

# Interim Report

31 January

# 2016

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SESA SpA , Registered office: Via Piovola no. 138 – 50053 Empoli  
(Province of Florence) - Share Capital: Euro 37,126,927; Fiscal  
Code, Florence Register of Companies and VAT no. 07116910964

**seSa** s.p.a

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# Governing and supervisory bodies of Sesa SpA

## Board of Directors

### Holding office

Paolo Castellacci	Chairman	approval of the FS at 30.04.2018
Giovanni Moriani	Executive Vice - Chairman	approval of the FS at 30.04.2018
Moreno Gaini	Executive Vice - Chairman	approval of the FS at 30.04.2018
Alessandro Fabbroni	CEO	approval of the FS at 30.04.2018
Luigi Gola	Independent Director	approval of the FS at 30.04.2018
Giovanna Zanotti	Independent Director	approval of the FS at 30.04.2018
Angela Oggionni	Independent Director	approval of the FS at 30.04.2018
Angelica Pelizzari	Non- Executive Director	approval of the FS at 30.04.2018

To the Chairman, Paolo Castellacci, were granted all powers of ord. management for the strategic management of relations with Vendors and suppliers, power of attorney in lawsuits and istitutional relations

To the Executive Vice-Chairman, Moreno Gaini, were granted all the powers of ordinary administration with regard to the management of equity investments in the IT distribution sector (VAD)

To the Executive Vice-Chairman, Giovanni Moriani, were granted all the powers of ordinary administration for the management of equity investments in the Software and System Integration Segment (VAR)

To the CEO, Alessandro Fabbroni, were granted all the powers of ordinary management related to the management of the corporate functions of administration, finance, control, investor relations, legal, corporate duties, extraordinary finance, organisation, ICT, management of human resources, including the power to engage and dismiss employees and to carry out banking transactions and the equity investments in Corporate Segment

## Corporate Governance Committees

### Holding office

Strategic Committee		
Luigi Gola (Chairman), members Paolo Castellacci, Giovanni Moriani, Alessandro Fabbroni and Angelica Pelizzari		approval of the FS at 30.04.2018
Control and Risk Committee and Related parties Committee		
Giovanna Zanotti (Chairman), members Luigi Gola and Angelica Pelizzari		approval of the FS at 30.04.2018
Director in charge Alessandro Fabbroni		approval of the FS at 30.04.2018
Remuneration Committee		
Luigi Gola (Chairman), members Angelica Pelizzari and Giovanna Zanotti		approval of the FS at 30.04.2018

## Board of Statutory Auditors

### Holding office

Sergio Menchini	Chairman	approval of the FS at 30.04.2018
Luca Parenti	Standing auditor	approval of the FS at 30.04.2018
Chiara Pieragnoli	Standing auditor	approval of the FS at 30.04.2018
Fabrizio Berti	Alternate auditor	approval of the FS at 30.04.2018
Daria Dalle Luche	Alternate auditor	approval of the FS at 30.04.2018

## Supervisory Board pursuant to Law 231/2011

### Holding office

Luca Parenti	Chairman	approval of the FS at 30.04.2018
Massimo Innocenti	Member	approval of the FS at 30.04.2018
Ilaria Nocentini	Member	approval of the FS at 30.04.2018

Michele Ferri, Internal Auditor

## Independent Auditors

### Holding office

Independent Auditors in charge	PricewaterhouseCoopers SpA	approval of the FS at 30.04.2022
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Francesco Billi, Controller and manager of administrative processes

## Listing Market

Electronic stock market (MTA), Milan (Italy) (1)	Segmento STAR	
Share Capital	eu 37,126,927.50	
Outstanding shares	15,651,101	
Stake held by the controlling company ITH SpA	58.33%	lock up expiry date 1 Feb 2016
Specialist operator	Intermonte Sim SpA	

Conxi Palmero, Investor Relator

## Group's Economic and Financial Highlights

### Consolidated income statement data at 31 January of each year (9 months)

(in thousands of Euros)	2016	2015	2014
Revenues	896,668	775,298	698,444
EBITDA (Earnings before amortisation and depreciation, other provisions, financial charges and taxes)	38,379	39,275	37,569
EBIT	31,281	29,966	28,658
EBT	28,498	26,017	24,998
Profit (loss) for the period	18,542	16,307	15,126
Profit (loss) for the period attributable to the Group	17,916	15,876	14,784
<i>Growth rate</i>	<i>12.8%</i>	<i>7.4%</i>	

### Consolidated balance-sheet data at 31 January of each year (9 months)

(in thousands of Euros)	2016	2015	2014
Total Net Invested Capital	208,900	200,893	202,727
Total equity	173,773	155,628	137,788
- attributable to the Group	166,276	151,940	134,523
- attributable to minority interests	7,497	3,688	3,265
Net Financial Position (Net Liquidity)	35,127	45,265	64,939
Total Equity and Net Financial Position	208,900	200,893	202,727

### Consolidated profitability ratio at 31 January of each year (9 months)

	2016	2015	2014
EBITDA / Revenues (1)	4.28%	5.07%	5.38%
EBIT / Revenues (ROS) (1)	3.49%	3.87%	4.10%
Profit attributable to the Group / Revenues	2.00%	2.05%	2.12%

(1) For further details please see the Interim Report

### Human Resources, consistency at year end (1)

(unit or thousands of Euros)	2016	2015	2014
Number of employees at period-end	1,201	962	948
Average number of employees	1,080	968	930
Personnel costs	42,376	37,647	35,202

(1) Including fixed-term contracts, excluding internships

## Group Financial Indicators

### Financial indicators

<b>Sesa</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
(euro)			
Trading stock Market	MTA - Star	MTA	AIM (1)
Stock price (at 31 January of each year)	14.42	13.28	11.38
Dividend per share (2) (*)	0.45	0.45	0.45
Dividend paid (in millions of Euros)	6.964	6.984	6.270
Pay Out Ratio (3)	31%	32%	30%
Outstanding shares (in millions)	15.65	15.65	14.42
Market capitalisation (in millions of Euros at 31 January of each year)	225.7	207.8	164.1
Market to Book Value (**)	1.3	1.3	1.2
Dividend Yield (on Stock price at 31 January) (***)	3.1%	3.4%	4.0%
<b>Sesa Group</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
(Euro)			
EPS at 30 April (base)	1.4	1.5	1.6
EPS diluted at 30 April (****)	1.4	1.4	1.6

(1) Sesa has been listed on the AIM market following the merger into Made in Italy 1 SpA, the SPAC under Italian law, which was already listed on AIM market. The merge of Sesa SpA into Made in Italy 1 SpA (Sesa SpA) was completed on 1 February 2013.

(2) As for financial year ending 30 April 2015, it was calculated according to the resolution of the Shareholders' Meeting on 28 August 2015.

(3) Dividends / Profit for the year at 30 April attributable to the Group.

(\*) Dividends paid in the following financial year / Profit for the year.

(\*\*) Market capitalisation calculated at 31 January of each year / Group Equity.

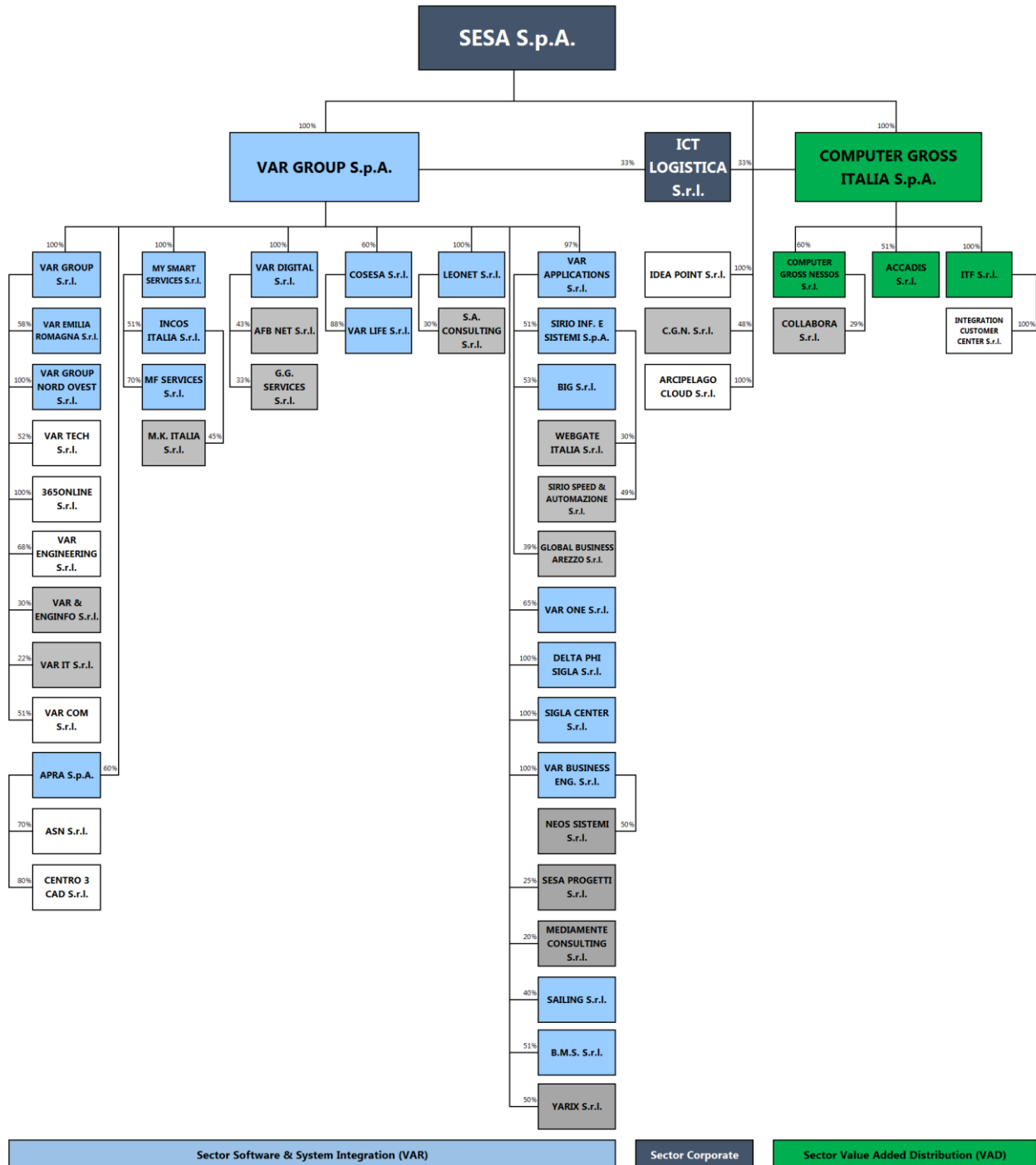
(\*\*\*) Dividend per share / Stock price at 31 January of each year.

(\*\*\*\*) It reflects the progressive conversion of special shares (held by promoters of Made in Italy 1) and warrants issued according to the company Bylaws. At the date of preparation of the financial statements there are no special shares or warrants and no potential dilutive effects accordingly.

# Structure of the Sesa Group

## Operating subsidiaries and operative associates

The Sesa Group is organised into three main divisions. The VAD Segment (Value-Added ICT Distribution) managed through the subsidiary Computer Gross Italia SpA, ) operating in the IT distribution sector, the Software and System Integration Segment (VAR), which offers value IT solutions to customers belonging to the SME and Enterprise Segment, and the Corporate Segment which manages corporate functions for all the group companies and the group's financial and operational platform through the parent company Sesa SpA.



Subsidiaries, consolidated on a line-by-line basis, are marked azure (companies belonging to the System and Software Integration Segment), green (companies belonging to the Value-Added ICT Distribution Segment) and blue (companies belonging to the Corporate Segment). Associated companies are marked grey and subsidiaries controlled at cost inasmuch as they are not significant and/or not yet operational are marked white.

For more details on the scope of consolidation and on any equity investments held by Sesa SpA, both directly and indirectly, please refer to Half-year financial Report ending 31 October 2015.

## Foreword

The information included in this Interim Report and the comments reported therein are intended to provide an overview of the patrimonial, financial and economic position of Sesa Group (hereinafter the "Group"), the relative changes that occurred during the period, as well as the significant events that have occurred affecting the result of the period.

The Interim Report at 31 January 2016 is referred to the first nine months and represents the third quarterly report prepared by the parent Sesa SpA for the fiscal year ended at 30 April 2016.

For a better evaluation of the economic-financial trend of the Group, in this Report are presented the Reclassified Balance Sheet and Income Statement for the period ended at 31 January 2016 and for the corresponding period of the previous year, jointly to some alternative performance indicators.

This Interim Report of the Group at 31 January 2016 has not been audited.

## Accounting policies and standards

The Interim Report of Sesa Group at 31 January 2016 (hereinafter the "Interim Report") has been prepared pursuant to art.154-bis, paragraph 5 of Legislative Decree no. 58/1998 and the provisions of Consob. The interim Report has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and in force at the time of approval of this Interim Report. Consolidated income statement, statements of financial position, statement of cash flows and statement of changes in at 31 January 2016 are set out in the attached annex.

Accounting policies and standards adopted in the preparation of the Interim Report at 31 January 2016 are consistent with those adopted in the preparation of the Consolidated Financial Statements of the Group for the year ended at 30 April 2015, taking into account those specifically applicable to interim reports. The Interim Report at 31 January 2016 includes the Interim Report of Sesa SpA, as well as Interim Reports of the subsidiaries at 31 January 2016. These Interim Reports have been adjusted, where due, to ensure compliance with IFRS.

Compared to the scope of consolidation shown in the Annual Report at 30 April 2015 it shall be noted the exit of the Companies Imama Srl and Var Nord Srl as a result of the merger by incorporation respectively in Noilabs Srl (subsequently re-named Var Digital Srl) and Computer Var Service Genova Srl (subsequently re-named Var Group Nord Ovest Srl), with economic and financial effects started as from 1 May 2015. For the nine months ended 31 January 2016 it should be noted the consolidation of Accadis Srl (VAD Sector), Apra SpA (VAR Sector), BMS SpA (VAR Sector) and Sailing Srl (VAR Sector) following the acquisition of its controlling shares by respectively Computer Gross Italy SpA (VAD Sector) and Var Group SpA (VAR Sector).

The preparation of Interim Report requires valuations and assumptions affecting on revenues, expenses, assets and liabilities, as well as on any potential information at the date of preparation of Interim Report.

Such valuations and assumptions have been applied consistently to the comparative periods presented in this document. In addition to the financial performance measures established by IFRS, in the Interim Report are shown some indicators derived from the latter, although not required by IFRS (Non- GAAP Measures). These measures are presented in order to allow a better assessment of the management of the Group and should not be considered alternatives to those required by IFRS.

## Significant events in the period

As part of the strategy of focusing on the market of high value-added IT solutions, it should be noted the realization of some extraordinary finance transactions in the VAD and VAR Sectors and aimed to increase skills and customer clusters in business areas that can be supplementary and complementary to the Group's ones.

### **VAD Sector**

Regarding the VAD Sector, on 15 June 2015 Computer Gross Italia SpA (VAD Sector) purchased 51% of the capital of Accadis Srl, leader in Italy in the distribution of products and IT solutions of the international Vendor Hitachi Data Systems, specializing in infrastructure solutions and innovative technological services for the optimization of companies' IT solutions (IT infrastructure, analytics, cloud solutions and big data). The latest annual report of Accadis Srl at 31 March 2015, recorded a Total Revenues and Other Income of about Euro 18.5 million (up 14% compared to the previous year), Net profit of Euro 250 thousand and an Equity of Euro 916 thousand. The price for the 51% of the capital of Accadis Srl amounted to Euro 700 thousand, paid at the moment of the purchase. Moreover, an additional amount up to Euro 700 thousand, as Earn-Out, is expected to be settled within 24 months from the date of purchase following the fulfilment of certain conditions of continuity in revenues and profitability of Accadis Srl. Accadis Srl was included in the scope of consolidation of Sesa Group on 15 June 2015.

### **VAR Sector**

Within VAR Sector, on 10 July 2015 Var Group SpA acquired 50% of the capital of Apra SpA, a company based in Jesi (Ancona), rising to 60% of the capital and consequently reaching the corporate control. The acquisition was made following the exercise of the call option provided in the framework agreement signed between Var Group SpA and the shareholders of Apra SpA on 23 December 2013. Apra SpA is a leading System Integrator operating in central and eastern Italy which specialized in services and vertical software solutions oriented to SME and Enterprise market in certain sectors of excellence of Made in Italy (wine and furniture) with about 2,000 business customers. Apra SpA on the basis of the Annual Report at 30 April 2015, showed a total turnover of about Euro 15 million, an Ebitda of about Euro 1 million, a Net profit of over Euro 200 thousand and a negative Net Financial Position (net debt) equal to about Euro 500 thousand. The price for the purchase of the remaining 50% of the share capital of Apra SpA. was equal to Euro 2 million, paid together with the purchase, plus an additional amount up to Euro 1,150 thousand, as Earn-Out, to be paid within 36 months following the purchase after the fulfilment of certain conditions of continuity and growth in operating profitability of Apra SpA. Therefore, Apra SpA was included in the scope of consolidation of Sesa Group on 10 July 2015.

The entry into the Group scope of consolidation, from 1 August 2015, of BMS SpA, a company operating in the SAP sector for medium-sized enterprises, with registered office in Milan, should also be noted. BMS closed its last financial statements as at 31 December 2014, with revenues of approximately Euro 12 million and Ebitda of approximately Euro 1 million, a Net Profit of Euro 260 thousand and a Net Financial Position of approximately Euro 400 thousand. Var Group SpA gained controlled interest on January 2016 by purchasing a further 15% share in the company (taking the total to 51%) for Euro 503 thousand, passing from 36% paid Euro 1.227 on July 2015.

On November 2015 Var Group SpA (Sector VAR) purchased an equity investment equal to 25% of the capital of Zucchetti Informatica SpA, primary Italian IT retailer active in the field of marketing products and services connected to the hardware and IT infrastructures, for a price of Euro 500 thousand in addition to an Earn Out that will be determined on the basis of the prospective profitability of the company up to a maximum of Euro 750 thousand. Zucchetti Informatica SpA is the company of the Zucchetti Group focused in the provision of hardware products and services related to IT infrastructure, with a turnover of about Euro 45 million at 31 December 2014, a total of approximately 3,000 active customers, an Ebitda of Euro 2.1 million and a Net Profit of Euro 1.0 million. Zucchetti Informatica SpA also manages the purchases of hardware technology of the Zucchetti Group.



On November 2015 Sailing Srl entered within the Group scope of consolidation. Sailing Srl is a company which operates in the production and selling of software and IT services, focusing on the retail segment, with preliminary economic and financial results that show total turnover equals to Euro 4,734 thousand, Ebitda equal to Euro 1,714 thousand, an active Net Financial Position of Euro 2,614 thousand and net results about Euro 1 million. Based on the binding agreement signed in 2014, Var Group has taken over 40% of the capital of Sailing Srl and was committed to purchase a further 11% share in the company (taking the total to 51%), transaction realized on 4 march 2016 for a total cost of the whole controlling interest (51%) of Euro 3.4 million.

Finally, in the VAR Sector, we note that under the ongoing plan of corporate restructuring the mergers of imama Srl into Noilabs Srl (today called Var Digital Srl), of Var Nord Srl into Computer Var Service Genova Srl (today called Var Group Nord Ovest Srl), and Var Sidim Srl into Var One Srl were completed.

### **Shareholders' meeting of the parent company Sesa SpA**

On 17 July 2015 it was held the meeting of the Board of Directors of Sesa SpA which approved the Group Consolidated Financial Statements and the Financial Statements of Sesa SpA at 30 April 2015, proposing, in continuity with the previous year, the distribution of a dividend of Euro 0.45 per share, equal to Euro 6,964 thousand, with the payment date on 16 September 2015. During that meeting, among other things, the Board of Directors adopted the following resolutions:

- Adoption of Remuneration Policy and approval of Remuneration Report pursuant art. 123-ter of Legislative Decree 58/1998;
- Free allocation of 26,000 company shares, divided equally to the four Executive Directors of Sesa, in execution of Stock Grant Plan approved by the Ordinary Shareholders' Meeting of 28 August 2014 and checked the full achieving of the Annual Target for the year May 2014 - April 2015;
- Approval of Report on Corporate Governance and Ownership Structure pursuant to art. 123-bis of Legislative Decree 58/1998;
- Proposal to Shareholders' Meeting for authorization of purchase and disposal of treasury shares, over the term of the prior authorization to purchase resolved by the Ordinary Shareholders' Meeting on 28 August 2014 for a maximum period of 18 months and for a nominal value not exceeding 10% of the share capital for a maximum amount of Euro 1 million;
- Convocation of the Ordinary and Extraordinary Shareholders' Meeting.

The Shareholders' Meeting held on 28 August 2015 approved the Financial Statements as at 30 April 2015 and the related proposal to distribute the dividend of Euro 0.45 per share, also authorising the plan for the purchase and issue of treasury shares. The plan for the purchase of treasury shares was launched, implementing the resolution passed by the Shareholders' Meeting. As at 11 March 2016, Sesa SpA holds 240,707 treasury shares, equal to 1.54% of the share capital, having purchased 12,214 shares between November 2015 – January 2016.

## Operating conditions and business development

The Sesa Group is a major Italian operator in the value-added distribution of the main *software* and *hardware* technologies on the market and in offering *software*, technology, services and consultancy with the specific aim of training and supporting businesses as IT end users.

The Sesa Group, as a whole, is able to offer a wide range of software and hardware products in addition to the consultancy services necessary to ensure that the products are used and integrated, having a strong capacity to interact with its customers, also providing high quality customer service.

Today the Group's activities are divided into three different business areas:

- the VAD Segment, which includes the activities involved in the value-added distribution of the main software and hardware technologies on the market, covered by the VAD division, which is managed by the subsidiary Computer Gross Italia SpA and focuses on value products (servers, storage, software enterprise, networking and systems);
- the Software and System Integration Segment (VAR), includes the activities involved in the supply of IT services and solutions, particularly the offer of software, technology, services and consultancy with the specific aim of training and supporting businesses as IT end users. The VAR division is managed by the fully owned subsidiary Var Group SpA and is organized in the following Business Units (territorial coverage and technology, digital communication, managed services and infrastructures, business applications);
- the Corporate Segment, which includes the activities carried out by the Group's head office: administration, finance and control, human resources, information technology, organisation, investor relations, institutional relations, training, general and legal affairs and internal auditing managed by the parent company Sesa SpA; supply of logistics services (product storage, assembly, customisation and handling) applied to ICT, which are managed by the subsidiary ICT Logistica Srl; offer of cloud computing and marketing solutions for the ICT channel provided by Arcipelago Cloud Srl and Idea Point Srl.

Below are the significant companies of the Sesa Group divided by operating area.

### Corporate Segment

#### **Sesa SpA**

The Parent Company Sesa SpA provides administrative and financial services, organisation, planning and control, management of information technologies, human resources, general, corporate and legal affairs services for the main companies of the Group and also acts as a holding company. The shares of the Parent Company Sesa SpA are listed on Electronic Stock Market (MTA, *Mercato Telematico Azionario*), STAR segment.

#### **ICT Logistica Srl**

The Company, which is 66.66% owned by Sesa SpA (of which 33.33% through Computer Gross Italia and 33.33% through Var Group SpA) is active in the sale of IT products and provides logistics services (product storage, assembly, customisation and handling) applied to ITC, on behalf of shareholders (Computer Gross Italia SpA, Var Group SpA and Bassilichi SpA) and other relevant customers operating in such sector.

#### **Arcipelago Cloud Srl**

The Company, which is wholly owned by Sesa SpA, is engaged in the provision of cloud computing services to support the ICT distribution channel. It was established in the year ended 30 April 2014 and it designs, implements and develops cloud computing solutions for the resellers of the ICT channel.

#### **Idea Point Srl**

The Company, which is wholly owned by Sesa SpA, operates in the marketing and promotion sector, supporting the ICT channel.

## Software and System Integration Segment

### **Var Group SpA**

Var Group SpA, which is wholly owned by Sesa SpA, markets software and IT products and services to end customers that mainly belong to the small and medium business segment.

Var Group serves the Italian system integration market with a matrix organisation model (lines of business – geographical markets) through its sub-holdings specialized in specific solutions and business lines.

### **Leonet Srl**

The Company, which is wholly owned by Var Group SpA, operates in the telecommunications services sector and as an internet service provider, cloud computing and systems assistance sectors, with a portfolio of services that meets the requirements of business and professional customers.

### **Delta Phi Sigla Srl**

The Company, which is wholly owned by Var Group SpA, develops and markets software and proprietary applications for the Small Business market. Specifically, it owns the SIGLA++ software, which has a user database of a few thousands of customers throughout Italy, mainly small businesses.

### **Sigla Center Srl**

The Company, which is wholly owned by Var Group SpA, provides IT services to end users belonging to the Small Business segment.

### **Var Digital Srl (formerly Noilabs Srl)**

The Company, which is wholly owned by Var Group SpA, provides IT solutions for its business customers, with particular reference to the software development area. Following the merger of Imama Srl, finalized in July 2015, the company also offers web marketing, e-commerce and digital communication solutions for the business and finance segment.

### **Cosesa Srl**

The Company, which is 60% owned by Var Group SpA, provides Strategic Outsourcing services to the major corporate customers (including Autostrade per l'Italia SpA).

### **Var Life Srl**

The Company, which is 96% owned by Cosesa Srl manages, on the basis of a long-term outsourcing contract, the ICT services for the Italian offices of the pharmaceutical multinational Boehringer Ingelheim.

### **Var Group Nord Ovest Srl (formerly Computer Var Service Genova Srl)**

The Company, which is wholly owned by Var Group Srl, develops and markets hardware, software and applications for the SME market in the North-West of Italy (through the branches of Milan, Turin and Genoa). The merger by incorporation of Var Nord Srl was completed in July 2015.

### **My Smart Services Srl**

The Company, which is wholly owned by Var Group SpA, markets management, maintenance, technical assistance and repair services of computers and IT products on the Italian market.

### **Incoss Italia Srl**

The Company, which is 51% owned by My Smart Services Srl, provides services for the maintenance, technical assistance and repair of computers and IT products.

### **MF Services Srl**

The Company, which is 70% owned by My Smart Services Srl, provides services for the maintenance, technical assistance and repair of computers and IT products.

**Var Group Srl**

The Company, which is wholly owned by Var Group SpA, markets hardware and software services and solutions for the parent company in Central Italy.

**Var Emilia Romagna Srl**

The Company, which is 63% owned by Var Group Srl, markets ICT products and solutions and provides system integration services in the Emilia Romagna region.

**Var Applications Srl**

The Company, which is 97% owned by Var Group SpA, develops and markets software for the small- and medium-business market based on the SAM and COMMA proprietary applications.

**Sirio Informatica e Sistemi SpA**

The Company, which is 51% owned by Var Applications Srl, develops and markets proprietary software and applications for the small- and medium-business market.

**B.I.G. Srl**

The company, which is 53% owned by Var Applications Srl, operates in the sector of business intelligence solutions development and management consulting, offering itself as a partner for companies who need to monitor business processes and to plan management activities.

**Var One Srl**

The Company, which is 65% owned by Var Group SpA, provides solutions and integrated services on the SAP Business One platform. Thanks to its network of qualified partners and a widespread presence on the territory it is one of the main SAP Business One expertise centres in Italy.

**BMS SpA**

The Company, which is 51% owned by Var Group SpA, was consolidated from 1 August 2015 according to IFRS 10. BMS SpA is a leading consulting firm, focused on SAP ERP services. BMS SpA is a SAP Gold channel partner and operates mainly in Northern Italy, with reference to Mid Corporate customers.

**Var Business Engineering Srl**

The Company, which is wholly owned by Var Group SpA, operates in the consulting and supply of SAP R3 solutions.

**Apra SpA**

The Company, which is 60% owned by Var Group SpA, is a System Integrator active in Central and Eastern Italy that offers software solutions and specific ERP to many production sectors (supplies sector, Wine, fashion, graphics, etc). The services provided include also the supply of technological infrastructure. The Company entered the scope of consolidation since 10 July 2015.

**Sailing Srl**

The Company, 40% owned by Var Group SpA, was consolidated from 1 November 2015 by virtue of *de facto* control pursuant to IFRS 10. With the acquisition of a further 15% of the share capital, made on 4 March 2016, controlling interest increased to 51%. Sailing Srl is a company which operates in the production and selling of software and IT services, focusing on the retail segment, with leading companies in the retail sector as customers.

## Value Added Distribution (VAD) Segment

### **Computer Gross Italia SpA**

The Company, which is wholly owned by Sesa SpA, distributes value-added ICT products to dealers (software houses, system integrators and dealers) with a portfolio of more than 8,000 active customers in Italy, which in turn are present and operate in the small- and medium-business, corporate and public administration markets. Computer Gross Italia SpA is a leading Italian operator in the marketing of products and solutions provided by the main international vendors, including Citrix, Cisco, Dell, EMC<sup>2</sup>, HP, IBM, Lenovo, Lexmark, Microsoft, Oracle, Symantec, Vmware.

The company with about 300 employees and Euro 1 billion of revenues is the main subsidiary of the Sesa Group. Computer Gross Itala is organized in business units with sales and technical staff dedicated to market segments (software, networking, POS) and/or distributed strategic Brands.

### **Computer Gross Nessos Srl**

Computer Gross Nessos Srl, which is 60% owned by Computer Gross Italia SpA, employs the personnel dedicated to the management of Networking products and solutions, a sector in which it is the Italian market leader thanks to the completeness and added value range of products offered. In particular, Cisco is the vendor leader at global level in the networking market.

### **ITF Srl**

The Company, which is wholly owned by Computer Gross Italia SpA, is the related Financial Services business unit, which provides financial services and solutions in support of the customer business partners.

ITF controls Integration Customer Center Srl.

### **Accadis Srl**

The Company, which is 51% owned by Computer Gross Italy SpA, is the main Italian distributor of the Vendor Hitachi Data Systems. It entered the scope of consolidation of the Sesa Group starting from 15 June 2015.

## Performance of operations

### General economic trend

The forecasts for the year 2015 show a growth in global GDP of 3.1%, slowing by 0.3% compared to 2014 (+3.4%) due to an uneven growth in the various countries throughout the world. The decline in the prices of oil and raw materials, the reduction in flows of capital towards emerging countries, the strengthening of the dollar and the contraction of the chinese economy have been the determining factors in the global growth recorded over the year. In 2016, a 3.4% acceleration in growth is expected, driven both by the advanced and emerging economies, on which still weights the slowdown of the chinese economy and the uncertainty about the growth of some emerging countries (source: IMF - WOE, January 2016).

The gross domestic product in the Euro Zone, which grew by 0.9% in 2014, recorded a climb of 1.5% in 2015, thanks to a recovery in the domestic demand. Growth rate is expected to accelerate, by 1.7% in 2016 which is, nevertheless, still much lower than that of the global model, despite the benefits connected to the reduction of the cost of oil, the performance of the Euro/Dollar exchange rate, which favoured exports, and expansive monetary policy actions taken on by the ECB (source: IMF - WOE, January 2016).

It's confirmed the return to growth of the GDP for 2015 in Italy, equals to 0.8%, compared to the contraction recorded in the previous three years (-2.8% in 2012, -1.7% in 2013 and -0.4% in 2014) (source ISTAT, March 2016). In 2016 it's expected a strengthening of the growth of italian GDP equal to 1.3% (source: IMF - WOE, January 2016). This consolidation in growth is favoured by the expansion of the European monetary policy and the reduction in the cost of energy and raw materials, which increase consumer and companies spending power, and the less restrictive budget policy, thanks to actions to stimulate the jobs market.

The following table shows the final totals of 2014 and the forecasts of the GDP for 2015-2016 (source: IMF - WOE, January 2016).

<b>GDP growth rate</b>	<b>Change GDP 2014 (actual)</b>	<b>Change GDP 2015 (expected)</b>	<b>Change GDP 2016 (expected)</b>
World	+3.4%	+3.1%	+3.4%
Advanced Economies	+1.8%	+1.9%	+2.1%
Emerging Market	+4.6%	+4.0%	+4.3%
USA	+2.4%	+2.5%	+2.6%
Japan	0.0%	+0.6%	+1.0%
China	+7.3%	+6.9%	+6.3%
Great Britain	+2.9%	+2.2%	+2.2%
Euro Area	+0.9%	+1.5%	+1.7%
Germany	+1.6%	+1.5%	+1.7%
Italy	-0.4%	+0.8%	+1.3%

## Development of demand and performance of the sector in which the Group operates

The Italian Information Technology (IT) market closed 2015 with a 1.8% decline in demand compared to a contraction of 2.1% in 2014 and 4.1% in 2013 (source: Sirmi, February 2016).

The following table shows the trend in IT demand in Italy in 2011-2014 and the forecasts for the years 2015 and 2016 (source: Sirmi, February 2016).

<b>Italian IT Market</b> (in millions of euros)	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015E</b>	<b>2016E</b>	<b>Var. 12/11</b>	<b>Var. 13/12</b>	<b>Var. 14/13</b>	<b>Var. 15/14</b>	<b>Var. 16/15</b>
Hardware	6,988	6,593	6,420	6,030	5,780	-7.30%	-5.70%	-2.60%	-6.07%	-4.15%
Software	4,020	3,951	3,881	3,860	3,830	0.70%	-1.70%	-1.80%	-0.54%	-0.78%
Project Services	3,751	3,580	3,433	3,360	3,270	-3.20%	-4.80%	-4.10%	-2.13%	-2.68%
Management Services	4,942	4,764	4,751	4,910	5,110	-2.50%	-3.40%	-0.30%	3.35%	4.07%
<b>Total IT Market</b>	<b>19,701</b>	<b>18,888</b>	<b>18,485</b>	<b>18,160</b>	<b>17,990</b>	<b>-3.80%</b>	<b>-4.10%</b>	<b>-2.10%</b>	<b>-1.76%</b>	<b>-0.94%</b>
<b>O/w Cloud Computing</b>	<b>675</b>	<b>789</b>	<b>954</b>	<b>1,128</b>	<b>1,544</b>	<b>18.60%</b>	<b>16.90%</b>	<b>20.90%</b>	<b>28.70%</b>	<b>25.80%</b>
<i>% Cloud on total IT</i>	<i>3.40%</i>	<i>4.20%</i>	<i>5.10%</i>	<i>6.76%</i>	<i>8.58%</i>					

For the year 2016 it is expected a trend of IT demand still in decline (-0.94%), although with lower rates of decline than those recorded in the previous three years. To affect the results expected in 2016 the significant decrease in hardware sales market (-4.15%) and project services (-2.68%), offset by growth in the managed services market (+4.07%). Within the IT market, cloud computing segment is confirmed the most growing one, with growth rates exceeding 25% annual (source Sirmi, February 2016).

Within the Italian IT market, IT distribution segment recorded a countertrend with an estimated growth in 2015 of about 8.3%, compared to 6.8 % in 2014 (source Sirmi, February 2016), confirmed by the growing interest of international customers and Vendors to solutions and products sold through the IT channel.

Even for the year 2016 it is expected a growing trend for the IT distribution market with rates in line compared to the figure recorded in 2015 (source Sirmi, February 2016) .

## Main income statement data of the Sesa Group

The reclassified consolidated income statement at 31 January 2016 is shown below (data in thousands of euros), compared with the reclassified consolidated income statement of the same period of the prior year.

Reclassified income statement	31/01/2016 (9 months)	%	31/01/2015 (9 months)	%	Change 2016/15
<b>Revenues</b>	<b>896,668</b>		<b>775,298</b>		<b>15.7%</b>
Other income	4,353		3,914		11.2%
<b>Total Revenues and Other Income</b>	<b>901,021</b>	<b>100.0%</b>	<b>779,212</b>	<b>100.0%</b>	<b>15.6%</b>
Purchase of goods	765,983	85.0%	657,923	84.4%	16.4%
Costs for services and leased assets	52,130	5.8%	42,437	5.4%	22.8%
Personnel costs	42,376	4.7%	37,647	4.8%	12.6%
Other operating charges	2,153	0.2%	1,930	0.2%	11.6%
<b>Total Purchase of goods and Operating Costs</b>	<b>862,642</b>	<b>95.7%</b>	<b>739,937</b>	<b>95.0%</b>	<b>16.6%</b>
<b>EBITDA</b>	<b>38,379</b>	<b>4.3%</b>	<b>39,275</b>	<b>5.0%</b>	<b>-2.3%</b>
Amortisation and depreciation	3,515		3,995		-12.0%
Accruals to provision for bad debts and provision for risks	3,583		5,314		-32.6%
<b>EBIT</b>	<b>31,281</b>	<b>3.5%</b>	<b>29,966</b>	<b>3.8%</b>	<b>4.4%</b>
Profit from companies valued at equity	345		225		53.3%
Financial income and charges	(3,128)		(4,174)		-25.1%
<b>EBT</b>	<b>28,498</b>	<b>3.2%</b>	<b>26,017</b>	<b>3.3%</b>	<b>9.5%</b>
Income taxes	9,956		9,710		2.5%
<b>Net profit</b>	<b>18,542</b>	<b>2.1%</b>	<b>16,307</b>	<b>2.1%</b>	<b>13.7%</b>
<i>Net profit attributable to the Group</i>	<i>17,916</i>		<i>15,876</i>		<i>12.8%</i>
<i>Net profit attributable to minority interests</i>	<i>626</i>		<i>431</i>		<i>45.2%</i>

Consolidated revenues for the period showed an increase of 15.7% from Euro 775,298 thousand at 31 January 2015 to Euro 896,668 thousand at 31 January 2016 thanks to the positive results recorded in both main sectors of the Group.

The table below shows the trend of the revenues of the Group broken down by operating segment:

<i>(in thousands of euros)</i>	Period ended 31 January			
	2016	2015	Change	%
Value Added Distribution (VAD)	800,271	701,050	99,221	14.2%
Software and System Integration (VAR)	155,494	134,968	20,526	15.2%
Corporate	8,541	8,619	(78)	-0.9%
<i>Eliminations</i>	<i>(67,638)</i>	<i>(69,339)</i>	<i>1,701</i>	<i>-2.5%</i>
<b>Total Revenues</b>	<b>896,668</b>	<b>775,298</b>	<b>121,370</b>	<b>15.7%</b>

The sector Value Added Distribution (VAD) up by 14.2% compared to the same period of 2015, amounting to Euro 99,221 thousand of which about Euro 12.3 million generated by the company Accadis S.r.l., recently included within the scope of consolidation, and Euro 15.5 million arising from the new channel Cash & Carry (with 7 active point of sales at 31 January 2016).

Revenues of sector Software and System Integration (VAR) showed an increase of 15.2% compared to the same period of 2015, with a growth of Euro 20,526 thousand, benefiting from the consolidation of the new companies acquired during the period under review, Apra SpA, BMS SpA and Sailing Srl, which contributed for a total of about Euro 14.3 million at 31 January 2016.



The most relevant part of Group's revenues remained the sale of technology (hardware, software and accessories) which in the period ended 31 January 2016 amounted to Euro 829,565 thousand, with an increase of 15.9% compared to Euro 715,896 thousand reached in the period ended 31 January 2015.

The item consolidated revenues is broken down as follows:

<i>(in thousands of euros)</i>	Period ended 31 January	
	2016	2015
Sale of hardware, software and accessories	829,565	715,896
Software development and other services	28,809	24,558
Hardware and software assistance	28,465	25,358
Marketing activity	7,407	6,728
Other sales	2,422	2,758
<b>Total Revenues</b>	<b>896,668</b>	<b>775,298</b>

Total revenues and other income showed an increase of Euro 121,809 thousand (+15.6%), passing from Euro 779,212 thousand at 31 January 2015 to Euro 901,021 thousand at 31 January 2016.

The costs for the Purchase of goods passed from Euro 657,923 thousand in the period ended 31 January 2015 to Euro 765,983 thousand in the period ended 31 January 2016, with an increase of 16.4%.

The item goods for resale is broken down as follows:

<i>(in thousands of euros)</i>	Period ended 31 January	
	2016	2015
Purchase of hardware	488,821	431,018
Purchase of software	276,484	226,386
Consumables and other purchases	678	519
<b>Total</b>	<b>765,983</b>	<b>657,923</b>

Gross margin, calculated as the difference between Total revenues and other income and Cost for purchase of goods, showed an increase of Euro 13,749 thousand, passing from Euro 121,289 thousand at 31 January 2015 to Euro 135,038 thousand at 31 January 2016. The ratio between Gross margin and Total revenues and other income, equal to 15.0% at 31 January 2016, decreased by about 60 basis points compared to the previous year, mainly due to the lower incidence of sales in the VAR Sector, characterized by a higher gross margin as well as a slight decrease in both sectors as a result of the evolution of sales mix.

The following table details the Gross Margin by business segment:

<i>(in thousands of euros)</i>	Period ended 31 January				
	2016	%	2015	%	Change
<b>Total Revenues and Other Income</b>	<b>901,021</b>	<b>100.0%</b>	<b>779,212</b>	<b>100.0%</b>	<b>15.6%</b>
Purchase of goods	-765,983	-85.0%	-657,923	-84.4%	16.4%
<b>Consolidated Gross Margin</b>	<b>135,038</b>	<b>15.0%</b>	<b>121,289</b>	<b>15.6%</b>	<b>11.3%</b>
<b>Total Revenues and Other Income - VAD Segment</b>	<b>803,352</b>	<b>100.0%</b>	<b>704,273</b>	<b>100.0%</b>	<b>14.1%</b>
Purchase of goods	-738,679	-91.9%	-645,908	-91.7%	14.4%
<b>Gross Margin VAD Segment</b>	<b>64,673</b>	<b>8.1%</b>	<b>58,365</b>	<b>8.3%</b>	<b>10.8%</b>
<b>Total Revenues and Other Income - VAR Segment</b>	<b>157,409</b>	<b>100.0%</b>	<b>136,412</b>	<b>100.0%</b>	<b>15.4%</b>
Purchase of goods	-85,591	-54.4%	-72,346	-53.0%	18.3%
<b>Gross Margin VAR Segment</b>	<b>71,818</b>	<b>45.6%</b>	<b>64,066</b>	<b>47.0%</b>	<b>12.1%</b>

Costs for services and leased assets equal to Euro 52,130 thousand at 31 January 2016 recorded an increase of Euro 9,693 thousand compared to the previous year with a growth in incidence on the item Total Revenues and Other Income from 5.4% at 31 January 2015 to 5.8% at 31 January 2016 due to, among other things, the consolidation of newly acquired companies characterized by significant incidence of revenues and costs for services.

Personnel costs passed from Euro 37,647 thousand at 31 January 2015 to Euro 42,376 thousand at 31 January 2016, with a percentage growth of 12.6%, deriving from the increase in the Group's average workforce needed to cope with the growth in turnover and the inclusion of the resources of the recently acquired companies. The incidence of labour costs on Total Revenues and Other Income decreased from 4.8 at 31 January 2015 to 4.7% at 31 January 2016.

The item Personnel costs is broken down as follows:

<i>(in thousands of euros)</i>	At 31 January	
	2016	2015
Wages and salaries	28,760	25,839
Social security contributions	8,093	7,321
Contributions to pension funds	1,991	1,749
Reimbursements and other personnel costs	3,532	2,738
<b>Total</b>	<b>42,376</b>	<b>37,647</b>

Below is the average and actual number of the Group's employees:

<i>(in units)</i>	Average number of employees at 31 January		Actual number of employees at 31 January		Actual number of employees at 30 April 2015
	2016	2015	2016	2015	
Executives	16	15	16	16	16
Middle managers	94	90	96	92	91
Office workers	970	863	1,089	854	852
<b>Total</b>	<b>1,080</b>	<b>968</b>	<b>1,201</b>	<b>962</b>	<b>959</b>

The increasing trend of human resources at 31 January 2016 compared to 2015 was essentially due to the inclusion in the scope of consolidation of the companies Apra SpA, BMS SpA, Sailing Srl and Accadis Srl counting over 200 resources.

Consolidated operating costs (costs for services and leased assets, personnel costs and other operating charges) maintained an incidence on revenues at 31 January 2016 in line (10.7%) compared to 31 January 2015.

Consolidated Ebitda at 31 January 2016 were equal to Euro 38,379 thousand, with a decrease of Euro 896 thousand (-2.3%) compared to the previous period at 31 January 2015, entirely attributable to the VAR sector, also due to the expiry in December 2014 of some operating leasing contracts of IT solutions (hardware and software), which in the period May-December 2014 had generated Ebitda for about Euro 1.9 million, partially offset at Ebit level by the relative reduction of fixed assets depreciation for an amount of about Euro 1.5 million. The VAD sector recorded an Ebitda of Euro 32,302 thousand at 31 January 2016, with a slice growth compared to an amount of 32,273 thousand at 31 January 2015. Moreover, it should be noted the return to the growth in consolidated Ebitda for a total amount of Euro 444 thousand in the third Quarter under review (November 2015-January 2016). In the first half of the current fiscal year ended 31 October 2015, the consolidated Ebitda recorded a decrease of 5.9% compared to 31 October 2014, while in the period of 9 months ended 31 January 2016 (9 months) the decrease is more than halved (-2.3%) compared to the same period of 2015.

Ebitda is broken down by operating segments as follow:

(in thousands of euros)	Period ended 31 January				
	2016	%	2015	%	Variazione
<b>Total Revenues and Other Income</b>	<b>901,021</b>	<b>100.0%</b>	<b>779,212</b>	<b>100.0%</b>	<b>15.6%</b>
Total purchase of goods and operating costs	(862,642)	95.7%	(739,937)	95.0%	16.6%
<b>Consolidated Ebitda</b>	<b>38,379</b>	<b>4.3%</b>	<b>39,275</b>	<b>5.0%</b>	<b>-2.3%</b>
<b>Total Revenues and Other Income - VAD Segment</b>	<b>803,352</b>	<b>100.0%</b>	<b>704,273</b>	<b>100.0%</b>	<b>14.1%</b>
Total purchase of goods and operating costs	(771,050)	96.0%	(672,000)	95.4%	14.7%
<b>Ebitda - VAD Segment</b>	<b>32,302</b>	<b>4.0%</b>	<b>32,273</b>	<b>4.6%</b>	<b>0.1%</b>
<b>Total Revenues and Other Income - VAR Segment</b>	<b>157,409</b>	<b>100.0%</b>	<b>136,412</b>	<b>100.0%</b>	<b>15.4%</b>
Total purchase of goods and operating costs	(151,639)	96.3%	(129,452)	94.9%	17.1%
<b>Ebitda - VAR Segment</b>	<b>5,770</b>	<b>3.7%</b>	<b>6,960</b>	<b>5.1%</b>	<b>-17.1%</b>

Consolidated Ebit was equal to Euro 31,281 thousand at 31 January 2016, with an increase of Euro 1,315 thousand (+4.4%) compared to Ebit of Euro 29,966 thousand at 31 January 2015. Such change reflected the reduction in amortisation and depreciation and in accruals to provision for bad debts and provision for risks, which passed from Euro 9,309 thousand at 31 January 2015 to Euro 7,098 thousand at 31 January 2016, with a decrease of Euro 2,211 thousand.

Depreciation of fixed and intangible assets passed from Euro 3,995 thousand at 31 January 2015 to Euro 3,515 thousand at 31 January 2016, with a decrease of Euro 480 thousand, reflecting :

- a lower amount of fixed assets depreciation for about Euro 1,053 thousand. The reduction was mainly due to the expiry of the above-mentioned operating leasing contracts related to the VAR sector, which in the period decreased of about Euro 1.5 million, partially offset by the higher depreciation relative to the investments carried out in the period;
- a higher depreciation of intangible assets for Euro 573 thousand, mainly related to the higher value of the client list item relative to the companies acquired and consolidated in the period (Accadis S.r.l., APRA S.p.A., BMS S.p.A. and Sailing S.r.l.). The difference between the price to acquire control and the related net accounting assets was allocated to the client list item for a total amount of Euro 9,950 thousand (Euro 6,841 thousand net of the relative deferred taxes liabilities) and subject to amortisation over a period of ten years. At 31 January 2016 depreciation of intangible assets referred to client list amounted to Euro 1,020 thousand.

The item Amortisation and depreciation is broken down as follows:

(in thousands of euros)	At 31 January	
	2016	2015
Intangible assets	1,407	834
Property, plant and equipment	2,108	3,161
<b>Total</b>	<b>3,515</b>	<b>3,995</b>

Accruals to provisions for bad debts and risks showed a decrease of Euro 1,731 thousand in the period, passing from Euro 5,314 thousand at 31 January 2015 to Euro 3,583 thousand at 31 January 2016, mainly due to the lower level of accruals to provisions for bad debts following the lower need at 31 January 2016 compared to the previous period. Provisions for bad debts amounted to Euro 11,845 thousand at 31 January 2016, with a further increase compared to Euro 10,229 thousand at 31 January 2015, thanks to accruals and an effective management of receivables portfolio during the period.

Ebt at 31 January 2016 was equal to Euro 28,498 thousand, up to 9.5% compared to the Ebt of the previous period, thanks to, among other things, a more efficient financial and exchange management and a contraction in the indebtedness level of the period.

The item Financial income and charges can be broken down as follows:

<i>(in thousands of euros)</i>	<b>Period ended 31 January</b>	
	<b>2016</b>	<b>2015</b>
Interest expense for assignments of receivables	1,365	990
Charges and commissions for assignments of receivables with recourse	490	879
Interest expense on bank accounts and loans	512	795
Other interest expense	654	630
Commissions and other financial charges	1,665	1,059
Financial charges relating to staff severance pay (TFR)	152	225
Foreign exchange losses	1,906	5,689
<b>Total financial charges</b>	<b>6,744</b>	<b>10,267</b>
Interest income on other short-term receivables	1,493	986
Other financial income	98	135
Interest income on bank deposits	120	214
Dividends from equity investments	233	221
Foreign exchange gains	1,672	4,537
<b>Total financial income</b>	<b>3,616</b>	<b>6,093</b>
<b>Net financial charges</b>	<b>3,128</b>	<b>4,174</b>

Consolidated Net Profit was equal to Euro 18,542 thousand at 31 January 2016, showing an increase of 13.7% compared to consolidated Net Profit of Euro 16,307 thousand at 31 January 2015, also thanks to the lower impact of income taxes, passing from 37.3% at 31 January 2015 to 34.9% at 31 January 2016, mainly following the new tax-free system on Personnel costs for IRAP (regional tax on productive activities) purposes.

After minority interests, the Net Profit attributable to the Group was equal to Euro 17,916 thousand at 31 January 2016, increasing by 12.8% compared to Euro 15,876 thousand at 31 January 2015.

## Main balance sheet data of the Group

The reclassified consolidated balance sheet at 31 January 2016 is shown below (in thousands of euros). The comparative figures relating to the period ended 30 April 2015 are shown together with the figures of the period ended 31 January 2015, in order to provide a better analysis of the financial performance, considering the seasonal variations that usually characterise revenues from sales during the year.

<b>Reclassified Balance Sheet</b>	<b>31/01/2016</b>	<b>31/01/2015</b>	<b>30/04/2015</b>
Intangible assets	16,763	7,451	7,190
Property, plant and equipment	42,355	36,969	37,953
Investments valued at equity	3,859	2,956	2,766
Other non-current receivables	17,516	17,141	17,387
<b>Non-current assets (a)</b>	<b>80,493</b>	<b>64,517</b>	<b>65,296</b>
Inventories	70,346	79,111	58,260
Current trade receivables	419,442	371,865	274,383
Other current assets	28,234	26,232	21,132
<b>Current operating assets (b)</b>	<b>518,022</b>	<b>477,208</b>	<b>353,775</b>
Payables to suppliers	319,569	283,343	243,197
Other current payables	48,329	44,038	33,654
<b>Short-term operating liabilities (c)</b>	<b>367,898</b>	<b>327,381</b>	<b>276,851</b>
<b>Net working capital (b-c)</b>	<b>150,124</b>	<b>149,827</b>	<b>76,924</b>
Non-current provisions and deferred tax liabilities	6,068	3,251	2,636
Employee benefits	15,649	10,200	13,057
<b>Non-current liabilities (d)</b>	<b>21,717</b>	<b>13,451</b>	<b>15,693</b>
<b>Net Invested Capital (a+b-c-d)</b>	<b>208,900</b>	<b>200,893</b>	<b>126,527</b>
<b>Group equity (f)</b>	<b>173,773</b>	<b>155,628</b>	<b>160,432</b>
Medium-Term Net Financial Position	56,084	37,586	36,063
Short-Term Net Financial Position	(20,957)	7,679	(69,968)
<b>Total Net Financial Position (Net Liquidity) (g)</b>	<b>35,127</b>	<b>45,265</b>	<b>(33,905)</b>
<b>Equity and Net Financial Position (f+g)</b>	<b>208,900</b>	<b>200,893</b>	<b>126,527</b>

Non-current assets at 31 January 2016 were equal to Euro 80,493 thousand, with an increase of Euro 15,197 thousand compared to 30 April 2015, generated essentially by investments made during the period in question. In particular, the following main effects should be noted:

- net increase of Euro 9,573 thousand in the intangible assets item, rising from Euro 7,190 thousand at 30 April 2015 to Euro 16,793 thousand at 31 January 2016. The change was mainly due to the acquisition of control of Apra SpA, Accadis Srl, BMS SpA and Sailing Srl. The difference between the price to acquire control and the related net accounting assets was allocated to the client list item, which increased by Euro 8,712 thousand during the period compared to 30 April 2015 and is subject to amortisation over a period of ten years.
- net increase of Euro 4,402 thousand in the tangible assets item, rising from Euro 37,953 thousand at 30 April 2015 to Euro 42,355 thousand at 31 January 2016. The increase in the item was due to Group investments in electronic machinery (storage and server) needed for the development of the proprietary Data Center and the offer in the Cloud sector, as well as activities for the renovation and extension of a building owned by the Group, situated in Via Piovola no. 138, destined to headquarters, company's canteen and expand the warehouse surface area
- increase of Euro 1,093 thousand of the item investment valued at equity, rising from Euro 2,766 thousand at 30 April 2015 to Euro 3,859 thousand at 31 January 2016. The increase in the item mainly reflected the purchase of 50% of the share capital of Yarix Srl, a company specialized in IT security, with a turnover of over Euro 2 million, for Euro 600 thousand.

The net working capital amounted to Euro 150,124 thousand at 31 January 2016, and showed a 0.2% increase compared to Euro 149,827 thousand recorded in the period ended 31 January 2015, less than proportional to the growth in turnover in the period in question, thanks to the growing efficiency in the management of the receivables portfolio and the management of inventories. Despite the increase in turnover recorded during the period and the higher number of brands distributed, inventories decreased by Euro 8,765 thousand in the period, passing from Euro 79,111 thousand at 31 January 2015 to Euro 70,346 thousand at 31 January 2016, thanks to a better and more effective planning of stock requirements.

Non-current provisions and deferred tax liabilities amounted to Euro 6,068 thousand at 31 January 2016, showing an increase of Euro 3,432 thousand compared to Euro 2,636 thousand at 30 April 2015 mainly due to deferred tax liabilities accounted on client list acquired. Other provisions for risks the estimate of legal expenses relating to the dispute open with the field of a complaint against the notice of assessment served by the Revenue Agency of Florence to Computer Gross Italia SpA on 18 December 2015, with regard to the Value Added Tax for 2010. Based on a detailed analysis of the situation and the documentation presented, Computer Gross Italia SpA, having heard the opinions of its tax and legal consultants, believes that the tax authorities' request on the merits is groundless and therefore a compliant has been filed.

Details of the Group's Net Financial Position at 31 January 2016 are shown below (with figures in thousands of euros). Together with the comparative figures for the year ended 30 April 2015 are also included those for the period ended 31 January 2015, in order to provide a better analysis of the Net Financial Position considering the seasonality that usually characterises revenues from sales during the year.

<b>Net Financial Position</b>	<b>31/01/2016</b>	<b>31/01/2015</b>	<b>30/04/2015</b>
Liquidity	64,386	44,682	92,122
Current financial receivables	476	733	605
Current financial debt	43,905	53,094	22,759
<b>Net current financial debt</b>	<b>(20,957)</b>	<b>7,679</b>	<b>(69,968)</b>
Non-current financial debt	56,084	37,586	36,063
<b>Net Financial Position</b>	<b>35,127</b>	<b>45,265</b>	<b>(33,905)</b>

Consolidated Net Financial Position was equal to Euro 35,127 thousand at 31 January 2016, with an improvement of Euro 10,138 thousand compared to the corresponding period at 31 January 2015. The positive trend of the Net Financial Position compared to the same period of 2015 derived from an effective working capital management, together with self-financing of the period and the increase in the Group's equity.

The change in the Net Financial Position at 31 January 2016 compared to that of 30 April 2015, which showed a net liquidity of Euro 33,905 thousand, mainly reflects the seasonality of the business where working capital absorption is higher at 31 October than at 30 April of each financial year.

Consolidated Group's equity was equal to Euro 173,773 thousand at 31 January 2016. The change compared to 30 April 2015 mainly reflects the Net profit of Euro 18,542 thousand accruing in the period at 31 January 2016 net of dividends of Euro 6,984 thousand paid by the parent company Sesa SpA in September 2015 and treasury shares bought in the period.

## Segment Reporting

The criteria applied to identify the business segments being reported are in line with the procedures through which the management runs the Group. In particular, the organisation of the business segments being reported corresponds to the structure of the reports that are periodically analysed by the board of directors for the purposes of the management of the Group's business. Specifically, the main scope of operational analysis used by the Group is that relating to the following operating segments:

- *Value Added Distribution*, which includes the value-added distribution, through the subsidiary Computer Gross SpA, of complex IT products and solutions in the categories of servers, storage, software and networking to the operators in the enterprise and small/medium enterprise segment. The Group's VAD offer integrated to software houses and integrators of technology addressed the implementation of complex technology solutions, is targeted at the end users of products distributed.
- *Software and System Integration (VAR)*, which includes the offer of software, technology, services and consultancy, through the subsidiary Var Group SpA, aimed at training and supporting businesses as end users of IT. The Group provides services for the design, consultancy, development and installation of software and complex technology, pre- and after-sales assistance and strategic outsourcing.
- *Corporate*, which includes logistics services, including the storage, assembly, customisation and handling of products and other correlated activities, as well as centralized activities carried out by holding companies.

The operating segments of Value-Added Distribution and Software and System Integration are vertically integrated through the sale of IT products and solutions from Computer Gross SpA to Var Group SpA. Computer Gross SpA uses the logistics services included in the Corporate segment.

The Group's management assesses the performance of the different operating segments, using the following indicators:

- revenues from minority interests by operating segment;
- EBITDA defined as the profit for the year before depreciation, provisions for bad debts and risks, accruals to provisions for risks, financial income and charges, the profit (loss) of companies valued at equity and taxes;
- Profit for the year.

As Ebitda is not a recognized measure of financial performance under IFRS (Non-GAAP Measures) the quantitative calculation may not be unique. Ebitda is a measure used by management to monitor and evaluate the operating performance of the companies of the Group.

The criteria in determining the Ebitda applied by the Group may not be consistent with that used by other companies or groups, and therefore the figures may not be comparable with that determined by such groups.

The table below shows the segment reporting applied for the periods ended 31 January 2016 and 31 January 2015:

<i>(in thousands of euros)</i>	Value Added Distribution	Software and System Integration	Corporate	Eliminations		Value Added Distribution	Software and System Integration	Corporate	Eliminations	
<b>Revenues from third parties</b>	<b>742,398</b>	<b>153,169</b>	<b>1,101</b>		<b>896,668</b>	<b>641,914</b>	<b>132,069</b>	<b>1,315</b>		<b>775,298</b>
Inter segment revenues	57,873	2,325	7,440		67,638	59,136	2,899	7,304		69,339
<b>Revenues</b>	<b>800,271</b>	<b>155,494</b>	<b>8,541</b>	<b>(67,638)</b>	<b>896,668</b>	<b>701,050</b>	<b>134,968</b>	<b>8,619</b>	<b>(69,339)</b>	<b>775,298</b>
Other income	3,081	1,915	1,130	(1,773)	4,353	3,223	1,444	1,132	(1,885)	3,914
<b>Total Revenues and other income</b>	<b>803,352</b>	<b>157,409</b>	<b>9,671</b>	<b>(69,411)</b>	<b>901,021</b>	<b>704,273</b>	<b>136,412</b>	<b>9,751</b>	<b>(71,224)</b>	<b>779,212</b>
Purchase of goods	(738,679)	(85,591)	(559)	58,846	(765,983)	(645,908)	(72,346)	(657)	60,988	(657,923)
Costs for services and rent, leasing and similar costs	(21,668)	(36,315)	(4,602)	10,455	(52,130)	(16,494)	(31,397)	(4,844)	10,298	(42,437)
Personnel costs	(8,900)	(29,603)	(3,873)	-	(42,376)	(8,285)	(25,471)	(3,891)	-	(37,647)
Other operating costs	(1,803)	(130)	(281)	61	(2,153)	(1,313)	(238)	(92)	(287)	(1,930)
<b>Ebitda</b>	<b>32,302</b>	<b>5,770</b>	<b>356</b>	<b>(49)</b>	<b>38,379</b>	<b>32,273</b>	<b>6,960</b>	<b>267</b>	<b>(225)</b>	<b>39,275</b>
Amortisation, depreciation and write-downs	(4,135)	(2,904)	(59)	-	(7,098)	(5,657)	(3,590)	(62)	-	(9,309)
<b>Ebit</b>	<b>28,167</b>	<b>2,866</b>	<b>297</b>	<b>(49)</b>	<b>31,281</b>	<b>26,616</b>	<b>3,370</b>	<b>205</b>	<b>(225)</b>	<b>29,966</b>
Profit from companies valued at equity	8	328	9	-	345	21	241	(37)	-	225
Net financial income and charges	(2,009)	(1,008)	9	-	(3,128)	(3,492)	(735)	53	-	(4,174)
<b>Profit before taxes</b>	<b>26,046</b>	<b>2,186</b>	<b>315</b>	<b>(49)</b>	<b>28,498</b>	<b>23,145</b>	<b>2,876</b>	<b>221</b>	<b>(225)</b>	<b>26,017</b>
Income taxes	(8,563)	(1,164)	(245)	16	(9,956)	(7,598)	(1,830)	(355)	73	(9,710)
<b>Profit for the period</b>	<b>17,483</b>	<b>1,022</b>	<b>70</b>	<b>(33)</b>	<b>18,542</b>	<b>15,547</b>	<b>1,046</b>	<b>(134)</b>	<b>(152)</b>	<b>16,307</b>
Net profit attributable to minority interests	62	551	13	-	626	72	355	4	-	431
<b>Net profit attributable to the Group</b>	<b>17,422</b>	<b>471</b>	<b>56</b>	<b>(33)</b>	<b>17,916</b>	<b>15,475</b>	<b>691</b>	<b>(138)</b>	<b>(152)</b>	<b>15,876</b>



## Relations with related parties and Group's companies

As regards disclosures of relations with related parties it should be noted that any transactions carried out with related parties in ordinary operations were entered into at arm's length and on conditions that were to the parties' reciprocal financial benefit.

The Group's related parties have been identified in accordance with IAS 24.

No significant related party transactions are reported in the period.

## Significant events after the period-end

No significant events happened subsequent to 31 January 2016.

## Outlook on operations

In an European and Italian economic environment showing an upturn of the GDP even in our country, Sesa Group will operate in line with the previous part of the fiscal year, focusing on higher potential segments of IT market by integrating the recently acquired companies both in VAD and VAR sector.

Considering the positive trend of the first nine months of the financial year in terms of turnover and financial ratios, the Group will target a growth over 10% for the full year ending on 30 April 2016 as for revenues and consolidated net profit.

*The Chairman*  
Paolo Castellacci

## Annexes

## Consolidated Income Statement

<i>(in thousand of euros)</i>	<b>Period ended 31 January</b>	
	<b>2016</b>	<b>2015</b>
Revenues	896,668	775,298
Other income	4,353	3,914
Consumables and goods for resale	(765,983)	(657,923)
Costs for services and rent, leasing and similar costs	(52,130)	(42,437)
Personnel costs	(42,376)	(37,647)
Other operating costs	(5,736)	(7,244)
Amortisation and depreciation	(3,515)	(3,995)
<b>EBIT</b>	<b>31,281</b>	<b>29,966</b>
Profit from companies valued at equity	345	225
Financial income	3,616	6,093
Financial charges	(6,744)	(10,267)
<b>Profit before taxes</b>	<b>28,498</b>	<b>26,017</b>
Income taxes	(9,956)	(9,710)
<b>Profit for the period</b>	<b>18,542</b>	<b>16,307</b>
<i>of which:</i>		
Net profit attributable to minority interests	626	431
Net profit attributable to the Group	17,916	15,876

## Consolidated Statement of Financial Position

<i>(in thousand of euros)</i>	<b>At 31 January 2016</b>	<b>At 30 April 2015</b>
Intangible assets	16,763	7,190
Property, plant and equipment	42,355	37,953
Investment property	290	290
Equity investments valued at equity	3,859	2,766
Deferred tax assets	5,473	5,238
Other non-current receivables and assets	9,935	10,041
<b>Total non-current assets</b>	<b>78,675</b>	<b>63,478</b>
Inventories	70,346	58,260
Current trade receivables	419,442	274,383
Current tax receivables	6,880	1,762
Other current receivables and assets	21,830	19,975
Cash and cash equivalents	64,386	92,122
<b>Total current assets</b>	<b>582,884</b>	<b>446,502</b>
Non-current assets held for sale	1,818	1,818
<b>Total assets</b>	<b>663,377</b>	<b>511,798</b>
Share capital	37,127	37,127
Share premium reserve	33,235	34,430
Other reserves	5,546	4,799
Profits carried forward	90,368	79,672
<b>Total Group equity</b>	<b>166,276</b>	<b>156,028</b>
Equity attributable to minority interests	7,497	4,404
<b>Total equity</b>	<b>173,773</b>	<b>160,432</b>
Non-current loans	56,084	36,063
Employee benefits	15,649	13,057
Non-current provisions	594	555
Deferred tax liabilities	5,474	2,081
<b>Total non-current liabilities</b>	<b>77,801</b>	<b>51,756</b>
Current loans	43,905	22,759
Payables to suppliers	319,569	243,197
Current tax payables	10,407	3,120
Other current liabilities	37,922	30,534
<b>Total current liabilities</b>	<b>411,803</b>	<b>299,610</b>
<b>Total liabilities</b>	<b>489,604</b>	<b>351,366</b>
<b>Total equity and liabilities</b>	<b>663,377</b>	<b>511,798</b>

## Consolidated Statement of Changes in Equity

<i>(in thousand of euros)</i>	<b>Share capital</b>	<b>Share premium reserve</b>	<b>Other reserves</b>	<b>Profit for the year and Profits carried forward</b>	<b>Group equity</b>	<b>Equity attributable to minority interests</b>	<b>Total equity</b>
<b>At 30 April 2015</b>	<b>37,127</b>	<b>34,430</b>	<b>4,799</b>	<b>79,672</b>	<b>156,028</b>	<b>4,404</b>	<b>160,432</b>
Profit for the period			344	17,572	17,916	626	18,542
Actuarial Profit/ Loss for employee benefits			337		337	61	398
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>681</b>	<b>17,572</b>	<b>18,253</b>	<b>687</b>	<b>18,940</b>
Purchase of treasury shares		(769)			(769)		<b>(769)</b>
Dividends distribution		(426)		(6,538)	(6,964)	(54)	<b>(7,018)</b>
Allocation of Net profit					-		-
Changes in the scope of consolidation and other changes			66	(338)	(272)	2,460	<b>2,188</b>
<b>At 31 January 2016</b>	<b>37,127</b>	<b>33,235</b>	<b>5,546</b>	<b>90,368</b>	<b>166,276</b>	<b>7,497</b>	<b>173,773</b>

## Consolidated Statement of Cash Flows

<i>(in thousands of euros)</i>	<b>Period ended 31 January</b>	
	<b>2016</b>	<b>2015</b>
<b>Profit before taxes</b>	<b>28,498</b>	<b>26,017</b>
<b>Adjustments to:</b>		
Amortisation and depreciation	3,515	3,995
Provisions for personnel and other provisions	3,730	6,589
Net financial (income)/charges	868	1,277
Profit from companies valued at equity	(345)	(225)
Other non-monetary items		-
<b>Cash flows generated from operating activities before changes in net working capital</b>	<b>36,266</b>	<b>37,653</b>
Change in inventories	(10,971)	(31,046)
Change in trade receivables	(130,859)	(107,424)
Change in payables to suppliers	64,055	42,689
Change in other assets	4,607	745
Change in other liabilities	1,490	3,868
Use of provisions for risks	(343)	58
Payment of employee benefits	(1,556)	(2,082)
Change in deferred tax assets and liabilities	1,087	(1,100)
Change in current tax payables and tax receivables	(829)	7,655
Interest paid	(2,531)	(2,416)
Taxes paid	(6,958)	(9,710)
<b>Net cash flow generated from operating activities</b>	<b>(46,542)</b>	<b>(61,110)</b>
Investments in companies net of cash	(6,827)	
Investments in property, plant and equipment	(7,051)	(3,668)
Investments in intangible assets	(573)	(1,886)
Disposals of property, plant and equipment and intangible assets	1,975	
Disposal of assets held for sale		175
Investments in associated companies	(708)	(310)
Investments in non-current financial assets		(1,361)
Collection of non-current financial assets	(461)	
Dividends collected	108	66
Interest collected	1,613	1,200
<b>Net cash flow generated from/(used in) investing activities</b>	<b>(11,924)</b>	<b>(5,784)</b>
New disbursements of long-term loans	47,689	13,000
Repayments of long-term loans	(8,815)	(1,905)
(Decrease)/increase in short-term loans	(249)	31,915
Change in Group equity	589	2,481
Change in equity attributable to minority interests	(549)	(159)
Treasury shares	(916)	
Dividends distributed	(7,019)	(6,984)
<b>Net cash flow generated from/(used in) financing activities</b>	<b>30,730</b>	<b>38,348</b>
Translation difference on cash and cash equivalents		
<b>Change in cash and cash equivalents</b>	<b>(27,736)</b>	<b>(28,546)</b>
Cash and cash equivalents at the beginning of the period	92,122	73,228
<b>Cash and cash equivalents at the end of the period</b>	<b>64,386</b>	<b>44,682</b>

Attestation pursuant to article 154 bis paragraph 2 of Legislative Decree n. 58 of 24 February 1998, "Consolidated Law on Finance" and subsequent amendments

The Director responsible for drawing up Sesa SpA's financial statements and accounting documents, pursuant to the provisions of article 154-bis, paragraph 2 of Consolidated Law on Finance hereby attests that the accounting information contained in the Interim Report at 31 January 2016 corresponds to the document results, books and accounting records,

Empoli, 11 March 2016

Alessandro Fabbroni

(Director responsible for drawing up accounting documents)