

# Bit Market Services

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Vedi allegato.

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## **PRESS RELEASE**

### **BASICNET. Q1 2016: Group consolidated revenues in line with the previous year.**

**Turin, May 13, 2016.** The Board of Directors of BasicNet S.p.A., at a meeting today chaired by Marco Boglione, in view of the recent changes to the financial disclosure regulations and ahead of future developments, decided to voluntarily provide updates to the market on the first and third quarter revenues each year, further to the full publication of the half-yearly and annual results.

Therefore, the Group commercial performance for the first quarter of 2016 was reviewed:

- *consolidated revenues*, including royalties, sourcing commissions and sales of the Italian licensee BasicItalia, amounted to Euro 51.42 million at current exchange rates, in line with the first quarter of 2015 (Euro 51.49 million), consolidating therefore upon the major commercial development of recent quarters;
- aggregate sales of Group products (Kappa®, Robe di Kappa®, Superga®, K-Way®, Lanzerà®, AnziBesson®, Jesus®Jeans and Sabelt®) by the commercial and productive licensee Network globally totalled Euro 189 million, 194 million at like-for-like exchange rates (Euro 201 million in the first quarter of 2015);
- growth on the American (+8.8%) and Italian (+2%) markets continued, while slower on the Asian markets and in some European countries and the weakening of certain local currencies impacted the revenues of the respective licensees;
- Basic Marketplace core revenue, royalties and sourcing commissions amounted to Euro 11.8 million (Euro 12.7 million in the first quarter of 2015). The destocking activity of some important licensees had an impact on sourcing commissions;
- sales of the investee BasicItalia S.p.A. and its subsidiary Basic Retail S.r.l. amounted to Euro 39.6 million, improving 2% on Euro 38.9 million in 2015. Mono-brand store sales, i.e. *plug@sell* sales, at like-for-like consolidation scope, grew approx. 3%.

## **COMMERCIAL OVERVIEW**

### **Commercial operations**

The actions taken to develop the international presence of the Brands in Q1 2016 included:

- for the Kappa® and Robe di Kappa® brands, commercial operations mainly focused on the renewal of expiring contracts, including Argentina, Cuba, Switzerland and the former Yugoslavia.
- for the Superga® brand, new agreements were signed for the Ukraine and the Singapore and Great Britain territory agreements renewed;
- for the K-Way® brand, operations focused on reaching agreements for the Chilean market.

## **Group brand sales points**

The development of the retail channel continued with new openings by licensees of K-Way® and Superga® mono-brand stores. In particular, the French licensee opened in Toulouse the seventh K-Way® flagship store and the Chilean market licensee opened a store at Casacostanera, the most spectacular and technologically advanced shopping centre in Santiago in Chile.

For the Superga® brand, at the end of April a new store was opened in South Africa and in the current month of May a new store was opened on Corso Vittorio Emanuele in Milan.

Following the new openings, Kappa® and Robe di Kappa® mono-brand stores and shop in shops opened by licensees globally number 667 (of which 116 in Italy), with Superga® mono-brand stores and shop in shops totalling 171 (of which 74 in Italy), along with 35 K-Way® stores (of which 24 in Italy).

## **Briko® Brand**

In March, BasicNet S.p.A and Briko S.p.A. concluded detailed agreements for the granting by Briko S.p.A. of an exclusive global distribution license to BasicNet for all products of the Italian brand Briko® ([click here](#)).

BasicNet will bring its business model and specific applications to the brand, which in the past have delivered success for the Kappa®, Robe di Kappa®, Superga® and K-Way® brands.

The Briko® Brand, which currently posts annual revenues of approx. Euro 6 million, is distributed 60% in Italy, with the remainder in the USA, Northern Europe and Japan, and going forward can avail of the tried and trusted Basic platform licensee network to reach the major global markets.

The agreements also include a purchase option for BasicNet on the Brand, exercisable until June 30, 2019, at pre-established conditions, which may be exercised in advance based on the Brand's commercial volumes.

## **Sponsorship and communication**

### **Kappa® & Robe di Kappa® Brands**

For the Kappa® brand, the international sponsorship activities continued: the English licensee signed a three-year agreement with the British Basketball League (BBL), under which, from the beginning of the 2016-2017 season, the brand will become the official and exclusive sponsor of the professional basketball leagues and of the male and female British national teams.

The French licensee announced the sponsorship of Montpellier Hérault Rugby Club, founded in 1986 following the merger of the two main clubs in the city: Stade Montpelliérain and Montpellier Université Club. The partnership covers the next 5 seasons, until 2021.

For the RobediKappa® brand, the new ambassadors were unveiled: Elio, showman and leader of the music group "Elio e le Storie Tese", fronting a poster campaign across Italy ([click here](#)) and the Napoli trainer, Maurizio Sarri ([click here](#)).

With regards to the Italian Winter Sports Federation, sponsored by Kappa® since 2011, the season saw the major successes of Peter Fill, the first Italian athlete in history to win the men's downhill world cup ([click here](#)), of Federica Brignone who won gold at the Female Super G, and of Ivan Origone and Valentina Greggio who respectively set new male and female speed skiing world records at the Speed Masters of Vars (France) ([click here](#)).

## Superga® Brand

Between April 15 and 17 in Indio, California, the Superga® brand played an important role at the electronic music festival, with sponsorship of the Rachel Zoe VIP area, the most loved design of the Hollywood stars, which included a sneakers personalisation laboratory ([click here](#)).

During the quarter, for the Superga® brand new co-brandings were undertaken with the bloggers Lizzy van der Ligt and Esra Røise and with the Scotch & Soda brands, a Dutch fashion label established in 1985 and famed throughout the world for its urban classic style, and with the Paris fashion house SANDRO ([click here](#)).

This collaboration produced a capsule collection for spring/summer 2016: Evelyne and Ilan Chétrite, respectively creative directors of Sandro Donna and Sandro Uomo, in fact launched three new interpretations of the iconic 2750.

Following on from the London actor and model Jack Guinness, the first male testimonial, the new male ambassador is the designer Charlie Casely-Hayford, known as one of the most elegant men in Great Britain ([click here](#)).

## K-Way® Brand

In April at the Milan Triennial as part of the XXI "Design after design" International Exhibition, Mickey Mouse, the Disney hero born in 1928, was personalised by the yellow-orange-blue tape - the symbol of K-Way® since 1965 - at the "Mickey Mouse and Italy" show ([click here](#)). The exhibition will tour the major Italian cities from June; in November the works will be auctioned off for charity by Sotheby's.

The Italian design company Lago created the prototype of the "Lastika" armchair with an elastic version of the K-Way® tape, which was shown for the duration of the Furniture Fair week (April 12-17) on the central podium of the K-Way® store in Milan ([click here](#)).

In relation to the "alternative performance indicators", as defined by CESR/05-178b recommendation and Consob Communication DEM/6064293 of July 28, 2006, we provide below a definition of the indicators used in the present Directors' Report, as well as their reconciliation with the financial statement items:

- **Commercial licensee aggregate sales:** sales by commercial licensees, recognised by the BasicNet Group to the "royalties" account of the income statement;
- **Productive licensee aggregate sales:** sales by productive licensees, recognised by the BasicNet Group to the "sourcing commissions" account of the income statement;
- **Consolidated revenues:** the sum of royalties, sourcing commissions and sales of the subsidiary BasicItalia S.p.A..
- **Plug@sell** "Shop Management" web-based system integrated with the Basic platform which simply manages all daily activities at the stores in real time - particularly by third party managers.

The Executive Officer for Financial Reporting Mr. Paolo Cafasso declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

Fine Comunicato n.0322-56

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