

# Bit Market Services

Informazione Regolamentata n. 20076-30-2016	Data/Ora Ricezione 27 Aprile 2016 11:22:32	AIM -Italia/Mercato Alternativo del Capitale
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Societa' : Giglio Group S.p.A.

Identificativo : 73130

Informazione  
Regolamentata

Nome utilizzatore : GIGLIOE01 - Elena Gallo

Tipologia : IRAG 03

Data/Ora Ricezione : 27 Aprile 2016 11:22:32

Data/Ora Inizio : 27 Aprile 2016 11:37:33

Diffusione presunta

Oggetto : THE BOARD OF DIRECTORS  
APPROVES THE CONSOLIDATE  
QUARTERLY REPORT AS AT 31 MARCH  
2016

*Testo del comunicato*

Vedi allegato.



**GIGLIO GROUP: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED  
QUARTERLY REPORT AS AT 31 MARCH 2016**

**RECORD RESULTS FOR THE GROUP:  
REVENUE, EBITDA AND NET PROFIT IN STRONG EXPANSION  
COMPARED WITH THE FIRST QUARTER 2015**

- **Consolidated revenue amounted to Euro 5,76 million, + 68%**
- **Consolidated EBITDA amounted to Euro 1,68 million, + 43%, with an operating margin of nearly 30% of turnover**
- **Net income of Euro 619 thousand, + 146%**

**Milan, 27 April, 2016** - Giglio Group (hereinafter also the "**Group**"), a global television and multimedia network listed on the AIM market of the Italian Stock Exchange, announces that the Board of Directors, convened today, examined and approved the quarterly consolidated report as at 31 March, 2016, drawn up in accordance with the AIM Regulations for Issuers Italy / Alternative Capital market, and in accordance with International Financial Reporting Standards.

As follows is the key consolidated economic data which is stated in the quarterly report as at 30 March, 2016:

	31\03\2016	31\03\2015	DELTA	DELTA%
FATTURATO	5.767.509	3.442.161	2.325.348	68%
EBITDA	1.689.992	1.184.774	505.218	43%
NET PROFIT	619.577	251.872	367.705	146%

The PFN, equal to Euro 6,5 million includes the issue of the minibond "GIGLIO GROUP S.P.A. – 5,4% 2016-2022".

### **Operating performance**

Giglio Group closed the first quarter of 2016 with new records in turnover and profits, confirming its role as a catalyst for the expansion and evolution of the Made in Italy market through its digital and global media networks. The increasing penetration in developed and emerging markets, entering new countries, the development and integration of the different "digital" technologies developed by the Group and the leadership position in the market in their respective lines of business, acquired over the year, which once again confirms the key success factors. The vertical

integration of the business model has ensured furthermore improvements in the efficiency and quality of service.

Revenues as at 31 March 2016, amounting to 5,76 million Euro, registered a growth of 68%, even with the acquisition of MF Fashion, today Giglio Fashion, this took place on 14 March and was therefore consolidated for just 16 days in the first quarter. Important new clients were acquired as part of the expansion of territorial coverage in the broadcasting and television production business, with particular focus on developing countries.

EBITDA and Net income, respectively, equal to 1,68 million Euro and 619 thousand Euro with an exponential growth, bringing the operating margin and net margin respectively to + 43% and + 146%. An important result, which confirms the viable business strategies undertaken, the solidity of the Group's performance and this also reflects in the same business activities.

**Alessandro Giglio, Giglio Group's President, said:** "We are starting with pride this new year, with a quarter highlighted by record results and the achievement of important goals, including the strengthening of prestigious collaborations such as those with Discovery, Viacom, CCTV and the entrance into new markets, such as the United Arab Emirates and Oman, Lebanon, Canada and Iran. We expect, therefore, that 2016 will be for the Giglio Group another year of very strong and solid growth, with further increases both in terms of turnover and profit margins, confirming that the strategy adopted, even with the IPO proceeds of a few months ago and the issue of a minibond, can transform the recurring results proving the soundness of recent acquisitions. We are building a leading high level international player which is perfectly intergrated ; from content production, to the broadcasting across the world according to the most advanced digital standards, to reach the offer of goods and services of the "Made in Italy" in countries with the highest demand, primarily in China".

### **Significant events in the first quarter of 2016**

On 1 February, 2016, the Giglio Group Board of Directors has formally passed the resolution and approved a binding agreement to acquire 100% of MF Fashion S.p.A, an Italian company that is one of the largest Business to Business distributors entirely specialized in online fashion and represents the new virtual market place, at a global level, for Fashion.

On 11 February, 2016, the subsidiary M-Three SatCom SpA (M-Three), an Italian company operating to provide services and top-level solutions for the broadcasting radio and television sector, has signed a three-year agreement with Discovery Italy for a total value of more than half a million Euro to ensure the diffusion of DeeJay TV. The contract includes the collection and the diffusion of the signal from the primary M-Three teleport in Milan and access to the satellite Hot Bird Eutelsat, of which M-Three is partner and official distributor.

On 7 March 2016, Giglio Group, through its subsidiary M-Three Satcom, has signed an agreement with Viacom International Media Networks Italy to ensure the broadcasting via satellite in "direct

to home" (DTH) of the new channel, Paramount Channel for the next three years. The contract, worth a total of 1,6 million Euro, includes the collection and the diffusion of the signal from the primary M-Three teleport in Milan and access to the satellite Hot Bird Eutelsat. The channel is entirely dedicated to films and TV series, and is received on the digital terrestrial channel 27 and via satellite through **Tivùsat** platform.

On 9 March, 2016, it was admitted to listing on the Italian Stock Exchange Market ExtraMOT the minibond "GIGLIO GROUP S.P.A. – 5,4% from 2016 to 2022 ", issued by the Company for a total value of 3,5 million Euro, already fully subscribed by institutional traders. The emission target was the tapping of financial resources for the completion, to be within and no later than 31 March, 2016, the acquisition of MF Fashion S.p.A. (renamed today Giglio Fashion). The bond has a term of 6 years with a 5.4% interest rate.

On 14 March, having got the green light by the shareholders, Giglio Group finalized the closing of the acquisition of 100% of MF Fashion S.p.A., which changed its name into Giglio Fashion. The value of the transaction amounted to 5 million Euro, of which 2,5 million Euro cash at closing date and 2,5 million Euro through the issuance of 1 million new Giglio Group shares reserved to existing MF Fashion Shareholders (implied price per share of 2.50 Euro). Following the capital increase, the two current shareholders of MF Fashion receive in exchange a total 1 million shares at a price of 2.5 Euro, divided equally for a share of around 3.37% each. These shares are subject to lock-up for a period of 12 months from the date of closing.

### **The forecasted outlook of the management**

The Group will continue in its path of international expansion through its subsidiaries Giglio TV, Nautical Channel, M-Three SatCom and Giglio Fashion, acting as a reference operator in both in the broadcasting, and in the development of cutting-edge multimedia solutions for the digital and e-commerce. The second screen technology developed by Giglio Group is strategic especially in synergy with the newly acquired Giglio Fashion in the e-commerce sector. China and the United States, its two main markets, with enormous potential and prospects: for this reason, the Group has just opened, after China, one of its branches in the US, to be present both in the American territory and China.

The goal is to create, as soon as possible, for a new generation of E-Commerce Social Media Company, which allows users to purchase the products marketed by Giglio Fashion with a simple click on the images on air, thus offering a new and richer customer experience.

Balance Sheet	31.03.2016	31.12.2015
<b>FIXED ASSETS</b>	<b>17.965.495</b>	<b>14.197.298</b>
TANGIBLES	6.987.261	8.161.445
<i>Diritti di distribuzione</i>	0	1.912.933
<i>Editig</i>	6.218.476	0
<i>Others</i>	8.780	3.738.598
Intangibles	6.227.256	5.651.531
Goodwill	3.064.405	50.000
Subsidiaries Company	0	0
Receivables	835.370	136.786
Other Assets	0	197.537
<b>CURRENT ASSETS</b>	<b>21.147.584</b>	<b>10.138.854</b>
Inventories	3.415.776	139.017
Accounts Receivables & Others	13.749.860	8.278.719
Financial Receivables	0	0
Tax Receivables	1.892.143	521.003
Others	0	0
Cash & Bank	2.089.805	1.200.114
<b>TOTAL ASSETS</b>	<b>39.113.080</b>	<b>24.336.152</b>
<b>NON CURRENT LIABILITIES</b>	<b>9.073.824</b>	<b>3.039.718</b>
Provision	257.059	236.558
Deferred Tax Liabilities	433.854	654.344
Financial Liabilities	8.382.911	2.148.816
<b>CURRENT LIABILITES</b>	<b>17.154.185</b>	<b>10.960.503</b>
Trade Payables & Others	14.154.672	8.283.878
Financial Liabilities	1.286.375	1.547.284
Tax Liabilies	1.713.137	1.129.341
Others	0	0
<b>TOTAL LIABILITIES</b>	<b>26.228.009</b>	<b>14.000.221</b>
Share Capital	3.032.000	2.832.000
Reserves	7.681.636	5.566.768
Costi di quotazione	(678.223)	(476.651)
FTA	3.814	3.814
Retained earnings	756.265	(67.487)
Income (loss)	619.577	755.319
<b>EQUITY</b>	<b>11.415.070</b>	<b>8.613.765</b>
<b>THIRD PARTIES EQUITY</b>	<b>1.470.000</b>	<b>1.722.167</b>
<b>TOTAL EQUITY</b>	<b>12.885.070</b>	<b>10.335.932</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>39.113.080</b>	<b>24.336.152</b>

<b>Profit &amp; Loss</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Revenues	5.740.931	3.442.161
Other Revenues	26.578	51.543
Variation of Inventories	81.449	(48)
<i>Costs of raw material, consumables and goods for re-sale</i>	<i>(1.623.212)</i>	<i>(12.537)</i>
<i>Services</i>	<i>(1.981.427)</i>	<i>(1.997.714)</i>
<i>Costs of Use of Assets owned by Others</i>	<i>(116.609)</i>	<i>(140.350)</i>
<b>Total Operating Costs</b>	<b>(3.639.798)</b>	<b>(2.150.613)</b>
<i>Salaries &amp; Wages</i>	<i>(246.192)</i>	<i>(486.099)</i>
<i>Contributions</i>	<i>(47.968)</i>	<i>(26.064)</i>
<i>TFR</i>	<i>(6.876)</i>	<i>(5.718)</i>
<b>Pyroll Costs</b>	<b>(301.035)</b>	<b>(153.307)</b>
<i>Intangibles Depreciations</i>	<i>(395.746)</i>	<i>(339.256)</i>
<i>Tangibles Depreciations</i>	<i>(465.920)</i>	<i>(341.069)</i>
<i>Devaluation</i>	<i>(4.233)</i>	<i>(57.063)</i>
<b>Ammortamenti e svalutazioni</b>	<b>(865.898)</b>	<b>(737.387)</b>
Other Costs	(55.234)	(5.022)
<b>Risultato operativo</b>	<b>905.543</b>	<b>447.375</b>
Non recurring	(20.347)	0
Financial Income (costs)	(25.275)	(98.866)
<b>Profit before taxes</b>	<b>859.921</b>	<b>348.509</b>
Taxes	(240.344)	(96.637)
<b>Net Profit</b>	<b>619.577</b>	<b>251.872</b>

### Information regarding Giglio Group:

**Giglio Group** is a multimedia global television network set up in 2003, it has its headquarters in Rome and it is made up of **five companies**

**Giglio Group SpA**, The Parent Company that owns two television channels on the Italian digital terrestrial - Acqua and Play.me. It provides technology services to the Group companies and third party companies.

**Nautical Channel Ltd**, is the only international channel, distributed in 43 countries, 5 continents and 6 languages entirely dedicated to boating and watersports. From 1 April 2015, Nautical Channel can be viewed in HD throughout Europe and Russia

**Giglio TV HK**, start up created in July 2014 that manages the Group's activities in China. It is the first and only Italian television group to be present in China on all major television and web platforms with its content entirely dedicated to the Italian Lifestyle.

**M-Three Satcom** -Founded in 2004, and purchased by Giglio Group in September 2015, provides the high-end services and solutions for the TV-radio broadcasting sector, In particular it caters to companies with special linking needs and for the distribution of information. M-Three operates through and owned infrastructure, based on two teleports for transmissions via satellite and fibre, it provides services to several main radio and television networks in the media world.

**Giglio Fashion SpA**, Founded in 2011 is today the main Italian Business to Business distributor entirely specialised in on-line fashion. The new market place at a world level for Fashion. Thanks to its own sales network, it is able to reach out to the main Players of major world markets, MF Fashion supplies thirty major digital retailers globally.

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Fine Comunicato n.20076-30

Numero di Pagine: 8