

INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP
AS AT 31 DECEMBER 2015



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

Corporate details

Piquadro S.p.A

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

Authorised Share Capital: Euro 1,093,998

Subscribed and paid-up share capital: Euro 1,000,000

Bologna Register of Companies, Fiscal Code and VAT no. 02554531208

Production plants, offices and directly operated stores (DOS) through which the Group operates:

Silla di Gaggio Montano, località Sassuriano (BO)

Headquarters, logistics and Offices

Guangdong, The People's Republic of China
(registered office of Uni Best Leather Goods Zhongshan Co. Ltd)

Production plant

Milan - Via della Spiga 33 (Piquadro S.p.A.)

Point of sale

Milan - Linate Airport (Piquadro S.p.A.)

Point of sale

Barcelona - Paseo de Gracia 11, Planta Baja (Piquadro España)

Point of sale

Rome - Galleria Colonna (Piquadro S.p.A.)

Point of sale

Bologna - Piazza Maggiore 4/B (Piquadro S.p.A.)

Point of sale

Barberino del Mugello (FI), c/o "Factory Outlet Centre" (Piquadro S.p.A.)

Retail outlet

Fidenza (PR) - "Fidenza Village" (Piquadro S.p.A.)

Retail outlet

Rome - c/o Centro Commerciale Cinecittà (Piquadro S.p.A.)

Point of sale

Rome - c/o Galleria N. Commerciale di "Porta Roma" (Piquadro S.p.A.)

Point of sale

Vicolungo (NO) c/o Parco Commerciale (Piquadro S.p.A.)

Retail outlet

Rome - c/o Euroma 2 (Piquadro S.p.A.)

Point of sale

Valdichiana (AR) - "Valdichiana Outlet Village" (Piquadro S.p.A.)

Retail outlet

Noventa di Piave (VE) - c/o "Factory Outlet Centre" (Piquadro S.p.A.)

Retail outlet

Rome - Fiumicino Airport - Terminal 1 (Piquadro S.p.A.)

Point of sale

Milan - Via Dante 9 (Piquadro S.p.A.)

Point of sale

Bologna - "G. Marconi" Airport (Piquadro S.p.A.)

Point of sale

Barcelona - "La Roca Village" (Piquadro España)

Retail outlet

Taipei (Taiwan) - Eslite Dun Nan (Piquadro Taiwan)

Point of sale

Taipei (Taiwan) - Xin Yin Shop (Piquadro Taiwan)

Point of sale

Hong Kong - Kowloon – I Square Shopping Mall (Piquadro Hong Kong Ltd)

Point of sale

Marcianise (CE) - c/o "Factory Outlet Centre" (Piquadro S.p.A.)

Retail outlet

Agira (EN) - Sicilia Fashion Outlet Centre (Piquadro S.p.A.)

Retail outlet

Rimini - Shopping Mall "Le Befane" (Piquadro S.p.A.)

Point of sale

Milan – Corso Buenos Aires 10 (Piquadro S.p.A.)

Point of sale

Kaohsiung City (Taiwan) - Shopping Mall "Dream Mall" (Piquadro Taiwan)

Point of sale

Assago (MI) – Shopping Mall "Milanofiori" (Piquadro S.p.A.)

Point of sale

Pescara – Via Trento 10 (Piquadro S.p.A.)

Point of sale

Mantova – Shopping Mall "Fashion District" (Piquadro S.p.A.)

Retail outlet

Rozzano (MI) – Shopping Mall "Fiordaliso" (Piquadro S.p.A.)

Point of sale

Rome – Via Frattina 149 (Piquadro S.p.A.)

Point of sale

Mendrisio (Switzerland) – Fox Town Outlet Centre (Piquadro Swiss)

Retail outlet

Barcelona (Spain) – El Corte Ingles, Placa Catalunya 14 (Piquadro España)

Point of sale

Verona – Piazza delle Erbe 10 (Piquadro S.p.A.)

Point of sale

Milan - Malpensa Airport - Terminal 1 - Area Tulipano (Piquadro S.p.A.)

Point of sale

Paris (France) – Rue Saint Honorè 330/332 (Piquadro France)

Point of sale

Castelromano (RM) – c/o "Factory Outlet Centre" (Piquadro S.p.A.)

Retail outlet

Venice – Mercerie del Capitello 4940 (Piquadro S.p.A.)

Point of sale

Turin – Via Roma 330/332 (Piquadro S.p.A.)

Point of sale

Florence – Via Calimala 7/r (Piquadro S.p.A.)	<i>Point of sale</i>
Forte dei Marmi (LU) – Via Mazzini 15/b (Piquadro S.p.A.)	<i>Point of sale</i>
Valencia (Spain) – El Corte Ingles, Calle Pintor Sorolla (Piquadro España)	<i>Point of sale</i>
Tainan City (Taiwan) – Mitsukoshi (Piquadro Taiwan)	<i>Point of sale</i>
Barcelona (Spain) – El Corte Ingles Diagonal, Av. Diagonal (Piquadro España)	<i>Point of sale</i>
London (United Kingdom) – Regent Street 67 (Piquadro UK Limited)	<i>Point of sale</i>
Castelguelfo (BO) - "The Style Outlets" (Piquadro S.p.A.)	<i>Retail outlet</i>
Tainan City (Taiwan) – Dream Mall Tainan (Piquadro Taiwan)	<i>Point of sale</i>
Taipei (Taiwan) - Sogo Zhongxiao Shop (Piquadro Taiwan)	<i>Point of sale</i>
Hong Kong – Hong Kong Island – Sogo Causeway (Piquadro Hong Kong Ltd)	<i>Point of sale</i>
Taipei City (Taiwan) – Mitsukoshi Taipei Xinyi (Piquadro Taiwan)	<i>Point of sale</i>
Milan – Malpensa Airport (Piquadro S.p.A.)	<i>Point of sale</i>
New York (USA) - New York Madison Avenue (Piquadro LLC)	<i>Point of sale</i>
Serravalle Scrivia (AL) - "Serravalle Designer Outlet" (Piquadro S.p.A.)	<i>Retail outlet</i>
Rome - Roma Termini Station (Piquadro S.p.A.)	<i>Point of sale</i>
Rome –Fiumicino Airport - area D (Piquadro S.p.A.)	<i>Point of sale</i>
Milan - Malpensa Airport - Terminal 2 - Ferno (VA) (Piquadro S.p.A.)	<i>Point of sale</i>

REPORT ON OPERATIONS
AS AT 31 DECEMBER 2015



Introduction

The consolidated interim financial report as at 31 December 2015 was prepared in compliance with Article 154-*ter* of Legislative Decree no. 58/1998, as amended, as well as with the Issuers' Regulation issued by Consob (*Commissione Nazionale per le Società e la Borsa*, Italian Securities and Exchange Commission).

This Interim financial report was prepared by the Directors in relation to the attached consolidated interim financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company") and its subsidiaries ("Piquadro Group") relating to the nine-month period ended 31 December 2015. The financial statements were prepared in accordance with IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The interim financial report must therefore be read together with the accounting statements and the related Explanatory Notes.

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

CORPORATE BODIES HOLDING OFFICE AT 31 DECEMBER 2015

➤ **BOARD OF DIRECTORS**

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

Marco Palmieri	<i>Chairman and CEO</i>
Marcello Piccioli	<i>Managing director</i>
Roberto Trotta	<i>Managing director</i>
Pierpaolo Palmieri	<i>Managing director</i>
Anna Gatti	<i>Director</i>
Paola Bonomo	<i>Director</i>
Gianni Lorenzoni	<i>Director</i>

➤ **AUDIT AND RISK COMMITTEE**

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

Gianni Lorenzoni	<i>Chairman</i>
Paola Bonomo	<i>Independent non-executive director</i>
Anna Gatti	<i>Independent non-executive director</i>

➤ **REMUNERATION COMMITTEE**

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

Paola Bonomo	<i>Chairman</i>
Gianni Lorenzoni	<i>Independent non-executive director</i>
Anna Gatti	<i>Independent non-executive director</i>

➤ **LEAD INDEPENDENT DIRECTOR**

Gianni Lorenzoni

➤ **BOARD OF STATUTORY AUDITORS**

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

Regular members

Giuseppe Fredella	<i>Chairman</i>
Pietro Michele Villa	
Patrizia Lucia Maria Riva	

Substitute members

Giacomo Passaniti
Maria Stefania Sala

➤ **INDEPENDENT AUDITORS**

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

PricewaterhouseCoopers S.p.A.

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

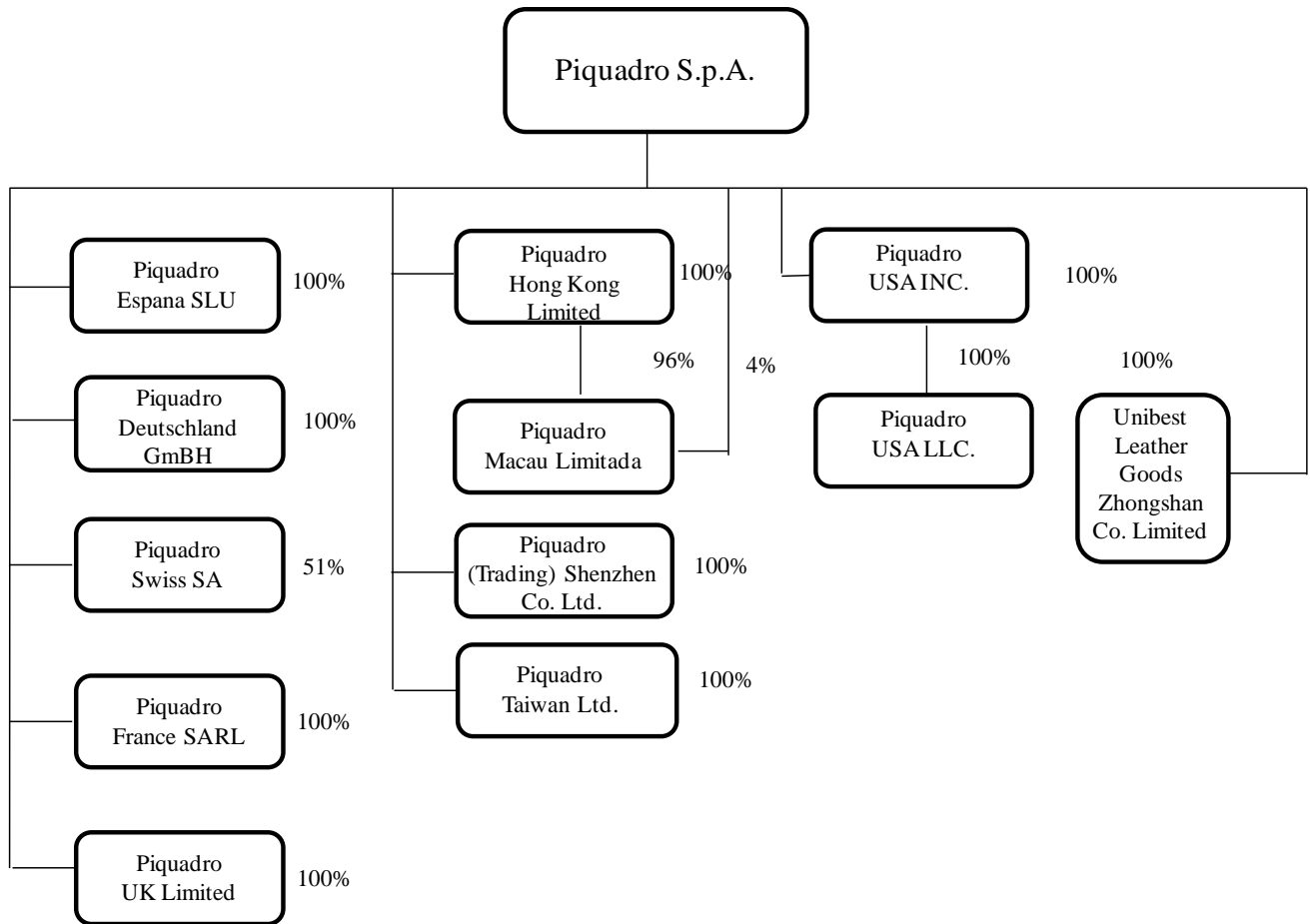
Roberto Trotta

➤ **SUPERVISORY BOARD**

Mario Panzeri

THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 31 December 2015:



INFORMATION ON OPERATIONS

Significant events for the nine months ended 31 December 2015

No significant events occurred during the first nine months ended 31 December 2015.

For information purposes, it is reported that on 23 July 2015 the Shareholders' Meeting of Piquadro S.p.A. approved the Financial statements as at 31 March 2015 and the distribution of a unit dividend of Euro 0.04 to the Shareholders, for a total amount of Euro 2 million. The dividend was paid starting from 5 August 2015 with coupon no. 8 being detached on 3 August 2015.

Furthermore, on the same date the Shareholders' Meeting approved the authorisation of the Board of Directors to acquire and dispose of treasury shares, in compliance with the regulatory provisions and regulations in force, and it authorised the Board of Directors to acquire the maximum number of treasury shares permitted by law, for a period of 12 months from the date of authorization - that is until the Shareholders' Meeting which approves the financial statements as at 31 March 2016 - by using the reserves available according to the last financial statements as duly approved.

Furthermore, the Shareholders' Meeting authorised the Board of Directors to sell any treasury shares acquired, in one or more transactions, for the consideration set by the Board of Directors, at a minimum of not less 20%, of the reference price that the share recorded in the Stock Exchange session of the day preceding each individual transaction.

On the same date, the Shareholders' Meeting approved the Report on Remuneration illustrating the Company Policy concerning the remuneration of Company Directors, members of the Board of Statutory Auditors and executives with strategic responsibilities.

The Group's business

Operations

In the first nine months of the 2015/2014 financial year, the Group reported an improved performance compared to the same period in the 2014/2015 financial year.

In the first nine months of the financial year ended 31 December 2015, the Piquadro Group reported net sales revenues equal to Euro 49,819 thousand compared to Euro 48,528 thousand recorded in the same period in the 2014/2015 financial year (+2.7%). In the first nine months ended 31 December 2015 sales volumes, in terms of quantities sold in the relevant period, showed a decrease of about 1.5% compared to the same period in the 2014/2015 financial year.

In the first nine months of the financial year ended 31 December 2015, the Piquadro Group reported, in terms of profitability, EBITDA¹ equal to about Euro 6.3 million (equal to 12.7% of net sales revenues), down by 8.3% compared to the value recorded in the same period of the 2014/2015 financial year (Euro 6.9 million, equal to 14.2% of net sales revenues) and includes increased investment in marketing of approximately Euro 240 thousand (+ 8.6% over the previous year) and the opening of the New York store on Madison Avenue.

The Group's EBIT² came to Euro 4.4 million (8.9% of net sales revenues), down by 8.4% compared to the first nine months of the financial year ended 31 December 2014 (Euro 6 million, equal to 9.9% of net sales revenues).

As at 31 December 2015 the Group net profit was equal to about Euro 3.1 million, up by 5.0% compared to the same period ended 31 December 2014 (net profit of Euro 2.9 million).

1 - EBITDA (which is an acronym for Earnings Before Interest, Taxes, Depreciation and Amortisation, or Gross Operating Margin) is an economic indicator that is not defined by the International Accounting Standards. EBITDA is a unit of measurement utilised by the Management to monitor and assess the Group's operational performance. The Management believes that EBITDA is an important parameter for the measurement of the Group's performance, as it is not affected by the volatility due to the effects of the various criteria for the determination of taxable income, by the amount and characteristics of the capital employed, as well as by the amortisation and depreciation policies. EBITDA is defined as the Earnings for the period before depreciation of property, plant and equipment and amortisation of intangible assets, financial income and charges and the income taxes for the period.

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

Net sales revenues

As at 31 December 2015 the Piquadro Group recorded net sales revenues equal to about Euro 49,819 thousand, up by 2.7% compared to 31 December 2014. 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 31 December 2015, included 55 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 (no. 52 shops as at 31 December 2015) 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:

<i>(in thousands of Euro)</i>	Net revenues as at 31 December 2015	%	Net revenues as at 31 December 2014	%	% change 2015/2014
DOS	18,573	37.3%	17,901	36.9%	3.8%
Wholesale	31,245	62.7%	30,627	63.1%	2.0%
Total	49,819	100.0%	48,528	100.0%	2.7%

In the first nine months ended 31 December 2015, the Piquadro Group recorded a turnover of Euro 49.8 million, up by 2.7% compared to the same period in the previous year, which had closed with a turnover of about Euro 48.5 million. The increased sales were caused by the growth reported in both the DOS and the Wholesale channel.

The revenues reported by the DOS channel showed an increase of 3.8% compared to the same period in the 2014/2015 financial year. This increase was determined by both by the marginal increase in the quantities sold in the already existing shops in the previous year and the opening of eight new shops (five shops in Italy, one shop in Hong Kong, one shop in Taiwan and one shop in the USA), and which accounted for about 7.0% of the channel's turnover and was achieved despite the closure of sixteen shops, of which four shops in Europe (three shops in Italy and one shop in France) and twelve shops in the Far East area (six shops in China, three shops in Hong Kong, two shops in Taiwan and one shop in Macau) and which accounted for about 9.0% of the channel's turnover in the previous period.

The channel also included the sales generated from the e-commerce website of the Group, up by 35.6% compared to the same period ended 31 December 2014; furthermore export sales increased by 54%, thus accounting for 40.4% of the website turnover.

The Same Store Sales Growth (SSSG), which is calculated as a world average of growth rates of the revenues recorded by the DOS existing at 1 April 2014, was positive and equal to about 6.8% in the nine months (equal to 5.2% assuming an equal number of days of opening and constant rates of exchange).

Sales reported by the Wholesale channel, which as at 31 December 2015 accounted for 62.7% of the Group's total turnover, showed an increase of 2.0%, also by reason of the opening of four additional franchise shops, of which three in the Far East area and one in Italy. Sales reported by the Wholesale channel in Italy showed an increase of 1%, while sales in Europe recorded a decrease of 9% (net of the Russian market share, this decrease was equal to 2.2%). At 31 December 2015, sales reported by the Wholesale channel in the foreign market (which includes Europe and the non-European geographical area named “Rest of the World”) accounted for 15.3% of the consolidated turnover (14.9% as at 31 December 2014), while sales reported by the Wholesale channel in the domestic market accounted for 47.4% of the consolidated turnover (48.2% as at 31 December 2014). The sales in the area of the Rest of the World recorded an increase of 83.9% compared to the same period in the previous year, which was driven by the USA, Iran and Mexico.

Breakdown of revenues by geographical area

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

<i>(in thousands of Euro)</i>	Net revenues as at 31 December 2015	%	Net revenues as at 31 December 2014	%	% change 2015/2014
Italy	38,043	76.4%	36,636	75.5%	3.8%
Europe	8,211	16.5%	8,803	18.1%	(6.7%)
Rest of the world	3,565	7.2%	3,090	6.4%	15.4%
Total	49,819	100.0	48,528	100.0	2.7%

From a geographical point of view, the Group's revenues as at 31 December 2015 showed a 3.8% increase in the domestic market; these sales account for a percentage of the Group's total turnover which is still high and equal to 76.4%.

On the contrary, in the European market, the Group recorded a turnover of Euro 8.2 million, down by 6.7% compared to the same period in the 2014/2015 year (a decrease of 2%, net of exposure to Russia).

In the non-European geographical area turnover increased by 15.4% compared to the same period in the 2014/2015 financial year, mainly as a result of growth in countries such as the USA, Iran, Mexico and South Korea and despite the closure of twelve shops in the Far East area.

Summary economic-financial data

Below are reported the Group's main economic-financial indicators as at 31 December 2015 and 31 December 2014:

Economic and financial indicators <i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Revenues from sales	49,819	48,528
EBITDA (a)	6,307	6,875
EBIT (b)	4,417	4,820
Pre-tax result	4,666	4,438
Group's profit for the period	3,067	2,920
Amortisation and depreciation of fixed assets and write-downs of receivables	2,065	2,288
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	5,132	5,208

Below are reported the Group's main financial indicators as at 31 December 2015 and 31 March 2015:

Financial indicators <i>(in thousands of Euro)</i>	31 December 2015	31 March 2015
Net Financial Position (c)	(11,799)	(7,012)
Shareholders' equity	36,175	35,411

EBITDA for the period came to Euro 6.3 million, against Euro 6.9 million recorded in the same period ended 31 December 2014 and as at 31 December 2015 it accounted for 12.7% of consolidated revenues (against 14.2% recorded in the first nine months ended 31 December 2014).

In the period ended 31 December 2015, the Group's amortisation and depreciation and write-downs were equal to Euro 1,845 thousand and Euro 220 thousand, respectively.

Depreciation of property, plant and equipment, equal to Euro 1,339 thousand, relates to the depreciation of the building where the Company operates for Euro 147 thousand, to the depreciation of plant and equipment for Euro 56 thousand, to the depreciation of business equipment and fittings for shops equal to Euro 1,131 thousand and to the depreciation of other assets for Euro 5 thousand.

Amortisation of intangible assets is equal to Euro 506 thousand and mainly relates to the amortization of software equal to Euro 110 thousand, to the amortization for the key money paid for the opening of new shops for Euro 347 thousand and to the amortization of concessions, licenses and trademarks for Euro 43 thousand.

As at 31 December 2015, EBIT came to Euro 4.4 million, equal to 8.9% of net sales revenues, down by about 8.4% compared to the value recorded as at 31 December 2014 (equal to Euro 6 million).

In the opinion of the management, the decrease in the operating result, compared to the comparative period in the previous year, was also attributable to the following factors:

- (i) a slight decrease in the gross margin, which must be mainly attributed to the higher production costs because of the appreciation of the US Dollar, even if it was partially offset by the forward hedging agreements entered into by the Parent Company, the effects of which are reported under financial operations and, accordingly, under pre-tax results;
- (ii) an increase in marketing investments amounting to more than Euro 240 thousand, equal to 6% of the turnover of the period (against 5.7% of the turnover in the previous 9 months in the previous year);
- (iii) a positive performance in the DOS segment, in terms of SSSG, and in particular of the full-price shops, counterbalanced by some new openings with margins which are not always in line with the average ones of the already existing shops, even because they are located (see the opening of the New York shop) in very prestigious areas and with significantly high rentals, in addition to the closure of the shop located at the Fiumicino T3 Airport, which took place because of the fire that occurred in May 2015, which recorded margins higher than the average.

The result from financial operations, as at 31 December 2015, was positive for a value equal to Euro 249 thousand and 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 31 December 2015 came to about Euro 4.7 million, up by 5.0% against the value of Euro 4.4 million recorded in the nine months ended 31 December 2014. This result was affected by income taxes, including the effects of deferred taxation, equal to Euro 1.6 million.

Investments

Below are reported the investments in intangible assets, property, plant and equipment and financial assets in the nine months ended 31 December 2015 and 31 December 2014:

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Investments		
Intangible assets	137	226
Property, plant and equipment	1,288	1,205
Financial fixed assets	0	0
Total	1,425	1,431

Increases in intangible assets, equal to Euro 137 thousand in the first nine months of the financial year ended 31 December 2015, mainly related to software investments and IT products for Euro 105 thousand and to trademarks for Euro 18 thousand.

On the contrary, increases in property, plant and equipment, equal to Euro 1,288 thousand in the first nine months of the financial year ended 31 December 2015, were mainly attributable to plant and machinery for Euro 126 thousand, to industrial and business equipment for Euro 1,111 thousand (in particular, to fittings purchased for new

DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 982 thousand and to electric and electronic office machines for Euro 115 thousand and minor assets).

CONSOLIDATED BALANCE SHEET

Below is summarised the Group's consolidated equity and financial structure as at 31 December 2015 (compared to the corresponding structure as at 31 March 2015 and 31 December 2014):

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015	31 December 2014
Trade receivables	26,014	23,185	24,427
Inventories	18,342	15,962	16,102
(Trade payables)	(12,741)	(13,657)	(12,433)
<i>Total net current trade assets</i>	<i>31,616</i>	<i>25,490</i>	<i>28,096</i>
Other current assets	2,241	1,537	1,208
Tax receivables	172	908	270
(Other current liabilities)	(2,335)	(3,266)	(2,235)
(Tax payables)	(969)	(163)	(860)
A) Working capital	30,724	24,506	26,479
Intangible assets	4,233	4,608	4,587
Property, plant and equipment	12,431	12,624	12,844
Receivables from others beyond 12 months	623	682	982
Deferred tax assets	1,248	1,338	1,360
B) Fixed assets	18,535	19,252	19,773
C) Non-current provisions and non-financial liabilities	(1,285)	(1,335)	(1,387)
Net invested capital (A+B+C)	47,974	42,423	44,865
FINANCED BY:			
D) Net Financial Debt	11,799	7,012	11,074
E) Equity attributable to Minority interests	(92)	(40)	(25)
F) Equity attributable to the Group	36,268	35,451	33,816
Total borrowings and Shareholders' Equity (D+E+F)	47,974	42,423	44,865

CONSOLIDATED NET FINANCIAL POSITION

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

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015	31 December 2014
(A) Cash	100	85	96
(B) Other cash and cash equivalents (available current bank accounts)	10,018	12,620	9,378
(C) Liquidity (A) + (B)	10,118	12,705	9,474
(D) Finance leases	(625)	(625)	(590)
(E) Current bank debt	0	0	0
(F) Current portion of current debt	(14,080)	(9,695)	(10,398)
(G) Current financial debt (D) + (E) + (F)	(14,704)	(10,320)	(10,988)
(H) Short-term net financial position (C) + (G)	(4,586)	2,385	(1,514)
(I) Non-current bank debt	(5,648)	(7,312)	(7,397)
(L) Finance leases	(1,565)	(2,085)	(2,163)
(M) Non-current financial debt (I) + (L)	(7,213)	(9,397)	(9,560)
(N) Net Financial Debt (H) + (M)	(11,799)	(7,012)	(11,074)

As at 31 December 2015 the consolidated net financial position was negative for about Euro 11.8 million.

The main reasons for the trend in the net financial position, compared to 31 March 2015, are attributable to the following factors:

- EBITDA equal to Euro 6.3 million;
- investments in property, plant and equipment and intangible assets for Euro 1,425 thousand;
- an increase in the net current assets of Euro 6.1 million which was due to the different seasonality;
- payment of dividends of Euro 2 million.

OTHER INFORMATION

Human Resources

The products that the Group offers are conceived, manufactured and distributed according to the guidelines of an organisational model whose feature is that it monitors all the most critical phases of the chain, from conception and manufacturing to subsequent distribution. This entails great care with the correct management of human resources, which, while respecting the different local environments in which the Group operates, must necessarily lead to intense personal involvement, above all in what the Group considers the strategic phases for the success of the brand.

As at 31 December 2015 the Group had 753 members of staff compared to 742 units as at 31 December 2014.

Below is reported the breakdown of staff by country:

Country	31 December 2015	31 December 2014
Italy	274	259
China	402	398
Hong Kong	13	15
Macau	0	5
Germany	1	1
Spain	20	17
Taiwan	26	29
France	3	8
Switzerland	5	5
UK	5	5
United States	4	0
Total	753	742

With reference to the Group's organisational structure, as at 31 December 2014, 42.1% of staff operated in the production area, 31.2% in the retail area, 14.9% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 8.5% in the Research and Development area and 3.3% in the sales area.

Research and development activity

The Piquadro Group's Research and Development activity is carried out by the Parent Company in house through a dedicated team that currently consists of 9 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 43 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.

Direction and Coordination activities

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 Piquadro S.p.A. nor Piquadro Holding S.p.A., i.e. the companies controlling Piquadro S.p.A., carries out direction and coordination activities in relation to the Company, in that (i) they do not give their subsidiary instructions; and (ii) there is no significant organisational/functional connection between these Companies and Piquadro S.p.A..

In addition to directly carrying out operating activities, Piquadro S.p.A., in its turn, also carries out direction and coordination activities in relation to the companies it controls, pursuant to Articles 2497 and ff. of the Italian Civil Code.

Transactions with related parties

In compliance with the Consob Regulation on Related Parties, the Board's meeting held on 18 November 2010 adopted the "Regulation governing transactions with Related Parties". This document is available on the website of Piquadro, www.piquadro.com, in the Section on Investor Relations.

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

With reference to the "Requirements for listing of shares of companies controlling companies established and regulated by the law of States not belonging to the European Union" ("*Condizioni per la quotazione di azioni di società controllanti società costituite e regolate dalla legge di Stati non appartenenti all'Unione Europea*") under Article 36 of the Markets' Regulation, the Piquadro Group declares that the only Group companies as of today that meet the significance requirements under title VI, chapter II, of the Issuers' Regulation, which are incorporated under and regulated by the law of non-EU States, are the subsidiaries Uni Best Leather Goods Zhongshan Co. Ltd. and Piquadro Taiwan Co. Ltd..

Specifically, the Parent Company certifies that, with regard to said subsidiaries:

- a) it makes available to the public the subsidiaries' accounting positions prepared for the purposes of drawing up the consolidated accounts, including at least the balance sheet and the income statement. These accounting positions are made available to the public by filing them with the registered office or by publishing them on the website of the controlling company;
- b) it gathers from the subsidiaries the by-laws and the composition and powers of the corporate bodies;
- c) it ensures that the subsidiaries: (i) provide the controlling company's independent auditors with the information they require to conduct their audit of annual and interim accounts of the controlling company itself; (ii) are equipped with an administrative and accounting system that is suitable to allow the information on financial data, results of operations and cash flows required for preparing consolidated accounts to be regularly received by the management and the independent auditors of the controlling company. The controlling company's control body will timely notify Consob and the market management company of any facts and circumstances as a result of which said system would be no longer suitable to satisfy the conditions referred to above.

Significant events after the first nine months

On 12 January 2016 the company OOO Piquadro Russia was established, which is wholly owned by Piquadro S.p.A.. Once all the related contracts are signed, this company will be responsible for the operation of five flagship stores located in Moscow.

Outlook

The development of the Piquadro Group in the 2015/2016 financial year will be affected by the continuation of the process of international expansion, as well as by the positive performance recorded in the operation of its points of sales. The Management expects that in the 2015/2016 financial year the Group may record growth rates that will be similar to those already recorded in the first nine months ended 31 December 2015. The Management also expect, even if in a context of increasing production costs, as a result of the appreciation of the US dollar against the Euro, to be able to benefit from increasing net profits. In this context, the Management will continue monitoring operating margins and costs in order to increase commitments in Research and Development and Marketing at international level, to support the Piquadro brand awareness.

Silla di Gaggio Montano (BO), 11 February 2016

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN (Marco Palmieri)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS**NON-CURRENT ASSETS**

Intangible assets	(1)	4,233	4,608
Property, plant and equipment	(2)	12,431	12,624
Receivables from others	(3)	623	682
Deferred tax assets	(4)	1,248	1,339
TOTAL NON-CURRENT ASSETS		18,535	19,253

CURRENT ASSETS

Inventories	(5)	18,342	15,962
Trade receivables	(6)	26,014	23,185
Other current assets	(7)	2,241	1,538
Tax receivables	(8)	172	907
Derivative assets		0	0
Cash and cash equivalents	(9)	10,118	12,705
TOTAL CURRENT ASSETS		56,887	54,297

TOTAL ASSETS		75,422	73,550
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of Euro)</i>	Notes	31/12/2015	31/03/2015
LIABILITIES			
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		1,915	1,239
Retained earnings		29,232	28,093
Group profit for the period		3,121	4,119
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		36,268	35,451
Capital and Reserves attributable to minority interests		(38)	0
Profit/(loss) for the period attributable to minority interests		(54)	(40)
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		(92)	(40)
TOTAL EQUITY	(10)	36,175	35,411
NON-CURRENT LIABILITIES			
Borrowings	(11)	5,648	7,312
Payables to other lenders for lease agreements	(12)	1,565	2,085
Provision for employee benefits	(13)	267	295
Provisions for risks and charges	(14)	1,018	1,040
Deferred tax liabilities		0	0
TOTAL NON-CURRENT LIABILITIES		8,497	10,732
CURRENT LIABILITIES			
Borrowings	(15)	14,080	9,695
Payables to other lenders for lease agreements	(16)	625	625
Trade payables	(17)	12,741	13,657
Other current liabilities	(18)	2,335	3,267
Tax payables	(19)	969	163
TOTAL CURRENT LIABILITIES		30,749	27,407
TOTAL LIABILITIES		39,246	38,139
TOTAL EQUITY AND LIABILITIES		75,422	73,550

CONSOLIDATED INCOME STATEMENT

<i>(in thousands of Euro)</i>	Notes	31 December 2015	31 December 2014
REVENUES			
Revenues from sales	(20)	49,819	48,528
Other income	(21)	756	633
TOTAL REVENUES (A)		50,575	49,161
OPERATING COSTS			
Change in inventories	(22)	(2,567)	87
Costs for purchases	(23)	10,911	8,164
Costs for services and leases and rentals	(24)	24,088	22,647
Personnel costs	(25)	11,478	10,867
Amortisation, depreciation and write-downs	(26)	2,065	2,288
Other operating costs	(27)	183	288
TOTAL OPERATING COSTS (B)		46,158	44,341
OPERATING PROFIT (A-B)		4,417	4,820
FINANCIAL INCOME AND CHARGES			
Financial income	(28)	905	829
Financial charges	(29)	(656)	(1,211)
TOTAL FINANCIAL INCOME AND CHARGES		249	(382)
PRE-TAX RESULT		4,666	4,438
Income tax expenses	(30)	(1,599)	(1,518)
PROFIT FOR THE PERIOD		3,067	2,920
attributable to:			
EQUITY HOLDERS OF THE COMPANY		3,121	2,949
MINORITY INTERESTS		(54)	(29)
(Diluted) Earnings per share in Euro	(31)	0.057	0.054
(Basic) Earnings per share in Euro	(31)	0.061	0.059

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Profit for the period (A)	3,067	2,920
Components that can be reclassified to the income statement		
Profit/(Loss) arising from the translation of financial statements of foreign companies	(336)	134
Profit/(Loss) on hedging instruments of cash flows (cash flow hedge)	0	48
Components that cannot be reclassified to the income statement		
Actuarial gain (losses) on defined-benefit plans	34	(19)
Total Profits recognised in equity (B)	(302)	163
Total comprehensive Income for the period (A) + (B)	2,765	3,083
Attributable to		
- the Group	2,816	3,112
- Minority interests	(51)	(29)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of Euro)

Description	Other reserves							Retained earnings	Group profit	Equity attributable to the Group	Capital and Reserves attributable to minority interests	Profit/ (Loss) attributable to minority interests	Total Equity attributable to the Group and minority interests
	Share capital	Share premium reserve	Translation reserve	Fair value reserve	Reserve for Employee Benefits	Other reserves	Total Other Reserves						
Balances as at 31.03.2014	1,000	1,000	16	(48)	(28)	627	567	25,567	3,526	31,660	20	(16)	31,664
Profit for the period							0		2,949	2,949		(29)	2,920
<u>Other components of the comprehensive result as at 31 March 2014:</u>													
- Exchange differences from translation of financial statements in foreign currency			134				134			134			134
- Reserve for actuarial gains (losses) on defined-benefit plans					(19)		(19)			(19)			(19)
- Fair value of financial instruments				48			48			48			48
Total Comprehensive Income for the period	0	0	134	48	(19)	0	163	0	2,949	3,112	0	(29)	3,083
- Distribution of dividends to shareholders									(1,000)	(1,000)			(1,000)
- Allocation of the result for the period as 31 March 2014 to reserves								2,526	(2,526)	0	(16)	16	0
Fair value of Stock Option Plans						44	44			44			44
Balances as at 31.12.2014	1,000	1,000	150	0	(47)	671	774	28,093	2,949	33,816	4	(29)	33,791
Description	Other reserves							Retained earnings	Group profit	Equity attributable to the Group	Capital and Reserves attributable to minority interests	Profit/ (Loss) attributable to minority interests	Total Equity attributable to the Group and minority interests
	Share capital	Share premium reserve	Translation reserve	Fair value reserve	Reserve for Employee Benefits	Other reserves	Total Other Reserves						
Balances as at 31.03.2015	1,000	1,000	796	0	(54)	497	1,239	28,093	4,119	35,451	0	(40)	35,411
Profit for the period							0		3,121	3,121		(54)	3,067
<u>Other components of the comprehensive result as at 31 March 2015:</u>													
- Exchange differences from translation of financial statements in foreign currency			(338)				(338)			(338)	2		(336)
- Reserve for actuarial gains (losses) on defined-benefit plans					34		34			34			34
- Fair value of financial instruments							0			0			0
Total Comprehensive Income for the period	0	0	(338)	0	34	0	(304)	0	3,121	2,817	2	(54)	2,765
- Distribution of dividends to shareholders									(2,000)	(2,000)			(2,000)
- Allocation of the result for the period at 31 March 2015 to reserves								2,119	(2,119)	0	(40)	40	0
Fair value of Stock Option Plans							0			0			0
Balances as at 31.12.2015	1,000	1,000	458	0	(20)	497	935	30,212	3,121	36,268	(38)	(54)	36,175

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Pre-tax profit	4,666	4,438
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,845	1,785
Write-downs of property, plant and equipment/intangible assets	45	270
Provision for bad debts	175	233
Adjustment to the provision for employee benefits	0	0
Net financial charges/(income), including exchange rate differences	(249)	382
Cash flow from operating activities before changes in working capital	6,482	7,108
Change in trade receivables (gross of the provision)	(3,005)	(3,568)
Change in inventories	(2,380)	(266)
Change in other current assets	(643)	116
Change in trade payables	(916)	(452)
Change in provisions for risks and charges	1	189
Change in other current liabilities	(932)	(764)
Change in tax receivables/payables	1,541	846
Cash flow from operating activities after changes in working capital	148	3,209
Payment of taxes	(1,559)	(1,424)
Interest paid	424	(257)
Cash flow generated from operating activities (A)	(987)	1,528
Investments in intangible assets	(137)	(78)
Investments in property, plant and equipment	(1,288)	(1,329)
Investments in fixed financial assets	0	0
Changes generated from investing activities (B)	(1,425)	(1,407)
Financing activities		
Change in long-term financial receivables	0	0
Change in short- and medium/long-term borrowings	2,564	(335)
Changes in financial instruments	0	(66)
Lease instalments paid	(541)	(438)
Other minor changes	(198)	207
Payment of dividends	(2,000)	(1,000)
Cash flow generated from/(absorbed by) financing activities (C)	(174)	(1,632)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(2,586)	(1,511)
Cash and cash equivalents at the beginning of the period	12,705	10,985
Cash and cash equivalents at the end of the period	10,118	9,474



GENERAL INFORMATION

The Company and the Group

Piquadro S.p.A. (hereinafter also referred to as “Piquadro”, “the Company” or “the Parent Company”) and its subsidiaries (“the Piquadro Group” or “the Group”) design, produce and market leather goods - bags, suitcases and accessories - characterised by attention to design and functional and technical innovation.

As of today’s date, the Company is owned by Marco Palmieri through Piquadro S.p.A, which is 100% owned. Piquadro S.p.A, in fact, holds 93.34% of the share capital of Piquadro Holding S.p.A, which in its turn holds 68.37% of the share capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.

These consolidated condensed financial statements were approved by the Board of Directors on 11 February 2016.

Seasonality

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

Historically, the Group’s sales revenues achieved in the first nine months of the financial year (i.e. from April to December) about 72.2% (a percentage calculated on the basis of consolidated revenues of Euro 48,528 thousand as at 31 December 2014 compared to revenues of Euro 67,209 thousand as at 31 March 2015) with a consequent impact on margins.

Accordingly, it should be noted that, even if expressing the Group’s economic and financial performance, the result as at 31 December 2015 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2016.

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

Accounting standards and policies

These consolidated condensed quarterly financial statements as at 31 December 2015 were prepared pursuant to Article 154-ter of Legislative Decree no. 58/98 and in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular with the accounting standard applicable to interim financial reporting (IAS 34).

IAS 34 allows interim financial statements to be prepared in a “condensed” form, i.e. on the basis of minimum disclosures substantially less detailed than required by IFRS as a whole, provided that a complete set of financial statements prepared on the basis of IFRS has been previously made available to the public.

These consolidated condensed financial statements have been prepared in a “condensed” form and they must therefore be read together with the Group’s consolidated financial statements ended 31 March 2015 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group’s business and structure and of the accounting standards and criteria adopted.

The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.

The Accounting statements of the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2015.

The accounting standards and policies adopted in preparing the consolidated interim financial statements are the same as those used in preparing the consolidated financial statements of Piquadro S.p.A. ended 31 March 2015, to which reference is made for a description of the same.

These consolidated interim financial statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the first nine months of the financial year ended 31 December 2015 are compared with the first nine months ended 31 December 2014. Financial data as at 31 December 2015 are compared with the corresponding values as at 31 March 2015 (relating to the last consolidated annual accounts).

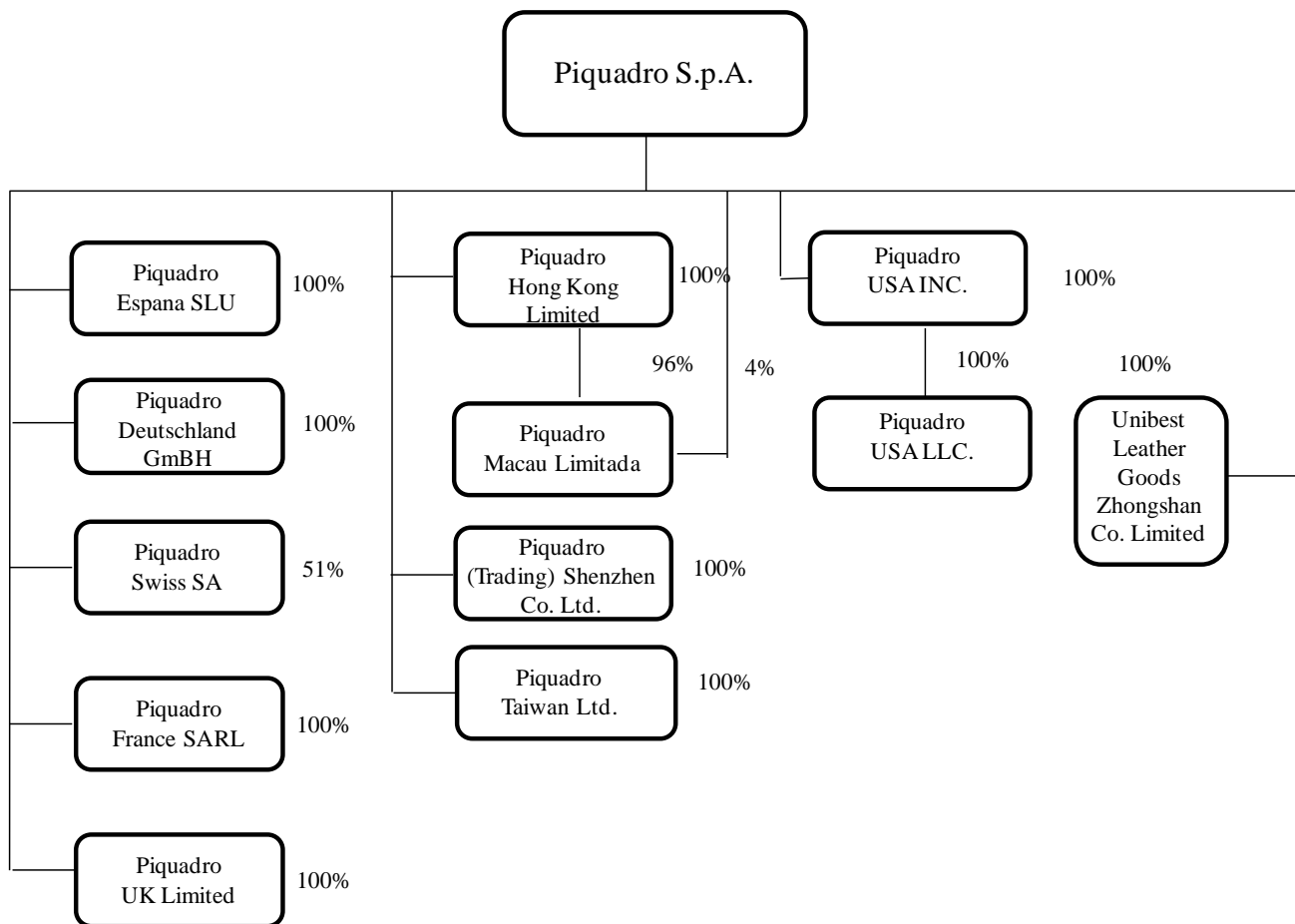
For a better description, accounting data are reported in thousands of Euro in both the accounting statements and these Notes.

The reporting currency of these consolidated financial statements is the Euro, since this currency prevails in the economies of the countries where the Piquadro Group companies conduct their business.

Except as indicated above in the interim Report of operations and in the following notes to the financial statements, the Management believes that no other significant non-recurring events or transactions occurred either in the first nine months ended 31 December 2015 or in the first nine months ended 31 December 2014, nor did any atypical or unusual transactions significantly affect the operating result.

The Group structure

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 31 December 2015:



Principles of consolidation

Subsidiaries

Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A company, therefore, has control over an entity when it is exposed, or has a right, to variable returns from its involvement with the entity and, at the same time, has the ability to affect these returns through its power over the investee. Control exists, therefore, when an investor has all the following three elements:

1. the power to direct the investee's relevant activities;
2. exposure to the investee's future returns;
3. the ability to use its power over the investee to affect the investor's returns.

The power to direct the activities that significantly affect the investee's results (relevant activities) is most commonly exercised through voting rights (including potential voting rights), but also by virtue of contractual arrangements.

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

- the book value of the equity investments held by the Parent Company or by the other companies being consolidated is eliminated against the related equity in consideration of the assumption of assets and liabilities of the investee companies;
- the surplus, if any, of the total cost of the businesses acquired with respect to the portion in the fair value pertaining to identifiable assets and liabilities and potential liabilities is recognised under item Goodwill, under Intangible Assets;
- significant transactions occurred between consolidated companies are also eliminated, as well as credit and debt items and profits not yet realised which arise from transactions between Group companies;

- the portion of Total Equity pertaining to minority shareholders is recognised under a special item, while the portion of result for the period pertaining to minority interests is recognised separately in the consolidated income statement;
- the companies acquired or sold in the course of the financial year are consolidated for the period in which control was exercised.

Scope of consolidation

The consolidated interim financial statements ended 31 December 2015 and 31 December 2014 include the interim financial statements of the Parent Company Piquadro S.p.A and those of all companies over which it exercises control, either directly or indirectly.

The complete list of the companies included in the scope of consolidation as at 31 December 2015 and 31 December 2014, with the related shareholders' equity and share capital recognised according to local accounting standards (as the Group companies have prepared their interim financial statements according to the local regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the tables below:

Scope of consolidation as at 31 December 2015

Name	HQ	Country	Currency	Share Capital (local currency/000)	Shareholders' equity (Euro/000)	Control %
Piquadro S.p.A.	Gaggio Montano (BO)	Italy	Euro	1,000	33,849	Parent Company
Piquadro España Slu	Barcelona	Spain	Euro	898	782	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	14	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	22,090	5,076	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	1,506	100%
Piquadro Limitada	Macau	Macau	HKD	25	725	100%
Piquadro (Shenzhen) Co. Ltd.	Trading Shenzhen	People's Republic of China	RMB	13,799	8,534	100%
Piquadro Taiwan Ltd.	Co. Taipei	Taiwan	TWD	25,000	29,537	100%
Piquadro France SARL	Paris	France	EUR	2,500	2,536	100%
Piquadro Swiss SA	Mendrisio	Switzerland	CHF	100	(204)	51%
Piquadro UK Limited	London	United Kingdom	GBP	1,000	1,003	100%
Piquadro USA INC	Delaware	USA	USD	1,000	1,000	100%
Piquadro USA LLC	Delaware	USA	USD	995	983	100%

Scope of consolidation as at 31 December 2014

Name	HQ	Country	Currency	Share Capital (local currency/000)	Shareholders' equity (Euro/000)	Control %
Piquadro S.p.A.	Gaggio Montano (BO)	Italy	Euro	1,000	33,825	Parent Company

Piquadro España Slu	Barcelona	Spain	Euro	898	764	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(19)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	22,090	3,656	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	65	100%
Piquadro Limitada	Macau	Macau	HKD	25	86	100%
Piquadro (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,799	1,120	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	TWD	25,000	615	100%
Piquadro SARL	Paris	France	EUR	2,500	2,461	100%
Piquadro Swiss SA	Mendrisio	Switzerland	CHF	100	(51)	51%
Piquadro UK Limited	London	United Kingdom	GBP	700	903	100%
Piquadro USA INC	Delaware	USA	USD	0	0	100%
Piquadro USA LLC	Delaware	USA	USD	0	0	100%

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

The financial statements expressed in a foreign currency other than the Euro are translated into Euro by applying the exchange rates applied below for the first nine months ended 31 December 2015 and 31 December 2014 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing		
	31 December 2015	31 December 2014	31 December 2015	31 March 2015	31 December 2014
Hong Kong Dollar (HKD)	8.56	10.20	8.44	8.34	9.42
Renminbi (CNY)	6.95	8.13	7.06	6.67	7.54
Taiwan Dollar (TWD)	35.14	39.86	35.79	33.65	38.41
Swiss franc (CHF)	1.07	1.21	1.08	1.05	1.20
Great Britain Pound (GBP)	0.72	0.80	0.73	0.73	0.78
US Dollar (USD)	1.10	1.32	1.09	1.08	1.21

Amendments to the accounting standards

Accounting standards, amendments and interpretations

Starting from 1 April 2015 the following accounting standards and amendments to the international accounting standards shall be applied obligatorily, which have been issued by the IASB and adopted by the European Union:

- IFRIC 21 – “*Levies (Regulation 634/2014)*”. This interpretation was issued by IFRS IC on 20 May 2013 and will be applicable, on a retrospective basis, starting from financial years that will commence on or after 17 June 2014. The interpretation was issued to identify the methods to account for levies, i.e. the payments to a government body for which the entity does not receive specific goods or services. The document identifies various types of levies and specifies the event that gives rise to the obligation, which in turn determines, pursuant to IAS 37, the recognition of a liability.

On 12 December 2013 the International Accounting Standards Board (IASB) published a document named “Improvements to International Financial Reporting Standards (2011-2013 Cycle)”, as subsequently adopted by the European Union by Regulation 1361/2014. These improvements, which will be applicable from the financial years that will commence on or after 1 July 2014, include amendments to the following existing international accounting standards:

- IFRS 1 (*Improvement*) – “*First-time Adoption of IFRS: Meaning of effective IFRSs*”. The amendment clarifies that, upon first-time adoption of IFRS, it is possible to opt for the early application of a new standard aimed at replacing the standard in force, as an alternative to the application of a standard in force as at the transition date.
- IFRS 3 (*Improvement*) – “*Business Combinations: Scope exception for joint ventures*”. The improvement excludes all types of joint arrangements from the scope of application of IFRS 3.
- IFRS 13 (*Improvement*) – “*Fair value measurement: Scope of paragraph 52 (portfolio exception) (par. 52)*”. This amendment clarifies that the possibility of measuring a group of assets and liabilities at fair value also refers to contracts within the scope of application of IAS 39 (or IFRS 9), but that do not meet the definition of financial assets and liabilities provided by IAS 32 (such as, for example, any contracts for the purchase and sale of commodities that can be settled in cash at their net value).
- IAS 40 (*Improvement*) – “*Investment Property (Clarifying the interrelationship of IFRS 3 and IAS 40)*”. It is clarified that, in order to determine whether the purchase of an investment property falls within the scope of application of IFRS 3, it is necessary to make reference to IFRS 3, while, in order to determine whether the purchase falls within the scope of application of IAS 40, it is necessary to make reference to the specific instructions under said standard.

These interpretations and amendments have had no significant effects on the information provided in this interim financial report and on the measurement of the related items in the financial statements.

Accounting standards, amendments and interpretations endorsed by the European Union but which are not yet applicable and which have not been adopted by the Piquadro Group in advance

Starting from 1 January 2019 the following accounting standards and amendments to accounting standards shall be applied obligatorily, as the EU endorsement process has already been completed for them:

- IFRS 16 – “*Leases*”. This standard was published by the IASB on 13 January 2016. The new IFRS 16 will be applicable from 1 January 2019 and will replace IAS 17 – *Leasing*, but early adoption will be permitted for those entities which also apply IFRS 15 – *Revenue from Contracts with Customers*. This new standard states that the entity must report all lease agreements, both operating and financial, as assets and liabilities in the balance sheet.

Starting from 1 January 2018 the following accounting standards and amendments to accounting standards shall be applied obligatorily, as the EU endorsement process has already been completed for them:

- IFRS 9 – “*Financial instruments*”. This standard was published by the IASB, in its final version, on 24 July 2014 at the end of a long-term process aimed at replacing the current IAS 39. The standard, the application of which is expected on 1 January 2018, introduces new criteria for the classification of financial assets and liabilities, for the derecognition and impairment of financial assets and the management and accounting for hedging transactions.
- IFRS 15– “*Revenue from Contracts with Customers*”. This standard was published by the IASB on 28 May 2014. This standard replaces IAS 18 – Revenue, IAS 11 – Construction Contracts, the interpretations SIC 31, IFRIC 13 and IFRIC 15. The new standard applies to any and all contracts with customers, except for any contracts that fall under the scope of application of IAS 17 – Leasing, insurance contracts and financial instruments. The new standard lays down a process consisting of five steps which determine the timing and

the amount of the revenues to recognise (identification of contracts with customers, identification of the performance obligations laid down as per contract, determination of the transaction price, allocation of the transaction price, recognition of revenues upon the fulfilment of the performance obligation). The adoption of this standard is expected to be obligatory starting from 1 January 2018, with early adoption permitted. It is planned to apply the new standard retrospectively, with the possibility of choosing whether to restate the financial years presented in the comparative disclosures or recognise the effects of its adoption under the opening equity of the first-time application financial year.

Starting from 1 April 2016 the following accounting standards and amendments to accounting standards shall be applied obligatorily, as the EU endorsement process has already been completed for them:

- IAS 19 (*Amendments*) – “*Employee Benefits: Defined Benefit Plans - Employee Contributions (Regulation 29/2015)*”. This document was issued by the IASB on 21 November 2013 and will be applicable from the financial years that will commence on 1 July 2014. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, such as, for example, employee contributions that are calculated according to a fixed percentage of salary.
- IFRS 14 – “*Regulatory deferral accounts*”. The document was issued by the IASB on 30 January 2014. The standard permits first-time adopters only to continue to recognise any amounts related to rate regulation in accordance with their previous GAAP requirements. Its application is expected to be obligatory starting from 1 April 2016, with early application permitted.

Starting from 1 January 2016 the following accounting standards and amendments to accounting standards shall be applied obligatorily, as the EU endorsement process has already been completed for them:

- IAS 1 (*Amendments*) – “*Presentation of financial statements*”. The document was issued by the IASB on 18 December 2014. The amendments, which will be applicable starting from the financial years that will commence on 1 January 2016, are aimed at making the preparation of the financial statements more clear and intelligible. The amendments relate to:
 - materiality and aggregation: it is clarified that an entity should not obscure useful information by aggregating or disaggregating information; and that materiality considerations apply to the primary statements, explanatory notes and any specific disclosure requirements in IFRS, i.e. disclosures specifically required by IFRS need to be provided only if the information is material;
 - statement of financial position and statement of comprehensive income: it is clarified that the list of line items specified by IAS 1 for these statements can be disaggregated and aggregated as relevant. Additional guidance has been added on the presentation of subtotals in these statements;
 - presentation of “Other Comprehensive Income” (“OCI”): it is clarified that an entity’s share of OCI of associates and joint ventures consolidated according to the equity method should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
 - explanatory notes: it is clarified that entities have flexibility when designing the structure of the explanatory notes and provides guidance on how to determine a systematic order of the notes.

On 25 September 2014 the International Accounting Standards Board (IASB) published a document named “Improvements to International Financial Reporting Standards (2012-2014 Cycle)”. These improvements, which will be applicable from the financial years that will commence on 1 January 2016, include amendments to the following existing international accounting standards:

- IFRS 5 (*Improvement*) – “*Non-current Assets Held for Sale and discontinued operations: change of disposal method*”. The amendment provides guidelines to apply when an entity reclassifies an asset (or a disposal group) from “held for sale” to “held for distribution” (or vice versa), or when the requirements for the classification of an asset as “held for distribution” are no longer met.
- IFRS 7 (*Improvement*) – “*Financial instruments: disclosures*”. The document regulates the introduction of additional guidelines to clarify whether a servicing contract constitutes a residual involvement in a

transferred business for the purposes of the required disclosures. Furthermore, in relation to the offsetting of financial assets and liabilities, the document clarifies that the disclosures are not expressly required for all interim financial statements. However, these disclosures could be required in order to meet the requirements set out under IAS 34, when they are significant disclosures.

- IAS 19 (*Improvement*) – “*Employee benefits: discount rate*”. The document introduces amendments to IAS 19 in order to clarify that the high quality corporate bonds used to determine the discount rate of post-employment benefits should be issued in the same currency as that used to pay the benefits. The amendments specify that the extent of the high quality corporate bonds market must be considered at currency level.
- IAS 34 (*Improvement*) – “*Interim financial reporting: disclosure of information elsewhere in the interim financial report*”. The document introduces amendments in order to clarify the requirements to apply when the required disclosures are presented in the interim financial report, but not in the sections of the financial statements. The amendment specifies that these disclosures must be included through cross-references between the two documents, provided that both of them are available to the users of the financial statements in the same manners and within the same time limits.
- IAS 16 and IAS 38 (*Amendments*) – “*Clarification of Acceptable Methods of Depreciation and Amortisation*”. These amendments were issued by the IASB on 12 May 2014 and will be applicable from the financial years that will commence on 1 January 2016. The document states that, except in certain limited circumstances, a method of amortisation/depreciation correlated to revenues may not be considered acceptable for both property, plant and equipment and intangible assets.
- IFRS 11 (*Amendments*) – “*Joint arrangements: Acquisitions of Interests in Joint Operations*”. These amendments were issued by the IASB on 6 May 2014 and will be applicable from the financial years that will commence on 1 January 2016, with early application permitted. The document states that the principles in IFRS 3 – *Business Combinations* – regarding the recognition of the effects of a business combination must be applied in order to recognise the acquisition of a joint operation whose activity is represented by a business.
- IAS 16 and IAS 41 (*Amendments*) – “*Agriculture*”. These amendments were issued by the IASB on 30 June 2014 and will be applicable from the financial years that will commence on 1 January 2016. The document states that the accounting treatment of some specific types of biological activities (fruit trees) must be as laid down in IAS 16.

On 12 December 2013 the International Accounting Standards Board (IASB) published a document named “Improvements to International Financial Reporting Standards (2010-2012 Cycle)”, as subsequently adopted by the European Union by Regulation 28/2015. These improvements, which will be applicable from the financial years that will commence on or after 1 February 2015, include amendments to the following existing international accounting standards:

- IFRS 2 (*Improvement*) – “*Share-based Payment: Definition of vesting conditions*”. Amendments have been made to the definitions of “vesting conditions” and “market condition” and the definitions of “performance condition” and “service condition” have been added.
- IFRS 3 (*Improvement*) – “*Business Combinations: Accounting for contingent consideration in a business combination*”. It is clarified that a contingent consideration in a business combination classified as an asset or liability must be measured at fair value through profit or loss at each reporting date, regardless of whether it is a financial instrument regulated by IFRS 9 or by IAS 39 or a non-financial asset or liability.
- IFRS 8 (*Improvement*) – “*Operating Segments: Aggregation of operating segments*”. These amendments require the disclosure of the judgements made by the Management in aggregating operating segments.
- IFRS 8 (*Improvement*) – “*Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets*”. The amendment requires that the reconciliation should be provided

obligatorily only if a measurement of the total assets of operating segments is regularly provided to the Management.

- IFRS 13 (*Improvement*) – “*Fair value Measurement: short-term Receivables and Payables*”. The improvement clarifies that issuing IFRS 13 does not remove the ability to measure short-term receivables and payables without applying the discounting-back, should these effects have not been significant.
- IAS 16 (*Improvement*) – “*Property, Plant and Equipment & Improvement IAS 38 – Intangible assets: Revaluation method*”. These amendments eliminate some inconsistencies in recognising amortisation and depreciation funds when a tangible or intangible asset is subject to revaluation. Specifically, it is clarified that the gross book value must be adjusted consistently with the revaluation of the net value of the asset and that the amortisation and depreciation fund must be equal to the difference between gross value and net value, less any impairment losses previously recognised.
- IAS 24 (*Improvement*) – “*Related Party Transactions: Key management personnel services*”. Some provisions are clarified in relation to the identification of related parties and to the information to be provided with reference to key management personnel.

The Group is assessing the potential effects on the financial statements arising from adopting these standards or amendments to the existing standards.

Accounting standards being adopted by the European Union

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

- IFRS 10 and IAS 28 (*Amendments*) – “*Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*”. The document was issued by the IASB on 11 September 2014 in order to solve a conflict between the two mentioned standards in relation to the disposal of an asset or of a subsidiary to an associate or to a joint venture, and will be applicable from 1 January 2016. The amendments provide that, in the case of a disposal or contribution of assets or of a subsidiary to an associate or to a joint venture, the value of the profit or loss to be recognized in the accounts of the transferring/contributing company must be related to the classification of the assets or of the subsidiary that have been transferred/contributed as a business, as defined under IFRS 3. In the event that the disposal/contribution constitutes a business, the entity must recognise the profit or loss in relation to the entire portion previously held; while, otherwise, the entity must recognize the portion of profit or loss relating to the portion still held by the entity that must be derecognized.
- *IFRS 10, IFRS 11 and IAS 28 (Amendments)* – “*Investment Entities: Applying the Consolidation Exception*”. The document, which was published by the IASB on 18 December 2014, introduces the following amendments:
 - the exemption from preparing consolidated financial statements for a sub-holding company also applies to a parent entity that is a subsidiary of an investment entity;
 - a subsidiary that provides services that support the investment entity’s investment activities: the amendments clarify that only a subsidiary that is not an investment entity itself is consolidated;
 - the application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: the amendments allow the investor to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries;
 - an investment entity that measures its subsidiaries at fair value must provide the disclosures required by IFRS 12.

As at the date of this Interim Financial Report as at 31 December 2015, it was not deemed that the accounting standards, interpretations and amendments to accounting standards listed above may have potential significant impacts on the equity, financial and economic position of the Group.

COMMENTS ON THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 31 December 2015 the value of intangible assets was equal to Euro 4,233 thousand (Euro 4,608 thousand as at 31 March 2015).

Below is reported the statement of changes of this item:

<i>(in thousands of Euro)</i>	31 December 2015
Balance as at 31 March 2015	4,608
Investments	137
Sales and disposals	0
Other changes	(6)
Amortisation	(506)
Write-downs	0
Total	4,233

Increases in intangible assets equal to Euro 137 thousand in the first nine months of the financial year ended 31 December 2015 mainly related to investments in software and IT products for Euro 105 thousand and to trademarks for Euro 18 thousand.

Note 2 - Property, plant and equipment

As at 31 December 2015, the value of property, plant and equipment was equal to Euro 12,431 thousand (Euro 12,624 thousand as at 31 March 2015) Below is reported the statement of changes of this item:

<i>(in thousands of Euro)</i>	31 December 2015
Balance as at 31 March 2015	12,624
Investments	1,288
Sales and disposals	(41)
Other changes	(56)
Depreciation	(1,339)
Write-downs	(45)
Total	12,431

On the contrary, increases in property, plant and equipment, equal to Euro 1,288 thousand in the first nine months of the financial year ended 31 December 2015, were mainly attributable to plant and machinery for Euro 126 thousand, to industrial and business equipment for Euro 1,111 thousand (in particular to fittings purchased for new DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 982 thousand and to electric and electronic office machines for Euro 115 thousand and to other minor assets).

Below is reported the net book value as at 31 December 2015 of the assets used by the Group by virtue of finance lease agreements:

<i>(in thousands of Euro)</i>	31 December 2015
Land	878
Buildings	4,211
Plant and equipment	20
Industrial and business equipment	44
Total	5,596

Note 3 – Receivables from others

Receivables from others, equal to Euro 623 thousand as at 31 December 2015 (compared to Euro 682 thousand as at 31 March 2015) relate to both guarantee deposits paid for various utilities, including those relating to the operation of Company-owned shops, and deposits relating to the lease of DOS.

Note 4 – Deferred tax assets

As at 31 December 2015, deferred tax assets amounted to Euro 1,248 thousand (Euro 1,339 thousand as at 31 March 2015). The balance is mainly made up of temporary fiscal differences relating to Piquadro S.p.A. for Euro 1,200 thousand (Euro 1,161 thousand as at 31 March 2015) referred to the IRES (*Imposta sul Reddito delle Società*, Corporate Income Tax) and IRAP (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) tax effect on taxed funds, in addition to adjustments made at the time of the preparation of the consolidated financial statements.

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:

<i>(in thousands of Euro)</i>	Gross value as at 31 December 2015	Provision for write-down	Net value as at 31 December 2015	Net value as at 31 March 2015
Raw Materials	2,746	(160)	2,586	2,344
Semi-finished products	916	0	916	661
Finished products	15,460	(620)	14,840	12,957
Inventories	19,122	(780)	18,342	15,962

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

<i>(in thousands of Euro)</i>	Provision as at 31 March 2015	Use	Allocation	Provision as at 31 December 2015
Provision for write-down of raw materials	151	0	9	160
Provision for write-down of finished products	327	0	293	620
Total provision for write-down of inventories	478	0	302	780

As at 31 December 2015, inventories showed an increase compared to the corresponding values as at 31 March 2015. This increase was mainly attributable to the different seasonality and to the early production, which was also related to the increased sales expected in the current financial year.

Note 6 – Trade receivables

As at 31 December 2015, trade receivables were equal to Euro 26,014 thousand compared to Euro 23,185 thousand as at 31 March 2015. The increase over 31 March 2015 is mainly attributable to the different seasonality furthermore rather than to the turnover growth trends in the first nine months of the year, in particular in the foreign wholesale channel (+5.2% against the same period of the 2014 financial year).

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

<i>(in thousands of Euro)</i>	Provision as at 31 December 2015	Provision as at 31 March 2015
Balance at the beginning of the period	1,231	1,173
Effect through P&L	175	386
Uses	0	(328)
Total Provision for bad debts	1,406	1,231

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015
Other assets	972	280
Accrued income and prepaid expenses	1,269	1,258
Other current assets	2,241	1,538

Other assets mainly related to advances to non-trade suppliers for Euro 305 thousand, to VAT credits related to subsidiaries for Euro 123 thousand and VAT credits of the parent company, equal to Euro 115 thousand.

Note 8 – Tax receivables

As at 31 December 2015, tax receivables were equal to Euro 172 thousand (Euro 907 thousand as at 31 March 2015) and were mainly made up of tax receivables recognized by foreign subsidiaries for income taxes. The receivable for IRES refund due following the deductibility of the IRAP tax relating to the cost of subordinate employment and employment treated as such referred to in Decree Law 201/2011 and Decree Law 16/2012 for the years 2007- 2011, equal to Euro 425 thousand at 31 March 2015, was collected by the Parent Company in the period under consideration.

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015
Receivables for income taxes	168	9
Receivable for IRES tax refund	4	898
Tax receivables	172	907

Note 9 – Cash and cash equivalents

Below is reported the breakdown of cash and cash equivalents (mainly relating to the parent company):

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2014
Available current bank accounts	10,018	12,619
Cash, cash on hand and cheques	100	86
Cash and cash equivalents	10,118	12,705

The balance represents cash and cash equivalents and the existence of cash and cash on hand at the closing date of the periods. For a better understanding of the dynamics in the Company's liquidity, reference is made to the Statement of Cash flows and the breakdown of Net Financial Position.

LIABILITIES

NON-CURRENT LIABILITIES

Note 10 - TOTAL EQUITY

Share capital

As at 31 December 2015, 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 24 July 2012, the Shareholders' Meeting approved the guidelines of a new stock option plan for the 2012-2017 period, which is reserved for certain Directors, executives with strategic responsibilities, employees and collaborators of Piquadro S.p.A. and of other companies owned by it, and resolved to approve the consequent capital increase, excluding the right of option serving the plan, up to a maximum amount of Euro 93,998, through the issue of a maximum number of 4,699,900 ordinary shares of Piquadro S.p.A., of no par value, having the same features and enjoyment as the outstanding shares; this capital increase may be also implemented in more than one payment and is divisible by 31 December 2018.

On 26 September 2012, the Board of Directors resolved to determine the subscription price of the Piquadro S.p.A. ordinary shares, to be paid by the beneficiaries at the time of the subscription of the shares deriving from the exercise of the options, for an amount of Euro 1.53 per share, thus determining an overall number of 3,600,000 rights of option to be assigned to the respective beneficiaries. Furthermore, subject to the opinion of the Remuneration Committee, the list of the plan's beneficiaries was approved, specifying the number of rights of option assigned to each of them.

The stock option plan will have a term of five years and the accrual of options, to the extent of 30% by 30 September 2015, 30% by 30 September 2016 and 40% by 30 September 2017, is subject to:

- (i) the permanence of the relationship of administration, subordinate employment or collaboration, as the case may be;
- (ii) the achievement by the Piquadro Group of certain EBIT targets, expected respectively for the related financial year, with a normalized positive NFP;
- (iii) the circumstance that the Piquadro shares as at the date of accrual were still listed in an Italian regulated market.

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

As regards the 2012-2017 Stock Option Plan, it should be noted that, on the basis of the results achieved by the Group from the approval of the stock option plan up to today and on the basis of the new plans prepared by the Management, it is emerged that the chances of attaining the EBITDA and Net Financial Position targets set out in the plan are very close to zero. As they are “non-market conditions” and taking account of these chances in accounting for the plan, the amount that had been previously accounted for under the “Stock Option Reserve” in previous financial years was consequently taken to the Income Statement in the financial year ended 31 March 2015 (as the plan had become “out of the money”).

On the basis of the data resulting from this Interim Financial Report and from the latest budget forecasts, no elements arise which could change the approach described above. Accordingly, no effects were recognised in the income statement in relation to the 2012-2017 Stock Option Plan in the course of the first nine months of the 2015-2016 financial year.

As at the date of this Report, the 2008-2013 Stock Option Plan, as approved by the Board of Directors of Piquadro S.p.A. on 31 January 2008, had been settled and no option assigned by virtue of the same had been exercised.

Share premium reserve

This reserve, which has not undergone changes compared to the financial year ended 31 March 2015, was equal to Euro 1,000 thousand.

Translation reserve

As at 31 December 2015 the translation reserve was negative for Euro 338 thousand (while was positive for Euro 780 thousand as at 31 March 2015). This item is referred to the exchange rate differences due to the consolidation of the companies with a relevant currency other than the Euro, *i.e.* Piquadro Hong Kong and Piquadro Macau (the relevant currency being the Hong Kong Dollar), Uni Best Leather Goods (Zhongshan) Co. Ltd and Piquadro Shenzhen (the relevant currency being the Chinese Renminbi), Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar), Piquadro Swiss (the relevant currency being the Swiss franc), Piquadro UK Limited (the relevant currency being the Great Britain Pound), Piquadro USA INC and Piquadro LLC (the relevant currency being the US Dollar).

Group net profit

This item relates to the recognition of the Group profit recorded, equal to Euro 3,121 thousand in the first nine months ended 31 December 2015.

Profit and reserves attributable to minority interests

The item refers to the portions of reserves and profit, equal to a negative value of Euro 92 thousand (a negative value of Euro 40 thousand at 31 March 2015), which are attributable to the minority interests of Piquadro Swiss SA, of which the Parent Company owns 51% of the share capital.

Note 11 – Borrowings

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

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015
Non-current borrowings	5,648	7,312
Current borrowings	14,080	9,695
Medium/long-term borrowings	19,728	17,007

As at 31 December 2015, borrowings mainly related to Piquadro S.p.A. and included:

- Euro 1,185 thousand relating to the unsecured loan granted by UBI – Banca Popolare Commercio & Industria on 30 July 2014 (against an initial amount of Euro 2,000 thousand), of which a current portion of Euro 670 thousand and a non-current portion of Euro 515 thousand;
- Euro 500 thousand relating to the unsecured loan granted by UBI – Banca Popolare Commercio & Industria on 1 August 2014 (against an initial amount of Euro 3,000 thousand), due and payable within twelve months;
- Euro 1,726 thousand relating to the unsecured loan granted by Credem – Credito Emiliano on 30 July 2015 (against an initial amount of Euro 2,300 thousand), due and payable within twelve months;
- Euro 3,300 thousand relating to the unsecured loan granted by Credem – Credito Emiliano on 12 November 2015 (against an initial amount of Euro 3,000 thousand), of which a current portion of Euro 2,198 thousand and a non-current portion of Euro 1,102 thousand;
- Euro 1,884 thousand relating to the unsecured loan granted by ICCREA – Banca Impresa S.p.A. on 26 March 2015 (against an initial amount of Euro 2,500 thousand), of which a current portion of Euro 831 thousand and a non-current portion of Euro 1,053 thousand;
- Euro 4,000 thousand relating to the unsecured loan granted by Mediocredito Italiano S.p.A. on 13 February 2015, of which a current portion of Euro 1,000 thousand and a non-current portion of Euro 3,000 thousand.

Below is reported the breakdown of the loans:

<i>(in thousands of Euro)</i>	Date of granting of the loan	Initial amount	Currency	Current borrowings	Amort. cost (S/T)	Non-current borrowings	Amort. Cost (L/T)	Total
BEI loan	30-Jul-14	2,000	Euro	670	0	515	0	1,185
UBI loan - Stand By	01-Aug-14	3,000	Euro	500	(7)	0	0	493
Credem loan	30-Jul-15	2,300	Euro	1,726	(5)	0	0	1,721
Credem loan	12-Nov-15	3,300	Euro	2,198	0	1,102	0	3,300
ICCREA loan	26-Mar-15	2,500	Euro	831	(8)	1,053	(4)	1,872
Mediocredito loan	13-Feb-15	5,000	Euro	1,000	(27)	3,000	(18)	3,955
Payables to banks			Euro	202	0	0	0	202
Advances from Carisbo			Euro	5,000	0	0	0	5,000
UBI Banca Hot Money Line			Euro	2,000	0	0	0	2,000
				14,127	(47)	5,670	(22)	19,728

Note 12 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015
Non-current portion:		
Payables to leasing companies	1,565	2,085
Current portion:		
Payables to leasing companies	625	625
Payables to other lenders for lease agreements	2,190	2,710

As at 31 December 2015, payables to other lenders due beyond 12 months were equal to Euro 1,565 thousand and mainly related to payables to the lease agreement in relation to the plant and the land located in Sassuriano, Silla di Gaggio Montano BO (Euro 2,085 thousand as at 31 March 2015).

Note 13 – Provision for Employee Benefits

As at 31 December 2015, the value of the provision was equal to Euro 267 thousand (Euro 295 thousand as at 31 March 2015) as determined by an independent actuary. The actuarial assumptions used for calculating the provision are not changed compared to the information reported in the paragraph *Accounting standards – Provision for employee benefits* in the Notes to the consolidated financial statements as at 31 March 2015.

Note 14 – Provision for risks and charges

Below are the changes of provisions for risks and charges as at 31 December 2015:

<i>(in thousands of Euro)</i>	Provision as at 31 March 2015	Use	Allocation	Provision as at 31 December 2015
Provision for supplementary clientele indemnity	901	(22)	0	879
Other provisions for risks	139	0	0	139
Total	1,040	(22)	0	1,018

The “Provision for clientele’ supplementary indemnity” represents the potential liability with respect to agents in the event of Group companies’ terminating agreements or agents retiring.

CURRENT LIABILITIES

Note 15 – Borrowings

As at 31 December 2015, borrowings were equal to Euro 14,080 thousand compared to Euro 9,695 thousand as at 31 March 2015. For the breakdown, reference is made to Note 11.

Note 16 - Payables to other lenders for lease agreements

As at 31 December 2015 they were equal to Euro 625 thousand (Euro 625 thousand as at 31 March 2015) and related to the current portion of payables to leasing companies relating to the finance lease agreements of hardware and software, and of the property of the operational headquarters of the Parent Company.

Net financial position

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

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015	31 December 2014
(A) Cash	100	85	96
(B) Other cash and cash equivalents (available current bank accounts)	10,018	12,620	9,378
(C) Liquidity (A) + (B)	10,118	12,705	9,474
(D) Finance leases	(625)	(625)	(590)
(E) Current bank debt	0	0	0
(F) Current portion of current debt	(14,080)	(9,695)	(10,398)
(G) Current financial debt (D) + (E) + (F)	(14,704)	(10,320)	(10,988)
(H) Short-term net financial position (C) + (G)	(4,586)	2,385	(1,514)
(I) Non-current bank debt	(5,648)	(7,312)	(7,397)
(L) Finance leases	(1,565)	(2,085)	(2,163)
(M) Non-current financial debt (I) + (L)	(7,213)	(9,397)	(9,560)
(N) Net financial debt (H) + (M)	(11,799)	(7,012)	(11,074)

As at 31 December 2015, the consolidated net financial position was negative for about Euro 11.8 million. The main reasons for the trend in the net financial position, compared to 31 March 2015, are attributable to the following factors:

- EBITDA of Euro 6.3 million;
- investments in property, plant and equipment and intangible assets for Euro 1,425 thousand;
- an increase in the net current assets of Euro 6.1 million, which was due to the different seasonality;
- payment of dividends of Euro 2 million.

Note 17 – Trade payables

Below is the breakdown of current trade liabilities:

<i>(in thousands of euro)</i>	31 December 2015	31 March 2015
Payables to suppliers	12,741	13,657

At 31 December 2015, the balance of trade payables recorded a decrease of Euro 916 thousand compared to 31 March 2015 and this decrease was mainly attributable to the seasonality dynamics of the Group.

Note 18 – Other current liabilities

Below is the breakdown of other current liabilities:

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015
Payables to social security institutions	435	400
Payables to pension funds	38	26
Other payables	64	87
Payables to employees	1,185	1,163
Advances from customers	61	52
Accrued expenses and deferred income	0	0
Payables for VAT	0	1,254
IRPEF* tax payables and other tax payables	554	285
Other current liabilities	2,335	3,267

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

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees equal to Euro 1,185 thousand, mainly included the Group's payables for remunerations to be paid and deferred charges with respect to employees.

Note 19 – Tax payables

Below is the breakdown of tax payables:

<i>(in thousands of Euro)</i>	31 December 2015	31 March 2015
IRES tax (income taxes)	889	163
IRAP tax	80	0
Tax payables	969	163

Current income tax liabilities for IRES and IRAP tax relate to the allocation of taxes on an accruals basis on the income produced in the period.

COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Note 20 – 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:

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Italy	38,043	36,636
Europe	8,211	8,803
Rest of the world	3,565	3,090
Revenues from sales	49,819	48,528

In the first nine months ended 31 December 2015, revenues from sales were equal to Euro 49,819 thousand with an increase of 2.7% compared to the corresponding revenues realised in the nine months ended 31 December 2014 (Euro 48,528 thousand).

Note 21 – Other income

In the first nine months ended 31 December 2015, other income amounted to Euro 756 thousand (Euro 633 thousand as at 31 December 2014). Other revenues are mainly attributable to the Parent Company and mainly include insurance revenues for Euro 139 thousand.

Note 22 – Change in inventories

The change in inventories was positive in the nine months ended 31 December 2015 (Euro 2,567 thousand), whereas it was negative in the nine months ended 31 December 2014 (Euro 87 thousand). This increase is mainly attributable to the early production, which was also related to the increased sales expected in the current financial year.

Note 23 - Costs for purchases

In the first nine months of the financial year ended 31 December 2015, costs for purchases were equal to Euro 10,911 thousand (Euro 8,164 thousand in the nine months of the financial year ended 31 December 2014). This item essentially includes the cost of materials used for the production of the Company's goods and of consumables.

Note 24 - Costs for services and leases and rentals

Below is the breakdown of costs for services:

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
External production	8,113	6,532
Advertising and marketing	3,044	2,867
Transport services	2,935	2,908
Business services	1,879	2,018
Administrative services	886	954
General services	1,046	1,088
Services for production	1,175	1,048
Total Costs for services	19,077	17,415
Costs for leases and rentals	5,010	5,232
Costs for services and leases and rentals	24,088	22,647

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

Note 25 - Personnel costs

Below is reported the breakdown of personnel costs:

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Wages and salaries	9,305	8,877
Social security contributions	1,802	1,657
TFR	371	333
Personnel costs	11,478	10,867

In the first nine months of the financial year ended 31 December 2015, personnel costs reported an increase of 5.6%, passing from Euro 10,867 thousand in the first nine months of the financial year ended 31 December 2014 to Euro 11,478 thousand in the first nine months of the financial year ended 31 December 2015. The increase in personnel costs is mainly due to the increase in staff employed by the Parent Company, for the opening of new points of sales and to the increase in the labour cost of the Chinese subsidiary Uni best Leather Goods (Zhongshan) Co. Limited.

The table below reports the exact number by category of employees as at 31 December 2015, 31 March 2015 and at 31 December 2014:

Category	31 December 2015	31 March 2015	31 December 2014
Executives	4	4	5
Office workers	337	298	335
Manual workers	412	354	402
Total	753	656	742

The number of employees as at 31 December 2015 increased by 9 units compared to the number of employees recorded as at 31 December 2014, mainly as a result of the increased resources necessary for the production phase.

To supplement the information provided, below is also reported the average number of employees for the nine months ended 31 December 2015 and 31 December 2014:

<i>Average unit</i>	31 December 2015	31 December 2014
Executives	4	5
Office workers	311	329
Manual workers	399	417
Total for the Group	714	751

Note 26 - Amortisation, depreciation and write-downs

As at 31 December 2015, the Group's amortisation and depreciation and write-downs were equal to Euro 1,845 thousand and Euro 220 thousand, respectively.

Depreciation of property, plant and equipment, equal to Euro 1,339 thousand, relate to the depreciation of the building where the Company operates for Euro 147 thousand, to the depreciation of plant and equipment for Euro 56 thousand, to the depreciation of business equipment and fittings for shops equal to Euro 1,131 thousand and to the depreciation of other assets for Euro 5 thousand.

Amortisation of intangible assets is equal to Euro 506 thousand and mainly relates to the amortization of software equal to Euro 110 thousand, to the amortization for the key money paid for the opening of new shops for Euro 347 thousand and to the amortization of concessions, licenses and trademarks for Euro 43 thousand.

Write-downs, equal to Euro 220 thousand, related to the write-down of some categories of assets (Euro 45 thousand) as a result of the early closure of some shops, whose related performances were not in line with the Management's expectations and to the write-down of trade receivables for Euro 175 thousand.

Note 27 – Other operating costs

In the first nine months ended 31 December 2015 other operating costs amounted to Euro 183 thousand (Euro 288 thousand as at 31 December 2014). Other operating costs were mainly attributable to costs for other taxes and other operating charges.

Note 28 - Financial income

In the first nine months of the financial year ended 31 December 2015, financial income was equal to Euro 905 thousand (Euro 829 thousand as at 31 December 2014) and mainly related to Euro 36 thousand of interest receivable on current accounts mainly held by the Parent Company and to Euro 869 thousand of foreign exchange gains either realised or estimated.

Note 29 - Financial charges

Below is reported the breakdown of financial charges:

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Interest payables on current accounts	51	40
Interest and expenses subject to final payment	19	15
Financial charges on loans	166	514
Lease charges	21	31
Other charges	35	105
Net financial charges on defined-benefit plans	2	6
Foreign exchange losses (both realised and estimated)	362	500
Financial charges	656	1.211

Note 30 - Income tax expenses

Below is reported the breakdown of income tax expenses:

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
IRES tax	1,322	1,023
IRAP tax	237	402
Total current taxes	1,559	1,425

Current taxes mainly relate to the tax burden calculated on the Parent Company's taxable income, as the majority of the subsidiaries closed the period as at 31 December 2015 with non-significant taxable income.

<i>(in thousands of Euro)</i>	31 December 2015	31 December 2014
Deferred tax liabilities	34	(9)
Deferred tax assets	6	102
Total deferred tax assets and liabilities	40	93

Note 31 - Earnings per share

As at 31 December 2015 diluted earnings per share amounted to Euro 0.057 (basic earnings per share amounted to Euro 0.061 as at 31 December 2015); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 3,067 thousand, divided by the weighted average number of ordinary shares outstanding in the nine months equal to 53,600,000 shares, including potential shares relating to the stock option plan resolved and granted on 31 January 2008.

	31 December 2015	31 December 2014
Group net profit (in thousands of Euro)	3,067	2,949
Average number of outstanding ordinary shares (in thousands of shares)	53,600	53,600
Diluted earnings per share (in Euro)	0.057	0.054
Group net profit (in thousands of Euro)	3,067	2,949
Average number of outstanding ordinary shares	50,000	50,000
Basic earnings per share (in Euro)	0.061	0.059

OTHER INFORMATION

a) Segment reporting

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

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

- DOS channel;
- Wholesale channel.

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

- a direct channel, which as at 31 December 2015 included no. 55 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOS");
- an indirect channel ("Wholesale"), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements (no. 52 stores as at 31 December 2015) and distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 31 December 2015, approximately 37.3% of the Group's consolidated revenues was realised through the direct channel, while 62.7% of consolidated revenues was realised through the indirect channel.

The table below illustrates the segment data of the Piquadro Group broken down by sales channel (DOS and Wholesale), in relation to the nine months ended 31 December 2015 and 31 December 2014, respectively.

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

DOS channel's performance in the first nine months ended 31 December 2015, compared to the results recorded as at 31 December 2014, shows that margins were in line with the same period in the previous year. This result was affected by the following factors:

- Same Store Sales Growth (SSSG) of 5.2%, assuming constant exchange rates and perimeter, reported in the period;
- Performance of some new openings with margins which are not always in line with the average ones of the already existing shops;
- A positive contribution generated by e-commerce sales.

The performance of the Wholesale channel in the nine months ended 31 December 2015, compared with the results recorded as at 31 December 2014, shows a decrease in margins in percentage terms mainly due to higher indirect costs attributed to the channel.

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

<i>(in thousands of Euro)</i>		31 December 2015			31 December 2014		
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	18,573	31,246	49,819	100.0%	17,901	30,627	48,528	100.0%	2.7%
Segment result before amortisation, depreciation and write-downs	1,465	4,842	6,307	12.7%	1,462	5,413	6,875	14.2%	(8.3%)
Amortisation, depreciation and write-downs			(1,890)	3.8%			(2,055)	(4.2%)	(8.0%)
Financial income and charges			249	0.5%			(382)	(0.8%)	165.1%
Pre-tax result			4,666	9.4%			4,438	9.1%	5.2%
Income taxes			(1,599)	(3.2%)			(1,518)	(3.1%)	5.4%
Profit for the first nine months			3,067	6.2%			2,920	6.0%	5.0%
Result attributable to minority interests			0	0.0%			0	0.0%	0.0%
Group net profit			3,067	6.2%			2,920	6.0%	5.0%

b) Commitments

As at 31 December 2015, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2015/2016 financial year.

c) Relations with related parties

Piquadro S.p.A., the Parent Company of the Piquadro Group, operates in the leather goods market and designs, produces and markets articles under its own brand. The subsidiaries mainly carry out activities of distribution of products (Piquadro España SLU, Piquadro Hong Kong Ltd, Piquadro Macau Limitada, Piquadro Deutschland GmbH, Piquadro Trading (Shenzhen) Ltd., Piquadro Taiwan Co. Ltd., Piquadro France Sarl, Piquadro Swiss (SA) and Piquadro UK Limited, Piquadro LLC and Piquadro USA INC), or production (Uni Best Leather Goods Zhongshan Co. Ltd.).

The relations with Group companies are mainly commercial and are regulated at arm's length. There are also financial relations (inter-group loans) between the Parent Company and some subsidiaries, conducted at arm's length.

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

In the first nine months of the 2015/2016 financial year Piquadro S.p.A., the ultimate parent company, charged Piquadro S.p.A. the rent relating to the use of the plant located in Riola di Vergato (Province of Bologna) as a warehouse.

On 29 June 2012, a lease agreement was entered into at arm's length between Piquadro Holding S.p.A. and Piquadro S.p.A., concerning the lease of a property for office purposes located in Milan, Piazza San Babila n. 5, which is used as a show-room of Piquadro S.p.A..

The table below reports the breakdown of the economic and financial relations with these related companies in the first nine months of the 2015/2016 and 2014/2015 financial years:

<i>(in thousands of euro)</i>	Receivables		Payables	
	31 December 2015	31 March 2015	31 December 2015	31 March 2015
Financial relations with Piquadro S.p.A.	0	0	0	0
Financial relations with Piquadro Holding S.p.A.	0	0	0	0
Financial relations with Fondazione Famiglia Palmieri	0	0	0	0
Total Receivables from and Payables to controlling companies	0	0	0	0

The table below reports the breakdown of the economic relations with these related companies in the first nine months of the 2015/2016 and 2014/2015 financial years:

<i>(in thousands of euro)</i>	Revenues		Costs	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Economic relations with Piquadro S.p.A. (rents)	0	0	57	47
Economic relations with Piquadro Holding S.p.A.	0	0	183	183
Economic relations with Fondazione Famiglia Palmieri	0	0	0	0
Total Receivables from and Payables to controlling companies	0	0	240	281

In the first nine months of the 2015/2016 and 2014/2015 financial years, no economic transactions occurred with the Fondazione Famiglia Palmieri.

d) Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors, in relation to the first nine months of the 2015/2016 financial year, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any executives with strategic responsibilities (as at 31 December 2015, Directors had not identified executives with strategic responsibilities):

First and last Name	Position held	Period in which the position was held	Term of Office	Fees due for the position	Non-monetary benefits	Bonuses and other incentives	Other fees	Total
Marco Palmieri	Chairman and CEO	01/04/15-31/12/15	2016	300	5.2	0	0	305.2
Pierpaolo Palmieri	Managing director	01/04/15-31/12/15	2016	150	3	0	0	153
Marcello Piccioli	Managing director	01/04/15-31/12/15	2016	135	2.3	0	3	140.3
Roberto Trotta	Managing director	01/04/15-31/12/15	2016	0	2.3	0	104	106.3
Gianni Lorenzoni	Director	01/04/15-	2016	15	0	0	0	15

Paola Bonomo	Director	31/12/15 01/04/15-	2016	15	0	0	0	15
Anna Gatti	Director	31/12/15 01/04/15-	2016	15	0	0	0	15
				630	12,8	0	107	749,8

e) Events after the period end

In addition to the above, no significant events are reported which occurred at Group level from 1 January 2016 to the date of this Report.

CERTIFICATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, TUF

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

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