



**AEEFFE**

**INTERIM CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2017**

*Disclaimer*

*This Interim consolidated financial statement at 31 March 2017 has been translated into English solely for the convenience of the International reader. In the event of conflict or inconsistency between the terms used in the Italian Version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.*

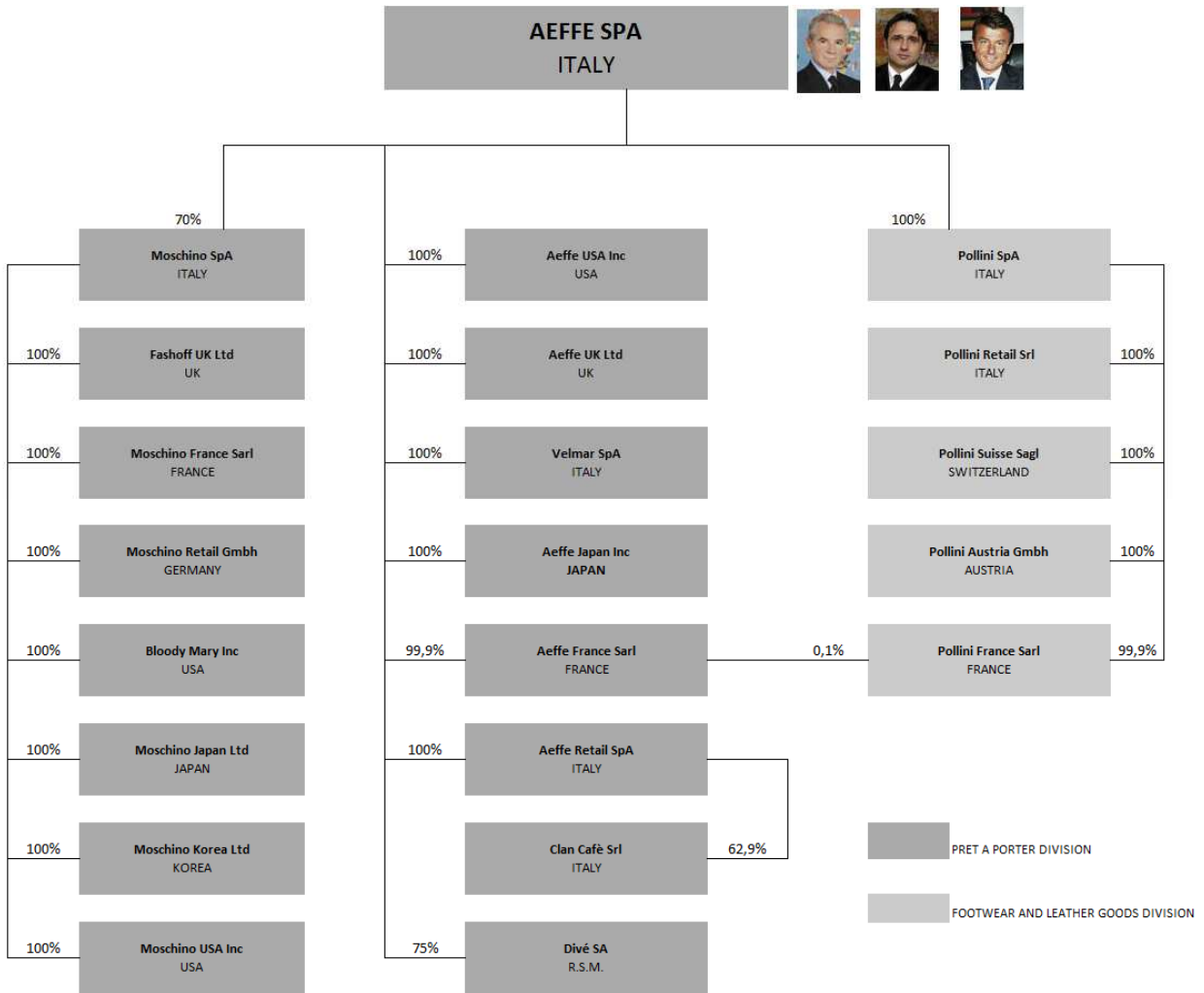
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# Corporate boards of the Parent Company

Board of Directors	<b>Chairman</b> Massimo Ferretti
	<b>Deputy Chairman</b> Alberta Ferretti
	<b>Chief Executive Officer</b> Simone Badioli
	<b>Directors</b> Marcello Tassinari – Managing Director Roberto Lugano Daniela Saitta Sabrina Borocci Alessandro Bonfiglioli
Board of Statutory	<b>President</b> Angelo Miglietta
	<b>Statutory Auditors</b> Fernando Ciotti Carla Trotti
	<b>Alternate Auditors</b> Nevio Dalla Valle Daniela Elvira Bruno
Board of Compensation Committee	<b>President</b> Daniela Saitta
	<b>Members</b> Roberto Lugano Sabrina Borocci
Board of Internal Control Committee	<b>President</b> Roberto Lugano
	<b>Members</b> Daniela Saitta Alessandro Bonfiglioli

# Organisation chart



## Brands portfolio

**AEFFE**  
Apparel- Accessories

**ALBERTA FERRETTI**

**PHILOSOPHY**  
DI  
LORENZO SERAFINI

**MOSCHINO®**

**BOUTIQUE  
MOSCHINO**

NEW YORK  
**JEREMY  
SCOTT**  
DESIGN

CEDRIC CHARLIER

**POLLINI**  
Footwear – Leather goods

**MOSCHINO**  
Licences – Design

**VELMAR**  
Beachwear - Lingerie

**POLLINI**

**MOSCHINO®**

**MOSCHINO®**

**MOSCHINO®**

**BOUTIQUE  
MOSCHINO**

*blugirl blugirl*  
beachwear underwear

**LOVE  
MOSCHINO**

**LOVE  
MOSCHINO**

**FOLIES**  
BLUGIRL

## Headquarters

### **AEFFE**

Via Delle Querce, 51  
47842 - San Giovanni in Marignano (RN)  
Italy

### **MOSCHINO**

Via San Gregorio, 28  
20124 - Milan  
Italy

### **POLLINI**

Via Erbosa I° tratto, 92  
47030 - Gatteo (FC)  
Italy

### **VELMAR**

Via Delle Querce, 51  
47842 - San Giovanni in Marignano (RN)  
Italy



## Showrooms

### MILAN

(FERRETTI – POLLINI – CEDRIC CHARLIER)

Via Donizetti, 48  
20122 - Milan  
Italy

### MILAN

(MOSCHINO)  
Via San Gregorio, 28  
20124 - Milan  
Italy

### LONDON

(FERRETTI – MOSCHINO)

28-29 Conduit Street  
W1S 2YB - London  
UK

### MILAN

(LOVE MOSCHINO)  
Via Settembrini, 1  
20124 - Milan  
Italy

### PARIS

((FERRETTI – MOSCHINO)

43, Rue du Faubourg Saint Honoré  
75008 - Paris  
France

### PARIS

(CEDRIC CHARLIER)  
28 Rue de Sevigne  
75004 - Paris  
France

### NEW YORK

(GROUP)

30 West 56th Street  
10019 - New York  
USA



# Main flagshipstore locations under direct management

## ALBERTA FERRETTI

- Milan
- Rome
- Capri
- Paris
- London
- Los Angeles

## POLLINI

- Milan
- Venice
- Bolzano
- Varese
- Verona

## SPAZIO A

- Florence
- Venice

## MOSCHINO

- Milan
- Rome
- Capri
- Paris
- London
- Los Angeles
- New York
- Seoul
- Pusan
- Daegu





## Main economic-financial data

		I Q	I Q
		2016	2017
Total revenues	(Values in millions of EUR)	77.4	81.4
Gross operating margin (EBITDA)	(Values in millions of EUR)	13.9	15.4
Net operating profit/(loss) (EBIT)	(Values in millions of EUR)	10.9	12.5
Profit/(loss) before taxes	(Values in millions of EUR)	10.0	12.2
Net profit/(loss) for the Group	(Values in millions of EUR)	5.8	8.1
Basic earnings per share	(Values in units of EUR)	0.057	0.080
Cash Flow (net result + depreciation)	(Values in millions of EUR)	9.3	11.6
Cash Flow/total revenues	Ratio	12.1	14.2

		31 December	31 March	31 December	31 March
		2015	2016	2016	2017
Net capital invested	(Values in millions of EUR)	230.2	242.6	227.6	240.8
Net financial indebtedness	(Values in millions of EUR)	80.5	87.2	59.5	64.4
Group net equity	(Values in millions of EUR)	131.7	136.9	135.8	143.5
Group net equity per share	(Values in units of EUR)	1.2	1.3	1.3	1.3
Current assets/Current liabilities	Ratio	2.0	2.4	1.8	2.1
Current assets less invent./Current liabilities (ACID Test)	Ratio	0.9	1.1	0.8	0.9
Net financial indebtedness/Net equity	Ratio	0.5	0.6	0.4	0.4

## Financial statements

### Income statement at 31 March

(Values in units of EUR)	Notes	I Q 2017	% on revenues	I Q 2016	% on revenues	Change	%
<b>REVENUES FROM SALES AND SERVICES</b>	<b>(1)</b>	<b>79,565,346</b>	<b>100.0%</b>	<b>76,210,013</b>	<b>100.0%</b>	<b>3,355,333</b>	<b>4.4%</b>
Other revenues and income		1,847,505	2.3%	1,188,570	1.6%	658,935	55.4%
<b>TOTAL REVENUES</b>		<b>81,412,851</b>	<b>102.3%</b>	<b>77,398,583</b>	<b>101.6%</b>	<b>4,014,268</b>	<b>5.2%</b>
Changes in inventory		3,186,101	4.0%	(933,516)	(1.2%)	4,119,617	(441.3%)
Costs of raw materials, cons. and goods for resale		(24,921,918)	(31.3%)	(19,953,100)	(26.2%)	(4,968,818)	24.9%
Costs of services		(21,059,501)	(26.5%)	(19,067,441)	(25.0%)	(1,992,060)	10.4%
Costs for use of third parties assets		(5,878,868)	(7.4%)	(6,149,430)	(8.1%)	270,562	(4.4%)
Labour costs		(16,099,614)	(20.2%)	(15,839,736)	(20.8%)	(259,878)	1.6%
Other operating expenses		(1,193,356)	(1.5%)	(1,519,784)	(2.0%)	326,428	(21.5%)
<b>Total Operating Costs</b>		<b>(65,967,156)</b>	<b>(82.9%)</b>	<b>(63,463,007)</b>	<b>(83.3%)</b>	<b>(2,504,149)</b>	<b>3.9%</b>
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2)</b>	<b>15,445,695</b>	<b>19.4%</b>	<b>13,935,576</b>	<b>18.3%</b>	<b>1,510,119</b>	<b>10.8%</b>
Amortisation of intangible fixed assets		(1,661,089)	(2.1%)	(1,762,751)	(2.3%)	101,662	(5.8%)
Depreciation of tangible fixed assets		(1,216,292)	(1.5%)	(1,238,546)	(1.6%)	22,254	(1.8%)
Revaluations / (write-downs) and provisions		(48,833)	(0.1%)	(46,080)	(0.1%)	(2,753)	6.0%
<b>Total Amortisation, write-downs and provisions</b>		<b>(2,926,214)</b>	<b>(3.7%)</b>	<b>(3,047,377)</b>	<b>(4.0%)</b>	<b>121,163</b>	<b>(4.0%)</b>
<b>NET OPERATING PROFIT / LOSS (EBIT)</b>		<b>12,519,481</b>	<b>15.7%</b>	<b>10,888,199</b>	<b>14.3%</b>	<b>1,631,282</b>	<b>15.0%</b>
Financial income		448,713	0.6%	107,750	0.1%	340,963	316.4%
Financial expenses		(732,048)	(0.9%)	(993,131)	(1.3%)	261,083	(26.3%)
<b>Total Financial Income/(expenses)</b>		<b>(283,335)</b>	<b>(0.4%)</b>	<b>(885,381)</b>	<b>(1.2%)</b>	<b>602,046</b>	<b>(68.0%)</b>
<b>PROFIT / LOSS BEFORE TAXES</b>		<b>12,236,146</b>	<b>15.4%</b>	<b>10,002,818</b>	<b>13.1%</b>	<b>2,233,328</b>	<b>22.3%</b>
Total Income Taxes		(3,532,559)	(4.4%)	(3,665,815)	(4.8%)	133,256	(3.6%)
<b>NET PROFIT / LOSS</b>		<b>8,703,587</b>	<b>10.9%</b>	<b>6,337,003</b>	<b>8.3%</b>	<b>2,366,584</b>	<b>37.3%</b>
(Profit) / loss attributable to minority shareholders		(564,787)	(0.7%)	(549,773)	(0.7%)	(15,014)	2.7%
<b>NET PROFIT / LOSS FOR THE GROUP</b>	<b>(3)</b>	<b>8,138,800</b>	<b>10.2%</b>	<b>5,787,230</b>	<b>7.6%</b>	<b>2,351,570</b>	<b>40.6%</b>

## Reclassified balance sheet

(Values in units of EUR)	Notes	31 March 2017	31 December 2016	31 March 2016
Trade receivables		42,535,885	40,711,059	41,859,541
Stocks and inventories		95,032,574	89,389,833	90,673,898
Trade payables		( 53,566,708)	( 61,880,670)	( 48,607,778)
<b>Operating net working capital</b>		<b>84,001,751</b>	<b>68,220,222</b>	<b>83,925,661</b>
Other short term receivables		25,838,250	25,082,908	27,344,686
Tax receivables		3,441,672	4,094,261	5,709,202
Other short term liabilities		( 15,439,215)	( 16,958,605)	( 15,634,690)
Tax payables		( 9,201,710)	( 7,376,339)	( 4,145,758)
<b>Net working capital</b>	<b>(4)</b>	<b>88,640,748</b>	<b>73,062,447</b>	<b>97,199,101</b>
Tangible fixed assets		60,820,087	61,376,021	62,400,705
Intangible fixed assets		113,832,815	115,131,885	121,366,772
Equity investments		131,558	131,558	131,558
Other fixed assets		3,720,441	3,961,836	4,306,600
<b>Fixed assets</b>	<b>(5)</b>	<b>178,504,901</b>	<b>180,601,300</b>	<b>188,205,635</b>
Post employment benefits		( 6,185,113)	( 6,366,872)	( 6,479,720)
Provisions		( 2,384,253)	( 2,558,786)	( 934,952)
Assets available for sale		436,885	436,885	436,885
Liabilities available for sale		-	-	-
Long term not financial liabilities		( 446,000)	( 469,000)	( 14,330,132)
Deferred tax assets		12,962,343	13,856,302	10,597,426
Deferred tax liabilities		( 30,770,208)	( 30,985,927)	( 32,128,834)
<b>NET CAPITAL INVESTED</b>		<b>240,759,303</b>	<b>227,576,349</b>	<b>242,565,409</b>
Share capital		25,371,407	25,371,407	25,371,407
Other reserves		116,951,026	115,641,684	113,700,508
Profits / (Losses) carried-forward		( 6,956,308)	( 8,883,005)	( 7,964,133)
Profit / (Loss) of the period		8,138,800	3,641,244	5,787,230
<b>Group interest in shareholders' equity</b>		<b>143,504,925</b>	<b>135,771,330</b>	<b>136,895,012</b>
Minority interests in shareholders' equity		32,862,981	32,298,194	18,433,921
<b>Total shareholders' equity</b>	<b>(6)</b>	<b>176,367,906</b>	<b>168,069,524</b>	<b>155,328,933</b>
Short term financial receivables		( 2,257,181)	( 2,235,854)	( 1,815,854)
Cash		( 13,216,389)	( 14,521,334)	( 11,586,684)
Long term financial liabilities		25,478,753	23,840,201	18,699,665
Long term financial receivables		( 3,346,708)	( 3,390,633)	( 1,898,551)
Short term financial liabilities		57,732,922	55,814,445	83,837,900
<b>NET FINANCIAL POSITION</b>	<b>(7)</b>	<b>64,391,397</b>	<b>59,506,825</b>	<b>87,236,476</b>
<b>SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS</b>		<b>240,759,303</b>	<b>227,576,349</b>	<b>242,565,409</b>

## Cash flow

(Values in thousands of EUR)	Notes	IQ 2017	FY 2016	IQ 2016
<b>OPENING BALANCE</b>		<b>14,521</b>	<b>9,993</b>	<b>9,993</b>
Profit before taxes		12,236	8,331	10,003
Amortisation / write-downs		2,877	15,110	3,001
Accrual (+)/availment (-) of long term provisions and post employment benefits		( 356)	1,305	( 206)
Paid income taxes		( 1,029)	( 3,583)	( 2,122)
Financial income (-) and financial charges (+)		283	1,754	885
Change in operating assets and liabilities		( 17,427)	( 12,195)	( 16,009)
<b>CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY</b>		<b>( 3,416)</b>	<b>10,722</b>	<b>( 4,448)</b>
Increase (-)/ decrease (+) in intangible fixed assets		( 362)	883	( 309)
Increase (-)/ decrease (+) in tangible fixed assets		( 660)	( 3,265)	( 379)
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-	77	-
<b>CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY</b>		<b>( 1,022)</b>	<b>( 2,305)</b>	<b>( 688)</b>
Other variations in reserves and profits carried-forward of shareholders'equity		( 405)	20	( 636)
Dividends paid		-	-	-
Proceeds (+)/ repayment (-) of financial payments		3,557	( 679)	8,160
Increase (-)/ decrease (+) in financial receivables		264	( 1,476)	91
Financial income (+) and financial charges (-)		( 283)	( 1,754)	( 885)
<b>CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY</b>		<b>3,133</b>	<b>( 3,889)</b>	<b>6,730</b>
<b>CLOSING BALANCE</b>		<b>13,216</b>	<b>14,521</b>	<b>11,587</b>

## Changes in shareholders' equity

(Values in thousands of EUR)

	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profits/(losses) carried-forward	Reamusement of defined benefit plans reserve	Net profit/(loss) for the Group	Translation reserve	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<b>BALANCES AT 31 December 2015</b>	25,371	71,240	26,516	7,901	11,459	(9,486)	(1,017)	1,522	(1,762)	131,744	17,884	149,628
Allocation of 2015 profit / (loss)	-	-	-	-	-	1,522	-	(1,522)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) of 1Q 2016	-	-	-	-	-	-	-	5,787	(636)	5,151	550	5,701
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
<b>BALANCES AT 31 March 2016</b>	25,371	71,240	26,516	7,901	11,459	(7,964)	(1,017)	5,787	(2,398)	136,895	18,434	155,329

(Values in thousands of EUR)

	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profits/(losses) carried-forward	Reamusement of defined benefit plans reserve	Net profit/(loss) for the Group	Translation reserve	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<b>BALANCES AT 31 December 2016</b>	25,371	71,240	27,435	7,901	11,459	(8,883)	(1,130)	3,641	(1,262)	135,772	32,298	168,070
Allocation of 2016 profit / (loss)	-	-	-	1,715	-	1,926	-	(3,641)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) of 1Q 2017	-	-	-	-	-	-	-	8,139	(406)	7,733	565	8,298
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
<b>BALANCES AT 31 March 2017</b>	25,371	71,240	27,435	9,616	11,459	(6,957)	(1,130)	8,139	(1,668)	143,505	32,863	176,368

## **Interim management report**

In the first quarter of 2017, consolidated revenues amount to EUR 79,565 thousand compared to EUR 76,210 thousand in the first quarter 2016, with a 4.4% increase at current exchange rates (+4.1% at constant exchange rates).

In the first quarter of 2017 consolidated EBITDA amounts to EUR 15,446 thousand (with an incidence of 19.4% of consolidated sales), compared to EUR 13,936 thousand in the first quarter 2016 (18.3% of consolidated sales) recording a good improvement in profitability of EUR 1,510 thousand (+10.8%). Such improvement is mainly driven by the sales growth of both divisions.

At 31 March 2017 operating net working capital amounts to EUR 84,002 thousand (29.6% of LTM sales) compared to EUR 83,926 thousand at 31 March 2016 (30.7% of sales). The decrease in the percentage on sales is mainly related to the positive dynamics of commercial receivables and payables of the first quarter 2017.

Net financial indebtedness decreases of EUR 22,845 thousand from EUR 87,236 thousand at 31 March 2016 to EUR 64,391 thousand at 31 March 2017. The indebtedness decrease compared to the first quarter 2016 is mainly related to the better economic results and a better management of net working capital.

## Explanatory notes

### Income statement

#### 1. Revenues from sales and services

##### *First quarter 2017 vs 2016*

In the first quarter of 2017, consolidated revenues amount to EUR 79,565 thousand compared to EUR 76,210 thousand in the first quarter 2016, with a 4.4% increase at current exchange rates (+4.1% at constant exchange rates).

The following table details the revenues by geographical area for the first quarters of 2017 and 2016.

(Values in thousands of EUR)	I Q		I Q		Change	
	2017	%	2016	%	Δ	%
Italy	38,336	48.2%	33,089	43.4%	5,247	15.9%
Europe (Italy and Russia excluded)	17,971	22.6%	17,868	23.4%	103	0.6%
Russia	2,559	3.2%	2,346	3.1%	213	9.1%
United States	5,904	7.4%	6,726	8.8%	( 822)	(12.2%)
Rest of the World	14,795	18.6%	16,181	21.3%	( 1,386)	(8.6%)
<b>Total</b>	<b>79,565</b>	<b>100.0%</b>	<b>76,210</b>	<b>100.0%</b>	<b>3,355</b>	<b>4.4%</b>

In the first quarter of 2017, in Italy the Group records sales for EUR 38,336 thousand corresponding to 48.2% of consolidated sales, registering a very positive trend and posting a growth of 15.9%.

Sales in Europe increase by 0.6% (+1.2% at constant exchange rates), contributing to 22.6% of consolidated sales.

The Russian market, representing 3.2% of consolidated sales, increase by 9.1% (the increase remains unchanged at constant exchange rates) to EUR 2,559 thousand showing a good recovery compared to the previous period.

Sales in the United States are equal to EUR 5,904 thousand, contributing to 7.4% of consolidated sales, posting a decrease of 12.2% (-14.5% at constant exchange rates). This change is mainly due to the slowdown in sales in the department stores.

In the Rest of the World, the Group's sales total EUR 14,795 thousand, amounting to 18.6% of consolidated sales, recording a decrease of 8.6% (-9.6% at constant exchange rate) compared to the first quarter 2016, especially due to the delivery shifting that characterize the business in the period.

The following table details the revenues by brand for the first quarters of 2017 and 2016.

(Values in thousands of EUR)	I Q		I Q		Change	
	2017	%	2016	%	Δ	%
Alberta Ferretti	9,588	12.1%	8,443	11.1%	1,145	13.6%
Philosophy	5,564	7.0%	4,828	6.3%	736	15.2%
Moschino	53,282	67.0%	49,599	65.1%	3,683	7.4%
Pollini	8,444	10.6%	7,456	9.8%	988	13.3%
Other	2,687	3.3%	5,884	7.7%	( 3,197)	(54.3%)
<b>Total</b>	<b>79,565</b>	<b>100.0%</b>	<b>76,210</b>	<b>100.0%</b>	<b>3,355</b>	<b>4.4%</b>

In the first quarter of 2017, Alberta Ferretti brand increases by 13.6% (+14.0% at constant exchange rates), generating 12.1% of consolidated sales, while Philosophy brand increase by 15.2% (+15.0% at constant exchange rates), generating 7.0% of consolidated sales.

In the same period, Moschino brand sales increase by 7.4% (+7.0% at constant exchange rates) contributing to 67.0% of consolidated sales.

Pollini brand increases by 13.3%, (+13.2% at constant exchange rates), generating 10.6% of consolidated sales, while the other brands sales decrease by 54.3% (-54.7% at constant exchange rates) contributing to 3.3% of consolidated sales.

The following table details the revenues by distribution channel for the first quarters of 2017 and 2016.

(Values in thousands of EUR)	I Q		I Q		Change	
	2017	%	2016	%	Δ	%
Wholesale	57,507	72.3%	55,672	73.0%	1,835	3.3%
Retail	19,948	25.1%	18,273	24.0%	1,675	9.2%
Royalties	2,110	2.6%	2,265	3.0%	( 155)	(6.8%)
<b>Total</b>	<b>79,565</b>	<b>100.0%</b>	<b>76,210</b>	<b>100.0%</b>	<b>3,355</b>	<b>4.4%</b>

By distribution channel in the first quarter of 2017, wholesale sales increase by 3.3% (+2.9% at constant exchange rates) contributing to 72.3% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 19,948 thousand with an increase of 9.2% (+9.3% at constant exchange rates) contributing to 25.1% of consolidated sales.

Royalty income is 6.8% lower than in the corresponding period of the previous year, representing 2.6% of consolidated sales.

## 2. Gross Operating Margin (EBITDA)

### *First quarter 2017 vs 2016*

In the first quarter of 2017 consolidated EBITDA amounts to EUR 15,446 thousand (with an incidence of 19.4% of consolidated sales), compared to EUR 13,936 thousand in the first quarter 2016 (18.3% of consolidated sales) recording a good improvement in profitability of EUR 1,510 thousand (+10.8%). Such improvement is mainly driven by the sales growth of both divisions.

EBITDA of the prêt-à-porter division amounts to EUR 11,915 thousand (equal to 19.4% incidence on sales) compared to EUR 10,886 thousand in the first quarter 2016 (equal to 18.4% incidence on sales), recording an increase of EUR 1,029 thousand.

EBITDA of the footwear and leather goods division is positive for EUR 3,531 thousand (representing 13.9% of sales), showing a 15.8% increase compared to EUR 3,049 thousand in the first quarter 2016 (representing 13.0% of sales), with a EUR 482 thousand rise.



### **3. Net profit for the Group**

#### *First quarter 2017 vs 2016*

In the first quarter 2017 the Group has posted a net profit of EUR 8,139 thousand compared to a net profit of EUR 5,787 thousand in the first quarter 2016 with a EUR 2,352 thousand improvement (+40.6%), thanks to the improvement in operating profit and to the decrease in financial expenses.

## Segment information

### ***Economic performance by Divisions***

At international level, the Group is divided into two main business sectors:

- (i) *Prêt-à porter* Division;
- (ii) Footwear and leather goods Division.

### *First quarter 2017 vs 2016*

The following tables indicate the main economic data for the first quarter of 2017 and 2016 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
I Q 2017				
<b>SECTOR REVENUES</b>	<b>61,360</b>	<b>25,379</b>	<b>( 7,174)</b>	<b>79,565</b>
Intercompany revenues	( 2,013)	( 5,161)	7,174	-
<b>Revenues with third parties</b>	<b>59,347</b>	<b>20,218</b>	-	<b>79,565</b>
<b>Gross operating margin (EBITDA)</b>	<b>11,915</b>	<b>3,531</b>	-	<b>15,446</b>
Amortisation	( 2,189)	( 689)	-	( 2,878)
Other non monetary items:				
Write-downs	-	( 49)	-	( 49)
<b>Net operating profit / loss (EBIT)</b>	<b>9,726</b>	<b>2,793</b>	-	<b>12,519</b>
Financial income	154	398	( 103)	449
Financial expenses	( 526)	( 309)	103	( 732)
<b>Profit / loss before taxes</b>	<b>9,354</b>	<b>2,882</b>	-	<b>12,236</b>
Income taxes	( 2,618)	( 914)	-	( 3,532)
<b>Net profit / loss</b>	<b>6,736</b>	<b>1,968</b>	-	<b>8,704</b>

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
I Q 2016				
<b>SECTOR REVENUES</b>	<b>59,299</b>	<b>23,506</b>	<b>( 6,595)</b>	<b>76,210</b>
Intercompany revenues	( 1,933)	( 4,662)	6,595	-
<b>Revenues with third parties</b>	<b>57,366</b>	<b>18,844</b>	-	<b>76,210</b>
<b>Gross operating margin (EBITDA)</b>	<b>10,886</b>	<b>3,049</b>	-	<b>13,935</b>
Amortisation	( 2,302)	( 699)	-	( 3,001)
Other non monetary items:				
Write-downs	-	( 46)	-	( 46)
<b>Net operating profit / loss (EBIT)</b>	<b>8,584</b>	<b>2,304</b>	-	<b>10,888</b>
Financial income	152	68	( 112)	108
Financial expenses	( 633)	( 472)	112	( 993)
<b>Profit / loss before taxes</b>	<b>8,103</b>	<b>1,900</b>	-	<b>10,003</b>
Income taxes	( 3,040)	( 626)	-	( 3,666)
<b>Net profit / loss</b>	<b>5,063</b>	<b>1,274</b>	-	<b>6,337</b>

### Prêt-à porter Division

In the first three months of 2017, revenues of the prêt-à-porter division increase by 3.5%, at current exchange rates (+3.1% at constant exchange rates) to EUR 61,360 thousand. This division contributes to 71.6% of consolidated revenues in the first quarter of 2016 and 70.7% in the first quarter of 2017, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is EUR 11,915 thousand in the first quarter of 2017 (representing 19.4% of sales) compared to EUR 10,886 thousand in the first quarter of 2016 (representing 18.4% of sales), recording an improvement in profitability of EUR 1,029 thousand.

#### Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 8.0% from EUR 23,506 thousand in the first quarter of 2016 to EUR 25,379 thousand in the first quarter of 2017.

EBITDA of the footwear and leather goods division is positive for EUR 3,531 thousand (representing 13.9% of sales), showing a 15.8% increase compared to EUR 3,049 thousand in the first quarter 2016 (representing 13.0% of sales), with a EUR 482 thousand increase.

### **Balance sheet**

#### **4. Net working capital**

At 31 March 2017 operating net working capital amounts to EUR 84,002 thousand (29.6% of LTM sales) compared to EUR 83,926 thousand at 31 March 2016 (30.7% of sales).

The decrease in the percentage on sales is mainly related to the positive dynamics of commercial receivables and payables of the first quarter 2017.

#### **5. Fixed assets**

The change in fixed assets, that decreases from EUR 180,601 thousand at 31 December 2016 to EUR 178,505 thousand at 31 March 2017, is determined by the investments related to the maintenance and stores' refurbishment and by the amortisation of the period.

#### **6. Shareholders' equity**

The balance sheet shows a shareholder's equity that changes from EUR 168,070 thousand at 31 December 2016 to EUR 176,368 thousand at 31 March 2017.

Changes in shareholders' equity are presented in tables at page 13.

#### **7. Net financial position**

Net financial indebtedness decreases of EUR 22,845 thousand from EUR 87,236 thousand at 31 March 2016 to EUR 64,391 thousand at 31 March 2017.

The indebtedness decrease compared to the first quarter 2016 is mainly related to the better economic results and a better management of net working capital.

### **Other information**

#### **Earnings per share**

Basic earnings per share:

(Values in thousands of EUR)	31 March	31 March
	2017	2016
Consolidated earnings/(losses) for the period for the shareholders of the Parent Company	8,139	5,787
Weighted average number of outstanding shares	101,486	101,486
<b>Basic earnings per share</b>	<b>0.080</b>	<b>0.057</b>

## Measurement basis

The main accounting policies and measurement basis adopted in preparing the consolidated financial statements at 31 March 2017 are the same used in preparing the consolidated financial statements at 31 December 2016.

## Significant events subsequent the balance sheet date

After the 31 March 2017 no significant events regarding the Group's activities have to be reported.

## Outlook

We are satisfied with the continuous Group's progression, thanks to the positive performance of all proprietary brands, along with the recovery of the retail channel, especially in Europe. In addition, the Fall / Winter collection sales campaign ended with an increase of 13.1%, providing visibility on the good prospects for the current year.

## Atypical and/or unusual transactions

Pursuant to Consob communication n. DEM/6064293 dated 28 July 2006, it is confirmed that during the first quarter of 2017, the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

## Significant non-recurring events and transactions

During the first quarter of 2017 no significant non-recurring events and transaction have been realized.

The executive responsible for preparing the company's accounting documentation Marcello Tassinari declares, pursuant to paragraph 2 of art. 154b of the Consolidated Finance Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries.