



AEFFE

INTERIM CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2016

Disclaimer

This Interim consolidated financial statement at 31 March 2016 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.

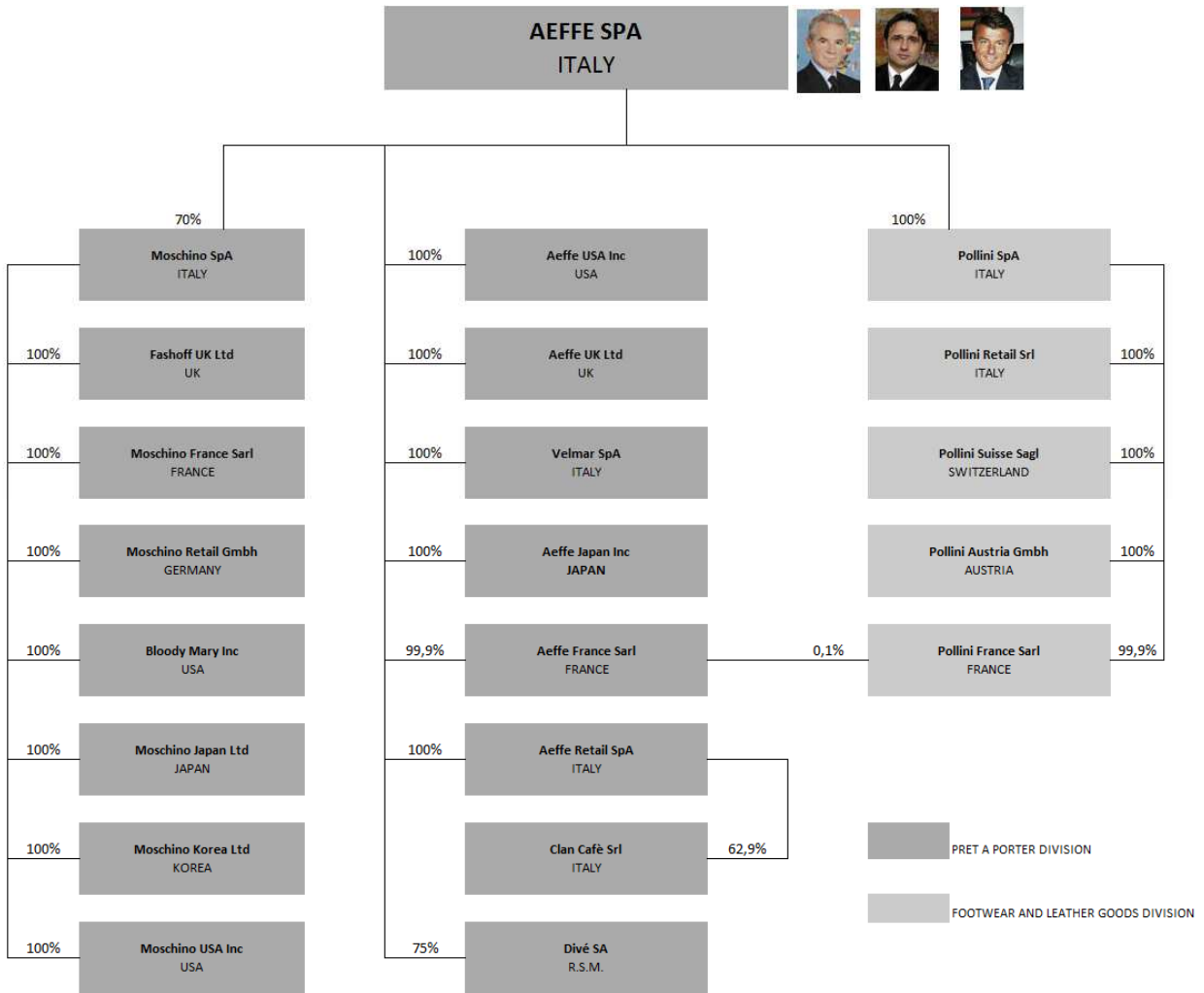
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Corporate boards of the Parent Company

Board of Directors	Chairman Massimo Ferretti
	Deputy Chairman Alberta Ferretti
	Chief Executive Officer Simone Badioli
	Directors Marcello Tassinari – Managing Director Roberto Lugano Pierfrancesco Giustiniani Marco Salomoni Sabrina Borocci
Board of Statutory	President Pier Francesco Sportoletti
	Statutory Auditors Fernando Ciotti Daniela Saitta
	Alternate Auditors Barbara Ceppellini Luca Sapucci
Board of Compensation Committee	President Sabrina Borocci
	Members Roberto Lugano Pierfrancesco Giustiniani
Board of Internal Control Committee	President Roberto Lugano
	Members Sabrina Borocci Pierfrancesco Giustiniani

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

**BOUTIQUE
MOSCHINO**

**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 – POLLINI)

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
		2015	2016
Total revenues	(Values in millions of EUR)	73.3	77.4
Gross operating margin (EBITDA)	(Values in millions of EUR)	12.5	13.9
Net operating profit/(loss) (EBIT)	(Values in millions of EUR)	9.4	10.9
Profit/(loss) before taxes	(Values in millions of EUR)	8.3	10.0
Net profit/(loss) for the Group	(Values in millions of EUR)	4.6	5.8
Basic earnings per share	(Values in units of EUR)	0.045	0.057
Cash Flow (net result + depreciation)	(Values in millions of EUR)	8.3	9.3
Cash Flow/total revenues	Ratio	11.3	12.1

		31 December	31 March	31 December	31 March
		2014	2015	2015	2016
Net capital invested	(Values in millions of EUR)	231.5	249.2	230.2	242.6
Net financial indebtedness	(Values in millions of EUR)	83.6	95.4	80.5	87.2
Group net equity	(Values in millions of EUR)	130.1	135.3	131.7	136.9
Group net equity per share	(Values in units of EUR)	1.2	1.3	1.2	1.3
Current assets/Current liabilities	Ratio	2.1	2.5	2.0	2.4
Current assets less invent./Current liabilities (ACID Test)	Ratio	1.0	1.2	0.9	1.1
Net financial indebtedness/Net equity	Ratio	0.6	0.6	0.5	0.6

Financial statements

Income statement at 31 March

(Values in units of EUR)	Notes	I Q 2016	% on revenues	I Q 2015	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	76,210,013	100.0%	71,224,287	100.0%	4,985,726	7.0%
Other revenues and income		1,188,570	1.6%	2,056,456	2.9%	(867,886)	(42.2%)
TOTAL REVENUES		77,398,583	101.6%	73,280,743	102.9%	4,117,840	5.6%
Changes in inventory		(933,516)	(1.2%)	2,788,128	3.9%	(3,721,644)	(133.5%)
Costs of raw materials, cons. and goods for resale		(19,953,100)	(26.2%)	(22,348,583)	(31.4%)	2,395,483	(10.7%)
Costs of services		(19,067,441)	(25.0%)	(18,226,285)	(25.6%)	(841,156)	4.6%
Costs for use of third parties assets		(6,149,430)	(8.1%)	(5,714,115)	(8.0%)	(435,315)	7.6%
Labour costs		(15,839,736)	(20.8%)	(15,108,996)	(21.2%)	(730,740)	4.8%
Other operating expenses		(1,519,784)	(2.0%)	(2,131,477)	(3.0%)	611,693	(28.7%)
Total Operating Costs		(63,463,007)	(83.3%)	(60,741,328)	(85.3%)	(2,721,679)	4.5%
GROSS OPERATING MARGIN (EBITDA)	(2)	13,935,576	18.3%	12,539,415	17.6%	1,396,161	11.1%
Amortisation of intangible fixed assets		(1,762,751)	(2.3%)	(1,769,692)	(2.5%)	6,941	(0.4%)
Depreciation of tangible fixed assets		(1,238,546)	(1.6%)	(1,302,978)	(1.8%)	64,432	(4.9%)
Revaluations / (write-downs) and provisions		(46,080)	(0.1%)	(54,405)	(0.1%)	8,325	(15.3%)
Total Amortisation, write-downs and provisions		(3,047,377)	(4.0%)	(3,127,075)	(4.4%)	79,698	(2.5%)
NET OPERATING PROFIT / LOSS (EBIT)		10,888,199	14.3%	9,412,340	13.2%	1,475,859	15.7%
Financial income		107,750	0.1%	70,430	0.1%	37,320	53.0%
Financial expenses		(993,131)	(1.3%)	(1,215,386)	(1.7%)	222,255	(18.3%)
Total Financial Income/(expenses)		(885,381)	(1.2%)	(1,144,956)	(1.6%)	259,575	(22.7%)
PROFIT / LOSS BEFORE TAXES		10,002,818	13.1%	8,267,384	11.6%	1,735,434	21.0%
Total Income Taxes		(3,665,815)	(4.8%)	(3,064,149)	(4.3%)	(601,666)	19.6%
NET PROFIT / LOSS		6,337,003	8.3%	5,203,235	7.3%	1,133,768	21.8%
(Profit) / loss attributable to minority shareholders		(549,773)	(0.7%)	(637,016)	(0.9%)	87,243	(13.7%)
NET PROFIT / LOSS FOR THE GROUP	(3)	5,787,230	7.6%	4,566,219	6.4%	1,221,011	26.7%

Reclassified balance sheet

(Values in units of EUR)	Notes	31 March 2016	31 December 2015	31 March 2015
Trade receivables		41,859,541	38,256,285	46,243,233
Stocks and inventories		90,673,898	89,988,199	89,600,033
Trade payables		(48,607,778)	(61,428,950)	(49,395,109)
Operating net working capital		83,925,661	66,815,534	86,448,157
Other short term receivables		27,344,686	26,254,111	26,389,833
Tax receivables		5,709,202	7,229,775	7,726,956
Other short term liabilities		(15,634,690)	(14,963,436)	(16,313,718)
Tax payables		(4,145,758)	(3,015,292)	(3,199,223)
Net working capital	(4)	97,199,101	82,320,692	101,052,005
Tangible fixed assets		62,400,705	63,260,612	63,673,923
Intangible fixed assets		121,366,772	122,820,750	127,000,108
Equity investments		131,558	131,558	83,268
Other fixed assets		4,306,600	4,265,083	4,794,776
Fixed assets	(5)	188,205,635	190,478,003	195,552,075
Post employment benefits		(6,479,720)	(6,551,605)	(7,115,391)
Provisions		(934,952)	(1,068,715)	(1,405,175)
Assets available for sale		436,885	436,885	436,885
Liabilities available for sale		-	-	-
Long term not financial liabilities		(14,330,132)	(14,330,132)	(14,480,132)
Deferred tax assets		10,597,426	11,089,214	12,230,185
Deferred tax liabilities		(32,128,834)	(32,207,692)	(37,032,979)
NET CAPITAL INVESTED		242,565,409	230,166,650	249,237,473
Share capital		25,371,407	25,371,407	25,371,407
Other reserves		113,700,508	114,336,595	114,699,531
Profits / (Losses) carried-forward		(7,964,133)	(9,486,229)	(9,371,143)
Profit / (Loss) of the period		5,787,230	1,522,096	4,566,219
Group interest in shareholders' equity		136,895,012	131,743,869	135,266,014
Minority interests in shareholders' equity		18,433,921	17,884,148	18,551,738
Total shareholders' equity	(6)	155,328,933	149,628,017	153,817,752
Short term financial receivables		(1,815,854)	(1,815,854)	(1,460,018)
Cash		(11,586,684)	(9,992,726)	(7,529,514)
Long term financial liabilities		18,699,665	18,393,626	14,579,436
Long term financial receivables		(1,898,551)	(2,031,138)	(2,067,200)
Short term financial liabilities		83,837,900	75,984,725	91,897,017
NET FINANCIAL POSITION	(7)	87,236,476	80,538,633	95,419,721
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		242,565,409	230,166,650	249,237,473

Cash flow

(Values in thousands of EUR)	Notes	I Q 2016	F Y 2015	I Q 2015
OPENING BALANCE		9,993	6,692	6,692
Profit before taxes		10,003	2,853	8,267
Amortisation / write-downs		3,001	13,459	3,073
Accrual (+)/availment (-) of long term provisions and post employment benefits		(206)	(1,885)	(984)
Paid income taxes		(2,122)	(3,596)	(1,648)
Financial income (-) and financial charges (+)		885	3,031	1,145
Change in operating assets and liabilities		(16,009)	(1,097)	(19,058)
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY		(4,448)	12,765	(9,205)
Increase (-)/ decrease (+) in intangible fixed assets		(309)	(2,047)	(843)
Increase (-)/ decrease (+) in tangible fixed assets		(379)	(4,992)	(1,206)
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-	(51)	(3)
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY		(688)	(7,090)	(2,052)
Other variations in reserves and profits carried-forward of shareholders'equity		(636)	(52)	643
Dividends paid		-	-	-
Proceeds (+)/ repayment (-) of financial payments		8,160	1,402	13,500
Increase (-)/ decrease (+) in financial receivables		91	(693)	(903)
Financial income (+) and financial charges (-)		(885)	(3,031)	(1,145)
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY		6,730	(2,374)	12,095
CLOSING BALANCE		11,587	9,993	7,530

Changes in shareholders' equity

	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
<i>(Values in thousands of EUR)</i>												
BALANCES AT 31 December 2014	25,371	71,240	26,481	7,901	11,459	(12,112)	(1,229)	2,742	(1,796)	130,057	17,915	147,972
Allocation of 2014 profit / (loss)	-	-	-	-	-	2,742	-	(2,742)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) of 1Q 2015	-	-	-	-	-	-	-	4,566	643	5,209	637	5,846
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT 31 March 2015	25,371	71,240	26,481	7,901	11,459	(9,370)	(1,229)	4,566	(1,153)	135,266	18,552	153,818
<i>(Values in thousands of EUR)</i>												
	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
BALANCES AT 31 December 2015	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	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT 31 March 2016	25,371	71,240	26,516	7,901	11,459	(7,964)	(1,017)	5,787	(2,398)	136,895	18,434	155,329

Interim management report

In the first quarter of 2016, consolidated revenues amount to EUR 76,210 thousand compared to EUR 71,224 thousand in the first quarter 2015, with a 7.0% increase at both current and constant exchange rates.

In the first quarter of 2016 consolidated EBITDA amounts to EUR 13,936 thousand (with an incidence of 18.3% of consolidated sales), compared to EUR 12,539 thousand in the first quarter 2015 (17.6% of consolidated sales) recording a good improvement in profitability of EUR 1,397 thousand (+11.1%). Such improvement is mainly driven by the sales growth of the prêt-à-porter division.

At 31 March 2016 operating net working capital amounts to EUR 83,926 thousand (30.7% of LTM sales) compared to EUR 86,448 thousand at 31 March 2015 (33.9% 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 2016.

Net financial indebtedness decreases of EUR 8,184 thousand from EUR 95,420 thousand at 31 March 2015 to EUR 87,236 thousand at 31 March 2016. The indebtedness decrease compared to the first quarter 2015 is mainly related to the better economic results and to the better management of net working capital.

Explanatory notes

Income statement

1. Revenues from sales and services

First quarter 2016 vs 2015

In the first quarter of 2016, consolidated revenues amount to EUR 76,210 thousand compared to EUR 71,224 thousand in the first quarter 2015, with a 7.0% increase at both current and constant exchange rates.

The following table details the revenues by geographical area for the first quarters of 2016 and 2015.

(Values in thousands of EUR)	I Q		I Q		Change	
	2016	%	2015	%	Δ	%
Italy	33,089	43.4%	31,962	44.9%	1,127	3.5%
Europe (Italy and Russia excluded)	17,868	23.4%	16,492	23.2%	1,376	8.3%
Russia	2,346	3.1%	2,413	3.4%	(67)	(2.8%)
United States	6,726	8.8%	5,195	7.3%	1,531	29.5%
Rest of the World	16,181	21.3%	15,162	21.2%	1,019	6.7%
Total	76,210	100.0%	71,224	100.0%	4,986	7.0%

In the first quarter of 2016, in Italy the Group records sales for EUR 33,089 thousand corresponding to 43.4% of consolidated sales, registering a growth of 3.5%.

Sales in Europe increase by 8.3% (+8.6% at constant exchange rates), contributing to 23.4% of consolidated sales, recording a very positive trend.

The Russian market, representing 3.1% of consolidated sales, declined by 2.8% (the decrease remains unchanged at constant exchange rates) to EUR 2,346 thousand showing signs of recovery compared to the previous period.

Sales in the United States are equal to EUR 6,726 thousand, contributing to 8.8% of consolidated sales, with a significant acceleration of 29.5% (+27.0% at constant exchange rates).

In the Rest of the World, sales are equal to EUR 16,181 thousand with an increase of 6.7% (+7.3% at constant exchange rates) and a contribution of 21.3% of consolidated sales, especially thanks to the excellent performance in Greater China, which posted a 24% growth.

The following table details the revenues by brand for the first quarters of 2016 and 2015.

(Values in thousands of EUR)	I Q		I Q		Change	
	2016	%	2015	%	Δ	%
Alberta Ferretti	8,443	11.1%	7,925	11.1%	518	6.5%
Philosophy	4,828	6.3%	3,727	5.2%	1,101	29.5%
Moschino	49,599	65.1%	45,941	64.5%	3,658	8.0%
Pollini	7,456	9.8%	7,743	10.9%	(287)	(3.7%)
Other	5,884	7.7%	5,888	8.3%	(4)	(0.1%)
Total	76,210	100.0%	71,224	100.0%	4,986	7.0%

In the first quarter of 2016, Alberta Ferretti brand increases by 6.5% (+6.6% at constant exchange rates), generating 11.1% of consolidated sales, while Philosophy brand increase by 29.5% (+29.2% at constant exchange rates), generating 6.3% of consolidated sales.

In the same period, Moschino brand sales increase by 8.0% (+8.0% at constant exchange rates) contributing to 65.1% of consolidated sales.

Pollini brand decreases by 3.7%, same percentage at constant exchange rates, generating 9.8% of consolidated sales, while the other brands sales decrease by 0.1% (-0.6% at constant exchange rates) contributing to 7.7% of consolidated sales.

The following table details the revenues by distribution channel for the first quarters of 2016 and 2015.

(Values in thousands of EUR)	I Q		I Q		Change	
	2016	%	2015	%	Δ	%
Wholesale	55,672	73.0%	48,365	67.9%	7,307	15.1%
Retail	18,273	24.0%	20,389	28.6%	(2,116)	(10.4%)
Royalties	2,265	3.0%	2,470	3.5%	(205)	(8.3%)
Total	76,210	100.0%	71,224	100.0%	4,986	7.0%

By distribution channel in the first quarter of 2016, wholesale sales increase by 15.1% (+14.9% at constant exchange rates) contributing to 73.0% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 18,273 thousand with a decrease of 10.4% (-9.9% at constant exchange rates) contributing to 24.0% of consolidated sales. The variation is substantially linked to fewer tourists in the main European cities.

Royalty income is 8.3% lower than in the corresponding period of the previous year, representing 3.0% of consolidated sales.

2. Gross Operating Margin (EBITDA)

First quarter 2016 vs 2015

In the first quarter of 2016 consolidated EBITDA amounts to EUR 13,936 thousand (with an incidence of 18.3% of consolidated sales), compared to EUR 12,539 thousand in the first quarter 2015 (17.6% of consolidated sales) recording a good improvement in profitability of EUR 1,397 thousand (+11.1%). Such improvement is mainly driven by the sales growth of the prêt-à-porter division.

EBITDA of the prêt-à-porter division amounts to EUR 10,886 thousand (equal to 18.4% incidence on sales) compared to EUR 8,426 thousand in the first quarter 2015 (equal to 15.3% incidence on sales); the increase of EUR 2,460 thousand is mainly due to the sales growth.

EBITDA of the footwear and leather goods division is positive for EUR 3,049 thousand (representing 13.0% of sales), showing a 25.9% decrease compared to EUR 4,113 thousand in the first quarter 2015 (representing 16.8% of sales), with a EUR 1,064 thousand reduction, attributable to a sales decrease.

Consolidated Ebit is positive for EUR 10,888 thousand, compared to EUR 9,412 thousand in the first quarter 2015, showing a EUR 1,476 thousand improvement (+15.7%).

3. Net profit for the Group

First quarter 2016 vs 2015

In the first quarter 2016 the Group has posted a net profit of EUR 5,787 thousand compared to a net profit of EUR 4,566 thousand in the first quarter 2015 with a EUR 1,221 thousand improvement (+26.7%), 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 2016 vs 2015

The following tables indicate the main economic data for the first quarter of 2016 and 2015 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 2016				
SECTOR REVENUES	59,299	23,506	(6,595)	76,210
Intercompany revenues	(1,933)	(4,662)	6,595	-
Revenues with third parties	57,366	18,844	-	76,210
Gross operating margin (EBITDA)	10,886	3,049	-	13,935
Amortisation	(2,302)	(699)	-	(3,001)
Other non monetary items:				
Write-downs	-	(46)	-	(46)
Net operating profit / loss (EBIT)	8,584	2,304	-	10,888
Financial income	152	68	(112)	108
Financial expenses	(633)	(472)	112	(993)
Profit / loss before taxes	8,103	1,900	-	10,003
Income taxes	(3,040)	(626)	-	(3,666)
Net profit / loss	5,063	1,274	-	6,337

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
I Q 2015				
SECTOR REVENUES	55,224	24,548	(8,548)	71,224
Intercompany revenues	(1,964)	(6,584)	8,548	-
Revenues with third parties	53,260	17,964	-	71,224
Gross operating margin (EBITDA)	8,426	4,113	-	12,539
Amortisation	(2,381)	(692)	-	(3,073)
Other non monetary items:				
Write-downs	-	(54)	-	(54)
Net operating profit / loss (EBIT)	6,045	3,367	-	9,412
Financial income	183	22	(135)	70
Financial expenses	(1,009)	(341)	135	(1,215)
Profit / loss before taxes	5,219	3,048	-	8,267
Income taxes	(2,104)	(960)	-	(3,064)
Net profit / loss	3,115	2,088	-	5,203

Prêt-à porter Division

In the first three months of 2016, revenues of the prêt-à-porter division increase by 7.4%, both at current and constant exchange rates, to EUR 59,299 thousand. This division contributes to 69,2% of consolidated revenues in the first quarter of 2015 and 71.6% in the first quarter of 2016, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is EUR 13,936 thousand in the first quarter of 2016 (representing 18.3% of sales) compared to EUR 12,539 thousand in the first quarter of 2015 (representing 17.6% of sales), recording a good improvement in profitability of EUR 1,397 thousand (+11.1%). Such improvement is mainly driven by the sales growth of the *prêt-à-porter* division.

Footwear and leather goods Division

Revenues of the footwear and leather goods division decrease by 4.2% from EUR 24,548 thousand in the first quarter of 2015 to EUR 23,506 thousand in the first quarter of 2016.

EBITDA of the footwear and leather goods division is positive for EUR 3,049 thousand (representing 13.0% of sales), showing a 25.9% decrease compared to EUR 4,113 thousand in the first quarter 2015 (representing 16.8% of sales), with a EUR 1,064 thousand decline, attributable to a sales decrease.

Balance sheet

4. Net working capital

At 31 March 2016 operating net working capital amounts to EUR 83,926 thousand (30.7% of LTM sales) compared to EUR 86,448 thousand at 31 March 2015 (33.9% 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 2016.

5. Fixed assets

The change in fixed assets, that decreases from EUR 190,478 thousand at 31 December 2015 to EUR 188,206 thousand at 31 March 2016, 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 149,628 thousand at 31 March 2015 to EUR 155,329 thousand at 31 March 2016.

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

7. Net financial position

Net financial indebtedness decreases of EUR 8,184 thousand from EUR 95,420 thousand at 31 December 2015 to EUR 87,236 thousand at 31 March 2016.

The indebtedness decrease compared to the first quarter 2015 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
	2016	2015
Consolidated earnings/(losses) for the period for the shareholders of the Parent Company	5,787	4,566
Weighted average number of outstanding shares	101,486	101,486
Basic earnings per share	0.057	0.045

Measurement basis

The main accounting policies and measurement basis adopted in preparing the consolidated financial statements at 31 March 2016 are the same used in preparing the consolidated financial statements at 31 December 2015.

Significant events subsequent the balance sheet date

After the 31 March 2016 no significant events regarding the Group's activities have to be reported.

Outlook

The good results recorded in the first quarter of 2016 confirm the appreciation of our offer and the effectiveness of investments realized last year to enhance our brands, confirmed also by a 6% increase in the orders backlog of the next Fall/Winter collections. In particular, we are very satisfied with feedbacks gathered in Europe, in the United States and in Greater China, where we grow by 8.3%, 29.5% and 24%, respectively, despite critical issues in some markets and the slowdown of the retail channel, mainly due to lower tourists' flows in Europe. In the coming months we aim to intensify our presence in high potential markets such as Far East and Middle East

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 2016, 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 2016 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.