked to preset objectives, which are measurable and linked to the creation of value for shareholders in the medium term.

An informational notice on the compensation received during 2011/2012 by members of the administrative and control organizations and by management personnel is contained in the Report on remuneration prepared in accordance with the current rules and regulations.

Piquadro

Founded in 1987, Piquadro is an Italian brand of professional and travel leather goods characterized by innovative design and technological content. The company originated from an idea of Marco Palmieri, current Chairman and Chief Executive Officer. Piquadro is headquartered in Silla di Gaggio Montano, near Bologna, where it carries out all design, project, planning, acquisition, quality control, logistics, marketing, communications and distribution activities.

In the fiscal year ended March 31, 2012 consolidated revenues amounted to Euro 64.4 million euro with Net Profits of Euro 7.8 million.

Piquadro sells its products in over 50 countries worldwide, through a distribution network that also includes 90 single brand boutiques (55 in Italy and 35 abroad, of which 42 DOS-directly operated stores and 48 franchised stores).

Piquadro has been listed on the Italian Stock Exchange since October 2007.

Piquadro SpA

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Consolidated statement of financial position as at June 30, 2012 and March 31, 2012

<i>(in thousands of Euro)</i>	June 30, 2012	March 31, 2012
NON-CURRENT ASSETS		
Intangible assets	1,524	1,528
Tangible fixed assets	12,157	12,132
Other receivables	1,064	977
Deferred tax assets	1,458	1,461
TOTAL NON-CURRENT ASSETS	16,203	16,098
CURRENT ASSETS		
Inventories	13,836	11,911
Trade receivables	20,636	23,113
Other current assets	1,510	1,437
Tax receivables	236	714
Receivables for derivative financial instruments	-	-
Cash and cash equivalents	10,490	12,813
TOTAL CURRENT ASSETS	46,708	49,988
TOTAL ASSETS	62,911	66,086



LIABILITIES AND SHAREHOLDERS' EQUITY		
<i>(in thousands of Euro)</i>	June 30, 2012	March 31, 2012
SHAREHOLDERS' EQUITY		
Share capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	556	512
Retained earnings	26,278	18,499
Group profit for the year	882	7,779
Total Group shareholders' equity	29,716	28,790
Minority interest capital and reserves	-	-
Net profit(loss) pertaining to minority interests	-	-
Total minority interest share	-	-
SHAREHOLDERS' EQUITY	29,716	28,790
NON-CURRENT LIABILITIES		
Financial payables	2,169	2,628
Payables to other lenders for leasing contracts	3,582	3,706
Provisions for employee benefits	239	261
Provisions for risks and charges	786	785
Deferred tax liabilities	327	327
TOTAL NON-CURRENT LIABILITIES	7,103	7,707
CURRENT LIABILITIES		
Financial payables	12,106	11,997
Payables to other lenders for leasing contracts	663	709
Liabilities for derivative financial instruments	1	3
Trade payables	10,253	13,856
Other current liabilities	3,069	3,024
Tax payables	-	-
TOTAL CURRENT LIABILITIES	26,092	29,589
TOTAL LIABILITIES	33,195	37,296
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	62,911	66,086

**Consolidated income statement for the period ended June 30, 2012 and 2011**

<i>(in thousands of Euro)</i>	June 30, 2012	June 30, 2011
REVENUE		
Revenues from sales	11,331	12,395
Other income	113	66
OPERATING COSTS		
Change in inventories	(1,741)	(3,114)
Purchases	3,052	3,861
Service costs and rents, leases and similar costs	5,345	6,495
Personnel costs	2,923	2,662
Amortization, depreciation and write-downs	510	531
Other operating costs	43	21
TOTAL OPERATING COSTS (B)	10,132	10,456
OPERATING PROFIT (A-B)	1,312	2,005
FINANCIAL INCOME AND CHARGES		
Financial income	424	263
Financial charges	(376)	(348)
TOTAL FINANCIAL INCOME AND CHARGES	48	(85)
PROFIT BEFORE TAXES	1,360	1,920
Income Taxes	(478)	(726)
NET PROFIT	882	1,194
attributable to:		
SHAREHOLDERS OF THE PARENT COMPANY	882	1,194
MINORITY INTERESTS	-	-
EARNINGS PER SHARE (basic) in Euro	0.018	0.024
EARNINGS PER SHARE (diluted) in Euro	0.017	0.023