QUARTERLY FINANCIAL REPORT OF THE PIQUADRO GROUP AS AT 30 JUNE 2010

Disclaimer

This Report at 30 June 2010 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

Corporate details

Piquadro S.p.A.

Registered office: località Sassuriano, 246-40041 Silla di Gaggio Montano (Province of Bologna - BO)

Authorised share capital: Euro 1,050,000
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*
1. Milan, Via della Spiga 33 (Piquadro S.p.A.)	*Point of sale*
2. Milan, Linate Airport (Piquadro S.p.A.)	*Point of sale*
3. Milan, Malpensa Airport (Piquadro S.p.A.)	*Point of sale*
4. Barcelona, Paseo de Gracia 11, Planta Baja (Piquadro España)	*Point of sale*
5. Rome, Galleria Colonna (Piquadro S.p.A.)	*Point of sale*
6. Bologna, Piazza Maggiore 4/B (Piquadro S.p.A.)	*Point of sale*
7. Frankfurt, 60313, Goethestrasse 32 (Piquadro Deutschland)	*Point of sale*
8. Barberino del Mugello (FI), c/o 'Factory Outlet Centre' (Piquadro S.p.A.)	*Retail outlet*
9. Fidenza (PR) c/o "Fidenza Village" (Piquadro S.p.A.)	*Retail outlet*
10. Rome – c/o Centro Commerciale Cinecittà (Piquadro S.p.A.)	*Point of sale*
11. Rome – c/o Galleria N. Commerciale di "Porta Roma"(Piquadro S.p.A.)	*Point of sale*
12. Hong Kong, Kowloon Harbour City (Piquadro Hong Kong Ltd)	*Point of sale*
13. Macao, Venetian Mall (Piquadro Macau Limitada)	*Point of sale*
14. Vicolungo (NO) c/o Parco Commerciale (Piquadro S.p.A.)	*Retail outlet*
15. Abu Dhabi, c/o Khalidiyah Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
16. Hong Kong – Kowloon The Peninsula Hotel (Piquadro Hong Kong Ltd)	*Point of sale*
17. Rome – c/o Euroma 2 (Piquadro S.p.A.)	*Point of sale*
18. Valdichiana (AR), c/o "Valdichiana Outlet Village" (Piquadro S.p.A.)	*Retail outlet*
19. Noventa di Piave (VE), c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
20. Dubai, c/o Burjuman Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
21. Rome, Fiumicino Airport (Piquadro S.p.A.)	*Point of sale*
22. Milan, Via Dante 9 (Piquadro S.p.A.)	*Point of sale*
23. Ingolstadt, c/o "Ingolstadt Village" (Piquadro Deutschland)	*Retail outlet*
24. Bologna, "G. Marconi" Airport (Piquadro S.p.A.)	*Point of sale*
25. Barcelona, c/o "La Roca Village" (Piquadro España)	*Retail outlet*
26. Shanghai – Shanghai International Golden Eagle Square (Piquadro Shenzhen)	*Point of sale*
27. Beijing - Beijing Jinbao Place (Piquadro Shenzhen)	*Point of sale*
28. Taiwan – Taipei Eslite Dun Nan (Piquadro Taiwan)	*Point of sale*
29. Hong Kong – Times Square (Piquadro Hong Kong Ltd)	*Point of sale*
30. Shenzhen – Mix City (Piquadro Shenzhen)	*Point of sale*
31. Hong Kong – Kowloon New Town Plaza (Piquadro Hong Kong Ltd)	*Point of sale*
32. Taiwan – Taipei Xin Yin Shop (Piquadro Taiwan)	*Point of sale*
33. Hong Kong – Kowloon – Isquare Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
34. Hong Kong – Seibu Pacific Place Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
35. Marcianise (CE) - c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*

DIRECTORS' MANAGEMENT REPORT

Introduction

The quarterly report as at 30 June 2010 (Consolidated interim quarterly financial statements pursuant to article 154-*ter* of Legislative Decree no. 58/1998) was prepared in compliance with Legislative Decree, as amended, as well as with the Issuers' Regulation issued by Consob.
This Directors' Management Report relates to the attached consolidated interim financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company") and its subsidiaries ("Piquadro Group"), relating to the 3-month period ended 30 June 2010, 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. Therefore, the Report must be read together with the accounting statements and the related Explanatory Notes.

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

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* *Testo Unico della Finanza*, Consolidation Act on Finance

A) CORPORATE BODIES HOLDING OFFICE AT 30 JUNE 2010

- **BOARD OF DIRECTORS**[1]
  (holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements as at 31 March 2010)

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 2010)

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

- **LEAD INDEPENDENT DIRECTOR**
  Gianni Lorenzoni

- **BOARD OF STATUTORY AUDITORS**[2]
  (holding office for three years until the approval of the financial statements as at 31 March 2010)

Regular members

Pietro Michele Villa	*Chairman*
Alessandro Galli	*Auditor*
Vittorio Melchionda	*Auditor*

Substitute members

Fabio Massimo Micaludi	*Auditor*
Matteo Rossi	*Auditor*

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

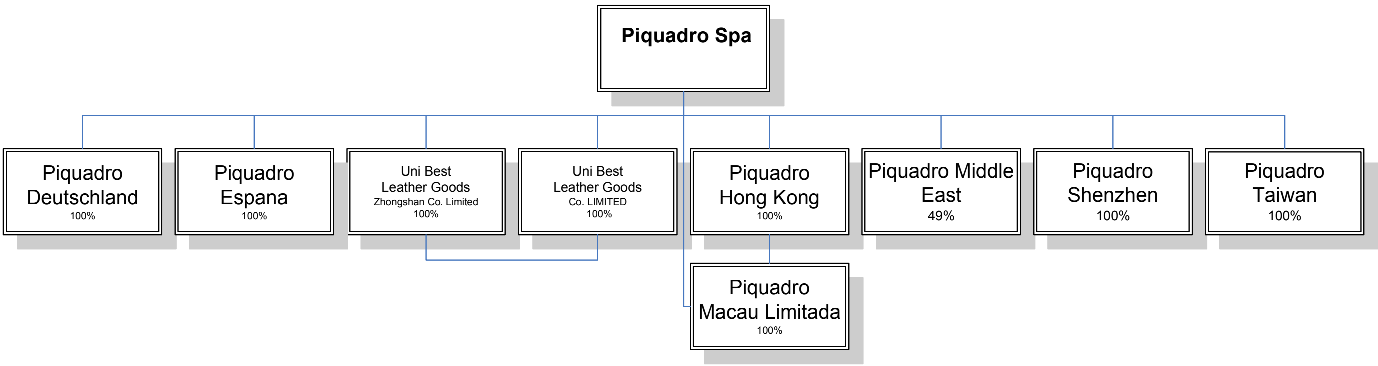
  PricewaterhouseCoopers S.p.A.

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

[1] On 22 July 2010 the Shareholders' Meeting of Piquadro SpA appointed the new Board of Directors, confirming the same directors until the expiry date of 31 March 2013. The subsequent Board of Directors, which was held on the same date, granted the new delegated powers and authorities.
[2] On 22 July 2010 the Shareholders' Meeting of Piquadro SpA appointed the new Board of Statutory Auditors in the persons of Pietro Michele Villa, Vittorio Melchionda and Alessandro Galli, as regular members, and Giacomo Passaniti and Matteo Rossi, as substitute members.

B) THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 30 June 2010:



C) INFORMATION ON OPERATIONS

Significant events for the three months ended 30 June 2010

On 14 June 2010 the Board of Directors of Piquadro SpA approved the financial statements ended 31 March 2010 and proposed to distribute a dividend equal to Euro 0.080 per share for a total of Euro 4,000,000. At the same time, the Board of Directors of Piquadro SpA took steps to call the Extraordinary Shareholders' Meeting for the approval of amendments to sections 12, 13, 17, 19, 25 and 26 of the Company's By-Laws in order to bring them in line with the current regulations for listed companies.
On 22 June 2010, the Parent Company completed the acquisition of the entire residual stake held by the Chinese partners in Uni Best Leather Goods Co. Limited, a company based in Hong Kong which, in turn, holds 50% of the joint venture Uni Best Leather Goods (Zhongshan) Co. Ltd – a company incorporated under Chinese law which is responsible for about 40% of the production of the Piquadro Group -, while the remaining 50% of the share capital of the latter is directly owned by by Piquadro S.p.A.. Specifically, the Chinese partners held no. 500 shares, equal to 50% of the share capital of Uni Best Leather Goods Co. Limited, while Piquadro S.p.A. directly held the residual 50%. Through this transaction, Piquadro S.p.A. currently holds, directly and indirectly, 100% of Uni Best Leather Goods (Zhongshan) through Uni Best Leather Goods Co. Limited.
The acquisition has entailed a disbursement by Piquadro S.p.A., for 50% of the capital of Uni Best Leather Goods Co. Limited, equal to about HKD Euro 1.6 million (corresponding to about Euro 170 thousand).
The Group, through Piquadro Deutschland GmbH, which holds the lease agreement, completed the sale of the shop directly managed in Germany, in Frankfurt, and obtained a sum equal to about Euro 300 thousand for the assignment of the lease agreement. At the same time, the Company started to define a new location, again in Frankfurt, more suitable to its needs in terms of traffic and positioning.

The Group's business

Operations

In the first three months of the 2010/2011 financial year ended 30 June 2010, the Group reported, within a context which is not yet clear and with non-linear dynamics, sharply better performance compared to the same period in the 2009/2010 financial year.

The Piquadro Group reported net sales revenues equal to Euro 10,875 thousand (+14.8%) compared to Euro 9,472 thousand reported in the corresponding period in the 2009/2010 financial year. In the first three months of the 2009/2010 financial year, sales volumes, in terms of quantities sold in the relevant period, showed an increase of about 7.9% compared to the same period in the 2009/2010 financial year. The product families that recorded the most significant increase in terms of sales revenues were those of women's bags (about +119%), small leather goods (about +31%) and travel articles (about +9%), while the product families of briefcases reported a substantial stability (about -0.6%).

As at 30 June 2010, the Piquadro Group reported, in terms of profitability, EBITDA[3] equal to Euro 2.44 million (with the net sales revenues accounting for 22.4%), up by about 29.8% compared to the value recorded in the same period of the 2009/2010 financial year (Euro 1.88 million, equal to 19.8% of net sales revenues). This performance was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop and classified as a positive component of non-recurring income. The performance at EBITDA level, net of this effect, is equal to an increase of about 13.8% (Euro 2.14 million, with the net sales revenues accounting for 19.67%).

The Group's EBIT[4] came to about Euro 1.96 million (18% of net sales revenues), up by about 40.8% compared to 30 June 2009 (Euro 1.4 million, equal to 14.72% of net sales revenues). At EBIT level as well, the performance was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop and classified as a positive component of non-recurring income. The performance at EBIT level, net of this effect, is equal to an increase of about 19.2% (Euro 1.66 million, with the net sales revenues accounting for 15.3%).

As at 30 June 2010 the Group net profit was equal to Euro 1.27 million, up by about 73.4% compared to 30 June 2009 (net profit of Euro 0.7 million).

Net sales revenues

As at 30 June 2010 the Piquadro Group recorded net sales revenues equal to about Euro 10,875 thousand, up by more than 14.8% compared to 30 June 2009. 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 2010, included 35 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 (47 shops as at 30 June 2010) 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 2010**	**%**	**Net revenues as at 30 June 2009**	**%**	**% change 2010/2009**
DOS	2,454	22.6%	2,010	21.2%	22.1%
Wholesale	8,421	77.4%	7,462	78.8%	12.8%
Total	**10,875**	**100.0%**	**9,472**	**100.0%**	**14.8%**

The revenues reported by the DOS channel showed an increase of about 22.1% compared to the same period in the 2009/2010 financial year; this increase was determined by both the increase in the quantities sold in the already existing shops, where this occurred, also in the first three months ended 30 June 2009 ("*comparable shops*") and

[3] 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.

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

the contribution given by the opening of 6 new shops that were not present as at 30 June 2009, and that are listed below:

Month of opening	Location	Channel
October 2009	Shenzhen (China)– Mix City	DOS
October 2009	Hong Kong – Kowloon New Town Plaza	DOS
October 2009	Taiwan – Taipei Xin Yin Shop	DOS
January 2010	Hong Kong – Kowloon – I Square	DOS
January 2010	Hong Kong – Seibu Pacific Place	DOS
February 2010	Marcianise (CE) - c/o "Factory Outlet Centre"	DOS outlet

Assuming that the perimeter remained unchanged and then deducted the sales recorded by the shops which were not yet opened as at 1 April 2009, the performance of sales revenues reported by the DOS channel was equal to about 7.1%.
The Same Store Sales Growth (SSSG) (assuming an equal number of days of opening and constant rates of exchange) reported a change equal to 6% in the three months under consideration.
Sales reported by the Wholesale channel, which as at 30 June 2010 represented 77.4% of the Group's total turnover, showed a 12.8% increase, as they benefitted, compared to the same period in the 2009/2010 financial year, from the opening of 16 additional franchise shops, of which 11 in Italy, 4 in Europe and 1 in the Far East, as listed below:

Month of opening	Location	Channel
July 2009	Modena, Centro Commerciale "Grand'Emilia"	Franchising (Wholesale)
July 2009	Busnago (Mi), Centro Commerciale "Il Globo"	Franchising (Wholesale)
September 2009	Bergamo, Via Sant'Alessandro 4/A	Franchising (Wholesale)
September 2009	Naples, Via Carducci 32	Franchising (Wholesale)
October 2009	Trieste, Via Mazzini 40	Franchising (Wholesale)
October 2009	Ravenna, Via Cavour 95	Franchising (Wholesale)
October 2009	Barcelona (Spain), Calle Rosselò 218	Franchising (Wholesale)
October 2009	Ningbo (China) – Tianyi International Shopping Plaza	Franchising (Wholesale)
November 2009	Moscow, Sokolniki disctrict Rusakovskaja	Franchising (Wholesale)
November 2009	Turin, Centro Commerciale Le Gru	Franchising (Wholesale)
November 2009	Bari, Via Sparano 23	Franchising (Wholesale)
December 2009	Brescia, Centro Commerciale Freccia Rossa	Franchising (Wholesale)
January 2010	Moscow, Flagship Store Petrovskie Passage	Franchising (Wholesale)
March 2010	Moscow, Mega Belaja Dacha Commercial Center	Franchising (Wholesale)
June 2010	Verona, Piazza delle Erbe	Franchising (Wholesale)
June 2010	Verona, Centro Commerciale "La Grande Mela"	Franchising (Wholesale)

Breakdown of revenues by geographical area

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

Geographical area ***(in thousands of Euro)***	**Net revenues as at 30 June 2010**	**%**	**Net revenues as at 30 June 2009**	**%**	**% change 2010/2009**
Italy	8,232	75.7%	7,688	81.2%	7.1%
Europe	1,880	17.3%	1,264	13.3%	48.7%
Rest of the world	764	7%	520	5.5%	46.6%
Total	**10,875**	**100.0%**	**9,472**	**100.0%**	**14.8%**

As at 30 June 2010, the Group's revenues showed that the Italian market accounts for a percentage of the Group's total turnover which is very high (equal to about 75.7%), up by about 7.1% compared to the same period in the 2009/2010 financial year, also benefiting from the opening of 1 new DOS (Marcianise) and 11 franchise shops (Modena,Centro Commerciale "Grande Emilia" – Busnago, Centro Commerciale "Il Globo" – Bergamo – Naples – Trieste – Ravenna - Turin, Centro Commerciale "Le Gru" - Bari – Brescia, Centro Commerciale "Freccia Rossa" - Verona – Verona, Centro Commerciale "La Grande Mela").

The Group operates through the two DOS and Wholesale sales channels in 26 European Countries. Within the European market, the Group achieved a turnover equal to Euro 1,880 thousand, equal to about 17.3% of consolidated sales, up by 48.7% compared to the same period in the year 2009/2010. In the European region, the Group has been able to benefit from the opening of 4 new franchise shops (3 shops in Moscow and 1 shop in Barcelona). In particular, the countries which reported the better performance were Russia (about +186.6%), the Netherlands (+119%) and Switzerland (+204%).

In the non-European geographical area (named "Rest of the world"), where the Group sells in 15 Countries, turnover rose by about 46.6%, also benefitting from the opening of 5 new DOSs (Shenzhen (China) – Mix City in October 2009, Hong Kong – Kowloon New Town Plaza in October 2009, Taiwan – Taipei Xin Yin Shop in October 2009, Hong Kong – Kowloon – I Square in January 2010, Hong Kong – Seibu Pacific Place in January 2010). The revenues generated in this geographical area, in absolute terms, are not yet able to significantly affect the total turnover.

At the same time as the increase in sales revenues, the first three months of the financial year ended 30 June 2010 reported an increase in EBITDA, net of non-recurring revenues and relating to the sale of the Frankfurt shop commented on above, up by about 13.8% compared to the same figure posted as at 30 June 2009 and an increase in the operating result by 19.2% compared to the same period in 2009 (from Euro 1.4 million - equal to 14.7% of total sales revenues - in the first three months of the financial year ended 30 June 2009, to Euro 1.66 million - equal to about 15.28% of total sales revenues - in the first three months of the financial year ended 30 June 2010), net of Euro 300 thousand relating to the goodwill obtained for the assignment of the lease agreement of the Frankfurt shop, and which brought the operating result to about Euro 1.96 million, up by more than 40.7%.

In the opinion of the management, the increase in the operating result, net of non-recurring revenues, for the first three months of the financial year ended 30 June 2010, was also attributable to the following factors:

- positive performances in the DOS segment, in terms of SSSG, counterbalanced by new openings with margins which are not yet in line with the expected ones;
- an increase in revenues from the wholesale channel that have then generated, thanks to the substantial margins they have brought, an operational leverage in a situation in which overheads substantially remained the same.

Summary economic-financial data

Below are reported the Group's main economic-financial indicators as at 30 June 2010 and 30 June 2009 (financial indicators are also compared to the similar values inferred from the consolidated financial statements ended 31 March 2009):

(In thousands of Euro)	**Quarter ended 30 June 2010**	**Quarter ended 30 June 2009**
Revenues from sales	10,875	9,472
EBITDA *(a)*	2,440	1,880
EBIT *(b)*	1,962	1,394
Pre-tax result	1,849	1,209
Net Financial Position *(c)*	3,305	9,161
Group's profit for the period	1,270	776
Amortisation and depreciation of fixed assets and write-downs of receivables	478	486
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	1,748	1,262

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.*

EBITDA for the period came to Euro 2.44 million, against Euro 1.88 million recorded in the same period ended 30 June 2009 and as at 30 June 2010 it accounted for 22.44% of consolidated revenues (against 19.8% recorded as at 30 June 2009). As at 30 June 2010, the Group's amortisation and depreciation were equal to Euro 478 thousand and related to property, plant and equipment for Euro 410 thousand (depreciation of the building where the Company operates for Euro 46 thousand; depreciation of business equipment, including automated warehouse and fittings for shops, for Euro 284 thousand; depreciation of general systems for Euro 80 thousand), intangible assets for Euro 68 thousand (of which Euro 36 thousand for software, Euro 15 thousand for key money, Euro 15 thousand for development costs and Euro 2 thousand for rights and patents).

As at 30 June 2010 EBIT came to Euro 1.96 million, equal to about 18% of net sales revenues, up by about 40.8% compared to the value recorded as at 30 June 2009 (for a percentage equal to 14.7%).

The result from financial operations as at 30 June 2010, which was negative for a value equal to about Euro 0.113 million, 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 2010 came to about Euro 1.85 million and was affected by income taxes, including the effects of deferred taxation, equal to Euro 0.58 million.

Investments

Investments in intangible assets, property, plant and equipment and financial assets in the three months ended 30 June 2010 and 30 June 2009 were equal to Euro 305 thousand and Euro 232 thousand, respectively, as reported below:

(in thousands of Euro)	**Quarter ended 30 June 2010**	**Quarter ended 30 June 2009**
Investments		
Intangible assets	94	13
Property, plant and equipment	211	219
Financial fixed assets	-	-
Total	**305**	**232**

Increases in intangible assets, equal to Euro 94 thousand in the quarter ended 30 June 2010, related to trademarks for Euro 40 thousand, investments in software for Euro 9 thousand and fixed assets under development for Euro 45 thousand relating to the software project for optimising Supply Chain processes (the so-called integrated Demand Management system).

On the contrary, increases in property, plant and equipment, equal to Euro 211 thousand in the quarter ended 30 June 2010 were mainly attributable to fittings purchased for new DOSs opened in the period under consideration and to the refurbishment of some existing shops for Euro 170 thousand, to the purchases of moulds relating to new products for Euro 24 thousand and to the purchase of equipment for Euro 11 thousand**.**

CONSOLIDATED BALANCE SHEET

Below is summarised the Group’s consolidated equity and financial structure as at 30 June 2010 (compared to the corresponding structure as at 31 March 2010 and 30 June 2009):

(in thousands of Euro)	**30 June 2010**	**31 March 2010**	**30 June 2009**
Trade receivables	18,000	20,255	17,208
Inventories	10,472	7,618	8,493
(Trade payables)	(14,223)	(12,849)	(10,459)
Total net current trade assets	*14,249*	*15,024*	*15,242*
Other current assets	1,629	1,565	1,402
(Other current liabilities)	(2,235)	(2,663)	(1,904)
(Tax payables)	(529)	0	(632)
A) Working capital	***13,114***	***13,926***	***14,108***
Intangible assets	674	648	1,023
Property, plant and equipment	11,323	11,517	11,403
Receivables from others beyond 12 months	513	539	523
Deferred tax assets	1,112	1,112	877
B) Fixed assets	***13,622***	***13,816***	***13,826***
C) Non-current provisions and non-financial liabilities	***(1,474)***	***(1,441)***	***(1,144)***
Net invested capital (A+B+C)	**25,262**	**26,301**	**26,790**
FINANCED BY:			
D) Net financial debt	*3,305*	*5,334*	*9,161*
E) Equity attributable to Minority interests	*-*	*81*	*152*
F) Equity attributable to the Group	*21,957*	*20,886*	*17,477*
Total financial payables and Shareholders’ Equity (D+E+F)	**25,262**	**26,301**	**26,790**

CONSOLIDATED NET FINANCIAL POSITION

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

(Values expressed in thousands of Euro)	**30 June 2010**	**31 March 2010**	**30 June 2009**
Cash	74	58	55
Other cash and cash equivalents (available current bank accounts)	10,969	9,259	7,936
Liquidity	**11,043**	**9,317**	**7,991**
Finance leases	(948)	(948)	(948)
Current bank debt	-	-	(175)
Current portion of non-current debt	(2,656)	(2,409)	(1,820)
Current financial debt	**(3,604)**	**(3,357)**	**(2,943)**
Short-term net financial position	**7,439**	**5,960**	**5,048**
Non-current bank debt	(5,722)	(6,046)	(8,276)
Finance leases	(5,022)	(5,248)	(5,933)
Non-current financial debt	**(10,744)**	**(11,294)**	**(14,209)**
Net financial debt	**(3,305)**	**(5,334)**	**(9,161)**

As at 30 June 2010 the Net Financial Position was negative for about Euro 3,305 thousand. The positive change compared to 31 March 2010 is motivated by the Group’s strong capacity to generate cash even if within a context in which the credit and financial dynamics are not particularly linear. Net financial debt as at 30 June 2010, compared to that recorded as at 30 June 2009, showed a positive delta equal to Euro 5,856 thousand, and proves an efficient management of working capital and of the Group’s investment dynamics, and confirms the improving dynamics already reported as at 31 March 2010.

OTHER INFORMATION

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 24 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. As required by IFRS (IAS 38), the Piquadro Group has capitalised, over the years, the development costs of some new product lines put onto the market on a continuing basis, which generated turnover in the financial year after that in which they were designed as prototypes; these costs are amortised on the basis of the residual useful life of the product which is estimated by the management at four years. As at 30 June 2010, the net value of the assets relating to the new continuous product lines were equal to Euro 115 thousand.

DIRECTION AND COORDINATION ACTIVITIES (pursuant to Article 37, paragraph 2, of the Markets' Regulation)

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

SIGNIFICANT EVENTS AFTER THE QUARTER

On 22 July 2010, the ordinary and extraordinary Shareholders' Meetings of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2010 and the distribution of a unit dividend of Euro 0.080 to the Shareholders, for a total amount of Euro 4 million. The dividend was paid starting from 29 July 2010, with the detachment of the coupon no. 3 on 26 July 2010. The ordinary Shareholders' Meeting also appointed, on the basis of the lists submitted by the shareholders, the new board of directors and the new board of statutory auditors, which will hold office for three financial years and specifically until the approval of the financial statements as at 31 March 2013. The new board of directors will always be made up of 7 members, in the persons of Marco Palmieri, Gianni Lorenzoni, Roberto Tunioli, Pierpaolo Palmieri, Marcello Piccioli, Roberto Trotta and Sergio Marchese. The Shareholders' Meeting also confirmed Marco Palmieri as Chairman of the board of directors and determined total annual fees equal to Euro 756,000, as emoluments for directors, to be distributed by the board to all directors, including those who hold particular positions, without prejudice to the right of the board itself to pay additional variable fees to the directors who hold particular positions. Of the directors elected, Gianni Lorenzoni and Roberto Tunioli have declared that they meet the independence requirements laid down in the combined provisions of articles 147-*ter*, paragraph 4, and 148, paragraph 3, of the T.U.F. (*Testo Unico della Finanza,* Consolidation Act on Finance), as well as in article 3 of the Self-Regulatory Code promoted by Borsa Italiana S.p.A. and adopted by Piquadro S.p.A.. At the same meeting, the Shareholders' Meeting appointed the new board of statutory auditors which is made up of the regular members Pietro Michele Villa, Vittorio Melchionda and Alessandro Galli, and by the substitute members Giacomo Passaniti and Matteo Rossi and fixed the remuneration of the members of the Board of Statutory Auditors to an extent equal to the minimum professional fee of Professional and Chartered Accountants (*Dottori Commercialisti* and *Esperti Contabili*). As no minority list was submitted, the candidate

indicated by the shareholder Piquadro Holding S.p.A., Pietro Michele Villa, was appointed as Chairman of the Board of Statutory Auditors.
The extraordinary Shareholders' Meeting also approved the amendment to some sections of the Company's by-laws in order to bring them in line with the regulations in force for listed companies.
On 22 July 2009, subsequent to the Ordinary and Extraordinary Shareholders' Meeting, and consistently with the process relating to the adoption by the Company of the new Organisational Model under Legislative Decree no. 231/2001, the Board of Directors of Piquadro S.p.A. resolved the powers to be delegated to its members. The Board of Directors, in line with the application principles and criteria laid down in the Self-Regulatory Code of listed companies, also confirmed Marco Palmieri as Chairman of the Board of Directors, granting him extensive delegated strategy and operational powers, as he embodies the entrepreneurial image of Piquadro.

In addition to the above, no significant events are reported which occurred at Group level from 1 July 2010 to the date of this Report.

F) OUTLOOK

The results achieved in the first three months of the financial year ended 30 June 2010 have confirmed the management's expectations in terms of turnover growth. The data relating to order collection for the first months of the financial year which will end on 31 March 2011 and subsequent to the first quarter ended 30 June 2010, continue to show a certain recovery of the market, even if in a situation which is yet unstable. The Group is committed to developing the brand both through the network of single-brand, DOS and Franchise shops and internationally in the strategic areas of the Far East where the initial effects of economic recovery can already be felt. The expectations for the whole financial year, which will end on 31 March 2011, are connected to the extent of the recovery which is taking place in the various markets in which the Group operates and holds important positions. The upturn in consumption in some foreign countries, including Russia mainly, where the company operates through seven franchise shops, should help the rate of development abroad. However, on the basis of current indications from the market and from the performance of the current sales campaigns, the management is expecting a growth in the turnover generated by the DOS channel by the end of March 2011, mainly as a result of new openings (including those opened in the course of the previous financial year), and a trend of improvement, compared to the previous year, in the dynamics of sales in the wholesale segment, also due only to restocking by the multi-brand customers. In this context, the management is constantly committed to monitoring recovery dynamics (if any) and maintaining above-average profit margins that can allow it to undertake greater commitments in research and development activities and at the same time commitments to marketing which are able to further develop awareness of the Piquadro brand all over the world.

Silla di Gaggio Montano (BO), 5 August 2010

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED CONDENSED QUARTERLY FINANCIAL STATEMENTS
AS AT 30 JUNE 2010

PIQUADRO

FINANCIAL BALANCE SHEET - ASSETS

(in thousands of Euro)	**Notes**	**30 June 2010**	**31 March 2010**
ASSETS			
Non-current assets			
Intangible assets	(1)	674	648
Property, plant and equipment	(2)	11,323	11,517
Receivables from others	(3)	513	539
Deferred tax assets	(4)	1,112	1,112
Total non-current assets		**13,622**	**13,816**
Current assets			
Inventories	(5)	10,472	7,618
Trade receivables	(6)	18,000	20,255
Other current assets	(7)	1,645	1,513
Derivative financial assets	(8)	-	69
Cash and cash equivalents	(9)	11,043	9,317
Total current assets		**41,160**	**38,772**
TOTAL ASSETS		**54,782**	**52,588**

FINANCIAL BALANCE SHEET - LIABILITIES

EQUITY AND LIABILITIES			
(in thousands of Euro)	**Notes**	**30 June 2010**	**31 March 2010**
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		11,961	4,917
Retained earnings		6,726	6,726
Group profit for the period		1,270	7,243
Total equity attributable to the Group		**21,957**	**20,886**
Capital and Reserves attributable to minority interests		-	201
Profit/(loss) for the period attributable to minority interests		-	(120)
Total equity attributable to minority interests		**-**	**81**
EQUITY	(10)	**21,957**	**20,967**
NON-CURRENT LIABILITIES			
Borrowings	(11)	5,722	6,046
Payables to other lenders for lease agreements	(12)	5,022	5,248
Provision for employee benefits	(13)	280	287
Provisions for risks and charges	(14)	768	728
Deferred tax liabilities	(15)	426	426
TOTAL NON-CURRENT LIABILITIES		**12,218**	**12,735**
CURRENT LIABILITIES			
Borrowings	(16)	2,656	2,409
Payables to other lenders for lease agreements	(17)	948	948
Derivative financial liabilities	(18)	16	17
Trade payables	(19)	14,223	12,849
Other current liabilities	(20)	2,235	2,663
Current income tax liabilities	(21)	529	-
TOTAL CURRENT LIABILITIES		**20,607**	**18,886**
TOTAL LIABILITIES		**32,825**	**31,621**
TOTAL EQUITY AND LIABILITIES		**54,782**	**52,588**

INCOME STATEMENT

(in thousands of Euro)	**Notes**	**30 June 2010**	**30 June 2009**
REVENUES			
Revenues from sales	(22)	10,875	9,472
Other income	(23)	489	292
- *Of which non-recurring*		*300*	-
TOTAL REVENUES (A)		**11,364**	**9,764**
OPERATING COSTS			
Change in inventories	(24)	(2,657)	(790)
Costs for purchases	(25)	3,581	2,040
Costs for services and leases and rentals	(26)	5,904	4,793
Personnel costs	(27)	2,070	1,819
Amortisation, depreciation and write-downs	(28)	478	486
Other operating costs		26	22
TOTAL OPERATING COSTS (B)		**9,402**	**8,370**
OPERATING PROFIT (A-B)		**1,962**	**1,394**
FINANCIAL INCOME AND CHARGES			
Financial income	(29)	462	218
Financial charges	(30)	(575)	(403)
TOTAL FINANCIAL INCOME AND CHARGES		**(113)**	**(185)**
PRE-TAX RESULT		**1,849**	**1,209**
Income tax expenses	(31)	(579)	(477)
PROFIT FOR THE PERIOD		**1,270**	**732**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		1,270	776
MINORITY INTERESTS		-	(44)
(Basic) Earnings per share in Euro	(32)	0.025	0.0155
(Diluted) Earnings per Share in Euro		0.024	0.0150

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 June 2010	30 June 2009
Group profit and loss for the period (A)	**1,270**	**776**
Profit/(Loss) arising from the translation of financial statements of foreign companies	4	(35)
Profit/(Loss) on hedging instruments of cash flows (Cash flow hedge)	(20)	(4)
Total other profits/(losses) not recognised through P&L (B)	**(16)**	**(39)**
Total comprehensive income/(losses) (A) + (B)	**1,254**	**737**
Attributable to		
Group	**1,254**	**781**
Minority interests		**(44)**

Statement of Changes in Equity for the periods ended 30 June 2009 and 30 June 2010 *(in thousands of Euro)*

			Other reserves									
Description	**Share capital**	**Share premium reserve**	**Translation reserve**	**Fair value reserve**	**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**
Balances as at 31.03.2009	**1,000**	**1,000**	**(12)**	**(34)**	**508**	**462**	**6,726**	**7,533**	**16,721**	**224**	**(19)**	**16,926**
Allocation of the result for the period as at 31 March 2009												
- to dividends						0						0
- to reserves					7,533	7,533		(7,533)	0	(19)	19	0
Fair value Stock Option Plan					10	10			10			10
Change in the scope of consolidaiton						0			0			0
Fair value of financial instruments				(4)		(4)			(4)			(4)
Currency translation differences			(26)			(26)			(26)	(9)		(35)
Other changes						0			0			0
Profit for the period						0		776	776		(44)	732
Balances as at 30.06.2009	**1,000**	**1,000**	**(38)**	**(38)**	**8,051**	**7,975**	**6,726**	**776**	**17,477**	**196**	**(44)**	**17,629**

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Other reserves	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
Balances as at 31.03.2010	**1,000**	**1,000**	**(77)**	**12**	**4,982**	**4,917**	**6,726**	**7,243**	**20,886**	**201**	**(120)**	**20,967**
Allocation of the result for the period as at 31 March 2010												
- to reserves					7,243	7,243		(7,243)	0	(120)	120	0
Acquisition of Unibest Leather Goods Hong Kong - capital and reserves attributable to minority interests					(120)	(120)			(120)	(81)		(201)
Fair value Stock Option Plan					10	10			10			10
Change in the scope of consolidaiton						0			0			0
Fair value of financial instruments				(20)		(20)			(20)			(20)
Currency translation differences			6			6			6			6
Reversal of goodwill from acquisition of Unibest Leather Goods Hong Kong					(75)	(75)			(75)			(75)
Other changes						0			0			0
Profit for the period						0		1,270	1,270			1,270
Balances as at 30.06.2010	**1,000**	**1,000**	**(71)**	**(8)**	**12,040**	**11,961**	**6,726**	**1,270**	**21,957**	**0**	**0**	**21,957**

CONSOLIDATED CASH FLOW STATEMENT

(*in thousands of Euro*)	30 June 2010	30 June 2009
Pre-tax profit	**1,849**	**1,209**
Adjustments for:		
Depreciation of property, plant and equipment/amortisation of intangible assets	417	486
Provision for bad debts	-	-
Adjustment to the provision for employee benefits	8	10
Net financial charges/(income), including exchange rate differences	113	185
Cash flow from operating activities before changes in working capital	**2,387**	**1,890**
Change in trade receivables (net of the provision)	2,255	2,269
Change in inventories	(2,854)	(669)
Change in other current assets	(132)	(248)
Change in trade payables	1,374	(837)
Change in provisions for risks and charges	40	(36)
Change in other current liabilities	(428)	(630)
Cash flow from operating activities after changes in working capital	**2,642**	**1,738**
Payment of taxes	-	-
Interest paid	(139)	(228)
Cash flow generated from operating activities (A)	**2,503**	**1,510**
Investments in intangible assets	(94)	-
Investments in property, plant and equipment	(205)	(208)
Investments in financial fixed assets*	(132)	-
Changes generated from investing activities (B)	**(431)**	**(208)**
Financing activities		
Change in long-term financial receivables		
Registering/(Repayment) of short- and medium/long-term borrowings	(77)	96
Changes in financial instruments	68	(2)
Lease instalments paid	(337)	(302)
Payment of dividends	-	-
Cash flow generated from/(absorbed by) financing activities (C)	**(346)**	**(208)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	1,726	1,094
Cash and cash equivalents at the beginning of the period	**9,317**	**6,897**
Cash and cash equivalents at the end of the period	**11,043**	**7,991**

Note to the cash flow statement:
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).

*Consideration paid to third parties for the acquisition of 50% of the subsidiary Unibest Leather Goods in Hong Kong

NOTES TO THE CONSOLIDATED CONDENSED QUARTERLY FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 The Company and the Group

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 SpA, which is 100% owned. Piqubo SpA, in fact, holds 93.34% of the share capital of Piquadro Holding SpA, which in its turn holds 67.980% 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 5 August 2010.

1.2 Seasonality

The Piquadro Group operates in a seasonal market that is typical of the sector to which it belongs.

Historically, the Group's sales revenues achieved in the first three months of the financial year (i.e. from April to June) account for about 18.14% of the consolidated turnover of the financial year (a percentage calculated on the basis of consolidated revenues as at 30 June 2009 compared to consolidated revenues as at 31 March 2010), 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 2010 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2011.

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

2.1 Accounting standards and policies

These consolidated condensed quarterly financial statements as at 30 June 2010 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 2010 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 cash flow statement are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2010.

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 2010, to which reference is made for a description of the same.

The consolidated interim financial statements are made up of the Balance Sheet, the Income Statement, the Cash Flow Statement, the Statements of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the quarter ended 30 June 2010 are compared with the quarter ended 30 June 2009. Financial data as at 30 June 2010 are compared with the corresponding values as at 31 March 2010 (relating to the last consolidated annual accounts).

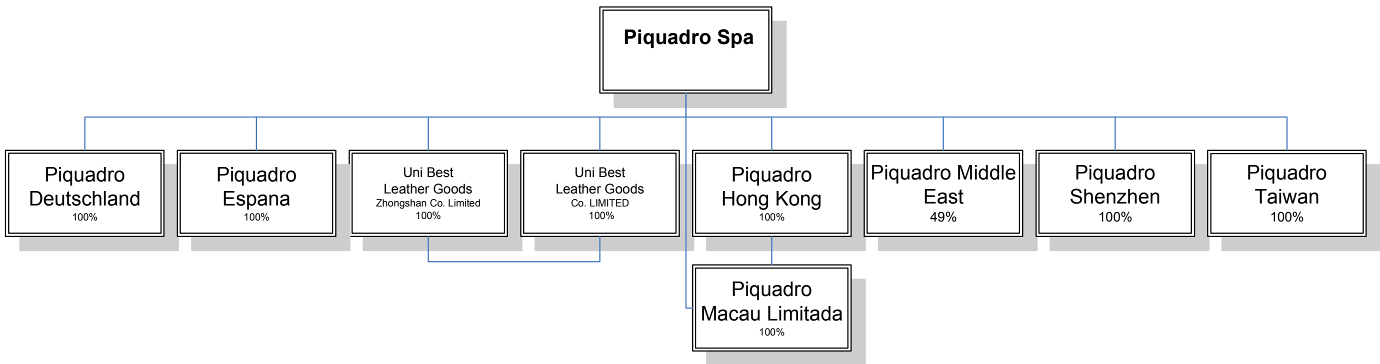
For a better description, accounting data are reported in thousands of Euro in both the accounting statements and these Notes.

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.

As at 30 June 2010, Piquadro Deutschland GmbH achieved other non-recurring revenues for an amount equal to Euro 300 thousand; this amount relates to the sale of the shop run directly in Germany, in Frankfurt, for which Piquadro Deutschland GmbH has obtained a sum equal to about Euro 300 thousand as a consideration for the assignment of the lease agreement.

2.2 The Group structure

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 30 June 2010:



2.3 Principles of consolidation

Subsidiaries

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

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

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

2.4 Scope of consolidation

The consolidated interim financial statements ended 30 June 2010 and 30 June 2009 include the interim financial statements of the Parent Company Piquadro SpA and those of all companies over which it exercises control, either directly or indirectly.

Compared to the financial year ended 31 March 2010, no new company was included in the scope of consolidation during the quarter ended 30 June 2010.

Compared to the quarter ended 30 June 2009, the scope of consolidation as at 30 June 2010 saw the entry of Piquadro Taiwan Co. Ltd, which has its registered office in Taiwan 8F, 563, Chung Hsiao E. Rd Sec. 4, Taipei. This company was established on 7 September 2009, with a share capital of NTD 5,000,000 (corresponding to about Euro 110 thousand). The share capital is fully paid up and is 100% held by the Parent Company Piquadro SpA. The company owns and runs two shops (DOS) at the shopping centre “Eslite Dun Nan” in Taipei.

Furthermore, it should be noted that, on 22 June 2010, the Parent Company completed the acquisition of the entire residual stake held by the Chinese partners in Uni Best Leather Goods Co. Limited, a company based in Hong Kong which, in turn, holds 50% of the joint venture Uni Best Leather Goods (Zhongshan) Co. Ltd – a company incorporated under Chinese law which is responsible for about 40% of the production of the Piquadro Group -, while the remaining 50% of the share capital of the latter is directly owned by by Piquadro S.p.A..
Specifically, the Chinese partners held no. 500 shares, equal to 50% of the share capital of Uni Best Leather Goods Co. Limited, while Piquadro S.p.A. directly held the residual 50%. Through this transaction, Piquadro S.p.A. currently holds, directly and indirectly, 100% of Uni Best Leather Goods (Zhongshan) through Uni Best Leather Goods Co. Limited.

The complete list of the companies included in the scope of consolidation as at 30 June 2010 and 30 June 2009, 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 2010

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000		Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	209	100%
Piquadro España Slu	Barcelona	Spain	Euro	198	(51)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(2)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	1,542	(93)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	(31)	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	(17)	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	7,403	644	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	5,000	38	100%
Piquadro Middle East Leather Products LLC [a]	Abu Dhabi	United Arab Emirates	AED	150	(511)	49%

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

Scope of consolidation as at 30 June 2009

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000		Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	194	50%
Piquadro España Slu	Barcelona	Spain	Euro	198	(134)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(206)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	1,542	131	50%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	221	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	(88)	96%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	1,650	305	100%
Piquadro Middle East Leather Products LLC [a]	Abu Dhabi	United Arab Emirates	AED	150	(265)	49%

[a] 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 SpA 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 2010 and 30 June 2009 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Hong Kong Dollar (HKD)	9.899	10.556	9.554	10.954
Renminbi (Yuan)	8.685	9.302	8.321	9.654
Arab Emirates Dirham (AED)	4.674	5.002	4.507	5.191
Taiwan Dollar	40.485	-	39.486	-

2.5 Accounting standards recently endorsed but not yet adopted by the Group

The accounting standards applied to these consolidated interim financial statements as at 30 June 2010 and 30 June 2009 comply with those adopted in the previous consolidated financial statements ended 31 March 2010, except for those amendments required by:

IAS 1 (revised) – Presentation of financial statements

In addition to introducing some new names for accounting statements, IAS 1 (revised) has also introduced the obligation to present the profit or loss components for the period recognised directly in equity for transactions other than those effected by the shareholders in a single statement (named statement of comprehensive income) or in two separate statements (separate income statement and statement of comprehensive income). Transactions with shareholders, together with the result of the statement of comprehensive income, are instead presented in the statement of changes in equity. The Piquadro Group has opted to present two separate statements named “consolidated income statement” and “consolidated statement of comprehensive income”.

IFRS 7 (amended) – Financial instruments: Disclosures

The disclosure requirements contained in IFRS 7 are amended/supplemented in relation to: the fair value and the breakdown of liquidity. Specifically, it requires the financial instruments measured at fair value to be classified in three levels. There have been no significant impacts for the Group as these are more exhaustive disclosures.

IAS 27 (revised) – Consolidated and separate Financial Statements.

The amendment to IAS 27 provides that the changes in the shareholding that do not constitute a loss of control must be treated as transactions between shareholders (the so-called equity transaction) and must be entered against an entry in equity, eliminating the option for the entry in the income statement. Furthermore, when the controlling company transfers control in one of its investee companies, but continues in any case to hold a stake in the company, the investment maintained in the accounts shall be measured at fair value and profits or losses (if any) arising from the loss of control shall be charged to the income statement.

As to the other standards, either recently-issued or revised, applicable to the Group from 1 April 2009, it is specified as follows:

a) IFRS 8 – Operating Segment: has not entailed for the group a review of the reporting, nor the identification of new operating segments, or a different aggregation of these segments for the purposes of segment reporting.

b) IAS 23 (revised) – Borrowing costs: has eliminated the option that allowed financial charges to be recognised as a cost in the income statement, even if referred to the acquisition, construction or production of “qualifying” assets, i.e. assets that would have allowed these costs to be capitalised. Capitalisation is then mandatory. The amendment to the standard has had no effects on the Group.

c) IFRS 2 (amended) - Share-based payments. The standard has been amended in order to clarify the definition of vesting conditions and to prescribe the accounting treatment in the case of a plan effectively cancelled following the non-fulfilment of a non-vesting condition. This amendment standard has not entailed effects on the Group.

d) IFRIC 13 – Customer loyalty programmes: this interpretation clarifies that the goods or services that are free of charge or discounted within a customer loyalty programme must be recognised as a separate component of the related sale transaction in which points or premiums have been assigned. Part of the fair value of the consideration arising from the sale must therefore be allocated to the bonus points and deferred. This component will be subsequently recognised as a revenue in the period of time in which points are redeemed. The adoption of this amendment has not entailed effects on the Group.

e) Improvements to IFRS (2008): a number of amendments have been issued in relation to the following standards: IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 28, IAS 36, IAS 38. There have been no significant effects on the Group.

f) IFRS 1 and IAS 27 (amended) – Cost of an investment in a subsidiary, jointly controlled entity or associate: the amendments to IFRS 1 allow the new user to define the book value of investments according to IAS 27 or at deemed cost. The separate financial statements recognise dividends from investments in subsidiaries, associates and joint ventures under income in the income statement, without any distinction as to pre-acquisition and post-acquisition dividends. There have been no significant impacts on the Group.

g) IFRIC 14 – The limit on a defined benefit asset, minimum funding requirements and their interaction: this interpretation limits the possibility of entering an asset deriving from a pension scheme. There have been no significant impacts on the Group.

h) IAS 32 (amended) – Financial instruments: disclosure and presentation and IAS 1 – Presentation of financial statements. The standards have been amended in order to allow, under certain conditions, financial instruments puttable at fair value to be classified under equity items, rather than under financial liabilities. The adoption of this amendment is not applicable to the Group.

i) IFRIC 9 and IAS 39 (amended) – Reassessment of embedded derivatives and Financial Instruments: Recognition and Measurement. It specifies the accounting treatment to be adopted for derivatives embedded in financial assets being reclassified. The standard is not currently applicable to the Group.

l) IFRIC 15 – Agreements for the construction of real estate: it identifies the cases in which revenues for the construction of real estate are to be considered as a sale of goods (IAS 18) or construction services (IAS 11). The adoption of this amendment is not applicable to the Group.

The following standards, amendments and interpretations, which will be applicable from 1 April 2010, have not been adopted by the Group in advance.

IFRS 3 (revised) – Business combinations: the amended standards introduces a number of significant changes; specifically: it will be possible to enter goodwill also with reference to portions of minority interests (the so-called full goodwill method); amendments are made to the procedures for entering assets and liabilities in the case of the acquisition of subsidiaries in more than one phase (goodwill is determined as the difference between the value of the investments immediately before the acquisition, the consideration for the transaction and the fair value of the net acquired assets); the standards also introduces the obligation to recognise all the costs connected to the business combination in the income statement.

IAS 38 (amended) – Intangible assets: the amendments made to the standard will be adopted starting from the date of application of IFRS 3 revised. It specifies the guidelines to determine the fair value of an intangible asset acquired within a business combination. The application of this standards is not expected to have a significant impact on the Group.

IAS 32 (amended) – Financial instruments: presentation: these amendments specifically relate to the classification of rights issued (warrants, options) in the accounts. The application of this standards is not expected to have a significant impact on the Group.

IFRIC 12 – Service concession arrangements. The standard illustrates the procedure to recognise the infrastructure subject to service concession arrangements in the financial statements of the concessionaire and specifies the distinction between of the various phases o fan agreement (construction/management) and the procedures to recognise income ad expenses in any case. It provides for two models (financial assets and intangible assets) to recognise the infrastructure and the related income/expenses according to the degree of uncertainty to which the concessionaire is exposed as regards future receipts.

IFRIC 16 – Hedges of a net investment in a foreign operation. The interpretation specifies the procedures to apply the international accounting standards IAS 21 and IAS 39 in the cases when an entity hedges the foreign exchange risk arising from its net investments in foreign operations. This interpretation should have no effects at Group level.

IFRIC 17 – Distribution of non-cash assets to Owners. The interpretation regulates the procedure to account for dividends paid out according to procedures other than those laid down for cash assets. At present, this interpretation would not have effects at Group level.

IFRIC 18 – Transfers of assets from customers. The interpretation regulates the procedure to account for receipt from customers collected through assets other than cash assets. The Group is currently assessing effects (if any) arising from this interpretation.

Improvements to IFRS (2009): minor amendments to 12 IFRS. The Group is currently assessing effects (if any) (applicable from 1 April 2011).

IFRS 2 (amended) – Share-based payments: it specifies the accounting treatment, in the separate financial statements, of cash-settled share-based payments at group level. The Group is currently assessing effects (if any) (applicable from 1 April 2011).

The Group has also considered the effects of other standards, interpretations and updates approved but not yet endorsed by the community legislator, as listed below, and has not reported that the same might have significant potential impacts on its equity, financial and economic position.

- IAS 24 (amended): it simplifies disclosure requirements concerning related parties including public bodies and provides a new definition of related parties;
- Improvements to IFRS (2010): minor amendments to 7 IFRS;
- IFRIC 19: it deals with the cases in which a lender reaches an agreement with a debtor company to extinguish one of its financial liability through equity instruments;
- IFRIC 14 (amended): it deals with the case in which a company must comply with minimum funding requirements of defined benefit plans and makes advance payments in order to ensure compliance with such requirements.
- IFRS 9: it reports new criteria for the classification of financial assets.
- IFRS 1 (amended): additional exemptions during the transition to IFRS.

3. COMMENT ON THE MAIN BALANCE SHEET ITEMS

ASSETS

Non-current assets

Note 1 – Intangible assets

As at 30 June 2010 the value of Intangible assets was equal to Euro 674 thousand (Euro 648 thousand as at 31 March 2010).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 June 2010**
Balance as at 31 March 2010	648
Investments in intangible assets	94
Other Changes	-
Amortisation and write-downs	(68)
Total	**674**

In the quarter ended 30 June 2010, the increases in intangible assets, equal to Euro 94 thousand related to trademarks for Euro 40 thousand, investments in software for Euro 9 thousand and fixed assets under development for Euro 45 thousand relating to the software project for optimising Supply Chain processes (the so-called integrated Demand Management system).

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

In the course of the quarter, no trigger events occurred as to the key money for the shops located in Rome, Milan, Bologna which could indicate potential impairment losses of the same.

Note 2 – Property, plant and equipment

As at 30 June 2010, the value of Property, plant and equipment was equal to Euro 11,323 thousand (Euro 11,517 thousand as at 31 March 2010).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 June 2010**
Balance as at 31 March 2010	11,517
Investments in assets entered into operation	211
Other Changes	5
Depreciation and write-downs	(410)
Total	**11,323**

On the contrary, increases in property, plant and equipment, equal to Euro 211 thousand in the quarter ended 31 March 2010, are mainly attributable to fittings purchased for the new DOSs opened in the period under consideration and for refurbishments of some existing shops for Euro 170 thousand, to the purchases of moulds relating to new products for Euro 24 thousand and to the purchase of equipment for Euro 11 thousand.

Below is reported the net book value as at 30 June 2010 of the assets used by the Group by virtue of finance lease agreements:

(in thousands of Euro)	30 June 2010
Land	878
Buildings	5,421
Plant and equipment	310
Industrial and business equipment	898
Total	**7,507**

Note 3 – Receivables from others

Receivables from others, equal to Euro 513 thousand as at 30 June 2010 (against Euro 539 thousand as at 31 March 2010) 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 2010, the amount of deferred tax assets was equal to Euro 1,112 thousand (Euro 1,112 thousand as at 31 March 2010) and was mainly made up of Euro 1,080 thousand of temporary tax differences relating to Piquadro S.p.A. (Euro 1,084 thousand as at 31 March 2010), 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 258 thousand against about Euro 263 thousand as at 31 March 2010).

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 2010	Provision for write-down	Net value as at 30 June 2010	Net value as at 31 March 2010
Raw Materials	3,453	(151)	3,302	1,330
Semi-finished products	358	-	358	358
Finished products	7,109	(297)	6,812	5,930
Inventories	**10,920**	**(448)**	**10,472**	**7,618**

(in thousands of Euro)	Provision as at 31 March 2010	Use	Allocation	Provision as at 30 June 2010
Provision for write-down of raw materials	151	-	-	151
Provision for write-down of finished products	297	-	-	297
Total provision for write-down of inventories	**448**	**-**	**-**	**448**

As at 30 June 2010, inventories showed an increase compared to the corresponding values as at 31 March 2010. This increase is mainly attributable to seasonal trends. On the contrary, the value of inventories as at 30 June 2010 (Euro

10,472 thousand) increased compared to 30 June 2009 (Euro 8,493 thousand) mainly as a result of the expected growth dynamics of the turnover already showed in these interim financial statements.

Note 6 – Trade receivables

As at 30 June 2010, trade receivables were equal to Euro 18,000 thousand compared to Euro 20,255 thousand as at 31 March 2010. The decrease, equal to Euro 2,255 thousand, is mainly attributable to seasonal trends.

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

(in thousands of Euro)	**Provision as at 31 March 2010**	**Use**	**Allocation**	**Provision as at 30 June 2010**
Provision for bad debts	933	-	-	933

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**30 June 2010**	**31 March 2010**
Other assets	1,021	970
Accrued income and prepaid expenses	624	543
Other current assets	**1,645**	**1,513**

Other current assets mainly include advances to suppliers of the Parent Company (Euro 473 thousand as at 30 June 2010 against Euro 306 thousand as at 31 March 2010), other sundry receivables of Uni Best Leather Goods (Zhongshang) Co. Ltd. (Euro 75 thousand as at 30 June 2010 against Euro 174 thousand as at 31 March 2010) and other sundry receivables of Piquadro España SLU (Euro 31 thousand as at 30 June 2010 against Euro 30 thousand as at 31 March 2010).

Accrued income and prepaid expenses mainly include prepaid expenses on set of samples relating to the clothing collection for autumn/winter 2010/2011 and spring/summer 2011 for Euro 378 thousand.

Note 8 – Derivative financial assets

As at 30 June 2010, the Parent Company had no assets relating to forward exchange contracts (as at 31 March 2010 the Group had reported liabilities of Euro 69 thousand).
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 forecast.

Note 9 – Cash and cash equivalents

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

(in thousands of Euro)	**30 June 2010**	**31 March 2010**
Available current bank accounts	10,969	9,259
Cash, cash on hand and cheques	74	58
Cash and cash equivalents	**11,043**	**9,317**

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 Cash flow statement and the breakdown of Net Financial Position.

<u>LIABILITIES</u>

Note 10 – TOTAL EQUITY

Share capital

As at 30 June 2010 the Share Capital of Piquadro S.p.A. was equal to Euro 1,000 thousand and was represented by no. 50,000,000 of ordinary shares, fully subscribed and paid up, with regular enjoyment, with no indication of their par value.
On 31 January 2008, following the resolution of 20 December 2007, the Company's Board of Directors resolved to approve a stock option plan named "Stock Option Plan of Piquadro S.p.A. 2008-2013", for a maximum of 1,600,000 shares, setting the price for the subscription of Piquadro ordinary shares at Euro 2.20, to be paid by the beneficiaries at the time of subscription of the shares. The Plan is reserved for certain directors, executives, employees and collaborators of Piquadro S.p.A. and of other companies under its control that have been selected by the Board of Directors in consultation with the Remuneration Committee.
Vesting of options, to the extent of 20% at any time during the fourth year in the term of the plan, 30% at any time during the fifth year in the term of the Plan and 50% at any time during the sixth year in the term of the Plan, respectively, is 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 as specified in the Plan's regulations. The Group has no obligation to repurchase the shares or liquidate them.
The criterion used for measurement is based on the Monte Carlo simulation. The model created for the valuation of stock options takes account of all the operating characteristics reported in the plan's regulations. 50,000 scenarios have been developed for the purpose of valuation. In estimating expected volatility, as required in the Operational guidance (appendix B) to point B26 of IFRS 2, reference was made to stocks from the same commodity sector that have been listed for a longer period of time. As at 30 June 2010, no option had been vested out of no. 1,600,000 options assigned.

Share premium reserve

This reserve, which as at 30 June 2010 was equal to Euro 1,000 thousand, has not undergone changes during the first three months ended 30 June 2010.

Translation reserve

As at 30 June 2010 the translation reserve was negative for Euro 71 thousand (while was negative for Euro 77 thousand as at 31 March 2010). This item is referred to the exchange rate differences due to the consolidation of the companies Uni Best Leather Goods Co. Ltd, Piquadro Hong Kong Ltd. and Piquadro Macau Limitada (the relevant currency being the Hong Kong Dollar), Uni Best Leather Goods Zhongshan Co. Ltd (the relevant currency being the Chinese Renminbi), Piquadro Middle East Leather Products LLc (the relevant currency being the AED) and Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar).

Group net profit

This item relates to the recognition of the Group profit, equal to Euro 1,270 thousand, in the first three months ended 30 June 2010.

Equity attributable to minority interests

Following the agreement entered into on 22 June 2010, the Parent Company completed the acquisition of the entire residual stake held by the Chinese partners in Uni Best Leather Goods Co. Limited, a company based in Hong Kong which, in turn, holds 50% of the joint venture Uni Best Leather Goods (Zhongshan) Co. Ltd, while the remaining 50% of the share capital of the latter is directly owned by by Piquadro S.p.A..
Specifically, the Chinese partners held no. 500 shares, equal to 50% of the share capital of Uni Best Leather Goods Co. Limited, while Piquadro S.p.A. directly held the residual 50%. Through this transaction, Piquadro S.p.A. currently holds, directly and indirectly, 100% of Uni Best Leather Goods (Zhongshan) through Uni Best Leather Goods Co. Limited. As a result of these transactions, these interim financial statements do not report any Equity attributable to minority interests (as at 31 March 2010 the equity attributable to minority interests was equal to Euro 81 thousand).

It should be noted that this transaction generated a goodwill equal to about Euro 75 thousand which has been duly expensed under Equity, as required by IAS 27 (revised); this standard provides that the changes in the ownership structure of a subsidiary that do not constitute a loss of control must be treated as transactions between shareholders (the so-called equity transaction) and must be entered against an entry in equity, eliminating the option for the entry in the income statement.

Note 11 – Borrowings

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

(in thousands of Euro)	**30 June 2010**	**31 March 2010**
Financial payables from 1 to 5 years	5,722	6,046
Financial payables beyond 5 years	-	-
Medium/long-term financial payables	**5,722**	**6,046**

As at 30 June 2010, financial payables included residual payables for Euro 3,800 thousand for the loan granted by Carisbo SpA to Piquadro SpA. on 31 January 2008 for an initial amount of Euro 5,300 thousand, for Euro 975 thousand for the unsecured loan disbursed by Carisbo SpA on 1 September 2008 for an initial amount of Euro 1,500 thousand and for an additional amount of Euro 3,500 thousand relating to the unsecured loan granted by Carisbo SpA on 25 February 2009, as commented on below, in addition to the residual debt, classified under current liabilities, for Euro 6 thousand granted by Cassa di Risparmio di Rimini. The debt entered under non-current liabilities in the accounts as at 30 June 2010 was equal to Euro 3,800 thousand (Euro 1,500 thousand under current liabilities) is a loan granted by Carisbo SpA and is represented by an unsecured loan, with a two-year pre-amortisation, which does not provide for compliance by the Parent Company with any covenants. On 1 September 2008, the Parent Company raised an unsecured loan with Carisbo SpA – Gruppo Intesa-Sanpaolo for an amount equal to Euro 1,500 thousand, for a term of 60 months, aimed partly at financing the opening of new points of sale in Italy and abroad and partly at meeting the financial requirements of the Companies; the debt entered under non-current liabilities in the accounts as at 30 June 2010 was equal to Euro 973 thousand (Euro 300 thousand under current liabilities) and does not provide for compliance with any covenants. On 25 February 2009 the Company raised an additional unsecured loan with Carisbo SpA – Gruppo Intesa-Sanpaolo, with value date on 28 February 2009, for an amount equal to Euro 3,500 thousand, with a term of 60 months, aimed at financing the investment requirements of the Company and partly at supporting the new openings (if any) of shops in Italy and abroad; the debt entered under current and non-current liabilities in the accounts as at 30 June 2010 was equal to Euro 3,499 thousand, provides for a 18-month pre-amortisation (expiring on 28 August 2010) and does not provide for compliance by the Parent Company with any covenant as amended by the deed entered into on 31 May 2010.

(in thousands of Euro)	**Date of granting of the loan**	**Initial amount**	**Currency**	**Current financial payables**	**Non-current financial payables**	**Total**
Carisbo loan	31 January 2008	5,300	Euro	1,500	2,300	3,800
Carisbo loan	1 September 2008	1,500	Euro	300	673	973
Carisbo loan	28 February 2009	3,500	Euro	750	2,749	3,499
Carimini loan	26 October 2005	88	Euro	6	-	6
Currency loan - Unicredit	Piquadro Trading Shenzhen	900	CNY	100	-	100
				2,656	**5,722**	**8,378**

Note 12 - Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**30 June 2010**	**31 March 2010**
Non-current portion:		
Payables to leasing companies	5,022	5,248
Current portion:		
Payables to leasing companies	948	948
Payables to other lenders for lease agreements	**5,970**	**6,196**

As at 30 June 2010, payables to other lenders due beyond 12 months were equal to Euro 5,022 thousand and related to payables to leasing companies, and specifically to the residual debt of Euro 4,858 thousand relating to the lease agreement initially entered into by Piqubo Servizi S.r.l., which was merged by incorporation into Piquadro S.p.A. by deed of 24 October 2008, with Centro Leasing S.p.A. in relation to the plant, land and the automated warehouse located in Sassuriano, Silla di Gaggio Montano (Province of Bologna) (Euro 5,030 thousand as at 31 March 2010). Furthermore, it should be noted that, effective from 1 August 2006, Centro Leasing SpA has transferred to Cassa di Risparmio di Pistoia e Pescia SpA a share equal to 50% of the receivables relating to finance lease rentals arising from the said lease agreement. The residual amount of Euro 164 thousand (Euro 218 thousand as at 31 March 2010) relates to payables for lease agreements related to equipment, furniture and fittings of shops run by the Company.

Note 13 – Provision for Employee Benefits

As at 30 June 2010, the value of the provision was equal to Euro 280 thousand (Euro 287 thousand as at 31 March 2010) and has been determined by an independent actuary; the actuarial assumptions used for calculating the provision are not changed compared to the information reported in the paragraph *Accounting standards – Provision for employee benefits* in these Notes to the Financial Statements as at 31 March 2010 .

Note 14 – Provisions for risks and charges

Below are the changes in provisions for risks and charges as at 30 June 2010:

(in thousands of Euro)	**Provision as at 31 March 2010**	Use	Allocation	**Provision as at 30 June 2010**
Provision for supplementary clientele indemnity	511	(1)	41	551
Other provisions for risks	217	-	-	217
Total	**728**	**(1)**	**41**	**768**

The "provision for agents' supplementary indemnity" represents the potential liability with respect to agents in the event of Group companies' terminating agreements or agents retiring. The amount of the liability has been calculated by an independent actuary as at the balance sheet date.
Other provisions of Euro 217 thousand mainly relate to other provisions for risks on returns on sales equal to Euro 50 thousand generated by the allocation for the year, Euro 10 thousand for provision for risks on repairs and Euro 157 thousand for other provisions for risks on potential liabilities generated by current operations.

Note 15 – Deferred tax liabilities

As at 30 June 2010 the amount of deferred tax liabilities was equal to Euro 426 thousand (Euro 426 thousand as at 31 March 2010) and was fully referable to the Parent Company.

Current liabilities

Note 16 – Borrowings

As at 30 June 2010 borrowings were equal to Euro 2,656 thousand against Euro 2,409 thousand as at 31 March 2010; for the breakdown, reference is made to Note 10.

Note 17 – Payables to other lenders for lease agreements

As at 30 June 2010 they were equal to Euro 948 thousand (Euro 948 thousand as at 31 March 2010) and related to the current portion of payables to leasing companies in relation to agreements for the lease of furniture, fittings and equipment for the shops and of the building, plant and equipment of the operational headquarters.

NET FINANCIAL POSITION

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

(Values expressed in thousands of Euro)	**30 June 2010**	**31 March 2010**	**30 June 2009**
Cash	74	58	55
Other cash and cash equivalents (available current bank accounts)	10,969	9,259	7,936
Liquidity	**11,043**	**9,317**	**7,991**
Finance leases	(948)	(948)	(948)
Current bank debt	-	-	(175)
Current portion of non-current debt	(2,656)	(2,409)	(1,820)
Current financial debt	(3,604)	**(3,357)**	**(2,943)**
Short-term net financial position	**7,439**	**5,960**	**5,048**
Non-current bank debt	(5,722)	(6,046)	(8,276)

Finance leases	(5,022)	(5,248)	(5,933)
Non-current financial debt	**(10,744)**	**(11,294)**	**(14,209)**
Net Financial Debt	**(3,305)**	**(5,334)**	**(9,161)**

As at 30 June 2010 the Net Financial Position was negative for about Euro 3,305 thousand. The positive change compared to 31 March 2010 is motivated by the Group's strong capacity to generate cash even if within a context in which the credit and financial dynamics are not particularly linear. Net financial debt as at 30 June 2010, compared to that recorded as at 30 June 2009, showed a positive delta equal to Euro 5,856 thousand, and proves an efficient management of working capital and of the Group's investment dynamics, and confirms the improving dynamics already reported as at 31 March 2010.

Note 18 – Derivative financial liabilities

As at 30 June 2010, liabilities relating to the hedging of derivative financial instruments were equal to Euro 16 thousand (Euro 17 thousand as at 31 March 2010).

The Company has taken steps to hedge the risk of increases in interest rates linked to the performance of the 3-month Euribor rate; this derivative was entered into to hedge the variable portion of interest due on the loan raised with Banca Cassa di Risparmio di Bologna on 16 January 2008 for an amount equal to Euro 5,300 thousand; the cost of the transaction is represented by the fixed spread equal to 0.30%.

This transaction is accounted for according to the hedge accounting criteria (IAS 39). The valuation of this hedging contract entailed the recognition of a liability of Euro 16 thousand (Euro 17 thousand of financial assets as at 31 March 2010) which has been accounted for against an entry in equity.

Note 19 – Trade payables

Below is the breakdown of current trade liabilities:

(in thousands of Euro)	**30 June 2010**	**31 March 2010**
Payables to suppliers	14,223	12,849

As at 30 June 2010, the increase in payables to suppliers, equal to Euro 1,374 thousand, compared to 31 March 2010, was mainly attributable to the Group's seasonality dynamics.

Note 20 - Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	**30 June 2010**	**31 March 2010**
Payables to social security institutions	465	319
Payables to Pension funds	21	12
Other payables	506	554
Payables to employees	262	339
Advances from customers	52	49
Deferred income	238	215
Payables for VAT	340	950
IRPEF tax payables and other tax payables	351	225
Other current liabilities	**2,235**	**2,663**

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees as at 30 June 2010 mainly included the Company's payables for remunerations to be paid and deferred charges with respect to employees.

Note 21 – Tax payables

Below is the breakdown of tax payables:

(in thousands of Euro)	**30 June 2010**	**31 March 2010**
IRES tax (income taxes)	414	-
IRAP tax	115	-
Tax payables	**529**	**-**

Current income tax liabilities for IRES and IRAP tax (reported after tax advances paid in the course of the period under consideration) relate to the obligations with respect to the Tax Office existing at the date of the interim financial statements, and fully refer to the Parent Company.

4. COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Note 22 – Revenues from sales

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

The Group's revenues are mainly realised in Euro.

Below is the breakdown of revenues by geographical area:

(in thousands of Euro)	**Quarter ended 30 June 2010**	**Quarter ended 30 June 2009**
Italy	8,232	7,688
Europe	1,880	1,264
Rest of the world	763	520
Revenues from sales	**10,875**	**9,472**

In the quarter ended 30 June 2010, revenues from sales reported an increase by more than 14.8%, equal to Euro 1,403 thousand compared to the corresponding revenues achieved in the quarter ended 30 June 2009. The increase, in absolute terms, is mainly attributable to higher sales made in the geographical areas of Italy and Europe.

Note 23 – Other income

In the quarter ended 30 June 2010, other income amounted to Euro 489 thousand (Euro 292 thousand in the quarter ended 30 June 2009). These revenues are mainly attributable to the recognition of non-recurring revenues of Euro 300 thousand on the part of Piquadro Deutschland GmbH. This sum derives from the receipt of Euro 300 thousand by way of goodwill for the assignment of the lease agreement relating to the shop located in Frankfurt, 60313, Goethestrasse 32.

It should also be noted that the remaining amount of Euro 189 thousand mainly refers to the Parent Company and is made up of Euro 45 thousand (Euro 86 thousand in the quarter ended 30 June 2009) of revenues for charging back customers for transport costs, collection and Corners and, finally, of Euro 139 thousand for other chargebacks (Euro 42 thousand as at 30 June 2009).

Note 24 – Change in inventories

The change in inventories was positive in both the quarter ended 30 June 2010 (Euro 2,657 thousand) and the quarter ended 30 June 2009 (Euro 790 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 25 – Costs for purchases

This item essentially includes the cost of materials used for the production of the Company's goods and of consumables. In the quarter ended 30 June 2010, costs for purchases were equal to Euro 3,581 thousand (Euro 2,040 thousand in the quarter ended 30 June 2009).

Note 26 – Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**Quarter ended 30 June 2010**	**Quarter ended 30 June 2009**
External production	1,858	1,726
Advertising and marketing	755	445
Transport services	893	564
Business services	646	527
Administrative services	214	182
General services	553	509
Others	65	80
Total Costs for services	**4,984**	**4,033**
Costs for leases and rentals	**920**	**760**
Costs for services and leases and rentals	**5,904**	**4,793**

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 DOSs.

Note 27 - Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	**Quarter ended 30 June 2010**	**Quarter ended 30 June 2009**
Wages and salaries	1,742	1,532
Social security contributions	275	245
TFR	53	42
Personnel costs	**2,070**	**1,.819**

The table below reports the exact number by category of employees as at 30 June 2010, 30 June 2009 and 31 March 2010:

Category	30 June 2010	30 June 2009	31 March 2010
Executives	1	1	1
Office workers	204	162	202
Manual workers	288	354	339
Total	**493**	**517**	**542**

The number of employees as at 30 June 2010 decreased by 24 units compared to the number of employees reported as at 30 June 2009 mainly as a result of the decrease in the number of office and manual workers relating to Unibest Leather Goods (Zhongshan) Ltd., which is attributable to the lower production volumes managed by it in the period under consideration. On the contrary, the number of employees mainly increased as a result of the new openings of shops in Italy and abroad.

In the quarter ended 30 June 2010, personnel costs reported an increase of about 13.8%, passing from Euro 1,819 thousand in the quarter ended 30 June 2009 to Euro 2,070 thousand in the quarter ended 30 June 2010. The change is mainly due to the increase in staff commented on above as a result of the new openings of DOSs in Italy and abroad and is substantially in line with the growth dynamics of the turnover.

To supplement the information provided, below is also reported the average number of employees for the quarters ended 30 June 2010 and 30 June 2009:

Average unit	30 June 2010	30 June 2009
Executives	1	1
Office workers	203	152
Manual workers	314	391
Total for the Group	**518**	**544**

Note 28 – Amortisation, depreciation and write-downs

In the quarter ended 30 June 2010, amortisation and depreciation were equal to Euro 417 thousand (Euro 466 thousand in the quarter ended 30 June 2009). Write-downs, equal to Euro 61 thousand in the quarter ended 30 June 2009 (Euro 20 thousand in the quarter ended 30 June 2009) relate to the write-off of the amortisation relating to the fittings of the Frankfurt shop.

Note 29 – Financial income

The amount of Euro 462 thousand as at 30 June 2010 (Euro 218 thousand as at 30 June 2009) mainly related for Euro 37 thousand to interest receivable on current accounts held by the Parent Company and for Euro 425 thousand of foreign exchange gains either realised or estimated (Euro 175 thousand as at 30 June 2009).

Note 30 – Financial charges

Below is the breakdown of financial charges:

(in thousands of Euro)	30 June 2010	30 June 2009
Interest payable on current accounts	-	3
Interest and expense subject to final payment	6	8
Financial charges on loans	42	66
Lease charges	55	70
Commissions on credit cards	16	11
Other charges	59	31
Foreign Exchange losses (both realised and estimated)	397	214
Financial Charges	**575**	**403**

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) which include the automated warehouse.

Note 31 – Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	Quarter ended 30 June 2010	Quarter ended 30 June 2009
IRES tax	455	426
IRAP tax	115	80
Total current taxes	**570**	**506**

Current taxes relate to the tax burden calculated on the Parent Company's taxable income, as the majority of the subsidiaries closed the interim periods with negative taxable incomes.

(in thousands of Euro)	Quarter ended 30 June 2010	Quarter ended 30 June 2009
Deferred tax liabilities	267	183
Deferred tax assets	(258)	(212)
Total deferred tax assets and liabilities	**9**	**(29)**

Note 32 - Earnings per share

As at 30 June 2010 diluted earnings per share amounted to Euro 0.0246 (basic earnings per share amounted to Euro 0.254 as at 30 June 2010 and 0.0155 as at 30 June 2009; they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 1,270 thousand, divided by the weighted average number of ordinary shares outstanding in the quarter, equal to 51,600,000 shares, including potential shares relating to the stock option plan resolved and granted on 31 January 2008. As at 30 June 2009, earnings per share were equal to Euro 0.0150.

	30 June 2010	30 June 2009
Group net profit (in thousands of Euro)	1,270	776
Average number of outstanding ordinary shares (in thousands of shares)	51,600	51,600
Diluted earnings per share (in Euro)	**0.0246**	**0.0150**

5. OTHER INFORMATION

Note 33 – 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 2010, included 35 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOSs");
- 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 (47 shops as at 30 June 2010) and by distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 30 June 2010, approximately 22.6% of the Group's consolidated revenues was realised through the direct channel, while 77.4% 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 (DOSs and Wholesale), in relation to the three months ended 30 June 2010 and 30 June 2009, 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 2010, compared to the results recorded as at 30 June 2009, was affected by the following factors:

- *Same Store Sales Growth* (SSSG) reported in the period equal to +6.0% assuming constant rates of exchange and perimeters, with the correlated effect of improvement in the profitability of the shops at EBITDA level;

- the recognition of other non-recurring revenues equal to Euro 300 thousand as a consideration for the assignment of the lease agreement of the Frankfurt shop.

There was a slight percentage decrease in margins as regards the performance of the wholesale channel in the quarter ended 30 June 2010, compared with the results recorded as at 30 June 2009, mainly attributable to the higher allocation of costs directly attributable to the wholesale channel, in particular costs relating to marketing activities.

(*in thousands of Euro*)	**Quarter ended 30 June 2010 (three months)**				**Quarter ended 30 June 2009 (three months)**				
	DOS	Wholesale	Total for the Group (including non-allocated items)	% Impact	DOS	Wholesale	Total for the Group (including non-allocated items)	% Impact	% Change
Revenues from sales	**2,454**	**8,421**	**10,875**	**100.0%**	**2,010**	**7,462**	**9,472**	**100.0%**	**14.8%**
Segment result before amortisation and depreciation	261	2,179	2,440	22.44%	(287)	2,167	1,880	19.85%	29.8%
Amortisation and depreciation			(478)	(4.39%)			(486)	(5.13%)	(1.7%)
Financial income and charges			(113)	(1.04%)			(185)	(1.95%)	(38.9%)
Pre-tax result			**1,849**	**17.01%**			**1,209**	**12.76%**	**53.0%**
Income taxes			(579)	(5.33%)			(477)	(5.03%)	21.4%
Profit			**1,270**	**11.67%**			**732**	**7.73%**	**73.5%**
Result attributable to minority interests			-	-			(44)	(0.46%)	-
Group net profit			**1,270**	**11.67%**			**776**	**8.19%**	**63.6%**

Note 34 – Commitments

As at 30 June 2010, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2010/2011 financial year.

Note 35 – 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 Middle East Leather Products LLC, Piquadro Trading – Shenzhen - Ltd. and Piquadro Taiwan Co. Ltd.), or production (Uni Best Leather Goods Hong Kong Co Ltd. and Uni Best Leather Goods Zhongsanhg Co. Ltd.).
The relations with Group companies are mainly commercial and are regulated at arm's length. There are also financial relations (inter-group loans) between the Parent Company and some subsidiaries, conducted at arm's length.
The Directors report that, in addition to Piquadro Holding SpA and Piqubo SpA, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

During the first quarter of the 2010/2011 financial year, Piqubo S.p.A., the ultimate parent company, charged Piquadro the rent (whose amounts are reported in the table below) relating to the use of the plant located in Riola di Vergato (Province of Bologna) as a warehouse.
The table below reports the breakdown of the economic and financial relations with these related companies in the first quarter of the 2010/2011 and 2009/2010 financial years:

(in thousands of Euro)	Costs	
	30 June 2010	**30 June 2009**
Costs for rents due to Piqubo S.p.A.	7.5	7.5
Total costs towards controlling companies	**7.5**	**2.5**

In the first quarter of the 2010/2011 and 2009/2010 financial years, no economic transactions occurred with the majority Shareholder, Piquadro Holding SpA.

Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors and to the members of the Board of Statutory Auditors of Piquadro S.p.A., in relation to the first quarter of the 2010/2011 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 2010, Directors had not identified executives with strategic responsibilities):

First and last Name	Position held	Period in which the position was held	Term of office	Fees in Piquadro (in thousands of Euro)	Pays for subordinate employment	**Total**
Marco Palmieri	Chairman and CEO	01/04/10-30/06/10	31/03/2013	100	-	100
Pierpaolo Palmieri	Managing Director	01/04/10-30/06/10	31/03/2013	50	-	50
Marcello Piccioli	Managing Director	01/04/10-30/06/10	31/03/2013	58	-	58
Roberto Trotta	Managing Director	01/04/10-30/06/10	31/03/2013	-	33	32
Roberto Tunioli	Director	01/04/10-30/06/10	31/03/2013	7	-	7
Gianni Lorenzoni	Director	01/04/10-30/06/10	31/03/2013	7	-	7
Sergio Marchese	Director	01/04/10-30/06/10	31/03/2013	2	-	2
				224	**33**	**257**

* 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.

Note 36 – Events after the period end

On 22 July 2010, the ordinary and extraordinary Shareholders' Meetings of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2010 and the distribution of a unit dividend of Euro 0.080 to the Shareholders, for a total amount of Euro 4 million. The dividend was paid starting from 29 July 2010, with the detachment of the coupon no. 3 on 26 July 2010. The ordinary Shareholders' Meeting also appointed, on the basis of the lists submitted by the shareholders, the new board of directors and the new board of statutory auditors, which will hold office for three financial years and specifically until the approval of the financial statements as at 31 March 2013. The new board of directors will always be made up of 7 members, in the persons of Marco Palmieri, Gianni Lorenzoni, Roberto Tunioli, Pierpaolo Palmieri, Marcello Piccioli, Roberto Trotta and Sergio Marchese. The Shareholders' Meeting also confirmed Marco Palmieri as Chairman of the board of directors and determined total annual fees equal to Euro 756,000, as emoluments for directors, to be distributed by the board to all directors, including those who hold particular positions, without prejudice to the right of the board itself to pay additional variable fees to the directors who hold particular positions. Of the directors elected, Gianni Lorenzoni and Roberto Tunioli have declared that they meet the independence requirements laid down in the combined provisions of articles 147-*ter*, paragraph 4, and 148, paragraph 3, of the T.U.F. (*Testo Unico della Finanza,* Consolidation Act on Finance), as well as in article 3 of the Self-Regulatory Code promoted by Borsa Italiana S.p.A. and adopted by

Piquadro S.p.A.. At the same meeting, the Shareholders' Meeting appointed the new board of statutory auditors which is made up of the regular members Pietro Michele Villa, Vittorio Melchionda and Alessandro Galli, and by the substitute members Giacomo Passaniti and Matteo Rossi and fixed the remuneration of the members of the Board of Statutory Auditors to an extent equal to the minimum professional fee of Professional and Chartered Accountants (*Dottori Commercialisti* and *Esperti Contabili*). As no minority list was submitted, the candidate indicated by the shareholder Piquadro Holding S.p.A., Pietro Michele Villa, was appointed as Chairman of the Board of Statutory Auditors.
The extraordinary Shareholders' Meeting also approved the amendment to some sections of the Company's by-laws in order to bring them in line with the regulations in force for listed companies.
On 22 July 2009, subsequent to the Ordinary and Extraordinary Shareholders' Meeting, and consistently with the process relating to the adoption by the Company of the new Organisational Model under Legislative Decree no. 231/2001, the Board of Directors of Piquadro S.p.A. resolved the powers to be delegated to its members. The Board of Directors, in line with the application principles and criteria laid down in the Self-Regulatory Code of listed companies, also confirmed Marco Palmieri as Chairman of the Board of Directors, granting him extensive delegated strategy and operational powers, as he embodies the entrepreneurial image of Piquadro.

In addition to the above, no significant events are reported which occurred at Group level from 1 July 2010 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