Annual Report

30 April

2016

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

Contents

Report on operations

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 to represent the company legally and institutional 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, IT, management of human resources,, carrying out banking transactions and the management of equity investments in Corporate & Services Segment

Corporate Governance Committees	Holding office
Strategic Committee	
Luigi Gola (Chairman), members Paolo Castellacci, Alessandro Fabbroni, Giovanni Moriani, Angelica Pelizzari	approval of the FS at 30.04.2018
Control and Risk Commitee and Related parties Committee	
Giovanna Zanotti (Chairman), members Luigi Gola, 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 Audit Manager

Independent Auditors		Holding office
Independent Auditors in charge of statutory audit of accounts	PricewaterhouseCoopers SpA	approval of the FS at 30.04.2022

Francesco Billi, Controller and Manager of administrative processes

Listing Market	
Electronic stock market (MTA), Milan (Italy) (1)	STAR segment
Share Capital	37,126,927.50
Outstanding shares	15,651,101
Stake held by the controlling company ITH S.p.A.	55.35%
Specialist operator	Intermonte Sim SpA

Conxi Palmero, Investor Relation Manager

Highlights of Group results

Consolidated income statement data at 30 April of each year				
(in thousands of euros)	**2016**	**2015**	**2014***	**2013**
Revenues	1,223,485	1,054,038	941,023	825,224
EBITDA (Earnings before amortisation and depreciation, other provisions, financial charges and taxes) (1)	52,444	51,583	49,718	44,197
EBIT	42,466	41,361	39,988	35,047
EBT	37,703	35,611	34,449	29,609
Profit (loss) for the period	25,055	22,605	21,670	20,617
Profit (loss) for the period attributable to the Group	23,964	21,803	20,672	19,906
Growth rate	*9.9%*	*5.5%*	*3.8%*	*18.2%*

(*) Consolidated EBITDA, EBIT, EBT and Profit for the year at 30 April 2014 are presented in an "adjusted" version, net of non-recurring costs of listing on MTA market, equal to Euro 746 thousand before tax effect.

Consolidated balance-sheet data at 30 April of each year				
(in thousands of euros)	**2016**	**2015**	**2014**	**2013**
Total Net Invested Capital	137,603	126,527	117,802	109,185
Total equity	179,414	160,432	143,983	129,902
- attributable to the Group	172,152	156,028	140,567	127,229
- attributable to minority interests	7,262	4,404	3,416	2,673
Net Financial Position (Net Liquidity)	(41,811)	(33,905)	(26,181)	(20,717)
Total Equity and Net Financial Position	137,603	126,527	117,802	109,185

Consolidated profitability ratio at 30 April of each year				
	2016	**2015**	**2014***	**2013**
EBITDA / Revenues	4.29%	4.89%	5.28%	5.36%
EBIT / Revenues (ROS)	3.47%	3.92%	4.25%	4.25%
Profit attributable to the Group / Revenues	1.96%	2.07%	2.20%	2.41%
Net Financial Position / EBITDA (1)	(0.80)	(0.66)	(0.53)	(0.47)

(1) negative sign due to a positive Net Financial Position at 30 April of each year

Human Resources, amount at period-end (1)				
(unit or thousands of euros)	**2016**	**2015**	**2014**	**2013**
Number of employees at period-end	1,215	959	974	912
Average number of employees	1,150	1,025	935	888
Personnel costs	59,004	50,322	47,866	43,372
Average cost per unit	51.3	49.1	51.2	48.8
Percentage of resources with an open ended contract	97%	96%	95%	94%

(1) Including fixed-term contracts, excluding internships

Main Financial Indicators

Financial indicators

Sesa Group	**2016**	**2015**	**2014**	**2013**
(Euro)				
Trading stock Market (1)	MTA - Star	MTA - Star	MTA	AIM
Stock price (30 April of each year)	15.40	16.34	13.20	10.40
Dividend per share (2) (*)	0.48	0.45	0.45	0.45
Dividend paid (in millions of euros) (3)	7.513	7.043	6.984	6.270
Pay Out Ratio (4)	30%	31%	32%	30%
Outstanding shares (in millions)	15.65	15.65	14.85	13.74
Market capitalisation (in millions of euros at 30 April of each year)	241.0	255.7	196.0	142.9
Market to Book Value (**)	1.3	1.6	1.4	1.1
Dividend Yield (on Stock price at 30 April) (***)	3.1%	2.8%	3.4%	4.3%

Sesa Group	**2016**	**2015**	**2014**	**2013**
(Euro)				
Earnings per share (base) (****)	1.6	1.4	1.5	1.6
Earnings per share (diluted) (*****)	1.5	1.4	1.4	1.6

(1) Sesa entered into AIM following the merger with Made In Italy 1 SpA, a SPAC (special purpose acquisition company) established under Italian law, listed on the AIM market. The merger between Sesa SpA and Made In Italy 1 SpA (SeSa SpA) was completed on February 1, 2013. Listing on MTA market realized in October 2013. Transition on STAR segment carried out in February 2015
(2) For the FY ended 30 April 2016 calculated according to the proposed resolution on dividends submitted to the Shareholders' Meetings of August 26 and 29, 2016
(3) Dividend 2016 gross of treasury shares
(4) Dividend 2016 gross of treasury shares/Consolidated Net Profit
(*) Dividend paid in the following year counting on the current year
(**) Market Capitalisation as of April 30 of every Fiscal Year/Consolidated Group equity
(***) Dividend per share/market value per share as of April 30 of every Fiscal Year
(****) Consolidated net profit/average number of ordinary shares net of treasury shares in portfolio
(****) Consolidated net profit/average number of ordinary shares net of treasury shares in portfolio and inclusive of impact resulting from Stock Options/Grants Plans, warrants and/or convertible bonds. At the time of writing there are no warrants nor any kind of convertible bonds outstanding

Company and Group Headquarters

At 30 April 2016, the workforce of the Sesa Group numbered over 1,200 employees, almost all of whom have permanent contracts.

The Company's headquarters is in Empoli (Florence), Via Piovola 138. The headquarters of the major Group companies are located in Empoli (Florence), in the technological centre of Via Piovola – Via del Pino.

The headquarters in Empoli houses facilities (offices occupying approximately 8,000 m^2, a data centre dedicated to cloud computing services occupying approximately 1,000 m^2, and a logistics centre and warehouse occupying approximately 12,000 m2) covering a total of over 21,000 m^2.

Other offices cover the whole of Italy, the main premises being in Milan, Genoa, Turin, Verona, Bologna, Florence, Rome, Pescara, Naples, Bari, Palermo, Cagliari.

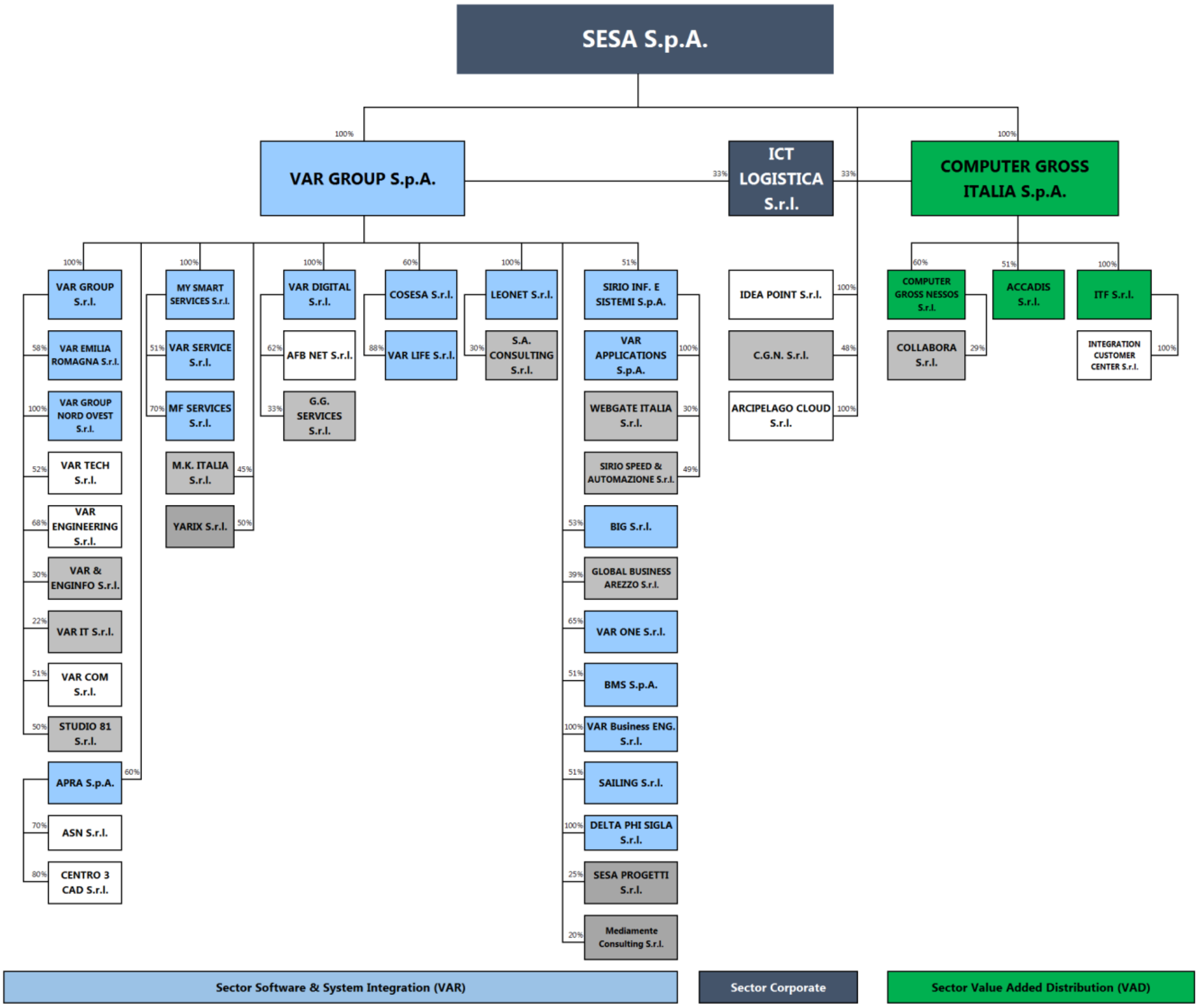
Group's Datacenter, Empoli (Florence)

Corporate site

Information about Group's structure, economic and financial details, Press releases and Corporate Governance are available on the website www.sesa.it

Structure of the Sesa Group at 30 April 2016

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 (share capital between 20% and 50%) and valued at equity, and subsidiaries, valued at cost inasmuch as they are not significant and/or not yet operational, are marked white.

During the year ended 30 April 2016, the simplification of the shareholder and corporate structures within the Group has continued with reference to the VAR Segment. In this context we point out the mergers by incorporation of Imama S.r.l. into Noilabs S.r.l. (now Var Digital Srl), Var Nord S.r.l. into Computer Var Service Genova S.r.l. (now Var Group Nord Ovest Srl), Var Sidim S.r.l. into Var One S.r.l. and the merger of Sigla Center Srl into Delta Phi Sigla Srl.

The simplification of the shareholder structures within the Group will continue during the new year, mainly with reference to VAR Segment. Within 31 August Var Applications Srl is expected to be merged into Sirio Informatica e Sistemi SpA, already resolved on 20 April 2016.

For more details on the scope of consolidation and the investments held directly and indirectly by Sesa SpA, please see the Notes to the Group' Consolidated Financial Statements and related Annex.

Letter to the Shareholders

Dear Shareholders,

in the year ending 30 April 2016, the Sesa Group recorded Revenues and Other Income for Euro 1.230 billion, with a percentage growth of 16.0% compared to the previous year and a consolidated net profit of Euro 25.1 million, recording an increase of 10.8% compared to the year ending 30 April 2015.
The economic and financial results achieved by the Group at 30 April 2016 take on greater importance as they were achieved in a macroeconomic and reference market context still affected by elements of weakness, confirming the capacity of constant and sustainable growth that has characterised the Sesa Group since it was established.

These results made it possible to strengthen the Group's market share and its competitiveness in the IT market, strengthening the Italian leadership of the distribution of added value IT services and solutions.

The growth of consolidated revenues was attained thanks to the positive results of both the Group's commercial divisions. The VAD division operating in the IT distribution sector and managed through the subsidiary Computer Gross Italia SpA recorded Revenues and Other Income for Euro 1.082 billion, up 13.7% compared to the previous year, thanks to the development of sales of value added IT solutions, favoured by the expansion of the technology offering following the introduction of new brands into the portfolio distributed, to the contribution of the new Cash&Carry network and to the positive trend of the IT distribution segment. The VAR division operating in the Software and System Integration sector with end users and managed by the subsidiary Var Group SpA recorded Revenues and Other Income equating to Euro 225.3 million, up 18.3% compared to 30 April 2015, thanks to the focus on the Small Medium Enterprise & Enterprise segment and the consolidation of the recent acquisitions of Apra SpA, BMS SpA and Sailing Srl during the year.

During the year ending 30 April 2016, the Group's profitability also increased, both at operating level and in terms of net profit. Ebitda was Euro 52.4 million, up 1.7% compared to Euro 51.6 million at 30 April 2015. Ebt, equating to Euro 37.7 million, was up 5.9% compared to Euro 35.6 million at 30 April 2015, while Consolidated net profit before minorities reached the amount of Euro 25.1 million, up 10.8% compared to the adjusted result of Euro 22.6 million at 30 April 2015.

The growth of the economic results was achieved with a further improvement of the Group's main financial and equity ratios compared to last year. The consolidated Net Financial Position at 30 April 2016 is positive (net liquidity) by the amount of Euro 41.8 million with an improvement of Euro 7.9 million compared to 30 April 2015, attained thanks to cash generated by the operating activities for the year and the growing efficiency in the management of working capital, net of period investments in the acquisition of new companies and technological infrastructures, amounting to approximately Euro 15 million, and the distribution of dividends to shareholders for an amount of Euro 7.0 million.
Also at 30 April 2016, the Group's equity-related solidity was further strengthened, with consolidated shareholders' equity reaching the amount of Euro 179.4 million, compared to a total of Euro 160.4 million at 30 April 2015.

Group investments aimed at the sustainability of business and long-term growth regarded three main areas:
- implementation of the technological centre in Empoli, Via del Pino/Via Piovola;
- acquisitions of strategic assets (Accadis Srl, Apra SpA, BMS SpA, Sailing Srl) enabling growth of know-how, skills and clientele for the Group in innovative areas and with market development potential (security, business applications, big data, analytics);
- employment and training of new human resources (over 50 during the year) and expansion, also following changes in the corporate perimeter, from 959 to 1,215 human resources, which is the Group's main competitive and differentiating factor.

At Business level, the Group continued to expand and develop the offer of value added solutions in both the VAD and VAR sectors, partly due to the completion of extraordinary finance transactions, some of which implementing agreements signed in previous years, which allowed the acquisition of skills, solutions and client clusters in business areas that can be integrated with and are complementary to those of the Group.

Within the VAD sector, in June 2015, Computer Gross Italia SpA also purchased 51% of the quota capital of Accadis Srl, a leading company in Italy in the value distribution of IT products and solutions of the international vendor Hitachi Data Systems, specialised in infrastructural solutions and innovative technological services to optimise IT solutions for enterprise (IT infrastructure, analytics, cloud solutions and big data).
During the year, Computer Gross Italia SpA continued the programme for the opening of a Cash & Carry network, to offer greater coverage across Italy. On the date of approval of the financial statements, 12 points of sale are already operational in the major Italian cities. The Computer Gross Italia SpA Cash&Carry network is expected to be completed by 31 December 2016.

Within the VAR sector, in July 2015, Var Group SpA gained control, reaching 60% of the capital, of Apra SpA, a company based in Jesi (Ancona), a primary System Integrator operating in Central and Eastern Italy, specialised in vertical software services and solutions for the SME and Enterprise market, aimed at some of the sectors of excellence of commodities Made in Italy (wine and furniture). Based on the annual financial statements at 30 April 2016, Apra SpA consolidated an overall sales turnover of approximately Euro 16 million, Ebitda of Euro 1.1 million, a net profit of approximately Euro 350 thousand and a credit Net Financial Position (net liquidity) of Euro 90 thousand.

Worth noting is the entry into the 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. BMS SpA closed its last financial statements at 31 December 2015 with Total Revenues of approximately Euro 14 million and Ebitda of approximately Euro 1 million, Net Profit of Euro 501 thousand and a credit Net Financial Position of approximately Euro 541 thousand.

In November 2015 Sailing Srl, a company operating in the production and sale of IT services and software, specialised in the mass retail sector, joined the consolidation area. The company's economic and financial results at 31 December 2015 highlight a Value of Production of Euro 4,760 thousand, Ebitda positive by Euro 1,714 thousand, a positive Net Financial Position by Euro 2,614 thousand and a Net Profit of approximately Euro 1.1 million.

Also in November 2015, Var Group SpA purchased a 25% share in the capital of Zucchetti Informatica SpA, a leading Italian IT reseller, operating in the sale of products and services connected to hardware and infrastructures, with a sales turnover of approximately Euro 48 million at 31 December 2015.

During the year, investments continued to be made in support of the growth in human resources, the main strategic asset and competitive factor of the Sesa Group. The growth of the workforce, which numbers 1,215 resources at 30 April 2015, 97% of which on permanent contracts, was generated by the change in the corporate scope linked to the acquisitions and to the introduction of new university graduates in the strategic business areas of cloud computing, security, digital transformation and value added ICT solutions and services.

Aware of the importance of human capital, the Group has continued to pursue programmes and initiatives of company welfare and professional training, seeking solutions to offer help and relief in relation to the tangible needs of its resources in the fields of health, children's education, support with family expenditure and work-life balance, also thanks to the contribution of the SeSa Foundation.

Based on the Group's positive profitability and financial results and in application of a pay-out ratio of 30% of the consolidated Net Profit, the meeting of the Board of Directors held on 14 July 2016, decided to submit for the approval of the Shareholders' Meeting to take place on 26 August 2016, the distribution of a dividend of 48 cents per share, up approximately 7% compared to the previous year.

The Sesa Group represents a financially solid group, with the ability to support the technological evolution of the market, to the benefit of its clientele, well-established in markets with growth potential and founded on values like sustainable growth, attention to human resources and to the territory in which they operate, and the mission to bring the innovative technological solutions of the big multinational IT players to Italian companies.

We confirm our commitment to the construction of new skills and specialisations, with the aim of improving our results and the quality of the work and service provided to clients, in the interest of all the Group's stakeholders.

The Chairman, Paolo Castellacci The CEO, Alessandro Fabbroni

Operating conditions, business development and structure of the Group

The Sesa Group is a major Italian operator in the value-added distribution (VAD) 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 its 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 (Value-Added Distribution) 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 subsidiary Computer Gross Italia SpA and focuses on value products (servers, storage, software enterprise, networking and systems);

- the *Software and System Integration Segment (VAR)*, which 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, which are managed by subsidiary Var Group SpA;

- 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 Sesa SpA, and the activities involved in supplying logistics services (product storage, assembly, customisation and handling) applied to ICT, which are managed by subsidiary ICT Logistica SpA. Corporate Segment includes also *Cloud computing and marketing services* provided by Arcipelago Cloud Srl and Idea Point Srl.

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 the 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 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. In April 2016 its subsidiary Sigla Center Srl was merged by incorporation into the company.

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.

Var Life Srl
The Company, which is 97% owned by Cosesa Srl, manages, on the basis of a long-term outsourcing contract, the ICT services for the Italian pharmaceutical sector.

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, provides management, maintenance, technical assistance and repair services of computers and IT products on the Italian market.

Var Service Srl (formerly Incos 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, in central and northern Italy.

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 with focus in the Emilia Romagna region.

Sirio Informatica e Sistemi SpA
The Company, which is 51% owned by Var Group SpA, develops and markets proprietary software and applications for the small- and medium-business market.

Var Applications Srl
The Company, which is wholly owned by Sirio Informatica e Sistemi SpA, develops and markets software for the small- and medium-business market based on the SAM and COMMA proprietary applications. During the month of July 2016 the incorporation of Var Applications Srl into Sirio Informatica e Sistemi SpA was finalised.

B.I.G. Srl
The company, which is 53% owned by Var Group SpA, operates in the sector of business intelligence solutions development and management consulting, offering itself as a partner for companies which need to monitor business processes and 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, 51% owned by Var Group SpA and consolidated from August 2015, 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 Company entered the scope of consolidation since 10 July 2015.

Sailing Srl
The company, which is 51% owned by Var Group SpA, operates in the production and marketing of software and IT services for the Retail sector, with large retailers as major customers. Sailing Srl entered the scope of consolidation since November 2015.

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 about 10,000 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, EMC², HP, IBM, Lenovo, Lexmark, Microsoft, Oracle, Symantec, Vmware.
The company with about 300 employees and more than Euro 1.050 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 leasing vendor 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.

Operating performance

General economic trend

2015 closed with a growth in global GDP of 3.1%, slowing by 0.3% compared to 2014 (+3.4%), sustained by the development of the Chinese economy and that the emerging countries.
A substantial confirmation of the global growth (3.2%) is expected in 2016, led by the advanced and by the emerging economies, despite the impact deriving from the deceleration of the Chinese economy and the recession in Russia and Brazil) Source: IMF-WOE, April 2016), as well as the turbulence generated by the decline in the price of oil and raw materials

The Gross Domestic Product in the Euro Zone, which grew 0.9% in 2014, recorded a climb of 1.6% in 2015, thanks to a recovery in domestic demand. A consolidation of the growth of the European GDP (1.5%) is expected for 2016. This, however, remains below that of the global economy, despite the benefits deriving from the Euro/Dollar exchange rate and expansive monetary policies implemented by the ECB (source: IMF - WOE, April 2016). A reduction is expected in the growth estimates due to the negative impact of the highly likely exit of Great Britain from the European Union.

In Italy, after three consecutive years of contraction (-2.8% in 2012, -1.7% in 2013 and -0.4% in 2014), in 2015, GDP finally started growing again albeit modestly (+0.8%).
In 2016, GDP is expected to grow by about 1.0%, despite the expected markdown in the estimates due to the negative impact deriving from the highly likely exit of Great Britain from the European Union.
The growth of GDP, sustained particularly by the manufacturing industry, was favoured, among other things by expansive European monetary policies, the reduction in the prices of energy and of raw materials and actions to stimulate the labour market.

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

GDP growth rate	Change in GDP 2014 (actual)	Change in GDP 2015 (actual)	Change in GDP 2016 (expected)
World	+3.4%	+3.1%	+3.2%
Advanced Economies	+1.8%	+1.9%	+1.9%
Emerging Market	+4.6%	+4.0%	+4.1%
USA	+2.4%	+2.4%	+2.4%
Japan	0.0%	+0.5%	+0.5%
China	+7.3%	+6.9%	+6.5%
Great Britain	+2.9%	+2.2%	+2.2%
Euro Area	+0.9%	+1.6%	+1.5%
Italy	-0.4%	+0.8%	+1.1%

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

The Italian Information Technology (IT) market closed 2015 with a 2.3% decline in demand, compared to a 2.1% contraction in 2014 and of 4.1% in 2013 (source: Sirmi, May 2016),

The following table shows the trend in demand for IT in Italy in 2012-2015 and the forecasts for 2016 (source: Sirmi, May 2016).

Italian IT Market (in millions of euros)	**2012**	**2013**	**2014**	**2015**	**2016E**	**Ch. 13/12**	**Ch. 14/13**	**Ch. 15/14**	**Ch. 16/15**
Hardware	6,988	6,593	6,420	5,886	5,903	-5.7%	-2.6%	-8.4%	0.3%
Software	4,020	3,951	3,881	3,857	3,842	-1.7%	-1.8%	-0.6%	-0.4%
Project Services	3,889	3,711	3,433	3,475	3,414	-4.6%	-4.1%	-2.3%	-1.7%
Management Services	4,943	4,764	4,751	4,970	5,258	-3.6%	-0.3%	4.6%	5.8%
Total IT Market	**19,839**	**18,019**	**18,485**	**18,188**	**18,416**	**-4.1%**	**-2.1%**	**-2.3%**	**+1.3%**
O/w Cloud Computing	**675**	**789**	**954**	**1,128**	**1,551**	**16.90%**	**20.90%**	**28.70%**	**26.30%**
% Cloud on total IT	*3.40%*	*4.20%*	*5.10%*	6.76%	8.58%				

A return to the growth in demand for IT is envisaged for 2016 (+1.3%) after a three-year reduction in the market.
The expected growth results will be considerably influenced by the hardware sales segment (0.3%) and the constant increase of the segment of managed services (+5.8%). Within the Italian IT market, the segment that shows most growth is still cloud computing services, with growth rates higher than an annual 25%, followed by that of Management Services (+4.6% in 2015 and +5.8% in 2016) (source: Sirmi, May 2016), sectors in which the Sesa Group is present on a structured basis.

Within the Italian IT market, the IT distribution segment, where the Group's main business lies, recorded a counter-trend, with growth of approximately 9% in 2015 (source: Sirmi, May 2016), confirmed by the growing orientation of international clients and vendors to sell products and solutions through the IT channel. Also for 2016, there is expected to be a growth in the IT distribution market, albeit with lower rates (+6%) than those measured in 2015, as a result of a lower growth trend in the segments' volumes, including telephones, tablets and PCs.

Foreword

The reclassified balance sheets, income statements and statements of cash flows of the Group and of the parent company Sesa SpA, reported hereunder, have been prepared on the basis of the consolidated and separate financial statements at 30 April 2016, drawn up in observance of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as enacted by the European Union, as well as the provisions issued in implementation of art. 9 of Legislative Decree no. 38/2005. In accordance with Recommendation CESR/05-178b on alternative performance measures, within the scope of the report on operations, in addition to the financial measures envisaged by the IFRS, other measures deriving from the latter are also illustrated, despite not being envisaged by the IFRS (Non-GAAP Measures). These measures are presented in order to allow a better assessment of the Group's operations and are not considered as an alternative to those envisaged by the IFRS.

Main income statement data of the Sesa Group

The reclassified consolidated income statement at 30 April 2016 is shown below (data in thousands of euros), compared with the reclassified consolidated income statement of the previous year at 30 April 2015.

Reclassified income statement	30/04/2016	%	30/04/2015	%	Change 2016/15
Revenues	**1,223,485**		**1,054,038**		**16.1%**
Other income	6,117		6,122		
Total Revenues and Other Income	**1,229,602**	**100.0%**	**1,060,160**	**100.0%**	**16.0%**
Purchase of goods	1,043,195	84.8%	896,041	84.5%	16.4%
Costs for services and leased assets	71,652	5.8%	59,263	5.6%	20.9%
Personnel costs	59,004	4.8%	50,322	4.7%	17.3%
Other operating charges	3,307	0.3%	2,951	0.3%	12.1%
Total Purchase of goods and Operating Costs	**1,177,158**	**95.7%**	**1,008,577**	**95.1%**	**16.7%**
EBITDA	**52,444**	**4.3%**	**51,583**	**4.9%**	**1.7%**
Amortisation and depreciation	4,769		4,820		-1.1%
Accruals to provision for bad debts and risks	5,209		5,402		-3.6%
EBIT	**42,466**	**3.5%**	**41,361**	**3.9%**	**2.7%**
Profit from companies valued at equity	462		(1)		ns
Financial income and charges	(5,225)		(5,749)		-9.1%
EBT	**37,703**	**3.1%**	**35,611**	**3.4%**	**5.9%**
Income taxes	12,648		13,006		-2.8%
Net profit	**25,055**	**2.0%**	**22,605**	**2.1%**	**10.8%**
Net profit attributable to the Group	*23,964*		*21,803*		9.9%
Net profit attributable to minority interests	*1,091*		*802*		36.0%

Consolidated revenues for the year recorded a 16.1% increase, rising from Euro 1,054,038 thousand at 30 April 2015 to Euro 1,223,485 thousand at 30 April 2016, thanks to the positive performance of both the main business sectors of the Group.

The table below shows the trend in Group sales broken down by operating segment.

	FY ended 30 April			
(in thousands of Euros)	**2016**	**2015**	**Change**	**%**
Value Added Distribution (VAD)	1,077,346	946,100	131,246	13.9%
Software and System Integration (VAR)	222,518	188,575	33,943	18.0%
Corporate	11,938	11,854	84	0.7%
Eliminations	(88,317)	(92,491)	4,174	-4.5%
Total Revenues	**1,223,485**	**1,054,038**	**169,447**	**16.1%**

The Value Added Distribution (VAD) sector showed growth of 13.9% compared to 30 April 2015, equal in absolute value to Euro 131,246 thousand, determined largely by a consistent growth of all the main business units, of which Euro 17.6 million generated by the newly consolidated company Accadis Srl, and Euro 24.4 million from incremental revenues generated by the new Cash & Carry channel (11 points of sale active at 30 April 2016).

The revenues of the Software and System Integration (VAR) sector are up 18.0% compared to the previous year ending 30 April 2015, with a growth in absolute value of Euro 33,943 thousand, benefiting from the consolidation of the new acquired companies Apra SpA, BMS SpA and Sailing Srl, which contributed a total of Euro 22.8 during the year in question.

During the year ending 30 April 2016, Revenues and Other Income of the Sesa Group amounted to Euro 1,229,602 thousand, recording an increase of Euro 169,442 thousand (+16.0%) compared to Euro 1,060,160 thousand at 30 April 2015.

Costs for the purchase of products rose from Euro 896,041 thousand during the year ending 30 April 2015 to Euro 1,043,195 thousand in the period ending 30 April 2016, with a percentage increase of 16.4%.

The gross commercial margin measured as the difference between Revenues and Other Income and costs for the purchase of products, is up Euro 22,288 thousand, from Euro 164,119 thousand at 30 April 2015 to Euro 186,407 thousand at 30 April 2016. The ratio between the gross commercial margin and the Total Revenues and Other Income, equating to 15.2% at 30 April 2016, is reduced by 32 basis points compared to the previous year, due both to the effect of the lower commercial weight of sales of the Software and System Integration (VAR) sector, characterised by a higher gross margin, and to a slight contraction in the growth margin recorded in both sectors of activity following the evolution of the mix of sales. Details of the Gross commercial margin follow, divided by operating segment:

	FY ended 30 April				
(in thousands of euros)	**2016**	**%**	**2015**	**%**	**Change**
Total Revenues and Other Income	**1,229,602**	**100.0%**	**1,060,160**	**100.0%**	**15.98%**
Purchase of goods	1,043,195	84.8%	896,041	84.5%	16.42%
Consolidated Gross Margin	**186,407**	**15.2%**	**164,119**	**15.5%**	**13.58%**
Total Revenues and Other Income - VAD Segment	1,081,577	100.0%	951,322	100.0%	13.69%
Purchase of goods	994,489	92.0%	873,077	91.8%	13.91%
Gross Margin VAD Segment	**87,088**	**8.1%**	**78,245**	**8.2%**	**11.30%**
Total Revenues and Other Income VAR Segment	225,331	100.0%	190,519	100.0%	18.27%
Purchase of goods	124,592	55.3%	101,449	53.3%	22.81%
Gross Margin VAR Segment	**100,739**	**44.7%**	**89,070**	**46.8%**	**13.10%**

Costs for services and leased assets equating to Euro 71,652 thousand at 30 April 2016 are up Euro 12,389 thousand compared to the previous year and record an incresae in the incidence of Revenues and Other Income from 5.6% at 30 April 2015 to 5.8% at 30 April 2016, due, among other things, to the inclusion of the newly acquired companies into the consolidation area, which bear a significant portion of revenues and costs for services.

Personnel costs have risen from Euro 50,322 thousand at 30 April 2015 to Euro 59,004 thousand at 30 April 2016, with a percentage growth of 17.3%, deriving from the increase in the Group's average workforce needed to cope with the growth in turnover and the entry of the new companies acquired, with their resources, into the consolidation perimeter. The increase in Group staff connected to the inclusion of Apra SpA, BMS SpA, Sailing Srl and Accadis Srl in the scope of consolidation is approximately 200 resources. The incidence of labour costs on the Revenues and Other Income item is still quite stable at 4.8% at 30 April 2016.

Consolidated operating costs (costs for services and leased assets, labour costs and other different operating expenses) recorded a slight increase in the incidence on Revenues and Other Income, from 10.6% at 30 April 2015 to 10.9% at 30 April 2016, due to the higher weight of Revenues and Costs for Services on the Group result.

Ebitda at 30 April 2016 is Euro 52,444 thousand (4.3% of Revenues and Other Income), up 1.7% compared to the Euro 51,583 thousand (4.9% of Revenues and Other Income) at 30 April 2015, attained entirely in the second half of the year (in the first half, ending at 31 October 2015, Ebitda recorded a decline of 5.9% compared to the previous year). The increase of consolidated Ebitda was determined by the VAD sector which, at 30 April 2016 recorded an Ebitda of Euro 42,841 thousand (+2.9% YoY) compared to Euro 41,627 thousand at 30 April 2015. The Ebitda of the VAR sector, equating to Euro 8,936 thousand at 30 April 2016, recorded a decline of 6.3%, accrued entirely in the first half of the year and determined by the expiry of certain operating lease agreements relating to IT solutions (hardware and software), with a consequent reduction in revenues and Ebitda of Euro 2.2 million, partially offset by lower amortisation and depreciation of non-current assets for Euro 1.8 million. Details of Ebitda follow, divided by operating sector:

	FY ended 30 April				
(in thousands of euros)	**2016**	**%**	**2015**	**%**	**Change**
Total Revenues and Other Income	**1,229,602**	**100.0%**	**1,060,160**	**100.0%**	**16.0%**
Total purchases and operating costs	1,177,158	95.7%	1,008,577	95.1%	16.7%
Consolidated Ebitda	**52,444**	**4.3%**	**51,583**	**4.9%**	**1.7%**
Total Revenues and Other Income - VAD Segment	1,081,577	100.0%	951,322	100.0%	13.7%
Total purchases and operating costs	1,038,736	96.0%	909,695	95.6%	14.2%
Ebitda VAD Sector	**42,841**	**4.0%**	**41,627**	**4.4%**	**2.9%**
Total Revenues and Other Income - VAR Segment	225,331	100.0%	190,519	100.0%	18.3%
Total purchases and operating costs	216,395	96.0%	180,983	95.0%	19.6%
Ebitda VAR Sector	**8,936**	**4.0%**	**9,536**	**5.0%**	**-6.3%**

Consolidated Ebit is Euro 42,466 thousand at 30 April 2016, up Euro 1,105 thousand (+2.7%) compared to the Operating Result of Euro 41,361 thousand at 30 April 2015. This change reflects, among other things, the slight decline in amortisation/depreciation and accruals to the bad debt provision and to the Provision for risks, which fell from a total of Euro 10,222 thousand at 30 April 2015 to Euro 9,978 thousand at 30 April 2016.

Amortisation and depreciation of tangible and intangible assets fell from Euro 4,820 thousand at 30 April 2015 to Euro 4,769 thousand at 30 April 2016 with a reduction of Euro 51 thousand, reflecting on one hand the termination of the above-mentioned operating rentals relating to the VAR sector (about Euro 1.8 million less amortisation), and, on the other, higher amortisation relating to the technological investments made in the year and Euro 761 thousand relating to higher amortisation of intangible assets relating mainly to the difference in value between the acquisition cost of the recently acquired companies (Accadis Srl, APRA Srl, BMS SpA e Sailing Srl) and the relative book value of the shareholders' equity, allocated to the client list and technological know-how items and amortised on a long-term basis.

Accruals to the bad debt provision and to the Provision for risks and charges were reduced by Euro 193 thousand, from Euro 5,402 thousand at 30 April 2015 to Euro 5,209 thousand at 30 April 2016.

The Result before taxes at 30 April 2016 is Euro 37,703 thousand, up 5.9% compared to the Result before taxes for the year ended 30 April 2015. This change reflects the growth of the Operating Result and the reduction in Net Financial Charges from a total of Euro 5,749 thousand at 30 April 2015 to a total of Euro 5,225 thousand at 30 April 2016, benefiting from a more efficient cash flow operations and from better management of exchange rates and profits of companies carried at equity, equating to Euro 462 thousand.

The consolidated Net Result stood at Euro 25,055 thousand at 30 April 2016, recording an increase of 10.8% compared to the consolidated net profit of Euro 22,605 thousand at 30 April 2015, favoured also by the lower taxes, which fell from 36.5% at 30 April 2015 to 33.5% at 30 April 2016, mainly following the new system of non-taxability of the cost of labour for the purposes of IRAP (regional tax on production activities).

After the minority portion, the consolidated net profit at 30 April 2016 is Euro 23,964 thousand, up by approximately 9.9% compared to the profit of Euro 21,803 thousand at 30 April 2015.

Main balance sheet data of the Group

The reclassified consolidated balance sheet at 30 April 2016 is shown below (data in thousands of euros), compared with the reclassified consolidated balance sheet of the previous year ended 30 April 2015.

Reclassified Balance Sheet	**30/04/2016**	**30/04/2015**	**Change 2016/15**
Intangible assets	17,251	7,190	10,061
Property, plant and equipment	44,437	37,953	6,484
Investments valued at equity	3,938	2,766	1,172
Other non-current receivables and tax assets	16,340	17,387	(1,047)
Total non-current assets	**81,966**	**65,296**	**16,670**
Inventories	59,079	58,260	819
Current trade receivables	306,474	274,383	32,091
Other current assets	23,487	21,132	2,355
Current operating assets	**389,040**	**353,775**	**35,265**
Payables to suppliers	261,673	243,197	18,476
Other current payables	49,719	33,654	16,065
Short-term operating liabilities	**311,392**	**276,851**	**34,541**
Net working capital	**77,648**	**76,924**	**724**
Non-current provisions and other tax liabilities	6,175	2,636	3,539
Employee benefits	15,836	13,057	2,779
Non-current liabilities	**22,011**	**15,693**	**6,318**
Net Invested Capital	**137,603**	**126,527**	**11,076**
Group equity	**179,414**	**160,432**	**18,982**
Medium-Term Net Financial Position	65,103	36,063	29,040
Short-Term Net Financial Position	(106,914)	(69,968)	(36,946)
Total Net Financial Position (Net Liquidity)	**(41,811)**	**(33,905)**	**(7,906)**
Equity and Net Financial Position	**137,603**	**126,527**	**11,076**

Non-current assets at 30 April 2016 amount to Euro 81,966 thousand compared to Euro 65,296 thousand at 30 April 2015, with an increase generated essentially by investments made during the year in question. The following main effects should be noted in particular:

- net increase of Euro 10,061 thousand in the intangible assets item, rising from Euro 7,190 thousand at 30 April 2015 to Euro 17,251 thousand at 30 April 2016. The change is due mainly to the acquisition of control over Apra SpA, Accadis Srl, BMS SpA and Sailing Srl. The difference between the price to acquire control and the relative net assets was allocated to the client list and technological know-how items, which recorded an increase gross of deferred taxation of Euro 9,433 thousand compared to 30 April 2015, which is subject to periodical amortisation;
- net increase of Euro 6,484 thousand in property, plant and equipment, rising from Euro 37,953 thousand at 30 April 2015 to Euro 44,437 thousand at 30 April 2016. The increase is due to Group investments in electronic machinery (storage and server) needed for the development of the proprietary Data Centre and the offer in the Cloud sector, as well as activities for the renovation and extension of the building owned by Sesa SpA, situated at Via Piovola 138, destined to house managerial offices, the company canteen and extra warehouse space;
- increase of Euro 1,172 thousand in the shareholders' equity item, rising from Euro 2,766 thousand at 30 April 2015 to Euro 3,938 thousand at 30 April 2016. The increase in the item mainly reflects the purchase at a price of Euro 600 thousand of 50% of the share capital of Yarix Srl, a company specialising in IT security, with a turnover in excess of Euro 2 million.

The net working capital amounts to Euro 77,648 thousand at 30 April 2016, and highlights a 0.9% increase compared to the figure of Euro 76,924 thousand for the year ended at 30 April 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 year, the higher number of brands distributed and the opening of the Cash&Carry network, inventories recorded only a 1.4% increase, from Euro 58,260 thousand at 30 April 2015 to Euro 59,079 thousand at 30 April 2016, thanks to careful planning of requirements and stock rotation.

By effect of the items described above, the Net invested capital of Euro 137,603 thousand at 30 April 2016 is Euro 11,076 thousand higher than the figure of Euro 126,527 thousand at 30 April 2015.

The consolidated shareholders' equity at 30 April 2016 amounts to Euro 179,414 thousand. The increase compared to the figure at 30 April 2015, equating to Euro 160,432 thousand, mainly reflects the profit for the year at 30 April 2016 of Euro 25,055 thousand net of the payment of dividends made in September 2015 by the parent company Sesa SpA, equating to Euro 6,984 thousand, and of the purchase of treasury shares during the year.

The Group's main financial figures

The Group's Net Financial Position (in thousands of euros) for the year ending 30 April 2016 is given below, compared with the previous year, ending 30 April 2015.

Net financial position	**30/04/2016**	**30/04/2015**	**Change 2016/15**
Liquidity	146,168	92,122	54,046
Current financial receivables	1,294	605	689
Current financial debt	40,548	22,759	17,789
Short-term net financial position	**(106,914)**	**(69,968)**	**(36,946)**
Non-current financial debt	65,103	36,063	29,040
Net financial position	**(41,811)**	**(33,905)**	**(7,906)**

The Group's Net Financial Position at 30 April 2016 is positive (net liquidity) by Euro 41,811 thousand, with an improvement of Euro 7,906 thousand compared to Euro 33,905 thousand at 30 April 2015. The increase in the Net Financial Position compared to the previous year is attributable mainly to the cash flow generated by operations and by the growing efficiency in the management of working capital, net of period investments for the acquisition of new companies and technological infrastructures totalling about Euro 15 million and of the dividend distributed to shareholders equating to Euro 7.0 million.

Main income statement data of the parent company Sesa SpA

The reclassified income statement (data in thousands of euros) at 30 April 2016 is provided below, compared with the previous year ended 30 April 2015

Reclassified income statement	30/04/2016	%	30/04/2015	%	Change 2016/15
Revenues	**5,116**		**5,090**		**0.5%**
Other income	955		575		
Total Revenues and Other Income	**6,071**	**100.0%**	**5,665**	**100.0%**	**7.2%**
Goods for resale	49	0.8%	54	1.0%	-9.3%
Costs for services and leased assets	1,868	30.8%	1,866	32.9%	0.1%
Personnel costs	3,741	61.6%	3,433	60.6%	9.0%
Other operating charges	100	1.6%	81	1.4%	23.5%
Total Good for resale and operating costs	**5,758**	**94.8%**	**5,434**	**95.9%**	6.0%
EBITDA	**313**	**5.2%**	**231**	**4.1%**	**35.5%**
Amortisation and depreciation	35		50		-30.0%
Accruals to provision for bad debts and risks	7		0		Ns
EBIT	**271**	**4.5%**	**181**	**3.2%**	**49.7%**
Financial income and charges	8,237		7,020		17.3%
EBT	**8,508**	**140.1%**	**7,201**	**127.1%**	**18.2%**
Income taxes	252		318		-20.8%
Net profit	**8,256**	**136.0%**	**6,883**	**121.5%**	**19.9%**

In the year ending 30 April 2016 Sesa SpA recorded a significant improvement in the economic and financial results, thanks to the development of its operations and to the improvement in cash flow operations.

Revenues and Other Income are Euro 6,071 thousand, up Euro 406 thousand (+7.2%) compared to the Result of Euro 5,665 thousand at 30 April 2015. The revenues of Sesa SpA refer to services of administration, finance and management control, management of human resources and reporting systems carried out in favour of the Sesa Group companies.

Total operating costs at 30 April 2016 are Euro 5,758 thousand, up Euro 324 thousand compared to Euro 5,434 thousand at 30 April 2015, due mainly to the increase in staff in support of IT services following the increase in turnover.

Ebitda amounts to Euro 313 thousand at 30 April 2016, up Euro 82 thousand compared to the Ebitda at 30 April 2015, equating to Euro 231 thousand due to the increase in revenue only partly offset by the higher operating costs. The relationship between Revenues and Other Income and Ebitda is up from 4.1% at 30 April 2015 to 5.2% at 30 April 2016.

Financial income and charges showed an increase from Euro 7,020 thousand at 30 April 2015 to Euro 8,237 thousand at 30 April 2016.

The Net Result after tax stood at Euro 8,256 thousand at 30 April 2016, with an increase of Euro 1,373 thousand compared to the net profit at 30 April 2015 of Euro 6,883 thousand.

Main balance sheet data of the parent company Sesa SpA

The reclassified balance sheet at 30 April 2016 is shown below (data in thousands of euros), compared with that of the previous year ended 30 April 2015.

Reclassified balance sheet	**30/04/2016**	**30/04/2015**	**Change 2016/15**
Intangible assets	18	31	(13)
Property, plant and equipment	34	79	(45)
Equity Investments and Other non-current receivables	68,897	69,317	(420)
Total non-current assets	**68,949**	**69,427**	**(478)**
Inventories			
Current trade receivables	1,102	1,297	(195)
Other current assets	8,510	2,761	5,749
Current operating assets	**9,612**	**4,058**	**5,554**
Payables to suppliers	331	297	34
Other current payables	9,220	3,509	5,711
Short-term operating liabilities	**9,551**	**3,806**	**5,745**
Net working capital	**61**	**252**	**(191)**
Non-current provisions and other tax liabilities			
Employee benefits	1,084	979	105
Non-current liabilities	**1,084**	**979**	**105**
Net Invested Capital	**67,926**	**68,700**	**(774)**
Equity	**79,975**	**79,528**	**447**
Medium-Term Net financial position			
Short-Term Net financial position	(12,049)	(10,828)	(1,221)
Total Net financial position (Net liquidity)	**(12,049)**	**(10,828)**	**(1,221)**
Equity and Net financial position	**67,926**	**68,700**	**(774)**

Non-current assets at 30 April 216 amount to Euro 68,949 thousand and the main component comprises the Investments and Other non-current receivables item, which consists almost entirely of the net value of strategic investments, mainly including Computer Gross Italia SpA and Var Group SpA. In the year ending 30 April 2016 the Non-current assets item fell by Euro 478 thousand on the previous year, largely due to the reduction in deferred tax assets.

Net working capital at 30 April 2016 amounted to Euro 61 thousand, down Euro 191 thousand compared to Euro 252 thousand at 30 April 2015.

Shareholders' equity at 30 April 2016 amounted to Euro 79,975 thousand, up Euro 447 thousand compared to Euro 79,528 thousand at 30 April 2015. The net positive change originates largely from the profit accruing in the year, net of payment of dividends in September 2015, equating to Euro 6,984 thousand, and the purchase of treasury shares for an amount of Euro 1,169 thousand.

Main financial data of Sesa SpA

Below is the Net financial position (data in thousands of euros) at 30 April 2016, compared with that of the previous year ended 30 April 2015.

Net financial position	**30/04/2016**	**30/04/2015**	**Change 2016/15**
Liquidity	7,049	5,828	1,221
Current financial receivables	5,000	5,000	0
Current financial debt			
Short-term net financial position	**(12,049)**	**(10,828)**	**(1,221)**
Non-current financial debt	-		
Net financial position	**(12,049)**	**(10,828)**	**(1,221)**

Sesa Spa's Net Financial Position at 30 April 2016 is positive (net liquidity) by Euro 12,049 thousand, with an improvement of Euro 1,221 thousand compared to Euro 10,828 thousand at 30 April 2015. The positive net change originates from the company's self-funding and from the management of strategic investments.

Corporate Governance

The system of Corporate Governance adopted by Sesa SpA complies with the indications contained in the Code of Corporate Governance of Italian listed companies, published by Borsa Italiana SpA with integrations of the specific characteristics of the Group. In particular, numerous meetings of the Audit and Risks and Related Parties Committee, the Remuneration Committee and the Strategic Committee were held during the year. The first two of these Committees are made up entirely of non-executive members of the Board of Directors with a majority of independent directors.

In accordance with law 231 of 2001, the company also has a Regulatory Body and an Internal Audit function, which has also operated with reference to the main subsidiaries, Computer Gross Italia SpA and Var Group SpA. The meeting of the Board of Directors, held on 14 July 2016, by proposal of the Remuneration Committee, defined the Remuneration Policy, in compliance with the recommendations of the Code of Corporate Governance and the regulatory provisions issued by Consob (National Commission for Companies and the Stock Exchange) .

The meeting of the Board of Directors, held on 14 July 2016 also approved the Report of Corporate Governance, which contains a general description of the corporate governance system implemented by the Group and provides information on the ownership structures and compliance with the Code of Corporate Governance, including the main governance procedures applied and the characteristics of the internal audit and risk management system, also in relation to the financial reporting process.

The above Report can be consulted on the website www.sesa.it, in the Corporate Governance section. The Code of Corporate Governance can be consulted on the website of Borsa Italiana SpA www.borsaitaliana.it.
It should also be noted that the meeting of the Board of Directors held on 14 July 2016 approved the Audit Report at 30 April 2016, drawn up by the Internal Audit function and previously approved by the Audit and Risks Committee, having ascertained the adequacy of the organisation, administrative and accounting structure of the company and of the strategic subsidiaries with regard to the adequacy and effectiveness of the administrative and accounting procedures. Lastly, the Board of Directors examined and approved the annual report drawn up by the Supervisory Body.

Treasury shares

At 30 April 2016, the parent company Sesa SpA held 240,707 shares, equal to 1.54% of the share capital, purchased at an average price of Euro 12.54 in accordance with the purchase plan of Treasury shares resolved by the shareholders' meeting on 28 August 2015. In application of the international accounting standards, these instruments are deducted from the company shareholders' equity.

Research and development activity

Pursuant to article 2428, paragraph 2 no. 1, it is acknowledged that some Group companies, and in particular Sirio Informatica Sistemi SpA, Var Digital Srl, Sigla Center Srl, Apra SpA and Sailing Srl, carried out research and development activities. The costs sustained for the Group's research and development activities are disclosed entirely in the income statement.

Relations with subsidiaries, associates, controlling companies and related concerns

As regards related party disclosures pursuant to article 2428 of the Italian Civil Code, and in accordance with IAS 24, it should be noted that any transactions carried out with related parties in any ordinary operations were entered into at market conditions and under conditions that were to the parties' mutual financial benefit.

The management of relations with related parties is subject to a special regulation approved by the Control and Risk Committee and Related Parties Committee in application of the Code of Corporate Governance for Listed Companies.

The Group's related parties have been identified in accordance with IAS 24. For more details as to relations with related parties, see the specific section reported in the notes to the consolidated financial statements of the Group.

These relations, which did not include atypical and/or unusual transactions, were regulated by standard market conditions.

Information relating to the Environment and Personnel

The Group operates with the aim of respecting the environment and pursuing maximum safety for its employees. In this sense, it is important to ensure that no serious accidents occur in the workplace and that no charges of professional sickness or improper company behaviour towards employees are made, such as to implicate company responsibility.

It should be noted, in particular, that, during the last year, the parent company took all the necessary steps to implement law 81/2008, with training programmes for human resources, involving almost all members of staff.

The Group companies received no charges or sanctions for environmental damages.

Details of the average and precise number of Group employees are given in the Notes to the Financial Statements, in the section relating to personnel costs.

Information on Human Resources

Human capital represents the Sesa Group's main asset: skills, specialisations and abilities are the distinguishing value with which to take on the competitive challenges of the market.

The Sesa Group invests in its human resources via a programme of selection, management and enhancement, training, incentives and welfare. The average age of the Group's resources is 42.

During the year, over 50 new university graduates, half of which women, were recruited by the Group. They were recruited from the major Italian universities and placed following targeted training programmes, in innovative areas of activity with growing potential, such as cloud computing, security, and vale added IT services and solutions.

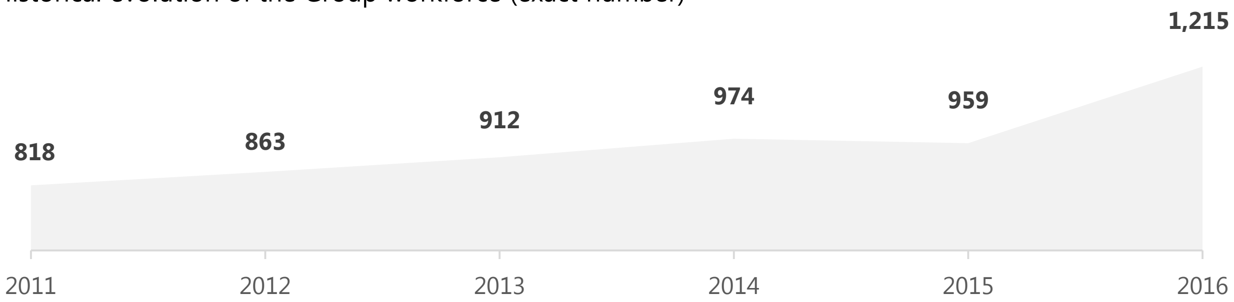
Staff recruitment aims to identify the best resources available, via agreements with the leading Italian universities, participation in career days and the use of job sites, in observance of the principles of transparency and impartiality. To this end, specific internal company procedures were developed for selection, introduction and professional development.

The Group also held training courses and continuous refresher courses, and these involved over 50% of those employed in the current year, regarding technical areas (also with seminars and dedicated events) and motivational areas.

In order to achieve the management goals, individual incentive programmes were drawn up, involving most of the commercial resources and key figures in the Group, linked to achieving the quali/quantitative performances defined at the beginning of each year, in keeping with the Group strategy. Targeted career paths were also defined, along with professional development plans for the growth and improvement of key figures and human capital.

The historical evolution of the Group's human resources highlights continuous growth, in support of the development of Group revenues and business.

Historical evolution of the Group workforce (exact number)



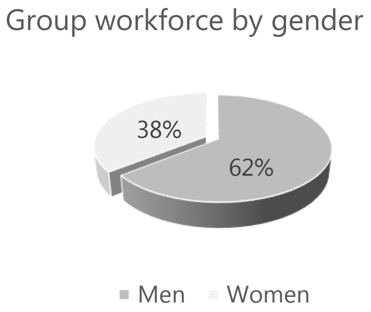
At 30 April 2016, the Group has a total of 1,215 members of staff, highlighting a growth of over 250 resources, 200 of which following the entry of the staff of Apra SpA, BMS SpA, Sailing Srl and Accadis Srl, acquired during the current year and included in the consolidation scope, and over 50 new university graduates, included in the Group following targeted recruitment programmes, in partnership with some of the major Italian universities.

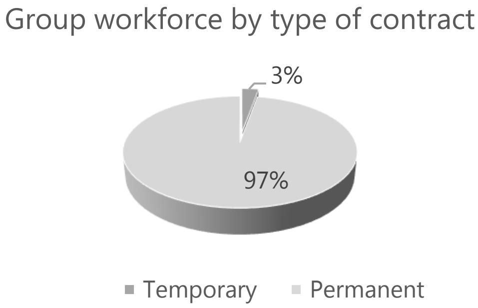
The average and exact number of Group employees is indicated below, divided by type of contract:

	Average number of employees for the financial year ended 30 April		Exact number of employees at 30 April	
(in units)	**2016**	**2015**	**2016**	**2015**
Executives	16	15	16	16
Middle managers	93	90	95	91
Office workers	1,041	920	1,104	852
Total	**1,150**	**1,025**	**1,215**	**959**

The Group considers human capital to be a strategic resource, to be loyalised and developed with long-term professional growth programmes. At 30 April 2016, staff on permanent contracts accounts for 97% of the total Group resources.

The number of female employees, which is growing progressively (about 50% of the new university graduates hired this year), accounts for 38% of the total.





As proof of the close attention paid to the subject of defence and enhancement of its human resources, the Sesa Group works hard to create staff loyalty, without ever implementing transferrals or laying off its employees, with the management of welfare programmes which, this year, concerned almost all resources, in collaboration with the SeSa Foundation, aimed at optimising the quality of labour and balancing work with private and family life.

Corporate Responsibility of the Sesa Group

Corporate Social Responsibility is a founding element of the Sesa Group's business culture.

Since its establishment, the Group has actively contributed to the construction of a fair, loyal working environment attentive to the needs of its human resources and all stakeholders. In particular, certain important activities were launched during the year to substantiate the corporate social responsibility actions of the Sesa Group in a more coherent and systematic way. The main activities are summarised below:

Ethical Certification SA 8000

During the year, the parent company obtained the Ethical Certification SA 8000, the international certification standard drawn up by the CEPAA (Council of Economical Priorities Accreditation Agency) aimed at ensuring the company's respect of certain key principles of corporate management relating to corporate social responsibility including:

- respect of human rights;
- respect of employee rights;
- defence against the exploitation of minors;
- guaranteed health and safety in the workplace.

Sesa Foundation
The Sesa Foundation was formed in July 2014 by initiative of the parent company of ITH SpA, HSE Spa, with the aim of creating a structure dedicated to activities of social solidarity, education, training, research and welfare on the territory. The main functions of the Sesa Foundation include the promotion and organisation of initiatives of a scientific and educational nature, the funding of charity and the promotion of assistance activities. During the year, the Sesa Foundation also promoted the development of the company crèche (SeSa Baby) for children between 3 and 12 months, located at the Group's headquarters.
It also continued the charitable activities of Sesa Foundation, among the major donations: Meyer Paediatric Hospital, Centro Donna ASL Tuscany Centre and contribution to the organization of "partita del Cuore" called "Metti in campo il cuore".

Sesa Farm
Sesa Farm was set up at the beginning of 2015 by the Sesa Foundation with the aim of developing innovative start-up projects in the ICT sector, with an industrial laboratory at the technology centre in Empoli. The purpose of Sesa Farm is to examine the technological start-up projects, selecting those of industrial interest and preparing, also with the support of the university sector, business plans and plans for the introduction ad acceleration of business within the Sesa Farm structures. It should be noted that, on 6 July 2015, an agreement was entered into between Sesa Farm, Sesa Foundation and Florence University, through the CSAVRI and Florence University Incubator.
Framework agreements are in progress between Sesa Farm, Sesa Foundation and the Universities of Siena and Pisa.

Company welfare programmes
Through the personnel office of Sesa SpA, the Group promotes an organised plan of company welfare projects, which is renewed annually and includes: i) scholarships and award for the employees' children ; ii) management of a company crèche ("Sesa Baby") dedicated to the children of Group employees; iii) team building activities; iv) initiative "Carrello della Spesa" and services supporting family spending (laundry/ironing service, on-line shopping and canteen) . The company welfare project pursues work-life balance aims, reconciling family and professional needs of Group staff.

Education and training
During the year that has just ended, important agreements and arrangements were signed with Tuscany's leading universities, including those of Forence and Pisa. In addition to ordinary training activities, in the work safety sector and ICT, it should be noted the beginning of courses of "Digital Trasformation" and the continuation of English courses for the Group's human resources. Lastly, agreements were entered into with certain higher education centres to alternate school/work and accomplish projects in the field of innovation.

Environmental responsibility
The Sesa Group is also sensitive to the issue of environmental responsibility. Through the use of a photovoltaic plant of 170 kWh, recently enhanced by a new photovoltaic system of about 90 kwh activated in early 2016, in calendar year 2015 over 195,000 Kwh was produced and thus saved at its headquarters in Empoli.
A voluntary project for the collection of used toner cartridges is also in place, sending them to the manufacturer to be recycled, and containers for separate waste collection are present in every Group office. In 2015, a paperless programme has been launched, and this has enabled, using the digital filing of documents and the review of certain company processes, a considerable reduction in printing and the use of printers, estimated at around 60%, with consequent benefits also in terms of energy consumed.
Lastly, a plan has been drawn up to improve the efficiency of energy consumption for the treatment of air, heating and air-conditioning of the Headquarters in Empoli.

Information on risks and uncertainties

Pursuant to article 2428, paragraph 2, point 6-*bis*, of the Italian Civil Code, it should be noted that the Group had no derivative financial instruments in place at the closing date of the financial year, except for a currency (US dollar) forward contract entered into by Computer Gross Italia SpA. Below is reported a set of quantitative data that gives information regarding the extent of the Group companies' exposure to risks.

Operating risks

Operating risks are mainly related to the unfavourable trend of the external environment, with the sharp decline in demand that has been taking place since 2008.
In spite of the unfavourable trend of the external environment and its potential negative effect on business performance, over the last 5 years the Group's consolidated revenues have been increasing with an overperformance vis-à-vis the reference market.

As regards internal corporate risks, the efficiency of the Group companies' production and commercial processes, directed at achieving both the economic and financial targets set in the budget, is monitored and checked every month.
The Group's relationship with its employees is one of the utmost reciprocal collaboration, as shown by its human resources' high degree of loyalty to their employer.

Credit risk

Credit risk is represented by the Group companies' exposure to potential losses arising from its customers' failure to meet their obligations. Credit risk arising from the Group companies' ordinary operations with its customers is constantly monitored using customer information and assessment procedures. An appropriate provision for bad debts is allocated and monitored.

Liquidity risk

During the financial year the SESA Group Companies' core business generates a requirement for working capital with an ensuing financial exposure. Specifically, the Group closed the financial statements at 30 April 2016, with a negative (net liquidity) net financial position of Euro 41,811 thousand. In certain phases of the year, especially at the end of the calendar quarters, a borrowing requirement is generated by the seasonal nature of the business and by increases in requirements for net working capital. The liquidity risk is covered by periodic planning of cash requirements and by financing these requirements with short-term self-liquidating loans and credit lines mainly concentrated with the Group's two main operating companies, Computer Gross Italia SpA and Var Group SpA. In the year ending 30 April 2016, the Group increased the medium/long-term share of financial debt by exploiting the reduction of market rates and further reducing the liquidity risk.

Interest rate risk

Exposure to interest rate risk arises from the fact that the Group Companies conduct a business activity characterised by a negative working capital cycle (calculated as the difference between short-term operating liabilities and short-term operating assets) at certain times of the year and thus have a temporary financial exposure to the banking system caused by the need to finance their working capital requirements.
These requirements are met from self-liquidating loans and credit lines at variable rates, exposed to interest rate fluctuations.
At 30 April 2016, the Group had no derivative instruments in place relating to interest rates.
In the light of present interest rate trends, the Company's risk management policy does not envisage recourse to derivatives to hedge interest rate risks.

Exchange rate risk

The Group companies do not operate on foreign markets and primarily use the euro as the currency for its commercial and financial transactions.
There were some purchases of IT goods and products, mainly involving Computer Gross Italia SpA, all using the US dollar.
Furthermore, it should be noted that there are no foreign currency derivatives, but there are forward currency contracts to hedge the exchange rate risk attached to foreign currency payables to a part of suppliers. There were 51 transactions in place at 30 April 2016, 11 of which with a positive fair value of Euro 3 thousand and 40 with a negative fair value of Euro 124 thousand.

Price risk

The Company did not hold any financial instruments or shares listed on stock markets as of 30 April 2016, except for the treasury shares as a deduction of the shareholders' equity. As regards inventory risk, the Group companies that distribute and market IT products monitor this aspect of their operations by conducting periodic inspections and analyses for the possible existence of a risk of obsolescence of the goods in order to decide on the steps to take to curb the risk. Moreover, it should be noted that the value of inventories at 30 April 2016 was primarily concentrated in the accounts of Computer Gross Italia SpA and Var Group SpA.

Significant events after the year-end

During the early months of the new financial year, the Group has continued to operate according with the strategy of focusing on the value added IT solution market, confirming the commitment to building new skills and specializations, with the aim to improve the results and the quality of the job and of the service offered to customers, in the interest of all Group's stakeholders.

There were no significant events after the period-end.

Outlook on operations

During the early months of the new year, the Group operated on markets characterised by a high level of uncertainty, with ongoing competitive pressure, continuing operations as in previous years.

Allocation of the profit for the year of the parent Sesa SpA

The shareholders' meeting is invited to distribute a dividend equal to Euro 0.48 per share totalling Euro 7,512,529, gross of treasury shares in portfolio.

Thanking you for the confidence you place in us, you are invited to approve the separate financial statements of the Parent Company Sesa SpA and the Consolidated financial statements of the Group.

THE CHAIRMAN OF THE BOARD OF DIRECTORS
Paolo Castellacci

Consolidated Financial Statements at 30 April 2016

Consolidated Income Statement

(in thousands of euros)	Note	FY ended 30 April 2016	2015
Revenues	6	1,223,485	1,054,038
Other income	7	6,117	6,122
Consumables and goods for resale	8	(1,043,195)	(896,041)
Costs for services and rent, leasing, and similar costs	9	(71,652)	(59,263)
Personnel costs	10	(59,004)	(50,322)
Other operating costs	11	(8,516)	(8,353)
Amortisation and depreciation	12	(4,769)	(4,820)
EBIT		**42,466**	**41,361**
Profit from companies valued at equity	13	462	(1)
Financial income	14	5,305	8,029
Financial charges	14	(10,530)	(13,778)
Profit before taxes		**37,703**	**35,611**
Income taxes	15	(12,648)	(13,006)
Profit for the year		**25,055**	**22,605**
of which:			
Profit attributable to minority interests		1,091	802
Profit attributable to the Group		23,964	21,803
Earnings per share (basic) (in euros)	25	1.6	1.4
Earnings per share (diluted) (in euros)	25	1.5	1.4

Consolidated Statement of Comprehensive Income

(in thousands of euros)	Note	FY ended 30 April 2016	2015
Profit for the year		**25,055**	**22,605**
Actuarial gain/loss for employees benefits - gross effect	25	66	(1,609)
Actuarial loss for employees benefits - tax effect	25	(16)	442
Comprehensive income for the year		**25,105**	**21,438**
of which:			
Comprehensive income – minority interests		1,096	591
Comprehensive income - Group		24,009	20,847

Consolidated Statement of Financial Position

(in thousands of euros)	**Note**	**At 30 April** **2016**	**2015**
Intangible assets	16	17,251	7,190
Property, plant and equipment	17	44,437	37,953
Investment property	18	290	290
Equity investments valued at equity	13	3,938	2,766
Deferred tax assets	19	5,449	5,238
Other non-current receivables and assets	20	8,783	10,041
Total non-current assets		**80,148**	**63,478**
Inventories	21	59,079	58,260
Current trade receivables	22	306,474	274,383
Current tax receivables		4,269	1,762
Other current receivables and assets	20	20,512	19,975
Cash and cash equivalents	24	146,168	92,122
Total current assets		**536,502**	**446,502**
Non-current assets held for sale	23	1,818	1,818
Total assets		**618,468**	**511,798**
Share capital		37,127	37,127
Share premium reserve		33,144	34,430
Other reserves		5,330	4,799
Profits carried forward		96,738	79,672
Total Group equity		**172,339**	**156,028**
Equity attributable to minority interests		7,075	4,404
Total equity	25	**179,414**	**160,432**
Non-current loans	26	65,103	36,063
Employee benefits	27	15,836	13,057
Non-current provisions	28	712	555
Deferred tax liabilities	19	5,463	2,081
Total non-current liabilities		**87,114**	**51,756**
Current loans	26	40,548	22,759
Payables to suppliers		261,673	243,197
Current tax payables		2,260	3,120
Other current liabilities	29	47,459	30,534
Total current liabilities		**351,940**	**299,610**
Total liabilities		**439,054**	**351,366**
Total equity and liabilities		**618,468**	**511,798**

Consolidated Statement of Cash Flows

(in thousands of euros)	Note	FY ended 30 April 2016	2015
Profit before taxes		**37,703**	**35,611**
Adjustments for:			
Amortisation and depreciation	12	4,769	4,820
Provisions for personnel and other provisions	11,21,10	5,589	6,396
Net financial (income)/charges	14	5,225	6,353
Profit from companies valued at equity	13	(311)	1
Other non-monetary items	7	-	-
Cash flows generated from operating activities before changes in net working capital		**52,975**	**53,181**
Change in inventories	21	2,262	(10,527)
Change in trade receivables	22	(18,827)	(9,899)
Change in payables to suppliers		2,180	2,543
Change in other assets	20	4,836	1,408
Change in other liabilities	29	12,065	1,078
Use of provisions for risks	28	(330)	(369)
Payment of employee benefits	27	(1,383)	140
Change in deferred taxes		957	(992)
Change in current tax payables and receivables		(3,069)	1,185
Interest paid		(10,341)	(13,778)
Taxes paid		(12,946)	(10,707)
Net cash flow generated from operating activities		**28,379**	**13,263**
Investments in companies, net of acquired cash	5	(5,821)	-
Investments in property, plant and equipment	17	(10,035)	(5,988)
Investments in intangible assets	16	(3,669)	(1,930)
Disposals of property, plant and equipment and intangible assets	16,17	4,275	816
Disposals of investment property	18	-	-
Disposal of assets held for sale	27	-	175
Investments in associated companies	13	(1,452)	89
Disposals of associated companies	13	302	-
Investments in non-current financial assets	20		(1,897)
Receipts from non-current financial assets	20	(305)	175
Dividends collected		131	136
Interest collected		5,174	7,893
Net cash flow generated from/(used in) investing activities		**(11,400)**	**(531)**
New disbursements of long-term loans and finance lease	3,26	54,056	28,000
Repayments of long-term loans	3,26	(9,916)	(10,375)
(Decrease)/increase in short-term loans	3,26	1,607	(6,473)
Capital increase	25	-	123
Change in group equity		435	2,149
Change in equity attributable to minority interests		(395)	397
Treasury shares		(1,169)	(675)
Dividends distributed		(7,551)	(6,984)
Net cash flow generated from/(used in) financing activities		**37,067**	**6,162**
Translation difference on cash and cash equivalents		-	-
Change in cash and cash equivalents		**54,046**	**18,894**
Cash and cash equivalents at the beginning of the year		92,122	73,228
Cash and cash equivalents at the end of the year		**146,168**	**92,122**

Consolidated Statement of Changes in Equity

(in thousands of euros)	**Share capital**	**Share premium reserve**	**Other reserves**	**Profit for the year and Profits carried forward**	**Group equity**	**Equity attributable to minority interests**	**Total equity**
At 30 April 2014	**37,004**	**36,086**	**2,729**	**64,748**	**140,567**	**3,416**	**143,983**
Profit for the year				21,803	21,803	802	**22,605**
Actuarial gain/(loss) for employees benefit - gross			(1,318)		(1,318)	(291)	(1,609)
Actuarial gain/(loss) for employees benefit - tax effect			362		362	80	442
Comprehensive income for the year			**1,773**	**86,551**	**161,414**	**4,007**	**165,421**
Capital increase due to Warrants exercise	123		(43)		80		**80**
Purchase of treasury shares		(675)			(675)		**(675)**
Dividends ditribution		(981)		(6,003)	(6,984)		**(6,984)**
Stock Grant plan – shares vesting in the period			302		302		**302**
Non-refundable shareholders' payment			2,430		2,430		**2,430**
Allocation of profit for the year			316	(316)			
Other changes			21	(560)	(539)	397	**(142)**
At 30 April 2015	**37,127**	**34,430**	**4,799**	**79,672**	**156,028**	**4,404**	**160,432**
Profit for the year				23,964	23,964	1,091	**25,055**
Actuarial gain/(loss) for employees benefit - gross			59		59	7	**66**
Actuarial gain/(loss) for employees benefit - tax effect			(14)		(14)	(2)	**(16)**
Comprehensive income for the year			**4,844**	**103,636**	**180,037**	**5,500**	**185,537**
Capital increase due to Warrants exercise							
Purchase of treasury shares		(860)			(860)		**(860)**
Dividends ditribution		(426)		(6,539)	(6,965)		**(6,965)**
Assignment of shares in execution Stock Grant plan			(302)		(302)		**(302)**
Stock Grant Plan - shares vesting in the period			346		346		**346**
Non-refundable shareholders' payment							
Allocation of profit for the year			344	(344)			
Other changes			98	(15)	83	1,575	**1,658**
At 30 April 2016	**37,127**	**33,144**	**5,330**	**96,738**	**172,339**	**7,075**	**179,414**

Explanatory Notes to the Consolidated Financial Statements

1 General Information

Sesa SpA (hereinafter "Sesa", the "Company" or the "Parent Company") is a company that has been incorporated and is domiciled in Italy, with registered office in Empoli, at Via Piovola no. 138, and is organised according to the legal system of the Italian Republic.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") operate in Italy in the field of Information Technology, and in particular in the value-added distribution of software and hardware (value-added distribution or VAD) and in the offering of software, technology, services and consultancy aimed at training and supporting businesses as end-users of IT (Software and System Integration or VAR). Furthermore, the Group is active in the field of logistics services, mainly for companies of its Group. The Company is owned by ITH SpA., which holds a stake of 55.35%.
This document was approved by the Company's Board of Directors on 14 July 2016.

2 Summary of Accounting Policies

Below are reported the main accounting policies and standards applied in the preparation of these consolidated financial statements for the financial year ended 30 April 2016 (hereinafter the "Consolidated Financial Statements").

2.1 Basis of Preparation

The Consolidated Financial Statements at 30 April 2016 were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, as well as with the provisions implementing Article 9 of Legislative Decree no. 38/2005. The designation "IFRS" also includes all revised International Accounting Standards ("IAS"), as well as all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), and by the formerly Standing Interpretations Committee ("SIC").

The Consolidated Financial Statements were prepared on a going-concern basis, since the Directors verified that there were no financial or operating indicators, or indicators of any other kind, that suggested the existence of any doubts regarding the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months. The procedures through which the Group manages financial risks are described in note 3 "Financial risk management" below.

The Consolidated Financial Statements were prepared and presented in Euro, which is the currency of the primary economic environment in which the Group operates. All amounts included in this document are expressed in thousands of euros, except as otherwise specified.

Below are specified the financial statement schedules and the related classification criteria adopted by the Group, within the scope of the options envisaged in IAS 1 *Presentation of financial statements*:

- The Statement of financial position was prepared by classifying assets and liabilities according to the criterion of "current/non-current" items;
- The Income Statement was prepared by classifying operating costs by nature;
- The Statement of comprehensive income includes the profit for the year arising from the income statement, as well as any other changes in equity attributable to transactions that were not carried out with the Company's shareholders;
- The Statement of Cash Flows was prepared by reporting cash flows from operating activities according to the "indirect method".

The Consolidated Financial Statements were prepared according to the conventional historical cost method, except for the measurement of financial assets and liabilities, in cases in which it is mandatory to apply the fair value criterion.

2.2 Scope of Consolidation and Consolidation Criteria

The Consolidated Financial Statements include the Company's separate financial statements as well as the separate financial statements of subsidiaries approved by their respective governing bodies. These financial statements were properly adjusted, if required, in order to comply them with IFRS and at the reporting date of the Company at 30 April.

The companies included in the scope of consolidation at 30 April 2016 are detailed in annex 1, which forms an integral part of the Consolidated Financial Statements. For additional information on the main changes in the scope of consolidation that occurred in the financial years under examination, see note 5.

SUBSIDIARY COMPANIES

Subsidiary companies are consolidated on a line-by-line basis from the date on which control is actually acquired and cease to be consolidated from the date on which control is transferred to third parties. Below are reported the criteria adopted for consolidation on a line-by-line basis:

- assets and liabilities, income and expenses of subsidiary companies are accounted for on a line-by-line basis, allocating to minority shareholders their respective share of equity and of the net result for the period, if applicable; these shares are reported separately under equity and in the income statement;
- any business combinations by virtue of which control is acquired over a business entity are recognised, in accordance with IFRS 3, according to the acquisition method. The acquisition cost is represented by the current value (fair value) of the assets sold, of the liabilities assumed and of the equity instruments issued, at the acquisition date. Any identifiable assets acquired, as well as any liabilities and contingent liabilities assumed are entered at the related current value at the acquisition date, except for deferred tax assets and liabilities, assets and liabilities for employee benefits and assets held for sale, which are entered on the basis of the related reference accounting standards. If the difference between acquisition cost and the current value (fair value) of the assets or liabilities that have been acquired is positive, it is recognised as goodwill under intangible assets and if it is negative, after rechecking that the current values of the assets and liabilities acquired and the acquisition cost have been correctly measured, it is recognised directly as income in the income statement. Any additional charges relating to the transaction are recognised in the income statement when incurred;
- the acquisition cost also includes the contingent consideration, measured at fair value on the date of the acquisition of control. Any subsequent changes in the fair value are recognised in the income statement or in the statement of comprehensive income if the contingent consideration is a financial asset or liability. Contingent considerations classified as equity are not recalculated and the subsequent settlement is recognised directly in equity;
- if the business combinations whereby control is acquired take place in more than one phase, the Group recalculates the stake that it previously held in the acquiree at its fair value at the acquisition date and recognises any resulting profit or loss in the income statement;
- any acquisitions of minority interests relating to entities for which control has already been acquired or the transfer of minority interests that do not entail any loss of control are considered to be equity transactions; therefore, any difference between the acquisition/transfer cost and the related fraction of equity acquired/transferred is accounted for as an adjustment to the Group equity;

- business combinations whereby the participating companies are permanently controlled by the same company or companies both before and after the combination transaction, control not being transitional, are described as transactions "under common control". These transactions do not fall within the scope of application of IFRS 3, which regulates the method of accounting for business combinations, nor of other IFRS. In the absence of an applicable accounting standard, the Group, in accordance with OPI 1 (*Orientamenti Preliminari*, Preliminary Guidelines) – "Accounting treatment of business combinations of entities under common control in separate and consolidated financial statements" (*Trattamento contabile delle "business combinations of entities under common control" nel bilancio d'esercizio e nel bilancio consolidato*), issued by Assirevi and with IAS 8, adopted, as the accounting criterion for the recognition of such transactions that of accounting for the acquirees on the basis of their carrying amounts resulting from the financial statements of the same on the date of transfer. Any differences between the cost incurred for the acquisition and the related shares of equity acquired are accounted for directly in equity;
- any substantial profits and losses, including their tax effects, arising from transactions carried out between companies that have been consolidated on a line-by-line basis and that have not been settled with the counterparties are derecognised, except for losses that are not derecognised when the transaction provides evidence of an impairment loss of the transferred asset. Furthermore, any mutual credit and debt relations, costs and revenues, as well as financial income and charges, are also eliminated, if significant.

The financial statements of subsidiary companies have been prepared by using the currency of the primary economic environment in which they operate.

ASSOCIATED COMPANIES

Associated companies are entities over which the Group has significant influence, which is presumed to exist when equity investments are included between 20% and 50% of voting rights. Investments in associated companies are valued according to the equity method and are initially recognised at cost. Below is described the equity method:

- the carrying amount of these equity investments appears to be in line with the adjusted equity, if required, to reflect the application of the IFRS and includes the recognition of any higher values attributed to assets and liabilities and of goodwill (if any), as identified at the time of the acquisition;
- any profits or losses attributable to the Group are reported from the date on which the significant influence starts and up to the date on which it ceases. Should the company whose value is measured using this method return negative equity as a result of the losses, the carrying amount of the investment is cancelled and any excess attributable to the Group, if the Group has undertaken to meet legal or constructive obligations in the investee company, or in any case has undertaken to cover its losses, is recognised in a specific provision; any changes in equity of companies valued according to the equity method, which are not represented by the result in the income statement, are accounted for directly in the statement of comprehensive income;
- any profits and losses that have not been realised generated on transactions carried out between the Company/subsidiaries and an investee company valued at equity, including any distribution of dividends, are derecognised according to the value of the Group's investment in the investee itself, except for losses that represent an impairment in the underlying asset.

TRANSLATION OF TRANSACTIONS DENOMINATED IN A CURRENCY OTHER THAN THE FUNCTIONAL CURRENCY

Any transactions in a currency other than the functional currency of the entity that undertakes the transaction are translated by using the exchange rate prevailing on the date of the transaction. Any foreign exchange gains and losses generated from the closing of the transaction or from the year-end translation of foreign currency assets and liabilities are entered in the income statement.

2.3 Accounting policies

Below are summarised the most significant accounting standards and policies used for the preparation of the Consolidated Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are entered at their purchase or production cost, net of accumulated depreciation and impairment losses (if any). Purchase or production cost includes any costs directly sustained in preparing the assets for their use, as well as any dismantling or removal costs that are to be incurred as a result of contractual obligations that require the asset to be restored to its original condition. Any borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized and depreciated on the basis of the useful life of the asset to which they refer.

Any costs of day-to-day and/or periodic maintenance and repairs are recognised in the income statement when incurred. Costs related to the enlargement, modernisation or improvement of owned or leased structural elements are capitalised within the limits to which they meet the requirements for being classified separately as assets or parts of an asset. Any assets recognised in relation to leasehold improvements are depreciated on the basis of the lease term, or on the basis of the specific useful life of the asset, if lower.

Depreciation is calculated on a straight-line basis by applying rates that allow the assets concerned to be depreciated until the end of their useful life. When the asset being depreciated is composed of distinctly identifiable elements whose useful lives differ significantly from those of the other parts of the asset, the depreciation is carried out separately for each of such parts, in the application of the component approach method.

Below is reported the indicative useful life estimated for the various categories of property, plant and equipment:

Class of property, plant and equipment	**Useful life in years**
Buildings	33
Generic plants	7
Specific data center plants	20
Furniture and furnishings	8
Office machines	2-5
Motor vehicles	4

The useful life of property, plant and equipment is reviewed and updated, if necessary, at least at the end of each financial year.

Land are not depreciated.

Leased assets

Property, plant and equipment held under finance lease agreements, under which the risks and benefits of ownership are substantially transferred to the Group, are recognised as Group assets at *fair value* on the date of the execution of the agreement or, if lower, at the present value of the minimum lease payments, including any amount to be paid for the exercise of the option to purchase. The corresponding liability to the lessor is entered under financial payables in the accounts.

The assets are depreciated applying the policy and the rates specified above, unless the term of the lease agreement is shorter than the useful life represented by these rates and there is no reasonable certainty of the transfer of the ownership of the leased asset on the natural expiry of the agreement; in this case, the period of depreciation will be represented by the lease term.

The leases in which the lessor substantially retains all the risks and benefits incident to the ownership of the assets are classified as operating leases. Operating lease rentals are recognised as an expense on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Intangible assets are made up of identifiable non-monetary assets without physical substance, which can be controlled and from which future economic benefits are expected. These assets are initially recognised at their purchase and/or production cost, including any directly attributable cost of preparing the asset for its intended use. Any interest payable accrued during and for the development of intangible assets are considered part of the purchase cost. Specifically, the following main intangible assets can be identified within the Group:

(a) Goodwill

If goodwill exists, it is classified as an intangible asset with an indefinite useful life and is initially measured at cost, as described above, and is subsequently subjected to measurement at least once a year in order to verify whether there has been any impairment (impairment test). The value of goodwill that has previously suffered an impairment loss may not be reinstated.

(b) Other intangible assets with definite useful life

Intangible assets with definite useful life are recognised at cost, as previously described, net of accumulated amortization and impairment losses (if any). Amortisation begins when the asset is available for use and is allocated on a systematic basis in relation to the residual possible use of the same, i.e. on the basis of its estimated useful life.

Below is reported the estimated useful life of the Group for the various categories of intangible assets:

Class of intangible asset	Useful life in years
Software licences and similar rights	5
List of customers	10
Technological know-how	20

The useful life of intangible assets is reviewed and updated, if necessary, at least at the end of each financial year.

INVESTMENT PROPERTY

Property held to earn rentals or for capital appreciation is classified under "Investment Property"; it is measured at its purchase or production cost, as increased by additional costs (if any), net of accumulated depreciation and impairment losses (if any).

IMPAIRMENT OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND OF INVESTMENT PROPERTY

(a) Goodwill

As previously mentioned, if goodwill exists, it is subjected to an impairment test once a year or more frequently when there are indications of possible impairment. No goodwill is recognised in the Consolidated Financial Statements at 30 April 2016.

If goodwill exists, the impairment test is conducted on each of the Cash Generating Units (CGU) to which goodwill has been allocated. Any impairment of goodwill is recognised in the event that the recoverable value of the same is lower than the carrying amount. Recoverable value means the higher of fair value of the CGU, net of costs of disposal, and the related value in use, i.e. the present value of estimated future cash flows from this asset. In measuring value in use, the expected future cash flows are discounted by using a pre-tax discount rate that reflects current market assessments of the time value of money, compared to the investment period and to the risks specific to the asset. In the event that the impairment loss arising from the impairment test exceeds the value of the goodwill allocated to the CGU, any residual excess is allocated to the assets included in the CGU in proportion to their carrying amount. This allocation should not be reduced below the highest of:

- the asset's fair value, less costs of disposal;
- the value in use, as defined above;
- zero.

The original carrying amount of goodwill may not be reinstated when the reasons that led to its impairment no longer exist.

(b) Assets (intangible assets, property, plant and equipment and investment property) with definite useful life

An assessment is carried out on each reporting date to verify whether there are indications that property, plant and equipment, intangible assets and investment property may have incurred an impairment loss. For this purpose, both external and internal sources of information may be made use of. Among the former (internal sources), consideration is given to the obsolescence or physical deterioration of the asset or significant changes in the use of the asset or in its economic performance in comparison with expectations. Among external sources of information, consideration is given to trends in the asset's market price or possible adverse changes in technology, the market or legislation, the trend in market interest rates or the cost of capital used to assess investments.

If such indications are found to exist, the recoverable value of the asset is estimated and the write-down (if any) with respect to its carrying amount is recognised in the income statement. The recoverable value of an asset is represented by the higher of fair value, net of additional costs to sell, and the related value in use, i.e. the present value of estimated future cash flows from this asset. In measuring value in use, the expected future cash flows are discounted by using a pre-tax discount rate that reflects current market assessments of the time value of money, compared to the investment period and to the risks specific to the asset. The recoverable value of an asset that does not generate cash flows that are largely independent is determined in relation to the cash generating unit to which said asset belongs.

An impairment loss is recognised in profit or loss when the carrying amount of an asset, or of the related CGU to which it is allocated, exceeds its recoverable amount. Any impairment losses of CGUs are firstly allocated to reduce the carrying amount of any goodwill allocated to the same and, then, to reduce the carrying amounts of other assets, on a pro-rata basis and within the limits of the related recoverable value. If the grounds for a write-down previously recognised no longer exist, the asset's carrying amount is reinstated and the increase is recognised in the income statement within the limits of the net carrying amount of the asset if the write-down had not been carried out and had been amortised/depreciated.

RECEIVABLES FROM CUSTOMERS AND OTHER FINANCIAL ASSETS

Receivables from customers and other financial assets are initially measured at fair value and subsequently measured at amortised cost according to the effective interest rate method. Receivables from customers and other financial assets are recognised under current assets, except for those that have a contract term exceeding twelve months compared to the reporting date, which are classified under non-current assets.

For trade receivables, factoring transactions that do not envisage the risks and rewards related to the receivables assigned being transferred to the factor (therefore, the Group remains exposed to the risk of insolvency and delayed payments – so-called assignments with recourse (*pro solvendo*)), the transaction is considered equivalent to taking out a secured loan backed by the assigned receivable. In these circumstances the assigned receivable remains reported in the Group's statement of financial position until it is collected by the factor and a financial debt is reported as a contra-entry to the advance (if any) obtained from the factor. The financial cost of factoring transactions is represented by interest on advanced amounts charged to the income statement in compliance with the accruals principle, which is classified under financial charges. Any commissions that accrue on assignments with recourse are recognised under financial charges, while any commissions on assignments without recourse (*pro soluto*) are recognised under other operating costs.

Impairment losses on receivables are accounted for in the accounts if there is objective evidence that the Group will not be able to recover the receivable owed by the counterparty on the basis of the conditions of the contract.

Objective evidence includes circumstances such as:

- significant financial difficulties of the debtor;
- legal disputes entered into with the debtor in relation to the receivables;
- the likelihood of the debtor declaring bankruptcy or of the initiation of other debt restructuring procedures.

The amount of the write-down is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows and is recognised under "Other operating costs" in the income statement. If the reasons for the previous write-downs no longer exist in subsequent periods, the value of the asset is reinstated up to the amount that would have resulted from the application of amortised cost.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Equity investments in other companies that constitute available-for-sale financial assets are measured at fair value, if this is determinable, and any profits and losses arising from fair value changes are recognised directly under other comprehensive income (expense) until they are sold or have suffered an impairment loss; at that time, other comprehensive income (expense) previously recognised under equity is charged to the income statement for the period. Any other unlisted equity investments classified under "available-for-sale financial assets", the fair value of which cannot be measured reliably, are valued at cost adjusted by any impairment losses, which are recognised in the consolidated income statement, as required by IAS 39.
Any dividends received from equity investments in other companies are recognised under financial income.

INVENTORIES

Inventories are recognised at the lower of purchase or production cost and net realizable value, which is represented by the amount which the Group expects to obtain from their sale in the ordinary course of business, net of selling costs. Cost is determined according to the FIFO method.

The cost of finished and semi-finished products includes any costs of design, raw materials, direct labour and other production costs (as determined on the basis of the normal operating capacity). The measurement of inventories does not include financial charges, which are charged to the income statement when they are incurred, as the temporal requirements for their capitalisation are not satisfied.

Inventories of raw materials and semi-finished products that can no longer be used in the production cycle and inventories of finished products that cannot be sold are written down.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, available bank deposits and the other forms of short-term investment with an original maturity of three months or fewer. Any items entered under cash and cash equivalents are measured at fair value and the related changes are recognised through profit or loss.

NON-CURRENT ASSETS HELD FOR SALE

Any non-current assets whose carrying amount will be recovered mainly through its sale, rather than through its continuous use, are classified as held for sale and are recognised separately from other assets in the statement of financial position. This condition is deemed to have been fulfilled when sale is highly probable and the asset or group of assets being disposed of is available for immediate sale in its or their present condition.

Non-current assets held for sale are not amortised/depreciated and are measured at the lower of carrying amount and fair value, less costs to sell.

A discontinued operation is a part of an enterprise that has been disposed of or classified as held for sale and (i) is an important branch of business or geographical area of business; (ii) is part of a coordinated plan for the disposal of an important branch of business or geographical area of business; or (iii) a subsidiary acquired exclusively in order to be sold.

The results from discontinued operations are recognised separately in the income statement, net of tax effects. The corresponding values posted in the previous financial year, if any, are reclassified and recognised separately in the income statement, net of tax effects, for comparative purposes.

FINANCIAL PAYABLES

Financial payables are initially recognised at fair value, net of any directly-attributable additional costs, and subsequently are measured at amortised cost, applying the effective interest rate method. If there is a change in estimated expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the effective initially determined internal rate. Financial payables are classified under current liabilities, except those due by contract more than twelve months beyond the reporting date and those whose payment the Group has an unconditional right to defer for at least twelve months after the reporting date.

Financial payables are accounted for at the trade date and are derecognised at the time when they are discharged and when the Group has transferred all risks and charges related to the instrument itself.

DERIVATIVE INSTRUMENTS

Derivatives are valued as securities held for trading and measured at fair value through profit or loss and are classified under other current and non-current assets or liabilities.
Financial assets and liabilities through profit or loss are initially recognised and subsequently measured at fair value and the related additional costs are expensed immediately in the income statement. Any profits and losses arising from fair value changes in derivatives on exchange rates are reported under financial income and financial charges in the income statement, in the period when they are recognised.

EMPLOYEE BENEFITS

Short-term benefits are made up of salaries, wages, related social security contributions, allowance in lieu of paid annual leave and incentives paid out in the form of bonuses payable in the twelve months from the reporting date. These benefits are accounted for as components of personnel costs in the period when service is rendered. Under defined-benefit plans, which also include the severance pay due to employees pursuant to article 2120 of the Italian Civil Code ("TFR", *Trattamento di Fine Rapporto*), the amount of the benefit payable to the employee can be quantified only after the termination of the employment relationship, and is linked to one or more factors, such as age, length of service and compensation; therefore, the related charge is recognised in the relevant income statement on the basis of an actuarial calculation. The liability recognised for defined-benefit plans corresponds to the present value of the obligation at the reporting date.

Obligations for defined-benefit plans are determined by an independent actuary on an annual basis, by using the projected unit credit method. The present value of defined-benefit plans is determined by discounting future cash flows at an interest rate equal to that of (high-quality corporate) bonds issued in Euro and which reflects the duration of the related pension plan. Any actuarial gains and losses arising from the abovementioned adjustments and any changes in actuarial assumptions are charged to the statement of comprehensive income.

On 1 January 2007 the so-called 2007 Finance Act and the relative implementing decrees introduced substantial amendments to the regulations governing staff severance pay, among which the possibility for the workers to choose where to send their accrued entitlement. In particular, workers may send the new TFR flows to selected pension funds or retain them in their company. If the TFR is transferred to pension funds, the company is only liable to pay a defined contribution to the chosen fund and from that date the newly-accrued contributions have the nature of defined-contribution plans that are not subjected to actuarial measurement.

STOCK GRANT PLAN

As provided for in IFRS 2 - Share-Based Payment, the total amount of the present value of stock grant at the date of assignment is recognised wholly in profit or loss under employee costs, with a counter entry recognised directly in shareholders' equity. If a "maturity period" is required, in which certain conditions are necessary before grantees become holders of the right (achievement of objectives), the cost for payments, determined on the basis of the present value of the shares at the date of assignment, is recognised under employee costs on a straight line basis for the period between the date of assignment and maturity, with a counter entry directly recognised in shareholders' equity.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised for losses and charges of a determinate nature, whose existence is certain or probable, but whose amount and/or timing are uncertain. The provision is recognised only when there is a present, legal or constructive obligation entailing a future outflow of resources as the result of past events and it is probable that the outflow will be necessary in order to settle the obligation.

Such amount is the best estimate of the expenditure required to settle the obligation. The rate used in determining the present value of the liabilities reflects the current market conditions and takes account of the specific risk attached to each liability.

When the financial effect of timing is significant and the dates of the payment of the obligation can be estimated reliably, provisions are measured at the present value of the expected outflow of funds, using a rate that reflects market conditions, variations in the cost of money over time and the specific risk attached to the obligation. Any increase in the provision, determined by changes in the time value of money, is accounted for as an interest expense.

Risks for which a liability is only possible are mentioned in the appropriate section on contingent liabilities and for the same no provision has been set aside.

PAYABLES TO SUPPLIERS AND OTHER LIABILITIES

Payables to suppliers and other liabilities are initially measured at fair value, net of any directly-attributable additional costs, and subsequently are measured at amortised cost, applying the effective interest rate method.

EARNINGS PER SHARE

(a) Earnings per share - basic

Basic earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the financial year, excluding own shares.

(b) Earnings per share – diluted

Diluted earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the financial year, excluding own shares. For the purposes of the calculation of diluted earnings per share, the weighted average of outstanding shares is changed by assuming the exercise by all the assignees of rights that potentially have a dilutive effect, while the net profit attributable to the Group is adjusted to take account of effects (if any), net of taxes, of the exercise of said rights.

TREASURY SHARES

Own shares are recognised as a reduction in equity. The initial cost of own shares and any revenues arising from subsequent sales (if any) are recognised as changes in equity.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received for the sale of goods and services in the ordinary operations of the Group’s business. Revenue is recognised net of added-value tax, expected returns, rebates, discounts and some marketing activities carried out with the help of the customers, whose value is a function of the revenues themselves.

Revenues from the sale of products are recognised when the risks and rewards related to the ownership of the asset are transferred to the buyer and when the sale price has been agreed and can be determined and is expected to be collected.

COST RECOGNITION

Costs are recognised when they relate to goods and services acquired or consumed in the financial year or by systematic allocation.

TAXES

Current taxes are determined on the basis of the estimated taxable income, in accordance with the tax regulations applicable to the Group companies.

Deferred tax assets and liabilities are calculated on all the differences that arise between the taxable base of an asset or liability and its carrying amount, except for goodwill when initially recognised and the differences resulting from investments in subsidiaries, when the timing of the reversal of these differences is under the Group’s control and it is likely that they will not be reversed in a reasonably foreseeable period of time. The portion of deferred tax assets, including those related to past tax losses, that is not offset by deferred tax liabilities, is recognised to the extent that there will be future taxable income from which they can be recovered. Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply in the financial years during which the differences will be realised or settled.

Current taxes, deferred tax assets and liabilities are recognised under “Income taxes” in the income statement, except for those relating to items recognised under comprehensive income components other than net profit and those relating to items directly debited or credited to equity. In the latter cases, deferred tax liabilities are recognised in the statement of comprehensive income and directly in equity. Deferred tax assets and liabilities are offset when they are applied by the same tax authority, when there is a legal right to offset them and when the net balance is expected to be settled.
Other taxes that are not correlated to income, such as indirect taxes and duties, are entered under “Other operating costs” in the income statement.

2.4 Recently-issued accounting standards

As at date of the Annual Report, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments applied to the Group on 1 May 2015.

- On 20 May 2013, the IASB issued IFRIC 21 - Levies, an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 provides clarifications on when an entity must recognise a liability for the payment of levies imposed by governments, other than levies regulated by other standards (e.g. IAS 12 - Income taxes). IAS 37 establishes criteria for the recognition of a liability, including the existence of the present obligation of the entity as the result of a past event (known as the obligating event). The interpretation clarifies that the obligating event, which gives rise to a liability for the payment of the levy, is described in the relevant legislation from which the payment arises. IFRIC 21 is effective from years commencing on or after 17 June 2014.
- On 21 November 2013, the IASB published some narrow-scope amendments to IAS 19 - Employee Benefits, entitled "Defined Benefit Plans: Employee Contributions". These amendments regard the simplifying of accounting for contributions to defined benefit plans by employees or third parties in specific cases. The amendments are applicable, on a back-dated basis, to years beginning on or after 1 July 2014.
- On 12 December 2013, the IASB issued a combination of amendments to IFRS (Annual Improvements to IFRSs - 2010–2012 Cycle). The approved provisions amended: (i) IFRS 2, clarifying the definition of "vesting conditions" and introducing the definitions of service conditions and result; (ii) IFRS 3, clarifying that the obligations to pay a potential price, other than those that fall under the definition of equity instrument, are assessed at fair value at each reporting date, with changes booked to the income statement; (iii) IFRS 8, requesting that information be given on the evaluations carried out by company management in the aggregation of the operational segments, describing those that are aggregated and the economic ratios

that have been evaluated to determine that the aggregated segments present similar economic characteristics: (iv) IAS 16 and IAS 38, clarifying the method used to determine the gross book value of assets, in the case of revaluation following application of the model for the redetermination of the value; (v) IAS 24, establishing the information to provide when there is a third entity which provides services for the management of executive with strategic functions in the entity that draws up the financial statements. The amendments are applicable from years beginning on or after 1 July 2014.

- On 12 December 2013, the IASB issued a combination of amendments to IFRS (Annual Improvements to IFRSs - 2011-2013 Cycle). The approved provisions amended: (i) IFRS 3, clarifying that the standard is not applicable to disclosing the accounting effects relating to the creation of a joint venture or joint operation (as defined by IFRS 11) in the financial statements of the joint venture or joint operation; (ii) IFRS 13, clarifying that the provision contained in IFRS 13 on the basis of which it is possible to measure the fair value of a group of financial assets and liabilities on a net basis, applies to all agreements (including non-financial agreements) falling within the scope of IAS 39 or IFRS 9; (iii) IAS 40, clarifying that, to establish when the purchase of a real estate investment forms a business combination, it is necessary to refer to the provisions of IFRS 3. The amendments are applicable from years beginning on or after 1 July 2014.

The adoption of the new standards mentioned above had no significant effect on the consolidated financial statements.

As at the date of the present Consolidated Financial Statements, the competent bodies of the European Union have not yet completed the necessary process of endorsement for the adoption of the following accounting standards and amendments.

- On 12 November 2009 the IASB published IFRS 9 – Financial instruments, which was then amended on 28 October 2010 and 24 July 2014. The standard, which will be applicable for financial years commencing on or after 1 January 2018 on a retrospective basis, falls within the scope of a multi-phase process aimed at fully replacing IAS 39 and introduces new criteria for the classification and measurement of financial assets and liabilities and for the derecognition of financial assets from the accounts. Specifically, for financial assets the new standard adopts a single approach based on the method of the management of the financial instruments and the characteristics of their contractual cash flows in order to determine their measurement policy, replacing the different rules laid down in IAS 39. On the contrary, as regards financial liabilities, the main amendment involved the accounting treatment of changes in the fair value of a financial liability designated as financial liability valued at fair value through profit or loss, in the event that said changes are due to a change in the credit risk of the liability itself. Based on the new standard, such adjustments have to be charged in the statement of comprehensive income rather than profit and loss statement.
- On 30 January 2014, the IASB published - IFRS 14 – Regulatory deferral accounts; the standard allows only those who adopt IFRSs for the first time to continue disclosing the amounts relating to the rate regulation in accordance with the previous accounting standards adopted. Its application is envisaged for years beginning on or after 1 January 2016.
- On 6 May 2014 the IASB issued some amendments to IFRS 11 – Joint arrangements: disclosing the acquisition of investments in joint ventures, supplying information on the disclosure of the recognition of the acquisitions of investments in joint ventures which form a business. The amendments are applicable retroactively for years beginning on or after 1 January 2016.
- On 12 May 2014 the IASB issued some amendments to IAS 16 and to IAS 38 – Clarification of acceptable methods of depreciation and amortisation. The amendments clarify the use of the revenue-based methods to calculate the amortisation/depreciation of an asset and explain that, other than in certain limited circumstances, a revenue-based amortisation/depreciation method cannot be considered acceptable for either tangible assets or intangible assets. The application of the amendments will become effective from years beginning on or after 1 January 2016.
- On 28 May 2014 the FASB issued IFRS 15 "Revenue from contract with customers". The new standard will be applicable as of years beginning on or after 1 January 2018. The standard replaces IAS 18 – "Revenue" IAS 11 "Construction Contracts", IFRIC 13 "Customers Loyalty Programmes", "IFRIC 15 - Agreements for

the Construction of Real Estate", IFRIC 18 – "Transfers of Assets from Customers", SIC 31 – "Revenue— Barter Transactions Involving Advertising Services". The new standard applies to all contracts with customers, apart from contracts falling within the scope of application of IAS 17 – Leases, for insurance contracts and financial instruments. It establishes a process consisting of five phases to define the timing and the amount of the revenues to be disclosed (identification of contracts with customers, identification of the performance obligations envisaged by the contract, determination of the price of the transaction, allocation of the price of the transaction, disclosure of revenues upon fulfilment of the performance obligation).

- On 12 August 2014 the IASB issued some amendments to IAS 27 – Separate financial statements. The amendments applicable as of years beginning on or after 1 January 2016, allow the use of the equity method for the booking of investments in subsidiaries, associated companies and joint ventures in separate financial statements. The aim is to reduce the complexity of management and the relative costs for companies operating within juridical systems where IFRSs standards are also applicable to separate financial statements.
- On 11 September 2014, the IASB issued some amendments to IFRS 10 and IAS 28: "Investments in associates and joint ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments made to the two standards define the accounting treatment in relation to profits or losses deriving from transactions with joint ventures or associates evaluated using the equity method. In particular, it should be noted that, in the case of sale or contribution of a business to an associate or joint venture, the investor applies the principles of IFRS10 and records the whole contingent gain or contingent losses consequential to the loss of control; when the assets sold or contributed to the associate or joint venture do not constitute a business in accordance with IFRS 3, the gain or loss is disclosed in compliance with IAS 28. The application of the amendments which initially had to be effective from years beginning on or after 1 January 2016, is pending.
- On 25 September 2014, the IASB issued a combination of amendments to IFRS (Annual Improvements to IFRSs - 2012-2014 Cycle). The approved provisions amended: (i) IFRS 5 "Non-current assets held for sale and discontinued operations" clarifying that the change in classification of an asset (or disposal groups) from being held for sale to being held for distribution to shareholders, must not be considered as a new plan for disposal but the continuation of the original plan. Therefore, the change in classification does not determine the interruption of the application of IFRS 5 nor the change of the date of classification; (ii) IFRS 7 "Financial instruments: disclosures" clarifying that, for the purposes of disclosure, a servicing agreement which envisages the payment of a fee may represent a continuing involvement in the transferred asset; (iii) IAS 19 "Employee benefits" clarifying that the degree of "depth" of the market for the corporate bonds to be considered for the choice of the discount rate to apply in discounting the liability for post-employment benefits (rate of return on bonds of primary companies rather than the rate of government bonds) must be evaluated in consideration of the market at the level of the currency in which the bond is expressed and not at the level of the single country in which the bond is located; (iv) IAS 34 "Interim Financial Reporting" clarifying that the disclosures required for interim situations must be either supplied in the interim financial statements or mentioned in them through reference to another statement (e.g.: the Directors Report) which is available to users of the financial statements in the same terms and at the same time as the interim financial statements. The amendments will be applicable from years beginning on or after 1 January 2016.
- On 18 December 2014, the IASB issued some amendments to IAS 1 - Disclosure initiative-. The amendments regard the introduction of a series of specifications on concepts of importance and aggregation, on the methods of presentation of further partial results in addition to those envisaged by IAS 1, on the structure of the notes and reporting of significant accounting policies. The amendments are applicable from years beginning on or after 1 January 2016.
- On 18 December 2014, the IASB amended IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures". IFRS 10 was amended to specify that a holding company, controlled by an investment entity, is not obliged to prepare consolidated financial statements, even if the investment entity evaluates the subsidiaries at fair value in compliance with IFRS 10. With reference to IFRS 12, the amendment clarifies that an investment entity which evaluates all its subsidiaries at fair value must supply the disclosures required by IFRS 12

"Disclosure of Interests in Other Entities". As regards IAS 28, the amendment allows a company that is not an investment company but holds an investment in associates or joint ventures to be an "investment entity", evaluated using the equity method, to maintain the fair value applied by the investment company with reference to its interests in subsidiaries. The amendments are applicable from years beginning on or after 1 January 2016.

- On 13 January 2016 the IASB issued new IFRS 16 – Leases. This standard replaces the current guidance in IAS 17 no more suitable to represent leases in the current business. New standard now requires to recognise a lease contracts as assets or liabilitiy whether financial or operting lease. Lease contrats with 12 months o less duration and leases of low-value assets are out of new standard scope. The standard will be applicable from years beginning on or after 1 January 2019. New standards can generally be adopted early by IFRS 15 (Revenue from contracts with customers) adopters.
- On February 2016 IASB issued some amedments to IAS 12 – Income taxes on the recognition of deferred tax assets for unrealised losses which clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments will be applicable from years beginning on or after 1 January 2017.
- On 25 February 2016 IASB issued some amedments to IAS 17 - Statement of cash flows on disclosure initiative. These amendments to IAS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. These amendments will be applicable from years beginning on or after 1 January 2017.
- On 12 April 2016 IASB issued some further amedments to IFRS 15 - Revenue from Contracts with Customers, "Clarifications to IFRS 15", clarifying some points and allowing more semplifications, with the aim to reduce costs and complexity, for early adopters. These amendments will be applicable from years beginning on or after 1 January 2018.
- On June 2016 IASB issued some further amedments to IFRS 2 - Share based payments clarifying the evaluation of the cash-settled share-based payments and how to account for certain types of share-based payment transactions. It also introduces an exception to IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. These amendments will be applicable from years beginning on or after 1 January 2018.

The Group will adopt these new standards, amendments and interpretations , on the basis of the expected date of application, and will assess potential impacts , when these will be approved by the European Union.

3 Financial risk management

The Group's business is exposed to the following risks: market risk (defined as exchange and interest rate risk), credit risk, liquidity risk and capital risk.
The Group's risk management strategy is aimed at minimizing potential adverse effects on the Group's financial performance. Some types of risk are mitigated through recourse to derivative instruments. Risk management is centralised within the treasury function that identifies, assesses and hedges financial risks in close cooperation with the Group's operating units. The treasury function provides instructions to monitor risk management, as well as provides instructions for specific areas, concerning interest rate risks, exchange rate risks and the use of derivative and non-derivative instruments.

MARKET RISK

The Group is exposed to market risks as regards interest rate risks and exchange rate risks.

Interest Rate Risk

The exposure to interest rate risks mainly arises from the fact that the Group companies carry out business activities characterized by negative financing requirements during certain periods of the year. These requirements are covered through assignments of receivables, loans and variable-rate credit lines. The Group has not deemed it appropriate to enter into specific financial instruments to hedge interest rate risks, as the same would result, as a whole, particularly onerous compared to benefits (if any), considering the current level of financial debt and interest rates.

The amount of variable-rate indebtedness that is not covered by the interest rate risk represents the main element of risk for the impact that could be produced on the income statement following an increase in market interest rates.
On the basis of the analysis of the Group's indebtedness, it should be noted that 100% of long- and short-term debt at 30 April 2016 is variable-rate debt.

Exchange Rate Risk

The Group is active exclusively in the Italian market and its exposure limited to exchange rate risks relates to some minor purchases and sales of goods in US dollars. In order to reduce exchange rate risks arising from assets, liabilities and expected cash flows in foreign currency, the Group makes recourse to forward contracts in order to hedge cash flows in currencies other than the Euro. The Group mainly sets the exchange rates of the functional currencies of the Group companies (Euro) against US dollar, as some purchases and sales of consumables and goods are denominated in US dollars. In fact, it is the Group's policy to hedge, where possible, forecast trade flows in US dollars arising from certain or highly probable contractual commitments. The term of the existing forward contracts does not exceed 12 months. The instruments adopted by the Group do not meet all the necessary requirements to be accounted for according to the rules of hedge accounting.

At 30 April 2016, there are 51 forward contracts, of which: 40 have a negative fair value of Euro 124 thousand and 11 have a positive fair value of Euro 3 thousand.

CREDIT RISK

The credit risk essentially arises from receivables from customers for the sale of products and services. As regards the credit risk relating to the management of financial or cash resources, temporarily deposited with banks, the Group has in place procedures aimed at ensuring that the Group companies maintain relations with independent counterparties that are of high standing and reliable. At 30 April 2016 almost all of the financial and cash resources were held with counterparties with a good credit rating and investment grade.

In order to mitigate the credit risk correlated to its business counterparties, and therefore to its customers, the Group has implemented procedures aimed at ensuring that its products are sold to customers that are considered to be reliable on the basis of past experience and any available information. The Group also adopted procedures to hedge credit risk by purchasing credit insurance and/or through factoring without recourse. Furthermore, the Group controls its commercial exposure on an ongoing basis and monitors that the debt collection takes place within the preset contractual time limits.

With reference to trade receivables, the more risky situation concerns relations with retailers. Therefore, receipts and payment times relating to these receivables are monitored on an ongoing basis. However, the amount of financial assets that are considered to be of insignificant amount and the recoverability of which may be doubtful is covered by appropriate provisions for bad debts. For more details on the provision for bad debts, see note 22.

The table below provides a breakdown of current receivables from customers at 30 April 2016 and 30 April 2015, by overdue amounts, net of the portion of provision for bad debts.

(in thousands of euros)	At 30 April 2016	At 30 April 2015
Falling due	279,115	254,041
Overdue from 0-90 days	18,496	12,779
Overdue from 90-180 days	1,832	1,936
Overdue from 180-360 days	1,185	998
Overdue from more than 360 days	5,846	4,609
Total	**306,474**	**274,363**

The data reported in the above table include receivables subject to a reduction in value (non-performing loan) that at 30 April 2016, net of the relative provision for bad debts, amounted to Euro 1,847 thousand and Euro 1,947 thousand at 30 April 2015. For the management of the credit risk, it should be noted that the Group uses the credit insurance instrument on a considerable part of the annual trade receivables.

LIQUIDITY RISK

The liquidity risk is associated to the Group's ability to meet any commitments mainly arising from financial liabilities. A prudent management of the liquidity risk arising from the Group's ordinary operations requires the maintenance of an adequate level of cash and cash equivalents and the availability of funds that can be obtained through an adequate amount of credit lines.

Furthermore, it should be noted that:
- there are different sources of financing, with different banks;
- there are no significant concentrations of liquidity risk both as regards financial assets and as regards sources of financing.

The tables below report the expected cash flows in the coming financial years in relation to financial liabilities at 30 April 2016 and 30 April 2015:

At 30 April 2016 *(in thousands of euros)*	Book value	Within 12 months	Between 1 and 5 years	Beyond 5 years
Current and non-current loans	69,109	21,124	47,985	
Short-term loans	9,708	9,708		
Advances received from factors	8,953	8,953		
Liabilities for finance leases	17,881	763	5,253	11,865
Derivatives on exchange rates	124	124		
Payables to suppliers	261,673	261,673		
Other current and non-current payables	3,629	3,629		

At 30 April 2015 *(in thousands of euros)*	**Book value**	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**
Current and non-current loans	25,785	7,655	18,130	
Short-term loans	11,098	11,098		
Advances received from factors	3,452	3,452		
Liabilities for finance leases	18,487	554	2,945	14,988
Derivatives on exchange rates	299	299		
Payables to suppliers	243,197	243,197		
Other current and non-current payables	4,078	4,078		

CAPITAL RISK

The Group's objective within the scope of the capital risk management is mainly that of safeguarding its continuation as a going-concern so as to guarantee returns to shareholders and benefits to any other stakeholders. The Group also intends to maintain an optimal capital structure so as to reduce the cost of debt.

FINANCIAL ASSETS AND LIABILITIES BY CLASS

The fair value of receivables from customers and of other financial assets, payables to suppliers and other payables and of other financial liabilities, recognised under the "current" items of the statement of financial position, measured using the amortised cost method, does not differ from the book values reported in the financial statements at 30 April 2016 and 30 April 2015, as reference is mainly made to assets underlying business relations, the settlement of which is expected in the short term.

Non-current financial liabilities and assets are settled or measured at market rates and, therefore, their fair value is considered to be substantially in line with the present book values.

A classification of financial assets and liabilities by class at 30 April 2016 and 30 April 2015 is reported below:

At 30 April 2016 *(in thousands of euros)*	**Loans and receivables**	**Held-to-maturity investments**	**Financial asset or liability at fair value**	**Total financial assets or liabilities**	**Non-financial assets and liabilities**	**Total**
Assets						
Current receivables from customers	306,474			**306,474**		306,474
Other current and non-current assets	11,714	898	4,794	**17,406**	11,889	29,295
Cash and cash equivalents			146,168	**146,168**		146,168
Total assets	**318,188**	**898**	**150,962**	**470,048**	**11,889**	**481,937**
Liabilities						-
Current and non-current loans	105,651			**105,651**		105,651
Payables to suppliers	261,673			**261,673**		261,673
Other current liabilities	3,629		124	**3,753**	43,706	47,459
Total liabilities	**370,953**	**0**	**124**	**371,077**	**43,706**	**414,783**

At 30 April 2015 *(in thousands of euros)*	**Loans and receivables**	**Held-to-maturity investments**	**Financial asset or liability at fair value**	**Total financial assets or liabilities**	**Non-financial assets and liabilities**	**Total**
Assets						
Current receivables from customers	274,383			**274,383**		274,383
Other current and non-current assets	16,510	46	6,216	**22,772**	7,244	30,016
Cash and cash equivalents			92,122	**92,122**		92,122
Total assets	**290,893**	**46**	**98,338**	**389,277**	**7,244**	**396,521**
Liabilities						-
Current and non-current loans	58,822			**58,822**		58,822
Payables to suppliers	243,197			**243,197**		243,197
Other current liabilities	4,078		299	**4,377**	26,157	30,534
Total liabilities	**306,097**	**0**	**299**	**306,396**	**26,157**	**332,553**

FAIR VALUE ESTIMATE

IFRS 13 defines the fair value as the price that would be received for the sale of an asset that would be paid for the transferral of a liability on the date of evaluation on a free transaction between market operators.

The fair value of financial instruments listed on an active market is based on market prices on the reporting date. The fair value of instruments that are not listed on an active market is calculated using evaluation techniques based on a series of methods and assumptions linked to market conditions at the reporting date.

The fair value classification of financial instruments is given below, based on the following hierarchical levels:

Level 1: fair value calculated with reference to listed prices (not adjusted) on active markets for identical financial instruments;

Level 2: fair value calculated using evaluation techniques with reference to variables that can be observed on active markets;

Level 3: fair value calculated using evaluation techniques with reference to market variables that cannot be observed.

The table below shows the assets and liabilities which, at 30 April 2016, were measured and booked at fair value, providing an indication of the hierarchical level of the relative fair value:

(in thousands of euros)	**Level 1**	**Level 2**	**Level 3**
Assets measured at Fair Value			
Financial derivatives		3	
Assets destined for sale			1,818
Equity investments in other enterprises			4,794
Other Assets		895	
Total	**0**	**898**	**6,612**
Liabilities measured at Fair Value			
Financial derivatives		124	
Financial liabilities at Fair Value recognised in the Income Statement			
Other Liabilities			
Total	**0**	**124**	**0**

Financial derivatives are forward transactions in foreign currency entered into by the Group for the management of the exchange rate risk on certain supplies in currencies other than the Euro. The fair value was determined using the exchange risks observable at the reporting date.

Other assets included the reclassification of floating rate bonds issued by a leading Italian bank and measured at fair value in accordance with the data observable on the active market and an insurance policy valued at fair value on the basis of the ransom value.

Assets destined for sale consist mainly of the building owned by Var Group SpA, amounting to Euro 1,818 thousand. The value was confirmed by a survey and by the value of certain negotiations underway, aimed at sale.

Non-current equity investments in other companies refer to companies that are not listed on an active market, the fair value of which cannot be reliably measured; therefore, such equity investments are measured at cost, net of any losses in value. The measurement of the above-mentioned equity investments, therefore, represents the best approximation of the market value.

The following tables highlight the changes in Level 1, Level 2 and Level 3 during the year ended at 30 April 2016:

(in thousands of euros)	**Level 1**
Balance at 30.04.2015	**-**
Profit and (losses) recognised in income statement	
Increases/(Decreases)	
Balance at 30.04.2016	**-**
Total	**-**

(in thousands of euros)	**Level 2**
Balance at 30.04.2015	**(241)**
Profit and (losses) recognised in income statement	166
Increases/(Decreases)	849
Balance at 30.04.2016	**774**
Total	**774**

(in thousands of euros)	**Level 3**
Balance at 30.04.2015	**8,022**
Profit and (losses) recognised in income statement	
Increases/(Decreases)	(1,410)
Balance at 30.04.2016	**6,612**
Total	**6,612**

The change in the value referred to Level 2 derives mainly from the recognition of the fair value of the forward currency operation and the entry of insurance policies for Euro 858 thousand made by companies included in the scope of consolidation during the year.

The change in the value referred to Level 3 derives mainly from purchases of further monitory shares in unlisted companies recognised in the item Non-current equity investments in other companies.

4 Estimates and Assumptions

The preparation of financial statements requires the directors to apply accounting standards and methods which, in some circumstances, are based on difficult and subjective valuations and assumptions based on historical experience and assumptions that are from time to time considered reasonable and realistic depending on the related circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statement schedules, the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, as well as any information provided. The final results of the financial statement items for which the abovementioned estimates and assumptions have been used could differ from those reported in the financial statements that recognise the effects of the occurrence of the event being estimated, because of the uncertainty that characterizes the assumptions and conditions on which estimates are based.

Below are summarised the areas that require, more than others, greater subjectivity on the part of the directors in preparing estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on financial data.

(a) Impairment of assets

In accordance with the accounting standards applied by the Group, property, plant and equipment, intangible assets and investment property are tested for impairment in order to establish whether there is evidence of an impairment loss, which must be recognised through a write-down, when there are indications that it may be difficult to recover the related net book value through their use. The verification of the existence of the abovementioned indicators requires the directors to apply subjective valuations based on the information available within the Group and in the market, as well as on historical experience. Furthermore, if it is established that a potential impairment loss may have occurred, the Group takes steps to determine the same by using valuation techniques that are considered to be suitable. The correct identification of any evidence of the existence of a potential impairment loss of property, plant and equipment, intangible assets and investment property, as well as any estimates for the determination of the same, depend on factors that can vary over time, thus affecting the valuations and estimates made by the directors.

(b) Amortisation and depreciation

The cost of property, plant and equipment and intangible assets is depreciated/amortised on a straight-line basis over the estimated useful life of the related assets. The useful economic life of said assets is determined by the directors at the time when they are acquired; it is based on historical experience for similar assets, market conditions and anticipations of future events that could have an impact on the useful life of the assets, including changes in technology. Therefore, the actual economic life could differ from the estimated useful life.

(c) Provision for bad debts

The provision for bad debts reflects any losses estimated for the Group's portfolio of receivables. The Group has set aside provisions against expected losses on receivables, which have been estimated on the basis of past experience with reference to receivables with a similar credit risk, to current and historical outstanding amounts, as well as to the careful monitoring of the quality of the portfolio of receivables and of the current and expected conditions of the relevant economy and markets. The estimates and assumptions are reviewed periodically and the effects of any change are reported in the income statement in the relevant financial year.

(d) Provision for obsolescence of inventories

The Group recognises probable liabilities attributable to impairment losses of inventories in the provision for obsolescence of inventories. The determination of these provisions entails the assumption of estimates based on the current knowledge of factors that can vary over time, thus being able to generate final results that may also be significantly different from those taken into account in the preparation of these disclosures.

(e) Employee benefits

The present value of pension funds entered in the Consolidated Financial Statements depends on an independent actuarial calculation and on the different assumptions taken into consideration. Any changes in the assumptions and in the discount rate used are promptly reflected in the calculation of the present value and could have a significant impact on the data reported in the accounts. The assumptions used for the purposes of the actuarial calculation are examined on an annual basis.

The present value is determined by discounting the future cash flows at an interest rate equal to that of (high-quality corporate) bonds issued in the currency in which the liability will be settled and which takes account of the duration of the related pension plan. For additional information, reference is made to notes 27 Employee benefits and 10 Personnel costs.

5 Business Combinations

During the year ending 30 April 2016, the Group acquired control of Apra SpA, Accadis Srl, BMS SpA and Sailing Srl.

Within the scope of the VAD sector, on 15 June 2015 Computer Gross Italia SpA (VAD sector) purchased 51% of the share capital of Accadis Srl, leader in Italy in the value distribution of IT products and solutions of the international vendor Hitachi Data Systems, specialised in infrastructural solutions and innovative technological services to optimise IT solutions for enterprise (IT infrastructure, analytics, cloud solutions and big data). The price for 51% of the capital of Accadis Srl was Euro 1,100 thousand. Accadis Srl entered the Sesa Group's consolidation setting from 15 June 2015. Following allocation of the price paid, Euro 883 thousand (gross of tax) was accrued to the technological know-how item and amortised over 20 years.

Within the scope of the VAR sector, on 10 July 2015, Var Group SpA purchased an investment equating to 50% of the share capital of Apra SpA, a company with its headquarters in Jesi (Ancona), climbing to 60% of the capital and consequently gaining control of the company. The acquisition took place following the exercise of the call option envisaged with 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, specialised in vertical software services and solutions for the SME and Enterprise market, aimed at some of the sectors of excellence of commodities Made in Italy (wine and furniture), with about 2,000 business clients. The total price for the purchase of 60% was Euro 3.5 million. Apra SpA entered the Sesa Group's consolidation setting from 10 July 2015. Following allocation of the price paid, Euro 4,452 thousand (gross of tax) was accrued to the client list and technological know-how items and amortised over 10 and 20 years.

After taking over 36% of the capital of BMS SpA, for a price of 1,227 thousand euros in July 2015, in January 2016, Var Group SpA purchased a further 15% share in the company (taking the total to 51%) for Euro 503 thousand, in compliance with a binding agreement. BMS SpA, with its headquarters in Milan, operates in the SAP sector for medium enterprises. Entry into the consolidation setting took place from 1 August. Following allocation of the price paid, Euro 1,389 thousand (gross of tax) was accrued to the client list and technological know-how items and amortised over 10 and 20 years.

On the basis of the binding agreement signed in 2014, Var Group SpA took over 51% of the capital of Sailing Srl, for a total cost of the entire investment of Euro 3.4 million. Sailing Srl is a company operating in the production and sale of IT services and software, specialised in the mass retail sector. Entry into the consolidation setting took place in November 2015. Following allocation of the price paid, Euro 3,572 thousand (gross of tax) was accrued to the client list and technological know-how items and amortised over 10 and 20 years.

In compliance with IFRS3, the fair values of assets, liabilities and potential liabilities are determined definitively.

The following table shows the details of the fair value of acquired assets and liabilities for the companies listed above :

(in thousands of euros)	**Accadis Srl**	**BMS SpA**	**Apra SpA**	**Sailing Srl**
Property, plant and equipment	946	1,421	4,929	3,595
Investment property	240	314	255	185
Other current and non-current assets	11	1,483	2,211	121
Inventories	2,047	48	286	77
Current trade receivables	7,711	2,736	5,748	1,485
Cash and cash equivalents	878	853	23	3,521
Acquired assets	**11,833**	**6,855**	**13,452**	**8,984**
Non-current loans	-	-	-	-
Employee benefits	31	332	2,272	400
Current loans	576	-	506	-
Deferred tax liabilities	257	456	1,485	1,041
Payables to suppliers	9,292	1,452	2,950	2,602
Other liabilities	121	2,170	2,541	28
Acquired liabilities	**10,277**	**4,410**	**9,754**	**4,071**
Minority interests	(456)	(716)	(218)	(1,167)
Acquired net assets	**1,100**	**1,729**	**3,480**	**3,746**

The amount paid for acquisitions made during the year is shown below:

(in thousands of euros)	**Accadis Srl**	**BMS SpA**	**Apra SpA**	**Sailing Srl**
Fee	1,100	1,729	3,480	3,400
Net financial debt (net cash)*	(302)	(853)	483	(3,521)
Amount paid	**798**	**876**	**3,963**	**(121)**

*Net financial debt calculated at the date of the corporate control acquisition and entry in the scope of consolidation

6 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 for 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 services such as administrative and finance management, organisation, planning and control, management of IT systems, human resources, general, corporate and legal affairs of the main Group companies carried out by the parent company Sesa SpA and also logistics services, (storage, assembly, customisation and handling of products) through Ict Logistica Srl.

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 assess the performance of the different operating segments, using the following indicators:

- revenues from third parties by operating segment;
- EBITDA defined as the profit for the year before depreciation, provisions for bad debts, accruals to provision 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 financial years ended 30 April 2016 and 30 April 2015.

	FY ended 30 April 2016					FY ended 30 April 2015				
(in thousands of euros)	**Value Added Distribution**	**Software and System Integration**	**Corporate**	**Eliminations**		**Value Added Distribution**	**Software and System Integration**	**Corporate**	**Eliminations**	
Revenues from third parties	**1,002,314**	**219,475**	**1,696**	**-**	**1,223,485**	**868,372**	**183,906**	**1,760**		**1,054,038**
Inter segment revenues	75,032	3,043	10,242	-	88,317	77,728	4,669	10,094		92,491
Revenues	**1,077,346**	**222,518**	**11,938**	**(88,317)**	**1,223,485**	**946,100**	**188,575**	**11,854**	**(92,491)**	**1,054,038**
Other income	4,231	2,813	1,900	(2,827)	6,117	5,222	1,944	1,570	(2,614)	6,122
Total Revenues and other income	**1,081,577**	**225,331**	**13,838**	**(91,144)**	**1,229,602**	**951,322**	**190,519**	**13,424**	**(95,105)**	**1,060,160**
Consumables and goods for resale	(994,489)	(124,592)	(926)	76,812	(1,043,195)	(873,077)	(101,449)	(905)	79,390	(896,041)
Costs for services and rent, leasing and similar costs	(30,017)	(49,570)	(6,784)	14,719	(71,652)	(23,543)	(45,202)	(6,853)	16,335	(59,263)
Personnel costs	(12,304)	(41,446)	(5,257)	3	(59,004)	(11,280)	(33,960)	(5,085)	3	(50,322)
Other operating costs	(1,926)	(787)	(230)	(364)	(3,307)	(1,795)	(372)	(131)	(653)	(2,951)
Ebitda	**42,841**	**8,936**	**641**	**26**	**52,444**	**41,627**	**9,536**	**450**	**(30)**	**51,583**
Amortisation, depreciation and write-downs	(5,985)	(3,916)	(77)	-	(9,978)	(5,791)	(4,551)	120	-	(10,222)
Ebit	**36,856**	**5,020**	**564**	**26**	**42,466**	**35,836**	**4,985**	**570**	**(30)**	**41,361**
Profit from companies valued at equity	8	437	17	-	462	19	13	(33)	-	(1)
Net financial income and charges	(3,036)	(2,211)	22	-	(5,225)	(4,617)	(1,091)	(41)	-	(5,749)
Profit before taxes	**33,828**	**3,246**	**603**	**26**	**37,703**	**31,238**	**3,907**	**496**	**(30)**	**35,611**
Income taxes	(10,587)	(1,700)	(353)	(8)	(12,648)	(10,124)	(2,402)	(393)	(87)	(13,006)
Profit for the year	**23,241**	**1,546**	**250**	**18**	**25,055**	**21,114**	**1,505**	**103**	**(117)**	**22,605**
Net profit attributable to minority interests	94	937	60	0	1,091	87	662	53		802
Net profit attributable to the Group	**23,147**	**609**	**190**	**18**	**23,964**	**21,027**	**843**	**50**		**21,803**

All the Group's revenues are generated in Italy. Revenues can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Sale of hardware, software and accessories	1,128,940	975,803
Software development and other services	43,554	32,891
Hardware and software assistance	37,455	33,335
Marketing activity	10,206	8,517
Other sales	3,330	3,492
Total	**1,223,485**	**1,054,038**

The growth of the Revenues item, commented in the Report on operations, is mainly attributable to the sale of value-added IT solutions (hardware, software, IT services) of the subsidiaries Computer Gross Italia SpA and the Var Group SpA.

7 Other income

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Transport activity	611	641
Capital gains on disposals	508	57
Commissions	442	225
Leases and hires	167	585
Training courses	184	285
Other income	4,205	4,329
Total	**6,117**	**6,122**

The item Other income relates mainly to the recovery of the transport costs and to other services provided by Group companies.

8 Consumables and Goods for resale

This item is broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Purchase of hardware	678,358	602,436
Purchase of software	364,074	292,986
Consumables and other purchases	763	619
Total	**1,043,195**	**896,041**

9 Costs for services and rent, leasing and similar costs

This item is broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Hardware and software technical assistance	23,494	17,366
Consultancy	15,130	13,274
Commissions and contributions due to agents	8,543	6,927
Leases and hires	5,657	4,849
Marketing	3,356	2,464
Transport	3,408	2,948
Insurance	1,685	1,806
Utilities	1,733	1,438
Logistics and warehousing	1,231	972
Support and training expenses	609	513
Maintenance	2,343	2,579
Other expenses for services	4,463	4,127
Total	**71,652**	**59,263**

10 Personnel costs

This item is broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Wages and salaries	39,996	34,697
Social security contributions	11,264	9,865
Contributions to defined-contribution pension funds	2,687	2,073
Contributions to defined-benefit pension funds		
Reimbursements and other personnel costs	5,057	3,687
Total	**59,004**	**50,322**

Below is reported the average and exact number of the Group’s employees:

	Average number of employees for the financial year ended 30 April		Exact number of employees at 30 April	
(in units)	**2016**	**2015**	**2016**	**2015**
Executives	16	15	16	16
Middle managers	93	90	95	91
Office workers	1,041	920	1,104	852
Total	**1,150**	**1,025**	**1,215**	**959**

11 Other Operating Costs

This item is broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Accruals to provision for bad debts	4,722	5,054
Charges and commissions for assignments of receivables without recourse	1,361	1,142
Taxes and duties	429	484
Capital losses on disposals	45	210
Losses not covered by provisions for bad debts	553	385
Provisions for risks and charges	487	348
Other operating costs	919	730
Total	**8,516**	**8,353**

12 Amortisation and depreciation

This item is broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Intangible assets	1,897	1,139
Property, plant and equipment	2,872	3,681
Total	**4,769**	**4,820**

13 Profit from companies valued at equity

Below is reported the breakdown of changes in the value of equity investments in associated companies valued at equity in the financial years ended 30 April 2016 and 30 April 2015:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Balance at the beginning of the period	**2,766**	**2,856**
Acquisitions and capital increases	1,452	81
Transfers and winding-ups	(261)	(153)
Dividends received	(151)	(42)
Profit from companies valued at equity	462	24
Reclassifications	(330)	
Balance at the end of the period	**3,938**	**2,766**

Below is reported the share of profit of the main associated companies, and the combined value of their assets, liabilities and revenues:

(in thousands of euros)	**Total assets**	**Total liabilities**	**Revenues**	**Profit (loss) for the year**	**Ownership %**
30 April 2016					
ZUCCHETTI INFORMATICA SPA	23,776	22,540	48,148	1,116	25.0%
M.K. ITALIA Srl	1,804	1,389	5,287	116	45.0%
YARIX Srl	1,735	1,409	2,961	94	50.0%
STUDIO 81 DATA SYSTEM Srl	1,764	1,576	2,711	(192)	50.0%
C.G.N. Srl	1,493	49	280	35	47.5%

14 Financial income and charges

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Interest expense for assignments of receivables	1,792	1,338
Charges and commissions for assignments of receivables with recourse	929	1,217
Interest expense on bank accounts and loans	703	1,002
Other interest expense	888	855
Commissions and other financial charges	3,214	1,651
Financial charges relating to staff severance pay (TFR)	189	307
Foreign exchange losses	2,815	7,408
Total financial charges	**10,530**	**13,778**
Interest income on other short-term receivables	2,131	1,464
Other financial income	327	203
Interest income on bank deposits	139	252
Dividends from equity investments	131	136
Foreign exchange gains	2,577	5,974
Total financial income	**5,305**	**8,029**
Net financial charges	**5,225**	**5,749**

15 Income taxes

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Current taxes	12,636	13,224
Deferred tax liabilities	12	-121
Taxes relating to previous financial years		-97
Total	**12,648**	**13,006**

The table below reports the reconciliation of the theoretical and effective tax burden for the financial years ended 30 April 2016 and 30 April 2015.

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Profit before taxes	**37,703**	**35,611**
Theoretical taxes	10,368	9,792
Taxes relating to previous years	8	(97)
Tax relief on dividends	(172)	
Permanent differences	117	(1,773)
IRAP tax, including other changes	2,327	5,084
Effective tax burden	**12,648**	**13,006**

16 Intangibles assets

This item and the related change can be broken down as follows:

(in thousands of euros)	**List of customers**	**Software and other intangible assets**	**Technological know-how**	**Total**
Balance at 30 April 2015	**6,265**	**925**		**7,190**
Of which:				
- historical cost	*9,625*	*3,317*		***12,942***
- accumulated amortisation	*(3,360)*	*(2,392)*		***(5,752)***
Change in the scope of consolidation	463	790		**1,253**
Investments	3,195	1,234	8,878	**13,307**
Disinvestments	(2,239)	(363)		**(2,602)**
Amortisation	(865)	(729)	(303)	**(1,897)**
Transfer of historical cost/accumulated amortisation				
Transfer of accumulated amortisation/historical cost				
Balance at 30 April 2016	**6,819**	**1,857**	**8,575**	**17,251**
Of which:				
- historical cost	*10,505*	*6,730*	*8,878*	***26,113***
- accumulated amortisation	*(3,686)*	*(4,873)*	*(303)*	***(8,862)***

The balance of intangible assets at 30 April 2016 was mainly made up of lists of customers and technological know-how, increasing during the year mainly for the purchase of controlling shares of Apra SpA, Sailing Srl, BMS SpA and Accadis Srl.

17 Property, plant and equipment

This item and the related change can be broken down as follows:

(in thousands of euros)	**Land**	**Buildings**	**Office machines**	**Leasehold improvements**	**Other property, plant and equipment**	**Total**
Balance at 30 April 2014	**5,203**	**21,020**	**3,965**	**1,018**	**5,256**	**36,462**
Of which:						
- historical cost	*5,203*	*22,085*	*21,242*	*2,163*	*7,939*	***58,632***
- accumulated depreciation		*(1,065)*	*(17,277)*	*(1,145)*	*(2,683)*	***(22,170)***
Change in the scope of consolidation	44	2,750	1,650	692	852	**5,988**
Investments	(22)	(48)	(330)	(38)	(199)	**(637)**
Disinvestments			(163)		(18)	**(181)**
Depreciation		(342)	(2,493)	(104)	(741)	**(3,680)**
Other movements			8	1	(8)	**1**
Balance at 30 April 2015	**5,225**	**23,380**	**2,637**	**1,569**	**5,142**	**37,953**
Of which:						
- historical cost	*5,225*	*24,787*	*22,237*	*2,872*	*8,459*	***63,580***
- accumulated depreciation		*(1,407)*	*(19,600)*	*(1,303)*	*(3,317)*	***(25,627)***
Investments		3,424	3,465	1,169	1,528	**9,586**
Disinvestments		(5)	(1,435)		(233)	**(1,673)**
Change in the scope of consolidation			754	93	596	**1,443**
Depreciation		(401)	(1,241)	(287)	(943)	**(2,872)**
Other movements						
Balance at 30 April 2016	**5,225**	**26,398**	**4,180**	**2,544**	**6,090**	**44,437**
Of which:						
- historical cost	*5,225*	*28,206*	*14,182*	*4,290*	*10,372*	*62,275*
- accumulated depreciation		*(1,808)*	*(10,002)*	*(1,746)*	*(4,282)*	*(17,838)*

Investments in Buildings relating to the year ended 30 April 2016 mainly included the expansion of the buildings for the storage of goods, the completion of the executive offices of Sesa SpA and the company's canteen in Empoli. Purchases of office equipment during the year mainly refer to servers and storage necessary for the increase in the cloud computing services offered thanks to the Data Center in Empoli. Improvements on third party assets mainly refer to the fitting-out of the Cash&Carry points of sale of Computer Gross Italia SpA.

18 Investment Property

This item and the related change can be broken down as follows:

(in thousands of euros)	**Land**	**Buildings**	**Total**
Balance at 30 April 2014	**281**	**9**	**290**
Of which:			
- historical cost	*281*	*10*	***291***
- accumulated depreciation		*(1)*	***(1)***
Depreciation			
Disposals			
Balance at 30 April 2015	**281**	**9**	**290**
Of which:			
- historical cost	*281*	*10*	***291***
- accumulated depreciation		*(1)*	***(1)***
Investments			
Depreciation			
Disposals			
Balance at 30 April 2016	**281**	**9**	**290**

19 Deferred tax assets and liabilities

Below is the breakdown of the expected maturity of deferred tax assets and deferred tax liabilities:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Deferred tax assets due within 12 months	4997	69
Deferred tax assets due beyond 12 months	452	5,169
Total deferred tax assets	**5,449**	**5,238**
Deferred tax liabilities within 12 months	5206	-
Deferred tax liabilities beyond 12 months	257	2,081
Total deferred tax liabilities	**5,463**	**2,081**

The net change in the items in question can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Balance at the beginning of the period	**3,157**	**2,165**
Of which:		
- deferred tax assets	*5,238*	*4,352*
- deferred tax liabilities	2,081	(2,187)
Change in the scope of consolidation	(2,981)	429
Effect on the income statement	(174)	121
Effect on the statement of comprehensive income	(16)	442
Balance at the end of the period	**(14)**	**3,157**
Of which:		
- deferred tax assets	*5,449*	*5,238*
- deferred tax liabilities	*5,463*	*2,081*

The change in deferred tax assets can be broken down as follows:

Deferred tax assets *(in thousands of euros)*	Value differences on property, plant and equipment and intangible assets	Provisions for risks and charges and other allocations	Employee benefits	Other items	Total
Balance at 30 April 2014	**2,041**	**2,181**	**130**	**-**	**4,352**
Change in the scope of consolidation	429	-	-	-	**429**
Effect on the income statement	(527)	927	-	57	**457**
Effect on the statement of comprehensive income		-	-	-	
Balance at 30 April 2015	**1,943**	**3,108**	**130**	**57**	**5,238**
Change in the scope of consolidation	260		68	(55)	**273**
Effect on the income statement		(62)			**(62)**
Effect on the statement of comprehensive income					
Balance at 30 April 2016	**2,203**	**3,046**	**198**	**2**	**5,449**

The change in deferred tax liabilities can be broken down as follows:

Deferred tax liabilities *(in thousands of euros)*	Value differences on property, plant and equipment and intangible assets	Employee benefits	Other items	Total
Balance at 30 April 2014	**1789**	**116**	**282**	**2187**
Change in the scope of consolidation				**0**
Effect on the income statement	15	19	302	**336**
Effect on the statement of comprehensive income	-	-442		**-442**
Balance at 30 April 2015	**1,804**	**-307**	**584**	**2,081**
Change in the scope of consolidation	3254			**3254**
Effect on the income statement	112			**112**
Effect on the statement of comprehensive income		16		**16**
Balance at 30 April 2016	**5,170**	**-291**	**584**	**5,463**

Receivables for deferred tax assets refer to accruals to provisions for obsolescence, bad debts and risks, which will be deductible for tax purposes only when the loss becomes certain, and to intangible assets used to reduce equity during transition to IFRS.
Deferred tax liabilities are mainly related to tangible and intangible assets (client lists and technological know-how) for which the value deductible for tax purposes is lower than the book value.

20 Other current and non-current receivables and assets

This item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Non-current receivables from others	3,889	3,641
Non-current equity investments in other companies	4,794	6,204
Non-current securities	37	46
Other non-current tax receivables	63	
Non-current receivables from associated companies		150
Total other non-current receivables and assets	**8,783**	**10,041**
Current receivables from others	7,825	12,869
Other current tax receivables	3,415	3,015
Accrued income and prepaid expenses	8,286	4,079
Derivative assets	3	12
Other current securities	858	
Current receivables from Group's companies out of the scope of consolidation	125	
Total other current receivables and assets	**20,512**	**19,975**

Non-current receivables from others mainly include receivables relating to the recovery of VAT for invoices issued to customers subject to bankruptcy procedures.

Non-current equity investments in other companies refer to companies not listed on an active market, the fair value of which cannot be measured reliably; therefore, these investments are valued at cost, net of any losses in value. Among these, we point out Dedagroup SpA and ITD Srl.

Non-current equity investments in other companies can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Balance at the beginning of the year	**6,204**	**4,464**
Acquisitions and capital increase	393	1,897
Disposals and write-downs	-607	-157
Reclassifications	(1,196)	
Balance at the end of the year	**4,794**	**6,204**

In the year ending 30 April 2016, increases of other investments are due to the purchase of minority interests or capital increses carried out by Var Group SpA. In particular, the purchase of 10% of Sysdat.it, for Euro 200 thousand, should be noted. Among Disposals and writedowns, the adjustment of the book value of certain minority interests should be noted, for an amount of Euro 370 thousand. Reclassifications refer mainly to the shares held in BMS SpA, Apra SpA and Sailing SpA following the acquisition of control during the year.

21 Inventories

This item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Finished products and goods for resale	56,524	55,846
Work in progress and semi-finished products	2,555	2,414
Total	**59,079**	**58,260**

Finished products and goods for resale were recognised net of the provision for write-down for obsolescence. The related changes are reported in the table below.

(in thousands of euros)	**Provision for obsolescence of finished products and goods for resale**
Balance at 30 April 2015	**1,435**
Allocation	
Release	(623)
Balance at 30 April 2016	**812**

22 Current trade receivables

This item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Receivables from customers (*)	317,283	280,530
Provision for write-down of receivables from customers (**)	(12,030)	(8,732)
Receivables from customers, net of provision for bad debts	**305,253**	**271,798**
Receivables from associated companies	1,221	2,585
Total current trade receivables	**306,474**	**274,383**

(*)For the purposes of a better portrayal of receivables from customers, they are presented net of the balance of customers subject to bankruptcy and composition with creditors proceedings which, at 30 April 2016 were Euro 26,404 thousand, compared to Euro 25,411 thousand at 30 April 2015. These positions have been fully written down via the booking of a specific provision.

The table below reports the change in the provision for bad debts:

(in thousands of euros)	**Provision for bad debts**
Balance at 30 April 2015 (**)	**8,732**
Allocation	4,722
Use	(1,889)
Change in scope of consolidation	465
Balance at 30 April 2016 (**)	**12,030**

(**)For the purposes of a better portrayal of the provision for bad debts, its value is presented net of the accrual set aside to cover receivables subject to bankruptcy and composition with creditors proceedings which, at 30 April 2016 amounted to Euro 26,404 thousand, compared to Euro 25,411 at 30 April 2015.

23 Non-current assets held for sale

The item other assets held for sale mainly includes the property located in Via Giuntini in Empoli, owned by the subsidiary Var Group SpA, for Euro 1,818 thousand, following the transferral of the company from its headquarters and operational premises to the new location in Via Piovola in Empoli.

24 Cash and cash equivalents

This item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Bank and postal deposits	146,098	92,099
Cheques	6	2
Cash	64	21
Total cash and cash equivalents	**146,168**	**92,122**

The following table shows the Group's cash and cash equivalents by currency at 30 April 2016 and 30 April 2015:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Cash and cash equivalents in euros	142,128	88,814
Cash and cash equivalents in US dollars	4,040	3,308
Total cash and cash equivalents	**146,168**	**92,122**

25 Equity

Share capital

At 30 April 2016 the Parent Company's share capital, fully subscribed and paid-up, amounted to Euro 37,127 thousand and was divided into 15,651,101 ordinary shares, all of which were no-par-value shares. The Company has no outstanding Warrants or shares other than ordinary ones.
On 16 September 2015 a dividend of Euro 0.45 per share was distributed and approved by the Shareholders' Meeting on 28 August 2015. The profit distributed by the Parent Company Sesa SpA amounted to Euro 6,964 thousand.

The table below shows details of the changes during the year of the outstanding and treasury shares:

(in thousands of euros)	**Number of shares**
Balance at 30 April 2015	
Issued shares	15,651,101
Treasury shares	186,191
Outstanding shares	15,464,910
Changes during the year	
Assignment of shares in execution of the Stock Grant Plan	26,000
Purchase of treasury shares	80,516
Balance at 30 April 2016	
Issued shares	15,651,101
Treasury shares	240,707
Outstanding shares	15,410,394

Below are the Shareholders who, at 30 April 2016, held a significant equity investment with voting right of the share capital of the Issuer:

Declarer	**Direct Shareholder**	**No. of shares with voting right held**	**% on the total share capital with voting right**
HSE SpA	ITH SpA	9,129,633	58.3%
Franklin Templeton Institutional LLC	Franklin Templeton Institutional LLC	1,238,000	7.91%
Norges Bank	Norges Bank	466,708	2.98%

There are no other shareholders in addition to those mentioned above, with a significant equity investment who informed Consob and Sesa SpA, pursuant art. 117 of the Consob Regulation no. 11971/99 about the obligation to notify any significant equity investments.

Other reserves

The item “Other reserves” and “Reserve for actuarial gain (loss) attributable to minority interests” can be broken down as follows:

(in thousands of euros)	**Legal reserve**	**Reserve for actuarial gain (loss) of the Group**	**Sundry reserves**	**Total Other reserves**	**Reserve for actuarial gain (loss) attributable to minority interests**
At 30 April 2014	**366**	**(315)**	**2,678**	**2,729**	**(85)**
Actuarial gain/(loss) for employee benefits – gross		(1,318)		(1,318)	(291)
Actuarial gain/(loss) for employee benefits – tax effect		362		362	80
Capital increase on exercise of warrants			(43)	(43)	
Purchase of treasury shares					
Dividends distributed					
Stock Grant Plan – shares vesting in the period			302	302	
Non-refundable shareholders payment			2,430	2,430	
Allocation of the profit of the year	316			316	
Other changes			21	21	
At 30 April 2015	**682**	**(1,271)**	**5,388**	**4,799**	**(296)**
Actuarial gain/(loss) for employee benefits – gross		59		59	7
Actuarial gain/(loss) for employee benefits – tax effect		(14)		(14)	(2)
Capital increase on exercise of warrants					
Purchase of treasury shares					
Dividends distributed					
Vesting/Assignment of shares under the Stock Grant Plan			44	44	
Non-refundable shareholders payment					
Allocation of the profit of the year	344			344	
Other changes		19	79	98	
At 30 April 2016	**1,026**	**(1,207)**	**5,511**	**5,330**	**(291)**

Dividends

On 16 September 2015 a dividend of 0.45 Euro per share was distributed and approved by the Shareholders' Meeting on 28 August 2015. The net profit distributed by the parent company Sesa SpA amounted to Euro 6,964 thousand.

Earnings per Share

The following table shows the determination of the basic and diluted earnings per share.

(in euros, except otherwise specified)	Period ended 30 April 2016	2015
Profit for the year – attributable to the Group in thousands of euros	**23,964**	**21,803**
Average number of ordinary shares (*)	15,436,353	15,520,900
Earnings per share – basic	**1.6**	**1.4**
Average number of ordinary shares and warrants (**)	15,515,353	15,657,617
Earnings per share – diluted	**1.5**	**1.4**

(*) Monthly weighted average of the outstanding shares, net of treasury shares in portfolio;
(**)Monthly weighted average of the outstanding shares, net of treasury shares in portfolio, included the impact related to Stock Options/Grants Plans, Warrants and/or convertible bonds.

Other components of the statement of comprehensive income:

(in euros, except otherwise specified)	Earnings Reserve	Total Group	Minority interests	Total other comprehensive Income
At 30 April 2016				
Items that cannot be reclassified in the income statement				
Actuarial gain/(loss) for employee benefits	45	45	5	50
Total	45	45	5	50
Items that may be reclassified in the income statement				
Total				
Other comprehensive income	45	45	5	50

26 Current and non-current loans

This item at 30 April 2016 and 30 April 2015 can be broken down as follows:

At 30 April 2016 *(in thousands of euros)*	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**
Long-term loans	21,124	47,985		69,109
Short-term loans	9,708			9,708
Advances received from factors	8,953			8,953
Finance lease liability	763	5,253	11,865	17,881
Total	**40,548**	**53,238**	**11,865**	**105,651**
At 30 April 2015 *(in thousands of euros)*	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**
Long-term loans	7,655	18,130		25,785
Short-term loans	11,098			11,098
Advances received from factors	3,452			3,452
Finance lease liability	554	2,945	14,988	18,487
Total	**22,759**	**21,075**	**14,988**	**58,822**

The table below summarises the main outstanding loans:

(in thousands of euros)					**At 30 April**					
Lending bank	**Initial amount**	**New loan**	**Expiry**	**Applied rate**	**2016**	*of which current*	**2015**	*of which current*	**2014**	*of which current*
Banca MPS SpA	5,000	Mar-15	Mar-20	Euribor 6m + 1.50%	5,000	1,250	5,000			
CARIPARMA-Credit Agricole SpA	5,000	Mar-15	Aug-16	Euribor 3m + 1.10%	5,000	5,000	5,000			
UniCredit SpA	8,000	Dec-14	Oct-18	Euribor 3m + 1.50%	8,000		8,000			
Banca MPS SpA	10,000	Nov-15	Dec-20	Euribor 6m + 1.10%	10,000	2,000				
Unicredit SpA	5,000	Dec-15	Apr-17	Euribor 3m + 1.00%	5,000	5,000				
Banca CR Firenze SpA	10,000	Nov-15	Dec-20	Euribor 3m + 1.00%	9,500	2,000				
Unicredit SpA	5,000	Apr-16	Apr-21	Euribor 3m + 1.25%	5,000	975				
BNL BNP Paribas SpA	8,000	Jun-15	May-17	Euribor 3m + 0.90%	8,000	-				
Total					***55,500***	***16,225***	***18,000***			

It should be noted that loans do not envisage capital and/or financial covenants but solely clauses of termination of the benefit of the term in case of cross default or change of control.

The item "advances received from factors" refers to advanced granted by factoring companies against transactions with recourse.

The table below summarises the main financial lease agreements in place with Leasint SpA relative to properties in Empoli owned by Computer Gross Italia SpA:

(in thousands of euros)			At 30 April					
Lending bank	**New lease agreement**	**Expiry**	**2016**	*of which current*	**2015**	*of which current*	**2014**	*of which current*
Leasint SpA		Sep-25	8,801		9,254		7680	
Leasint SpA	Sep-13	Sep-25	615	*36*	649	*34*	681	*33*
Leasint SpA	Oct-10	Sep-25	7,456	*466*	7,913	*457*	8,361	*448*
Leasint SpA	Dec-08	Oct-23	608	*66*	649	*61*	708	*59*
Dell Bank International Limited	May-15	Apr-18	401	*195*				
Other minor agreements	n.a.	n.a.			22	2	69	47
Total			**17,881**	**763**	**18,487**	**554**	**17,499**	**587**

The table below summarises the minimum payments for finance lease liabilities:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Minimum payments due		
Within 12 months	962	767
Between 1 and 5 years	5,900	3,068
Beyond 5 years	12,279	16,126
	19,141	**19,961**
Future financial charges	-1,260	-1,474
Present value of finance lease liabilities	**17,881**	**18,487**

At 30 April 2016 and 30 April 2015, the Group's financial debt was represented by loans raised in Euro.
A summary of the Group's net financial position is shown below:

		At 30 April	
	(in thousands of euros)	**2016**	**2015**
A.	Cash	64	21
B.	Cheques and bank and postal deposits	146,104	92,101
C.	Securities held for trading		
D.	**Liquidity (A) + (B) + (C)**	**146,168**	**92,122**
E.	**Current financial receivables**	**1,294**	**605**
F.	Current bank debts	18,661	14,550
G.	Current portion of non-current debt	21,124	7,655
H.	Other current financial payables	763	554
I.	**Current financial debt (F) + (G) + (H)**	**40,548**	**22,759**
J.	**Net current financial debt (I) - (E) - (D)**	**(106,914)**	**(69,968)**
K.	Non-current bank debts	47,985	18,130
L.	Bonds issued		
M.	Other non-current payables	17,118	17,933
N.	**Non-current financial debt (K) + (L) + (M)**	**65,103**	**36,063**
O.	**Net financial debt (J) + (N)**	**(41,811)**	**(33,905)**

27 Employee Benefits

This item includes the provision relating to the staff severance pay (TFR) for the employees of the Group companies.

The change in the item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Balance at the beginning of the year	**13,057**	**10,308**
Service cost	1,004	830
Interest on the obligation	189	307
Uses and advances	(1,155)	(588)
Actuarial loss/(gain)	(66)	1,609
Change in the scope of consolidation and purchase of corporate branches	2,807	591
Balance at the end of the year	**15,836**	**13,057**

The table below shows details of the actuarial calculation assumptions for the purposes of the determination of defined-benefit pension plans:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Economic assumptions		
Rate of inflation	1.75%	1.75%
Discount rate	1.45%	1.50%
Rate of increase in staff severance pay (TFR)	2.81%	2.81%

As regards the discount rate, reference has been made to the iBoxx Eurozone Corporates AA index with duration 10+ as at the various valuation dates, commensurate with the residual average term of the staff subject to assessment.

Sensitivity analysis

According to IAS 19R, a sensitivity analysis was carried out when the main actuarial assumptions used in the calculation model changed. In detail, the most significant assumptions, meaning the average annual discount rate, the average annual rate of inflation and the turnover rate, were increased and decreased by half a percentage point, a quarter of a percentage point and two percentage points, respectively.

(in thousands of euros)	**Scenario**	**Past service liability**
Annual discount rate	0.50%	14,837
	-0.50%	16,240
Avrage annual rate of inflation	0.25%	15,673
	-0.25%	15,354
Turnover rate	2.00%	15,258
	-2.00%	15,829

28 Provisions for risks and charges

The change in the items in question can be broken down as follows:

(in thousands of euros)	**Provision for agents' pension fund**	**Other provisions for risks**	**Total**
At 30 April 2015	**183**	**372**	**555**
Change in the scope of consolidation	85	11	96
Allocations	69	418	487
Uses	(20)	(406)	(426)
Releases			
At 30 April 2016	**317**	**395**	**712**

Other Provisions for Risks aim to hedge risks connected to legal and tax disputes and they include the estimate of legal expenses relating to the future dispute with the tax authorities in relation to the notifice 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, concerning the sale of non-taxable assets pursuant to article 8 par. 2 of Presidential Decree 633/72, for which the tax authorities assumed the non-fulfilment of the requirements of the relevant legislation. The higher tax ascertained amounts to Euro 1.6 million, plus sanctions and interest. From an examination of the situation and of the documentation presented, Computer Gross Italia SpA, having heard the opinions of its tax and legal consultants, believed that the tax authorities' request on the merits was groundless and therefore it appealed against the abovementioned notice of assessment in February 2016. The company also deemed that it has behaved correctly in compliance with the laws on taxation having also gradually strengthened the procedures of validation and monitoring of the clients who perform this type of operations, in order to reduce the potential tax risk.
As at the date of the preparation of this Annual Report, with a view to the ongoing tax dispute and as required by the current law, Computer Gross Italia SpA paid an amount equal to one third of the abovementioned assessed tax plus the related interest. Therefore, the Net Financial Position of the Group at 30 April 2016 reflected the payment of such amount.
It should also be noted that, at the date of preparation of this Annual Report, that disclosed above was the only tax claim of a significant amount for all the companies of the Sesa Group.

The use of Euro 403 thousand from the Other Provisions for Risks is related to the settlement of liabilities already allocated at 30 April 2015, without further significant effects on the Income Statement. In particular, it should be noted the use of Euro 150 thousand of the provision, following the acceptance by Var Group SpA in July 2015 of the formal report on findings served by the Florence Tax Police Department (*Nucleo Polizia Tributaria di Firenze*) of the Italian Tax Police, concerning the assessment of direct and indirect taxation for the tax period ended 30 April 2013.

29 Other current liabilities

This item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Accrued expenses and deferred income	16,202	8,545
Tax payables	10,072	5,716
Payables to personnel	9,999	9,154
Other payables	3,629	4,078
Payables to social security institutions	2,011	1,602
Advances from customers	5,422	1140
Derivative liabilities	124	299
Total other current liabilities	**47,459**	**30,534**

30 Other information

Potential Liabilities

We are not aware of the existence of additional tax disputes or proceedings able to have a material impact on the Group's economic and financial position with the exception of the above mentioned tax dispute showed in Note 28 - Provisions for risks and charges.

Commitments

At 30 April 2016 the Group did not undertake commitments which were not recognised in the accounts.

Fees due to Directors and Statutory Auditors

Details of fees due to the parent company Directors and Statutory Auditors are given below, gross of welfare charges and taxes paid by Sesa SpA and the other Group’s companies for the year. For a full description and analysis of the fees due to Directors, Statutory Auditors and Executives with strategic responsibilities, please refer to the Remuneration Report , which is available for consultation at head office and on the website, in the “Corporate Governance” section.

(in thousands of euros)	**FY ended 30 April 2016**
Fees due to Directors	589
Fees due to Statutory Auditors	68

The fees of Directors reported in the table include fixed and variable amounts, as well as those due for participation in internal committees. They do not include amounts to be paid to directors and shares assigned under the stock grant plan approved by the Shareholders' Meeting on 28 August 2015. In relation to the stock

grant plan destined to executive directors, it should be noted that, at 30 April 2016, 26,000 shares matured, equal to a cost accrued for the year of Euro 344 thousand.
To gain an organic picture of the fees and payments disbursed to the corporate bodies, please see the Remuneration Report.

Fees due to Independent Auditors

The following statement, drawn up in compliance with article 149-duodecies of the Consob Issuers' Regulations, highlights the payments related to the year ended 30 April 2016 for auditing and other services rendered by the Independent Auditors and by organisations belonging to their network, including expenses.

Service	Entity providing the service	Recipient	Fees for the year ended 30 April 2016 (Thousands of euros)
Audit	PWC	Parent company Sesa SpA	100
Audit	PWC	Subsidiaries	160

The amounts include fees, out-of-pocket expenses and the supervisory fee. No services other than the audit were rendered.

31 Transactions with Related Parties

Relations maintained by the Group with associated and controlling companies are mainly of a commercial nature and mainly concern the purchase and sale of hardware and software materials and their related technical assistance.

The Company believes that all relations maintained with related parties are substantially regulated on the basis of standard market conditions.

The table below shows details of the financial balances with related parties at 30 April 2016 and 30 April 2015:

(in thousands of euros)	Associated companies	Controlling companies	Top management	Other related parties	Total	Effect on the balance-sheet item
Current trade receivables						
At 30 April 2016	10,720	6		5	10,731	**3.50%**
At 30 April 2015	1,466	11	1	15	1,493	**0.54%**
Other current receivables and assets						
At 30 April 2016	835			6	841	**4.10%**
At 30 April 2015	905	1,100			2,005	**10.04%**
Employee benefits						
At 30 April 2016			123		123	**0.78%**
At 30 April 2015	-	-	117	-	117	0.90%
Payables to suppliers						
At 30 April 2016	1,990			132	2,122	**0.79%**
At 30 April 2015	1,450	-	1	324	1,775	**0.73%**
Other current liabilities						
At 30 April 2016	247		155		402	**0.85%**
At 30 April 2015	311	-	134	-	445	**1.46%**

The table below reports the effects on the income statement of the transactions with related parties in the financial years ended 30 April 2016 and 30 April 2015:

(in thousands of euros)	**Associated companies**	**Parent companies**	**Top management**	**Other related parties**	**Total**	**Effect on the balance-sheet item**
Revenues						
At 30 April 2016	21,427	62	3	13	21,505	**1.76%**
At 30 April 2015	2,611	53		26	2,690	**0.26%**
Other income						
At 30 April 2016	17	1	19	3	40	**0.65%**
At 30 April 2015	21	1	19	4	45	**0.74%**
Consumables and goods for resale						
At 30 April 2016	1,054				1,054	**0.10%**
At 30 April 2015	715			489	1,204	**0.13%**
Costs for services and rent, leasing and similar costs						
At 30 April 2016	4,669		1,149	789	6,507	**9.08%**
At 30 April 2015	4,088	(1,100)	980	531	4,499	**7.59%**
Personnel costs						
At 30 April 2016	36		730		766	**1.30%**
At 30 April 2015	14		696		710	**1.41%**
Other operating costs						
At 30 April 2016	1				1	**0.01%**
At 30 April 2015	7				7	**0.08%**
Financial income						
At 30 April 2016	2				2	**0.04%**
At 30 April 2015	4				4	**0.05%**
Financial charges						
At 30 April 2016	3				3	**0.03%**
At 30 April 2015	5				5	**0.04%**

Associated companies

Relations with associated companies mainly relate to the purchase and sale of hardware and software and to the related technical assistance services, carried out at standard market conditions. Associated companies are active in the ICT sector and mainly owned by Var Group SpA. At 30 April 2016, there was an increase in trade receivables from associated companies, particularly from Zucchetti informatica SpA, following the trade agreement signed at the time of acquisition of 25% of the share capital by Var Group SpA.

Parent Companies

Relations with parent companies are almost entirely attributable to the indemnification charged to ITH SpA following the transaction with Casalini Libri SpA recorded at 30 April 2015.

Top management

Relations with top management mainly relate to the fees due to directors and executives with strategic responsibilities, as well as to their close relatives. In particular, "personnel costs" include the remuneration of directors and executives with strategic responsibilities as wage-earning employee, while "costs for service and rent, leasing and similar costs" include fees due as company directors.

Other related parties

Relations with other related parties, which are mainly companies in which statutory auditors or directors of the controlling companies of Sesa SpA hold equity invetments, relate to commercial activities regulated under standard market conditions.

32 Events After the Year-end

No significant events occurred after the end of the year at 30 April 2016.

33 Authorization for publication

Publication of the Sesa Group's consolidated financial statements as at 30 April 2016 was authorised by resolution of the Board of Directors on 14 July 2016.

Attestation of the Consolidated Financial Statements pursuant to art. 154-bis of Italian Legislative Decree no. 58/98

1. The undersigned Paolo Castellacci, in his capacity as Chairman of the Board of Directors, and Alessandro Fabbroni, in his capacity as Director responsible for drawing up Sesa S.p.A's accounting documents certify, also taking into account that envisaged by article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:

- The adequacy in relation to the enterprise characteristics and
- the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements at 30 April 2016.

2. No important aspects emerged from the application of the administrative and accounting procedures for the preparation of the consolidated financial statements at 30 April 2016.

3. It is also certified that:

   3.1 The consolidated financial statements:

   a) are drawn up in compliance to the applicable international accounting standards recognised in the European Community, pursuant to EC regulation no. 1606/2002 of the European Parliament and the Council, dated 19 July 2002;

   b) correspond to the company accounts, books and records;

   c) offer a true and fair representation of the financial position, result of operations and cash flows of the issuer and of the groups of companies included within the scope of consolidation.

   3.2 the Report on Operations includes a reliable analysis of the performance and of the operating result as well as of the situation of the issuer and of the groups of companies included within the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Empoli, 14 July 2016

Paolo Castellacci	Alessandro Fabbroni
Chairman of the Board of Directors	Director responsible for drawing up accounting documents

pwc

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the shareholders of
Sesa SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the Sesa Group, which comprise the consolidated statement of financial position as of 30 April 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of Sesa SpA are responsible for the preparation of consolidated financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree no. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel.0458263001

www.pwc.com/it

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Sesa Group as of 30 April 2016 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005.

Report on compliance with other laws and regulations

Opinion on the consistency with the consolidated financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) no. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree no. 58/98, which are the responsibility of the directors of Sesa SpA, with the consolidated financial statements of the Sesa Group as of 30 April 2016. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the Sesa Group as of 30 April 2016.

Florence, 25 July 2016

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

Annex 1

Subsidiary Companies

Owned by	Company	Registered Office	Share capital in Euro	Ownership percentage at 30 April	
				2016	2015
VAR GROUP SRL	365ONLINE S.r.l.	Empoli (Florence)	100,650	100.0%	100.0%
COMPUTER GROSS ITALIA SPA	ACCADIS SRL	Rome	100,000	51.0%	n.a.
VAR DIGITAL SRL	AFB NET SRL	Ponte San Giovanni (Perugia)	15,790	62.0%	n.a.
APRA SPA	AGENZIA SENZA NOME SRL	Jesi (Ancona)	25,000	70.0%	n.a.
VAR GROUP SPA	APRA SPA	Jesi (Ancona)	150,000	60.0%	n.a.
SESA SPA	ARCIPELAGO CLOUD SRL	Empoli (Florence)	50,000	100.0%	100.0%
VAR GROUP SPA	BIG S.r.l.	Empoli (Florence)	25,000	53.0%	53.0%
VAR GROUP SPA	BMS SPA	Milan	1,000,000	51.0%	n.a.
APRA SPA	CENTRO 3 CAD SRL	Jesi (Ancona)	10,000	80.0%	n.a.
SESA SPA	COMPUTER GROSS ITALIA SPA	Empoli (Florence)	40,000,000	100.0%	100.0%
COMPUTER GROSS ITALIA SPA	COMPUTER GROSS NESSOS SRL	Empoli (Florence)	52,000	60.0%	60.0%
VAR GROUP SRL	VAR GROUP NORD OVEST SRL	Genoa	10,000	100.0%	100.0%
VAR GROUP SPA	COSESA	Empoli (Florence)	15,000	60.0%	60.0%
VAR GROUP SPA	DELTA PHI SIGLA SRL	Empoli (Florence)	99,000	100.0%	100.0%
COMPUTER GROSS ITALIA SPA	ICT LOGISTICA SRL	Empoli (Florence)	775,500	33.3%	33.3%
VAR GROUP SPA				33.3%	33.3%
SESA SPA	IDEA POINT SRL	Empoli (Florence)	10,000	100.0%	100.0%
MY SMART SERVICES SRL	INCOS ITALIA SRL	Empoli (Florence)	53,500	51.1%	51.1%
M.F. SERVICES SRL				3.5%	3.5%
ITF SRL	INTEGRATED CUSTOMER CENTER SRL	Empoli (Florence)	104,000	100.0%	100.0%
COMPUTER GROSS ITALIA SPA	ITF SRL	Empoli (Florence)	100,000	100.0%	100.0%
VAR GROUP SPA	LEONET SRL	Empoli (Florence)	60,000	100.0%	100.0%
MY SMART SERVICES SRL	M.F. SERVICES SRL	Campagnola Emilia (Reggio Emilia)	118,000	70.0%	70.0%
VAR GROUP SPA	MY SMART SERVICES SRL	Empoli (Florence)	20,000	100.0%	100.0%
VAR GROUP SPA	VAR DIGITAL SRL	Empoli (Florence)	10,400	100.0%	100.0%
VAR GROUP SPA	SAILING SRL	Reggio Emilia	10,000	51.0%	n.a.
VAR GROUP SPA	SIRIO INFORMATICA E SISTEMI SPA	Milan	1,020,000	51.0%	51.0%
SIRIO INFORMATICA E SISTEMI	VAR APPLICATIONS SRL	Empoli (Florence)	102,632	100.0%	97.4%
VAR GROUP SPA	VAR BUSINESS ENGINEERING SRL	Empoli (Florence)	50,000	100.0%	100.0%
VAR GROUP SPA	VAR COM SRL	Empoli (Florence)	26,786	51.0%	51.0%
VAR GROUP SRL	VAR EMILIA ROMAGNA SRL	Rimini	83,375	62.4%	58.5%
VAR GROUP SRL	VAR ENGINEERING SRL	Empoli (Florence)	50,000	63.0%	68.0%
VAR EMILIA ROMAGNA SRL				15.0%	n.a.
SESA SPA	VAR GROUP SPA	Empoli (Florence)	3,800,000	100.0%	100.0%
VAR GROUP SPA	VAR GROUP SRL	Empoli (Florence)	100,000	100.0%	100.0%
COSESA SRL	VAR LIFE SRL	Empoli (Florence)	25,000	97.0%	87.5%
VAR GROUP SPA	VAR ONE SRL	Empoli (Florence)	248,535	64.9%	56.2%
VAR GROUP SRL	VAR TECH SRL	Empoli (Florence)	22,000	51.8%	51.8%

Associated Companies

Owned by	Company	Registered Office	Share capital in Euro	Ownership percentage at 30 April 2016	2015
VAR DIGITAL SRL	AFB NET SRL	Ponte San Giovanni (Perugia)	15,790	n.a.	43.0%
VAR BUSINESS ENGINEERING SRL	B.I.T. SRL	Milan	100,000	12.5%	5.5%
BMS SPA				12.5%	n.a.
SESA SPA	C.G.N. SRL	Milan	445,744	47.5%	47.5%
COMPUTER NESSOS SRL	COLLABORA SRL	Vinci (Florence)	15,000	29.0%	29.0%
APRA SPA	CONSORZIO 3 CAD	Jesi (Ancona)	15,000	33.3%	n.a.
VAR DIGITAL SRL	CYMICHIP SRL	Creazzo (Vicenza)	13,158	24.0%	24.0%
VAR GROUP SPA	DOTDIGITAL SRL	Empoli (Florence)	50,000	50.0%	50.0%
VAR DIGITAL SRL	G.G. SERVICES SRL	Pontedera (Pisa)	10,200	33.3%	33.3%
VAR GROUP SPA	GLOBAL BUSINESS AREZZO SRL	Arezzo	16,519	39.5%	39.5%
VAR GROUP SPA	M.K. ITALIA SRL	Empoli (Florence)	100,000	45.0%	45.0%
VAR GROUP SPA	MEDIAMENTE CONSULTING SRL	Empoli (Florence)	10,000	20.0%	20.0%
VAR BUSINESS ENGINEERING SRL	NEOS SISTEMI SRL	Colonella (Teramo)	90,000	50.0%	50.0%
VAR GROUP SPA	NOA SOLUTION SRL	Cagliari	118,000	24.0%	24.0%
VAR GROUP SPA	O.A.S.I. SRL	Tremestieri Etneo (Catania)	14,444	25.0%	25.0%
VAR GROUP SPA	OPENIA SRL	Cascina (Pisa)	15,000	40.0%	n.a.
LEONET SRL	S.A. CONSULTING SRL	Milan	10,000	30.0%	30.0%
VAR GROUP SPA	SESA PROGETTI SRL	Empoli (Florence)	10,400	25.0%	25.0%
SIRIO INFORMATICA E SISTEMI SPA	SIRIO SPEED & AUTOMAZIONE SRL	Monza	10,000	49.0%	49.0%
APRA SPA	SO WINE SRL	Verona	10,000	35.0%	n.a.
VAR GROUP SRL	STUDIO 81 DATA SYSTEM SRL	Rome	18,504	50.0%	n.a.
VAR GROUP SPA	SYS-DAT SPA	Milan	1,015,000	n.a.	22.0%
VAR GROUP SRL	VAR & ENGINFO SRL	Empoli (Florence)	70,000	30.0%	30.0%
MY SMART SERVICE SRL	VAR COPY SRL	Empoli (Florence)	11,750	33.3%	33.3%
VAR GROUP SRL	VAR IT SRL	Empoli (Florence)	50,000	22.0%	22.0%
SIRIO INFORMATICA E SISTEMI SPA	WEBGATE ITALIA SRL	Milan	40,000	30.0%	30.0%
APRA SPA	WINLAKE ITALIA SRL	Novi Ligure	10,200	33.3%	n.a.
VAR GROUP SPA	YARIX SRL	Montebelluna (Treviso)	30,000	50.0%	n.a.
VAR GROUP SPA	ZUCCHETTI INORMATICA SPA	Lodi	100,000	25.0%	n.a.

Other Companies

Owned by	Company	Registered Office	Share capital in Euro	Ownership percentage at 30 April 2016	2015
VAR GROUP SPA	ALDEBRA SPA	Trento	1,398,800	9.00%	7.50%
VAR GROUP SPA	APRA SPA	Jesi (Ancona)	150,000	n.a.	10.00%
VAR GROUP SPA	AXED SPA	Latina	1,300,000	0.20%	0.20%
VAR GROUP SPA	BMS SPA	Milan	600,000	n.a.	18.00%
APRA SPA	C.F.M. Scarl	Ancona	220,000	2.30%	n.a.
VAR GROUP SPA	CAP SOLUTIONS SRL	Genoa	100,000	15.00%	15.00%
VAR DIGITAL SRL	VAR CONNECT SRL	Milan	115,000	19.00%	19.00%
VAR GROUP SPA	COMPUTER VAR ITT SRL	Empoli (Florence)	85,000	6.70%	6.70%
COMPUTER GROSS ITALIA SPA	CONSORZIO ECOR'IT	Cinisello Balsamo (Milan)	963,107	n.m.	n.m.
APRA SPA	CONSORZIO EIDOS	Civitanova Marche (Macerata)	16,527	10%	n.a.
APRA SPA	CONSORZIO NIDO INDUSTRIA VALLESI	Ancona	55,555	1.80%	n.a.
LEONET SRL	CONSORZIO SIS	Sassari	50,000	4.00%	4.00%
VAR GROUP SPA	CONSORZIO TEKNOBUS	San Donà di Piave (Venice)	16,000	25.00%	25.00%
VAR DIGITAL SRL	CREDITO COOPERATIVO PRATESE	Carmignano (Prato)	3,644,749	n.m.	n.m.
VAR GROUP SPA	DEDAGROUP SPA	Trento	1,409,182	4.10%	4.10%
VAR GROUP SRL	DELTA INFOR SRL	Lodi	50,000	10.00%	10.00%
COMPUTER GROSS ITALIA SPA	EMPOLI F.B.C. SPA	Empoli (Florence)	1,040,000	3.40%	n.a.
APRA SPA	FACCIAMO 31 SRL	Jesi (Ancona)	4,500	16.70%	n.a.
APRA SPA	G.L. ITALIA Srl	Milan	10,400	9.00%	n.a.
VAR GROUP SPA	G.T.S. Srl	Reggio Emilia	10,000	10.00%	n.a.
VAR GROUP SPA	INTERNATIONAL TRADING DEVICE SRL	Milan	560,000	10.70%	10.70%
VAR GROUP SPA	MACRO GROUP COMMERCIALE SRL	San Lazzaro di Savena (Bologna)	50,000	19.00%	19.00%
VAR LIFE SRL	NEGENTIS SRL	Florence	82,051	2.50%	2.50%
VAR GROUP SPA	NEKTE SRL	Milan	52,000	10.60%	10.60%
MF SERVICES SRL	QUASAR SERVICE SRL	San Donà di Piave (Venice)	10,000	10.00%	10.00%
VAR GROUP SRL	S.I.L. COMPUTER SRL	Livorno	10,000	19.90%	19.90%
VAR GROUP SPA	SAILING SRL	Reggio Emilia	10,000	n.a.	10.00%
BIG SRL	SESA CONSORZIO - CENTRO SOLUZIONI	Empoli (Florence)	33,053	6.30%	6.30%
DELTA PHI SRL				6.30%	6.30%
ICT LOGISTICA SPA				6.30%	6.30%
VAR DIGITAL SRL				6.30%	6.30%
VAR GROUP SPA				12.50%	12.50%
DELTA PHI SRL	SIGLA TAILOR MADE SRL	Empoli (Florence)	10,000	19.00%	19.00%
MY SMART SERVICES SRL	SIRIO NORD SRL	Rome	10,400	10.00%	10.00%
VAR GROUP SRL	STUDIO 81 DATA SYSTEMS SRL	Rome	102,775	n.a.	10.00%
VAR GROUP SPA	SYS-DAT SPA	Milan	1,015,000	5.00%	22.00%
VAR GROUP SPA	SYSDAT.IT Srl	Milan	100,000	10.00%	n.a.
SAILING SRL	TECNOLOGICA SRL	Albenga (Savona)	10,400	10%	n.a.
VAR GROUP SRL	VAR SOLUTIONS SRL	Empoli (Florence)	10,000	10.00%	10.00%
VAR GROUP SPA	VKEY SRL	Rome	14,815	19.00%	10.60%
VAR GROUP SPA	VTF SRL	Empoli (Florence)	1,412,700	18.60%	18.60%
VAR GROUP SPA	YARIX SRL	Montebelluna (Treviso)	30,000	n.a.	10.00%

Separate Financial Statements at 30 April 2016

Separate Income Statement

(in thousands of euros)	Note	FY ended 30 April 2016	2015
Revenues	5	5,116	5,090
Other income	6	955	575
Consumables and goods for resale	7	(49)	(54)
Costs for services and rent, leasing, and similar costs	8	(1,868)	(1,866)
Personnel costs	9	(3,741)	(3,433)
Other operating costs	10	(107)	(81)
Amortisation and depreciation	11	(35)	(50)
EBIT		**271**	**181**
Profit from companies valued at equity			
Financial income	12	8,310	7,152
Financial charges	12	(73)	(132)
Profit before taxes		**8,508**	**7,201**
Income taxes	13	(252)	(318)
Profit for the year		**8,256**	**6,883**

Separate Statement of Comprehensive Income

(in thousands of euros)	Note	FY ended 30 April 2016	2015
Profit for the year		**8,256**	**6,883**
Actuarial gain (loss) for empolyees benefits - gross effect		(37)	(166)
Actuarial gain (loss) for empolyees benefits - tax effect		9	45
Comprehensive income for the year		**8,228**	**6,762**

Separate Statement of Financial Position

(in thousands of euros)	Note	At 30 April 2016	2015
Intangible assets	14	18	31
Property, plant and equipment	15	34	79
Investment property	16	290	290
Equity investments	17	68,241	68,241
Deferred tax assets	18	317	566
Other non-current receivables and assets	19	49	220
Total non-current assets		**68,949**	**69,427**
Current trade receivables	20	1,102	1,297
Current tax receivables		108	314
Other current receivables and assets	19	13,402	7,447
Cash and cash equivalents	21	7,049	5,828
Total current assets		**21,661**	**14,886**
Total assets		**90,610**	**84,313**
Share capital	22	37,127	37,127
Share premium reserve		33,144	34,430
Other reserves	22	1,448	1,088
Profits carried forward		8,256	6,883
Total Equity		**79,975**	**79,528**
Non-current loans	23		
Employee benefits	24	1,084	979
Non-current provisions	25		
Deferred tax liabilities	18		
Total non-current liabilities		**1,084**	**979**
Current loans	23		
Payables to suppliers		331	297
Current tax payables			90
Other current liabilities	26	9,220	3,419
Total current liabilities		**9,551**	**3,806**
Total liabilities		**10,635**	**4,785**
Total equity and liabilities		**90,610**	**84,313**

Separate Statement of Cash Flows

(in thousands of euros)	Nota	FY ended 30 April 2016	2015
Profit before taxes		**8,508**	**7,201**
Adjustments for:			
Amortisation and depreciation	11	35	50
Provisions for personnel and other provisions	24	274	563
Net financial (income)/charges	12	(8,294)	(7,106)
Profit from companies valued at equity		-	-
Other non-monetary items		-	-
Cash flows generated from operating activities before changes in net working capital		**523**	**708**
Change in inventories		-	-
Change in trade receivables	20	187	(591)
Change in payables to suppliers		34	7
Change in other assets	19	(5,928)	(6,914)
Change in other liabilities	26	5,801	1,174
Use of provisions for risks		-	-
Payment of employee benefits	24	(119)	255
Change in deferred taxes		108	406
Change in current tax payables and receivables		116	1,393
Interest paid		-	(23)
Taxes paid		(111)	(522)
Net cash flow generated from operating activities		**611**	**(4,107)**
Investments in companies, net of acquired cash		-	-
Investments in property, plant and equipment	15	(4)	(5)
Investments in intangible assets	14	(1)	(5)
Disposals of property, plant and equipment and intangible assets		28	
Disposals of other non-current investments	19	102	-
Dividends collected		8,200	7,000
Interest collected		110	152
Net cash flow generated from/(used in) investing activities		**8,435**	**7,142**
Repayments of financial assets	19,23		(5,000)
(Decrease)/increase in short-term loans	19,23		5,000
Purchase of treasury shares		(1,169)	(675)
Capital increase and/or shareholders payment			123
Change in equity		308	2,145
Dividends ditribution		(6,964)	(6,984)
Net cash flow generated from/(used in) financing activities		**(7,825)**	**(5,391)**
Translation difference on cash and cash equivalents		-	-
Cash and cash equivalents of assets held for sale		-	-
Change in cash and cash equivalents		**1,221**	**(2,356)**
Cash and cash equivalents at the beginning of the year		5,828	8,184
Cash and cash equivalents at the end of the year		**7,049**	**5,828**

Separate Statement of Changes in Equity

(in thousands of euros)	Share capital	Share premium reserve	Other reserves	Profit for the year and Profits carried forward	Equity
At 30 April 2014	**37,004**	**36,086**	**(1,797)**	**6,319**	**77,612**
Actuarial gain/(loss) for employees benefit - gross			(166)		(166)
Actuarial gain/(loss) for employees benefit - tax effect			45		45
Capital increase due to Warrants exercise	123		(43)		80
Purchase of treasury shares		(675)			(675)
Dividends ditribution		(981)		(6,003)	(6,984)
Stock Grant Plan – shares vesting in the period			302		302
Non-refundable shareholders' payment			2,430		2,430
Other changes			1		1
Allocation of profit for the year			316	(316)	
Profit for the year				6,883	6,883
At 30 April 2015	**37,127**	**34,430**	**1,088**	**6,883**	**79,528**
Actuarial gain/(loss) for employees benefit - gross			(37)		(37)
Actuarial gain/(loss) for employees benefit - tax effect			9		9
Capital increase due to Warrants exercise					
Purchase of treasury shares		(860)			(860)
Dividends ditribution		(426)		(6,538)	(6,964)
Assignment of shares in execution Stock Grant plan			(302)		(302)
Stock Grant Plan– shares vesting in the period			346		346
Other changes				(1)	(1)
Allocation of profit for the year			344	(344)	
Profit for the year				8,256	8,256
At 30 April 2016	**37,127**	**33,144**	**1,448**	**8,256**	**79,975**

Explanatory Notes to the Separate Financial Statements

1 General Information

Sesa SpA is a company that has been incorporated and is domiciled in Italy, with registered office in Empoli, at Via Piovola no. 138, and is organised according to the legal system of the Italian Republic.

Sesa SpA is the parent company of the Sesa Group and provides administrative and financial services, namely organisation, planning and management control, manages IT systems and human resources on behalf of subsidiaries and also acts as a holding company, mainly as regards companies operating in the ICT sector.

In particular, Sesa SpA is the company resulting from the merger of the pre-merger Sesa SpA into Made in Italy 1 SpA that was the first special purpose acquisition company (so-called "SPAC") established in Italy. On 1 February 2013, the merger of the pre-merger Sesa S.p.A. into Made in Italy 1 became effective and at the same time, the company name was changed from "Made in Italy 1 SpA" to "Sesa SpA".

Sesa SpA is an Italian company with shares listed on the Italian Stock Exchange - MTA market, STAR segment.

This document was approved by the Company's Board of Directors on 14 July 2016.

2 Summary of Accounting Policies

Below are reported the main accounting policies and standards applied in the preparation of these separate financial statements for the financial year ended 30 April 2016.

2.1 Basis of Preparation

The Separate Financial Statements at 30 April 2016 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, as well as with the provisions implementing Article 9 of Legislative Decree no. 38/2005. The designation "IFRS" also includes all the revised International Accounting Standards ("IAS"), as well as all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"),and by the formerly Standing Interpretations Committee ("SIC").

These separate financial statements present the comparative data at 30 April 2015 that were prepared in compliance with the same standards.

The Separate Financial Statements were prepared on a going-concern basis, since the Directors verified that there were no financial or operating indicators, or indicators of any other kind, that suggested the existence of any doubts regarding the Company's ability to meet its obligations in the foreseeable future and in particular in the next 12 months. The procedures through which the Company manages financial risks are described in note 3 "Financial risk management" below.

The Separate Financial Statements were prepared and presented in Euro, which is the currency of the primary economic environment in which the Company operates. All amounts included in this document are expressed in thousands of euros, except as otherwise specified.

Below are specified the financial statement schedules and the related classification criteria adopted by the Group, within the scope of the options envisaged in IAS 1 *Presentation of financial statements*:

- The Statement of financial position was prepared by classifying assets and liabilities according to the criterion of "current/non-current" items;
- The Income Statement was prepared by classifying operating costs by nature;

- The Statement of comprehensive income includes the profit for the year arising from the income statement, as well as any other changes in equity attributable to transactions that have not been carried out with the Company’s shareholders;
- The Statement of Cash Flows was prepared by reporting cash flows from operating activities according to the “indirect method”.

The Separate Financial Statements were prepared according to the conventional historical cost method, except for the measurement of financial assets and liabilities, in cases in which it is mandatory to apply the fair value criterion.

2.2 Accounting policies

Below are summarised the most significant accounting standards and policies used for the preparation of the Separate Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are entered at their purchase or production cost, net of accumulated depreciation and impairment losses (if any). Purchase or production cost includes any costs directly sustained in preparing the assets for their use, as well as any dismantling or removal costs that are to be incurred as a result of contractual obligations that require the asset to be restored to its original condition. Any borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized and depreciated on the basis of the useful life of the asset to which they refer.
Any costs of day-to-day and/or periodic maintenance and repairs are recognised in the income statement when incurred. Costs related to the enlargement, modernisation or improvement of owned or leased structural elements are capitalised within the limits to which they meet the requirements for being classified separately as assets or parts of an asset. Any assets recognised in relation to leasehold improvements are depreciated on the basis of the lease term, or on the basis of the specific useful life of the asset, if lower.

Depreciation is calculated on a straight-line basis by applying rates that allow the assets concerned to be depreciated until the end of their useful life. When the asset being depreciated is composed of distinctly identifiable elements whose useful lives differ significantly from those of the other parts of the asset, the depreciation is carried out separately for each of such parts, in the application of the "component approach ” method.

Below is reported the indicative useful life estimated for the various categories of property, plant and equipment:

Class of property, plant and equipment	Useful life in years
Buildings	33
Furniture and furnishings	8
Office machines	5
Motor vehicles	4

The useful life of property, plant and equipment is reviewed and updated, if necessary, at least at the end of each financial year.

Leased assets

Property, plant and equipment held under finance lease agreements, under which the risks and benefits of ownership are substantially transferred to the Company, are recognised as Company's assets at fair value on the date of the execution of the agreement or, if lower, at the present value of the minimum lease payments, including any amount to be paid for the exercise of the option to purchase.

The corresponding liability to the lessor is entered under financial payables in the accounts. The assets are depreciated applying the policy and the rates specified above, unless the term of the lease agreement is shorter than the useful life represented by these rates and there is no reasonable certainty of the transfer of the ownership of the leased asset on the natural expiry of the agreement; in this case, the period of depreciation will be represented by the lease term.

The leases in which the lessor substantially retains all the risks and benefits incident to the ownership of the assets are classified as operating leases. Operating lease rentals are recognised as an expense on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Intangible assets are made up of identifiable non-monetary assets without physical substance, which can be controlled and from which future economic benefits are expected. These assets are initially recognised at their purchase and/or production cost, including any directly attributable cost of preparing the asset for its intended use. Any interest payable accrued during and for the development of intangible assets are considered part of the purchase cost. Specifically, the following main intangible assets can be identified within the Company:

(a) Goodwill

If goodwill exists, it is classified as an intangible asset with an indefinite useful life and is initially measured at cost, as described above, and is subsequently subjected to measurement at least once a year in order to verify whether there has been any impairment ("impairment test"). The value of goodwill that has previously suffered an impairment loss may not be reinstated.

(b) Other intangible assets with definite useful life

Intangible assets with definite useful life are recognised at cost, as previously described, net of accumulated amortization and impairment losses (if any).

Amortisation begins when the asset is available for use and is allocated on a systematic basis in relation to the residual possible use of the same, i.e. on the basis of its estimated useful life.
Below is reported the useful life estimated for the various categories of intangible assets:

Class of intangible asset	Useful life in years
Software licences and similar rights	5
List of customers	10
Trademarks and patents	5

The useful life of intangible assets is reviewed and updated, if necessary, at least at the end of each financial year.

INVESTMENT PROPERTY

Properties held to earn rentals or for capital appreciation are classified under “Investment Property”; they are measured at their purchase or production cost, as increased by additional costs (if any), net of accumulated depreciation and impairment losses (if any).

IMPAIRMENT OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND OF INVESTMENT PROPERTY

(a) Goodwill

As previously mentioned, if goodwill exists, it is subjected to an impairment test once a year or more frequently when there are indications of possible impairment. No goodwill was recognised at 30 April 2016.

If goodwill exists, the impairment test is conducted on each of the "Cash Generating Units" ("CGU") to which goodwill has been allocated. Any impairment of goodwill is recognised in the event that the recoverable value of the same is lower than the carrying amount. Recoverable value means the higher of fair value of the CGU, net of costs of disposal, and the related value in use, i.e. the present value of estimated future cash flows from this asset. In measuring value in use, the expected future cash flows are discounted by using a pre-tax discount rate that reflects current market assessments of the time value of money, compared to the investment period and to the risks specific to the asset.

In the event that the impairment loss arising from the impairment test exceeds the value of the goodwill allocated to the CGU, any residual excess is allocated to the assets included in the CGU in proportion to their carrying amount. This allocation should not be reduced below the highest of:

- the asset’s fair value, less costs of disposal;
- the value in use, as defined above;
- zero.

The original carrying amount of goodwill may not be reinstated when the reasons that led to its impairment no longer exist.

(b) Assets (intangible assets, property, plant and equipment and investment property) with definite useful life

An assessment is carried out on each reporting date to verify whether there are indications that property, plant and equipment, intangible assets and investment property may have incurred an impairment loss. For this purpose, both external and internal sources of information may be made use of. Among the former (internal sources), consideration is given to the obsolescence or physical deterioration of the asset or significant changes in the use of the asset or in its economic performance in comparison with expectations. Among external sources of information, consideration is given to trends in the asset’s market price or possible adverse changes in technology, the market or legislation, the trend in market interest rates or the cost of capital used to assess investments.

If such indications are found to exist, the recoverable value of the asset is estimated and the write-down (if any) with respect to its carrying amount is recognised in the income statement. The recoverable value of an asset is represented by the higher of fair value, net of additional costs to sell, and the related value in use, i.e. the present value of estimated future cash flows from this asset. In measuring value in use, the expected future cash flows are discounted by using a pre-tax discount rate that reflects current market assessments of the time value of money, compared to the investment period and to the risks specific to the asset. The recoverable value of an asset that does not generate cash flows that are largely independent is determined in relation to the cash generating unit to which said asset belongs.

An impairment loss is recognised in profit or loss when the carrying amount of an asset, or of the related CGU to which it is allocated, exceeds its recoverable amount. Any impairment losses of CGUs are firstly allocated to reduce the carrying amount of any goodwill allocated to the same and, then, to reduce the carrying amounts of other assets, on a pro-rata basis and within the limits of the related recoverable value. If the grounds for a write-down previously recognised no longer exist, the asset's carrying amount is reinstated and the increase is recognised in the income statement within the limits of the net carrying amount of the asset if the write-down had not been carried out and had been amortised/depreciated.

RECEIVABLES FROM CUSTOMERS AND OTHER FINANCIAL ASSETS

Receivables from customers and other financial assets are initially measured at fair value and subsequently measured at amortised cost according to the effective interest rate method. Receivables from customers and other financial assets are recognised under current assets, except for those that have a contract term exceeding twelve months compared to the reporting date, which are classified under non-current assets.

For trade receivables, factoring transactions that do not envisage the risks and benefits related to the receivables assigned being transferred to the factor (therefore, the Company remains exposed to the risk of insolvency and delayed payments – so-called assignments with recourse (*pro solvendo*)), the transaction is considered equivalent to taking out a secured loan backed by the assigned receivable. In these circumstances the assigned receivable remains reported in the Company's statement of financial position until it is collected by the factor and a financial debt is reported as a contra-entry to the advance (if any) obtained from the factor. The financial cost of factoring transactions is represented by interest on advanced amounts charged to the income statement in compliance with the accruals principle, which is classified under financial charges. Any commissions that accrue on assignments with recourse are recognised under financial charges, while any commissions on assignments without recourse (pro soluto) are recognised under other operating costs.

Impairment losses on receivables are accounted for in the accounts if there is objective evidence that the Company will not be able to recover the receivable owed by the counterparty on the basis of the conditions of the contract.

Objective evidence includes circumstances such as:

- significant financial difficulties of the debtor;
- legal disputes entered into with the debtor in relation to the receivables;
- the likelihood of the debtor declaring bankruptcy or of the initiation of other debt restructuring procedures.

The amount of the write-down is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows and is recognised under "Other operating costs" in the income statement. If the reasons for the previous write-downs no longer exist in subsequent periods, the value of the asset is reinstated up to the amount that would have resulted from the application of amortised cost.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Equity investments in other companies that constitute available-for-sale financial assets are measured at fair value, if this is determinable, and any profits and losses arising from fair value changes are recognised directly under other comprehensive income (expense) until they are sold or have suffered an impairment loss; at that time, other comprehensive income (expense) previously recognised under equity is charged to the income statement for the period.

Any other unlisted equity investments classified under "available-for-sale financial assets", the fair value of which cannot be measured reliably, are valued at cost adjusted by any impairment losses, which are recognised in the income statement, as required by IAS 39.

Any dividends received from equity investments in other companies are recognised under financial income.

INVENTORIES

Inventories are recognised at the lower of purchase or production cost and net realizable value, which is represented by the amount which the Company expects to obtain from their sale in the ordinary course of business, net of selling costs. Cost is determined according to the FIFO method.

The cost of finished and semi-finished products includes any costs of design, raw materials, direct labour and other production costs (as determined on the basis of the normal operating capacity). The measurement of inventories does not include financial charges, which are charged to the income statement when they are incurred, as the temporal requirements for their capitalisation are not satisfied.

Inventories of raw materials and semi-finished products that can no longer be used in the production cycle and inventories of finished products that cannot be sold are written down.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, available bank deposits and the other forms of short-term investment with an original maturity of three months or fewer. Any items entered under cash and cash equivalents are measured at fair value and the related changes are recognised through profit or loss.

NON-CURRENT ASSETS HELD FOR SALE

Any non-current assets whose carrying amount will be recovered mainly through its sale, rather than through its continuous use, are classified as held for sale and are recognised separately from other assets in the statement of financial position. This condition is deemed to have been fulfilled when sale is highly probable and the asset or group of assets being disposed of is available for immediate sale in its or their present condition.

Non-current assets held for sale are not amortised/depreciated and are measured at the lower of carrying amount and fair value, less costs to sell.

A discontinued operation is a part of an enterprise that has been disposed of or classified as held for sale and (i) is an important branch of business or geographical area of business; (ii) is part of a coordinated plan for the disposal of an important branch of business or geographical area of business; or (iii) a subsidiary acquired exclusively in order to be sold.

The results from discontinued operations are recognised separately in the income statement, net of tax effects. The corresponding values posted in the previous financial year, if any, are reclassified and recognised separately in the income statement, net of tax effects, for comparative purposes.

FINANCIAL PAYABLES

Financial payables are initially recognised at fair value, net of any directly-attributable additional costs, and subsequently are measured at amortised cost, applying the effective interest rate method. If there is a change in estimated expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the effective initially determined internal rate. Financial payables are classified under current liabilities, except those due by contract more than twelve months beyond the reporting date and those whose payment the Company has an unconditional right to defer for at least twelve months after the reporting date.

Financial payables are accounted for at the trade date and are derecognised at the time when they are discharged and when the Comapny has transferred all risks and charges related to the instrument itself.

DERIVATIVE INSTRUMENTS

Derivatives are valued as securities held for trading and measured at fair value with contra-entry in profit or loss and are classified under other current and non-current assets or liabilities.
Financial assets and liabilities through profit or loss are initially recognised and subsequently measured at fair value and the related additional costs are expensed immediately in the income statement. Any profits and losses arising from fair value changes in derivatives on exchange rates are reported under financial income and financial charges in the income statement, in the period when they are recognised.

EMPLOYEE BENEFITS

Short-term benefits are made up of salaries, wages, related social security contributions, allowance in lieu of paid annual leave and incentives paid out in the form of bonuses payable in the twelve months from the reporting date. These benefits are accounted for as components of personnel costs in the period when service is rendered.
Under defined-benefit plans, which also include the severance pay due to employees pursuant to article 2120 of the Italian Civil Code ("TFR", *Trattamento di Fine Rapporto*), the amount of the benefit payable to the employee can be quantified only after the termination of the employment relationship, and is linked to one or more factors, such as age, length of service and compensation; therefore, the related charge is recognised in the relevant income statement on the basis of an actuarial calculation. The liability recognised for defined-benefit plans corresponds to the present value of the obligation at the reporting date. Obligations for defined-benefit plans are determined by an independent actuary on an annual basis, by using the projected unit credit method. The present value of defined-benefit plans is determined by discounting future cash flows at an interest rate equal to that of (high-quality corporate) bonds issued in Euro and which reflects the duration of the related pension plan. Any actuarial gains and losses arising from the abovementioned adjustments and any changes in actuarial assumptions are charged to the statement of comprehensive income.

On 1 January 2007 the so-called 2007 Finance Act and the relative implementing decrees introduced substantial amendments to the regulations governing staff severance pay, among which the possibility for the workers to choose where to send their accrued entitlement. In particular, workers may send the new TFR flows to selected pension funds or retain them in their company. If the TFR is transferred to pension funds, the company is only liable to pay a defined contribution to the chosen fund and from that date the newly-accrued contributions have the nature of defined-contribution plans that are not subjected to actuarial measurement.

STOCK GRANT PLAN

As provided for in IFRS 2 - Share-Based Payment, the total amount of the present value of stock grant at the date of assignment is recognised wholly in profit or loss under employee costs, with a counter entry recognised directly in shareholders' equity. If a "maturity period" is required, in which certain conditions are necessary before grantees become holders of the right (achievement of objectives), the cost for payments, determined on the basis of the present value of the shares at the date of assignment, is recognised under employee costs on a straight line basis for the period between the date of assignment and maturity, with a counter entry directly recognised in shareholders' equity.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised for losses and charges of a determinate nature, whose existence is certain or probable, but whose amount and/or timing are uncertain. The provision is recognised only when there is a present, legal or constructive obligation entailing a future outflow of resources as the result of past events and it is probable that the outflow will be necessary in order to settle the obligation. Such amount is the best estimate of the expenditure required to settle the obligation. The rate used in determining the present value of the liabilities reflects the current market conditions and takes account of the specific risk attached to each liability.

When the financial effect of timing is significant and the dates of the payment of the obligation can be estimated reliably, provisions are measured at the present value of the expected outflow of funds, using a rate that reflects market conditions, variations in the cost of money over time and the specific risk attached to the obligation. Any increase in the provision, determined by changes in the time value of money, is accounted for as an interest expense.

Risks for which a liability is only possible are mentioned in the appropriate section on contingent liabilities and for the same no provision has been set aside.

PAYABLES TO SUPPLIERS AND OTHER LIABILITIES

Payables to suppliers and other liabilities are initially measured at fair value, net of any directly-attributable additional costs, and subsequently are measured at amortised cost, applying the effective interest rate method.

EARNINGS PER SHARE

(a) Earnings per share - basic
Basic earnings per share are calculated by dividing the net profit attributable to the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding own shares.

(b) Earnings per share – diluted
Diluted earnings per share are calculated by dividing the net profit attributable to the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding own shares. For the purposes of the calculation of diluted earnings per share, the weighted average of outstanding shares is changed by assuming the exercise by all the assignees of rights that potentially have a dilutive effect, while the net profit attributable to the Company is adjusted to take account of effects (if any), net of taxes, of the exercise of said rights.

TREASURY SHARES

Own shares are recognised as a reduction in equity. The initial cost of own shares and any revenues arising from subsequent sales (if any) are recognised as changes in equity.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received for the sale of goods and services in the ordinary operations of the Company’s business. Revenue is recognised net of added-value tax, expected returns, rebates, discounts and some marketing activities carried out with the help of the customers, whose value is a function of the revenues themselves.

Revenues from the sale of products are recognised when the risks and benefits related to the ownership of the asset are transferred to the buyer and when the sale price has been agreed and can be determined and is expected to be collected.

COST RECOGNITION

Costs are recognised when they relate to goods and services acquired or consumed in the financial year or by systematic allocation.

TAXES

Current taxes are determined on the basis of the estimated taxable income, in accordance with the tax regulations applicable to the Company.
Deferred tax assets and liabilities are calculated on all the differences that arise between the taxable base of an asset or liability and its carrying amount, except for goodwill when initially recognised and the differences resulting from investments in subsidiaries, when the timing of the reversal of these differences is under the Company's control and it is likely that they will not be reversed in a reasonably foreseeable period of time.
The portion of deferred tax assets, including those related to past tax losses, that is not offset by deferred tax liabilities, is recognised to the extent that there will be future taxable income from which they can be recovered. Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply in the financial years during which the differences will be realised or settled.
Current taxes, deferred tax assets and liabilities are recognised under "Income taxes" in the income statement, except for those relating to items recognised under comprehensive income components other than net profit and those relating to items directly debited or credited to equity. In the latter cases, deferred tax liabilities are recognised in the statement of comprehensive income and directly in equity. Deferred tax assets and liabilities are offset when they are applied by the same tax authority, when there is a legal right to offset them and when the net balance is expected to be settled.
Other taxes that are not correlated to income, such as indirect taxes and duties, are entered under "Other operating costs" in the income statement.

2.4 Recently-issued accounting standards

As at date of the Annual Report, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments applied to the Company on 1 May 2015.

- On 20 May 2013, the IASB issued IFRIC 21 - Levies, an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 provides clarifications on when an entity must recognise a liability for the payment of levies imposed by governments, other than levies regulated by other standards (e.g. IAS 12 - Income taxes). IAS 37 establishes criteria for the recognition of a liability, including the existence of the present obligation of the entity as the result of a past event (known as the obligating event). The interpretation clarifies that the obligating event, which gives rise to a liability for the payment of the levy, is described in the relevant legislation from which the payment arises. IFRIC 21 is effective from years commencing on or after 17 June 2014.
- On 21 November 2013, the IASB published some narrow-scope amendments to IAS 19 - Employee Benefits, entitled "Defined Benefit Plans: Employee Contributions". These amendments regard the simplifying of accounting for contributions to defined benefit plans by employees or third parties in specific cases. The amendments are applicable, on a back-dated basis, to years beginning on or after 1 July 2014.
- On 12 December 2013, the IASB issued a combination of amendments to IFRS (Annual Improvements to IFRSs - 2010–2012 Cycle). The approved provisions amended: (i) IFRS 2, clarifying the definition of "vesting conditions" and introducing the definitions of service conditions and result; (ii) IFRS 3, clarifying that the obligations to pay a potential price, other than those that fall under the definition of equity instrument, are assessed at fair value at each reporting date, with changes booked to the income statement; (iii) IFRS 8, requesting that information be given on the evaluations carried out by company management in the aggregation of the operational segments, describing those that are aggregated and the economic ratios that have been evaluated to determine that the aggregated segments present similar economic characteristics: (iv) IAS 16 and IAS 38, clarifying the method used to determine the gross book value of assets, in the case of revaluation following application of the model for the redetermination of the value; (v) IAS 24, establishing the information to provide when there is a third entity which provides services for the management of executive with strategic functions in the entity that draws up the financial statements. The amendments are applicable from years beginning on or after 1 July 2014.

- On 12 December 2013, the IASB issued a combination of amendments to IFRS (Annual Improvements to IFRSs - 2011-2013 Cycle). The approved provisions amended: (i) IFRS 3, clarifying that the standard is not applicable to disclosing the accounting effects relating to the creation of a joint venture or joint operation (as defined by IFRS 11) in the financial statements of the joint venture or joint operation; (ii) IFRS 13, clarifying that the provision contained in IFRS 13 on the basis of which it is possible to measure the fair value of a group of financial assets and liabilities on a net basis, applies to all agreements (including non-financial agreements) falling within the scope of IAS 39 or IFRS 9; (iii) IAS 40, clarifying that, to establish when the purchase of a real estate investment forms a business combination, it is necessary to refer to the provisions of IFRS 3. The amendments are applicable from years beginning on or after 1 July 2014.

The adoption of the new standards mentioned above had no significant effect on the consolidated financial statements.

As at the date of the present separate financial statements, the competent bodies of the European Union have not yet completed the necessary process of endorsement for the adoption of the following accounting standards and amendments.

- On 12 November 2009 the IASB published IFRS 9 – Financial instruments, which was then amended on 28 October 2010 and 24 July 2014. The standard, which will be applicable for financial years commencing on or after 1 January 2018 on a retrospective basis, falls within the scope of a multi-phase process aimed at fully replacing IAS 39 and introduces new criteria for the classification and measurement of financial assets and liabilities and for the derecognition of financial assets from the accounts. Specifically, for financial assets the new standard adopts a single approach based on the method of the management of the financial instruments and the characteristics of their contractual cash flows in order to determine their measurement policy, replacing the different rules laid down in IAS 39. On the contrary, as regards financial liabilities, the main amendment involved the accounting treatment of changes in the fair value of a financial liability designated as financial liability valued at fair value through profit or loss, in the event that said changes are due to a change in the credit risk of the liability itself. Based on the new standard, such adjustments have to be charged in the statement of comprehensive income rather than profit and loss statement.
- On 30 January 2014, the IASB published - IFRS 14 – Regulatory deferral accounts; the standard allows only those who adopt IFRSs for the first time to continue disclosing the amounts relating to the rate regulation in accordance with the previous accounting standards adopted. Its application is envisaged for years beginning on or after 1 January 2016.
- On 6 May 2014 the IASB issued some amendments to IFRS 11 – Joint arrangements: disclosing the acquisition of investments in joint ventures, supplying information on the disclosure of the accounts of the acquisitions of investments in joint ventures which form a business. The amendments are applicable retroactively for years beginning on or after 1 January 2016.
- On 12 May 2014 the IASB issued some amendments to IAS 16 and to IAS 38 – Clarification of acceptable methods of depreciation and amortisation. The amendments clarify the use of the revenue-based methods to calculate the amortisation/depreciation of an asset and explain that, other than in certain limited circumstances, a revenue-based amortisation/depreciation method cannot be considered acceptable for either tangible assets or intangible assets. The application of the amendments will become effective from years beginning on or after 1 January 2016.
- On 28 May 2014 the FASB issued IFRS 15 "Revenue from contracts with customers". The new standard will be applicable as of years beginning on or after 1 January 2018. The standard replaces IAS 18 – "Revenue" IAS 11 "Construction Contracts", IFRIC 13 "Customers Loyalty Programmes", "IFRIC 15 - Agreements for the Construction of Real Estate", IFRIC 18 – "Transfers of Assets from Customers", SIC 31 – "Revenue—Barter Transactions Involving Advertising Services". The new standard applies to all contracts with customers, apart from contracts falling within the scope of application of IAS 17 – Leases, for insurance contracts and financial instruments. It establishes a process consisting of five phases to define the timing and the amount of the revenues to be disclosed (identification of contracts with customers, identification of the performance obligations envisaged by the contract, determination of the price of the transaction,

allocation of the price of the transaction, disclosure of revenues upon fulfilment of the performance obligation).

- On 12 August 2014 the IASB issued some amendments to IAS 27 – Separate financial statements. The amendments applicable as of years beginning on or after 1 January 2016, allow the use of the equity method for the booking of investments in subsidiaries, associated companies and joint ventures in separate financial statements. The aim is to reduce the complexity of management and the relative costs for companies operating within juridical systems where IFRSs standards are also applicable to separate financial statements.
- On 11 September 2014, the IASB issued some amendments to IFRS 10 and IAS 28: "Investments in associates and joint ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments made to the two standards define the accounting treatment in relation to profits or losses deriving from transactions with joint ventures or associates evaluated using the equity method. In particular, it should be noted that, in the case of sale or contribution of a business to an associate or joint venture, the investor applies the principles of IFRS10 and records the whole contingent gain or contingent losses consequential to the loss of control; when the assets sold or contributed to the associate or joint venture do not constitute a business in accordance with IFRS 3, the gain or loss is disclosed in compliance with IAS 28. The application of the amendments which initially had to be effective from years beginning on or after 1 January 2016, is pending.
- On 25 September 2014, the IASB issued a combination of amendments to IFRS (Annual Improvements to IFRSs - 2012-2014 Cycle). The approved provisions amended: (i) IFRS 5 "Non-current assets held for sale and discontinued operations" clarifying that the change in classification of an asset (or disposal groups) from being held for sale to being held for distribution to shareholders, must not be considered as a new plan for disposal but the continuation of the original plan. Therefore, the change in classification does not determine the interruption of the application of IFRS 5 nor the change of the date of classification; (ii) IFRS 7 "Financial instruments: disclosures" clarifying that, for the purposes of disclosure, a servicing agreement which envisages the payment of a fee may represent a continuing involvement in the transferred asset; (iii) IAS 19 "Employee benefits" clarifying that the degree of "depth" of the market for the corporate bonds to be considered for the choice of the discount rate to apply in discounting the liability for post-employment benefits (rate of return on bonds of primary companies rather than the rate of government bonds) must be evaluated in consideration of the market at the level of the currency in which the bond is expressed and not at the level of the single country in which the bond is located; (iv) IAS 34 "Interim Financial Reporting" clarifying that the disclosures required for interim situations must be either supplied in the interim financial statements or mentioned in them through reference to another statement (e.g.: the Directors Report) which is available to users of the financial statements in the same terms and at the same time as the interim financial statements. The amendments will be applicable from years beginning on or after 1 January 2016.
- On 18 December 2014, the IASB issued some amendments to IAS 1 - Disclosure initiative. The amendments regard the introduction of a series of specifications on concepts of importance and aggregation, on the methods of presentation of further partial results in addition to those envisaged by IAS 1, on the structure of the notes and reporting of significant accounting policies. The amendments are applicable from years beginning on or after 1 January 2016.
- On 18 December 2014, the IASB amended IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures". IFRS 10 was amended to specify that a holding company, controlled by an investment entity, is not obliged to prepare consolidated financial statements, even if the investment entity evaluates the subsidiaries at fair value in compliance with IFRS 10. With reference to IFRS 12, the amendment clarifies that an investment entity which evaluates all its subsidiaries at fair value must supply the disclosures required by IFRS 12 "Disclosure of Interests in Other Entities". As regards IAS 28, the amendment allows a company that is not an investment company but holds an investment in associates or joint ventures to be an "investment entity", evaluated using the equity method, to maintain the fair value applied by the investment company with reference to its interests in subsidiaries. The amendments are applicable from years beginning on or after 1 January 2016.

- On 13 January 2016 the IASB issued new IFRS 16 – Leases. This standard replaces the current guidance in IAS 17 no more suitable to represent leases in the current business. New standard now requires to recognise a lease contracts as assets or liabilitiy whether financial or operting lease. Lease contrats with 12 monts o less duration and leases of low-value assets are out of new standard scope. The standard will be applicable from years beginning on or after 1 January 2019. New standards can generally be adopted early by IFRS 15 (Revenue from contracts with customers) adopters.
- On February 2016 IASB issued some amedments to IAS 12 – Income taxes on the recognition of deferred tax assets for unrealised losses which clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments will be applicable from years beginning on or after 1 January 2017.
- On 25 February 2016 IASB issued some amedments to IAS 17 - Statement of cash flows on disclosure initiative. These amendments to IAS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. These amendments will be applicable from years beginning on or after 1 January 2017.
- On 12 April 2016 IASB issued some further amedments to IFRS 15 - Revenue from Contracts with Customers, "Clarifications to IFRS 15", clarifying some points and allowing more semplifications, with the aim to reduce costs and complexity, for early adopters. These amendments will be applicable from years beginning on or after 1 January 2018.
- On June 2016 IASB issued some further amedments to IFRS 2 - Share based payments - clarifying the evaluation of the cash-settled share-based payments and how to account for certain types of share-based payment transactions. It also introduces an exception to IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. These amendments will be applicable from years beginning on or after 1 January 2018.

The Company will adopt these new standards, amendments and interpretations, on the basis of the expected date of application, and will assess potential impacts, when these will be approved by the European Union.

3 Financial risk management

The company business is exposed to the credit risk.

Risk management strategy is aimed at minimizing potential adverse effects on the company financial performance. Risk management is centralised within the treasury function that identifies, assesses and hedges financial risks. The treasury function provides instructions to monitor risk management, as well as provides instructions for specific areas, concerning interest rate risks and exchange rate risks.

MARKET RISK

The Company is exposed to market risks only in relation to credit risks.

Interest Rate Risk

The company presents a financial structure characterized by a positive net financial position thus is not exposed to interest rate risk.

Exchange Rate Risk

In the financial year ended 30 April 2016, the Company did not operate with a currency different from Euro.

Credit Risk

Credit risk is represented by the Company's exposure to potential losses arising from its customers' failure to meet their obligations. In order to mitigate the credit risk correlated to its business counterparties, and therefore to its customers, the Company has implemented procedures aimed at ensuring that services were delivered to customers that are considered to be reliable on the basis of past experience and any available information. Furthermore, the company controls its commercial exposure on an ongoing basis and monitors that the debt collection takes place within the preset contractual time limits. Furthermore, the exposure of company is maily related to the Sesa Group companies.

Credit risk due to ordinary operations is monitored on an ongoing basis through the use of information and client assessment with an appropriate provision for bad debts.

The table below provides a breakdown of current receivables from customers at 30 April 2016 and 30 April 2015, by overdue amounts, net of provision for bad debts.

	FY ended 30 April	
	2016	**2015**
Falling due	1,065	744
Overdue from 0-30 days	27	524
Overdue from 31-90 days	3	4
Overdue from 91-360 days	1	8
Overdue from more than 360 days	6	17
Total	**1,102**	**1,297**

LIQUIDITY RISK

The liquidity risk is associated to the Company's ability to meet any commitments mainly arising from financial liabilities. A prudent management of the liquidity risk arising from the Company's ordinary operations requires the maintenance of an adequate level of cash and cash equivalents and the availability of funds that can be obtained through an adequate amount of credit lines.

The Company has a financial structure characterized by a structurally positive net financial position and is therefore not exposed to liquidity risk.

The tables below report the expected cash flows in the coming financial years in relation to financial liabilities at 30 April 2016 and 30 April 2015:

At 30 April 2016 *(in thousands of euros)*	**Book value**	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**
Payables to suppliers	331	331		
Other current and non-current payables	9,220	9,220		

At 30 April 2015 *(in thousands of euros)*	**Book value**	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**
Payables to suppliers	297	297		
Other current and non-current payables	3,509	3,509		

CAPITAL RISK

The Company's objective within the scope of the capital risk management is mainly that of safeguarding its continuation as a going-concern so as to guarantee returns to shareholders and benefits to any other stakeholders. The Company also intends to maintain an optimal capital structure so as to reduce the cost of debt.

FINANCIAL ASSETS AND LIABILITIES BY CLASS

The fair value of receivables from customers and of other financial assets, payables to suppliers and other payables and of other financial liabilities, recognised under the "current" items of the statement of financial position and measured at amortised cost, mainly related to commercial transactions to be settled in the short term, does not differ from the book values reported in the financial statements at 30 April 2016 and 30 April 2015.

Non-current financial liabilities and assets are settled or measured at market rates, and, therefore, the fair value of the same is considered to be substantially in line with the present book values.

Below is reported a classification of financial assets and liabilities by class at 30 April 2016 and 30 April 2015:

At 30 April 2016 *(in thousands of euros)*	**Loans and receivables**	**Held-to-maturity investments**	**Financial asset or liability at fair value**	**Total financial assets or liabilities**	**Non-financial assets and liabilities**	**Total**
Assets						
Current receivables from customers	1,102			**1,102**		1,102
Other current and non-current assets	13,876			**13,876**		13,876
Cash and cash equivalents	7,049			**7,049**		7,049
Total assets	**22,027**			**22,027**		**22,027**
Liabilities						
Current and non-current loans						-
Payables to suppliers	331			**331**		331
Other current liabilities	9,220			**9,220**		9,220
Total liabilities	**9,551**			**9,551**		**9,551**

At 30 April 2015 *(in thousands of euros)*	**Loans and receivables**	**Held-to-maturity investments**	**Financial asset or liability at fair value**	**Total financial assets or liabilities**	**Non-financial assets and liabilities**	**Total**
Assets						
Current receivables from customers	1,297			**1,297**		1,297
Other current and non-current assets	8,547			**8,547**		8,547
Cash and cash equivalents	5,828			**5,828**		5,828
Total assets	**15,672**			**15,672**		**15,672**
Liabilities						
Current and non-current loans						-
Payables to suppliers	297			**297**		297
Other current liabilities	3,509			**3,509**		3,509
Total liabilities	**3,806**			**3,806**		**3,806**

FAIR VALUE ESTIMATE

IFRS 13 defines the fair value as the price that would be received for the sale of an asset that would be paid for the transferral or a liability on the date of evaluation on a free transaction between market operators.

The fair value of financial instruments listed on an active market is based on market prices on the reporting date. The fair value of instruments that are not listed on an active market is calculated using evaluation techniques based on a series of methods and assumptions linked to market conditions at the reporting date.

The fair value classification of financial instruments is given below, based on the following hierarchical levels:
Level 1: fair value calculated with reference to listed prices (not adjusted) on active markets for identical financial instruments;
Level 2: fair value calculated using evaluation techniques with reference to variables that can be observed on active markets;
Level 3: fair value calculated using evaluation techniques with reference to market variables that cannot be observed.

The table below shows the assets and liabilities which, at 30 April 2016, are measured and booked at fair value, providing an indication of the hierarchical level of the relative fair value*:*

(in thousands of euros)	**Livello 1**	**Livello 2**	**Livello 3**
Assets valued at fair value			
Non-current equity investments in other companies			1
Total	**0**	**0**	**1**
Liabilities valued at Fair Value			
Total	0	0	0

Non-current equity investments in other companies refer to companies that are not listed on an active market, the fair value of which cannot be reliably measured; therefore, such equity investments are measured at cost, net of any losses in value. The measurement of the above-mentioned equity investments, therefore, represents the best approximation of the market value.

The non-current investments in other companies amounted to Euro 1 thousand at 30 April 2016, compared to Euro 173 thousand at 30 April 2015. The reduction is mainly due to the sale of the stake held in Banca Interregionale SpA without recognition of any gains/losses compared to the book value at 30 April 2015.

4 Estimates and Assumptions

The preparation of financial statements requires the directors to apply accounting standards and methods which, in some circumstances, are based on difficult and subjective valuations and assumptions based on historical experience and assumptions that are from time to time considered reasonable and realistic depending on the related circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statement schedules, the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, as well as any information provided.

The final results of the financial statement items for which the abovementioned estimates and assumptions have been used could differ from those reported in the financial statements that recognise the effects of the occurrence of the event being estimated, because of the uncertainty that characterizes the assumptions and conditions on which estimates are based.

Below are summarised the areas that require, more than others, greater subjectivity on the part of the directors in preparing estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on financial data.

(a) Impairment of assets

In accordance with the accounting standards applied by the Company, property, plant and equipment, intangible assets and investment property are tested for impairment in order to establish whether there is evidence of an impairment loss, which must be recognised through a write-down, when there are indications that it may be difficult to recover the related net book value through their use. The verification of the existence of the abovementioned indicators requires the directors to apply subjective valuations based on the information available within the Company and in the market, as well as on historical experience.

Furthermore, if it is established that a potential impairment loss may have occurred, the Company takes steps to determine the same by using valuation techniques that are considered to be suitable. The correct identification of any evidence of the existence of a potential impairment loss of property, plant and equipment, intangible assets and investment property, as well as any estimates for the determination of the same, depend on factors that can vary over time, thus affecting the valuations and estimates made by the directors.

(b) Amortisation and depreciation

The cost of property, plant and equipment and intangible assets is amortised/depreciated on a straight-line basis over the estimated useful life of the related assets. The useful economic life of said assets is determined by the directors at the time when they are acquired; it is based on historical experience for similar assets, market conditions and anticipations of future events that could have an impact on the useful life of the assets, including changes in technology. Therefore, the actual economic life could differ from the estimated useful life.

(c) Provision for bad debts

The provision for bad debts reflects any losses estimated for the Company portfolio of receivables. The Company has set aside provisions against expected losses on receivables, which have been estimated on the basis of past experience with reference to receivables with a similar credit risk, to current and historical outstanding amounts, as well as to the careful monitoring of the quality of the portfolio of receivables and of the current and expected conditions of the relevant economy and markets. The estimates and assumptions are reviewed periodically and the effects of any change are reported in the income statement in the relevant financial year.

(d) Employee benefits

The present value of pension funds entered in the Separate Financial Statements depends on an independent actuarial calculation and on the different assumptions taken into consideration. Any changes in the assumptions and in the discount rate used are promptly reflected in the calculation of the present value and could have a significant impact on the data reported in the accounts. The assumptions used for the purposes of the actuarial calculation are examined on an annual basis.
The present value is determined by discounting the future cash flows at an interest rate equal to that of (high-quality corporate) bonds issued in the currency in which the liability will be settled and which takes account of the duration of the related pension plan. For additional information, reference is made to notes 24 Employee benefits and 9 Personnel costs.

5 Revenues

All the Group's revenues are generated in Italy. Revenues can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Services rendered and other revenues	4,660	4,644
Other revenues	456	446
Total	**5,116**	**5,090**

Revenues were mainly relative to services such as administration, finance and control services, personnel management and information systems management rendered to the companies of the Sesa Group.

6 Other Income

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Leases and hires	48	41
Other income	907	534
Total	**955**	**575**

Leases were relatated to the lease of the premises in Rome and Ancona.

Other income was mainly related to the reversible fees of the Chairman of the Board of Directors and of an Executive Vice-Chairman.

7 Consumables and Goods for resale

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Consumables and other purchases	(49)	(54)
Total	**(49)**	**(54)**

8 Costs for services and rent, leasing and similar costs

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Hardware and software technical assistance	(62)	(40)
Consultancy	(1,368)	(1,290)
Leases and hires	(169)	(151)
Marketing	(69)	(63)
Transport		(15)
Insurance	(66)	(64)
Utilities	(21)	(19)
Support and training expenses	(5)	(3)
Maintenance	(9)	(4)
Other expenses for services	(99)	(217)
Total	**(1,868)**	**(1,866)**

9 Personnel costs

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Wages and salaries	(2,653)	(2,452)
Social security contributions	(794)	(735)
Contributions to defined-contribution pension funds	(180)	(151)
Contributions to defined benefit pension funds		
Reimbursements and other personnel costs	(114)	(95)
Total	**(3,741)**	**(3,433)**

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

	Average number of employees at 30 April		Actual number of employees at 30 April	
(in units)	**2016**	**2015**	**2016**	**2015**
Executives	2	2	2	2
Middle managers	8	8	8	8
Office workers	62	59	63	60
Total	**72**	**69**	**73**	**70**

10 Other Operating costs

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Accruals to provision for bad debts	(8)	
Taxes and duties	(27)	(21)
Losses not covered by provision for bad debts	(6)	(6)
Losses on disposal	(11)	
Other operating costs	(55)	(54)
Total	**(107)**	**(81)**

11 Amortisation and depreciation

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Intangible assets	(14)	(15)
Property, plant and equipment	(21)	(35)
Investment property		
Total	**(35)**	**(50)**

12 Financial income and charges

This item can be broken down as follows:

	FY ended 30 April	
(in thousands of euros)	**2016**	**2015**
Other interest expense		
Commissions and other financial charges	(57)	(110)
Financial charges relating to staff severance pay (TFR)	(16)	(22)
Total financial charges	**(73)**	**(132)**
Other financial income	62	
Interest income on bank deposits	47	152
Dividends from equity investments	8,201	7,000
Total financial income	**8,310**	**7,152**
Net financial charges (income)	**8,237**	**7,020**

13 Income taxes

This item can be broken down as follows:

(in thousands of euros)	FY ended 30 April 2016	 2015
Current taxes	(8)	(90)
Deferred tax liabilities	(257)	(265)
Taxes relating to previous financial years	13	37
Total	**(252)**	**(318)**

Starting from financial year ended 30 April 2014, the Company exercised, as consolidating company, the option to adopt the national tax consolidation mechanism (*Consolidato fiscale nazionale*) (art. 117 et seq. of TUIR, Consolidated Income Tax Code) which enables to calculate the IRES (Corporate income tax) tax on a consolidated taxable base, made up of the sum of taxable profits and losses of each company adopting the tax consolidation mechanism, specifically Computer Gross Italia SpA, Var Group SpA and ICT Logistica Srl (the consolidated companies). The financial statements were prepared taking into account the effects of the consolidated companies' tax positions transferred to the consolidating entity arising from the mechanism above and as governed by the relevant tax consolidation arrangements; in particular, the financial statements reflect receivables/payables from/to the consolidated companies accordingly.
Finally, in February 2015, the option to adopt the VAT Group regime was exercised, sending the specific form to the Revenue Agency. Therefore, Sesa SpA has acted, since such date, as the payer of the VAT receivables and payables also for the subsidiaries Computer Gross Italia SpA and Var Group SpA.

The table below reports the reconciliation of the theoretical and effective tax burden for the financial years ended 30 April 2016 and 30 April 2015:

(in thousands of euros)	FY ended 30 April 2016		 2015	
Profit before taxes	**8,508**		**7,201**	
Theoretical taxes	2,340	27.5%	1,980	27.5%
Taxes relating to previous years	(13)		24	
Favourable taxation on dividends	(2,142)		(1,829)	
Taxes on costs for the year charged as a reduction of equity during the FTA	(232)		(232)	
Other differences	42		88	
IRAP tax, including other changes	257		287	
Effective tax burden	**252**	**2.97%**	**318**	**4.44%**

14 Intangible assets

This item and the related change can be broken down as follows:

(in thousands of euros)	**List of customers**	**Software and other intangible assets**	**Trademarks and patents**	**Total**
Balance at 30 April 2014	**18**	**19**	**4**	**41**
Of which:				
- historical cost	*25*	*50*	*9*	***84***
- accumulated amortisation	*(7)*	*(31)*	*(5)*	***(43)***
Investments		5		***5***
Disinvestments				
Amortisation	(3)	(10)	(2)	***(15)***
Balance at 30 April 2015	**15**	**14**	**2**	**31**
Of which:				
- historical cost	*25*	*55*	*9*	***89***
- accumulated amortisation	*(10)*	*(41)*	*(7)*	***(58)***
Investments		1		***1***
Disinvestments				
Amortisation	(3)	(10)	(1)	***(14)***
Balance at 30 April 2016	**12**	**5**	**1**	**18**
Of which:				
- historical cost	*25*	*56*	*9*	***90***
- accumulated amortisation	*(13)*	*(51)*	*(8)*	***(72)***

The balance of intangible assets at 30 April 2016 consists largely in lists of customers, acquired in past years through business branches and software in use at the Company. For more details, please refer to note 4.

15 Property, plant and equipment

This item and the related change can be broken down as follows:

(in thousands of euros)	**Office machines**	**Other property, plant and equipment**	**Total**
Balance at 30 April 2014	**60**	**49**	**109**
Of which:			
- historical cost	*128*	*291*	***419***
- accumulated depreciation	*(68)*	*(242)*	***(310)***
Investments	5	1	***6***
Disinvestments			
Depreciation	(21)	(15)	***(36)***
Other changes historical cost		(108)	***(108)***
Other changes accumulated depreciation		108	***108***
Balance at 30 April 2015	**44**	**35**	**79**
Of which:			
- historical cost	*133*	*184*	***317***
- accumulated depreciation	*(89)*	*(149)*	***(238)***
Investments	9	1	***10***
Disinvestments	(1)	(53)	***(54)***
Depreciation	(19)	(2)	***(21)***
Other changes historical cost			
Other changes accumulated depreciation		20	20
Balance at 30 April 2016	**33**	**1**	**34**
Of which:			
- historical cost	*141*	*132*	***273***
- accumulated depreciation	*(108)*	*(131)*	***(239)***

The investments made during the year ended 30 April 2016 mainly include the purchase of office machines for corporate services performed by the Company.The disinvestments refer to a sale of an owned vehicle.

16 Investment Property

This item and the related change can be broken down as follows:

(in thousands of euros)	Land	Buildings	Total
Balance at 30 April 2014	**281**	**9**	**290**
Of which:			
- historical cost	*281*	*10*	***291***
- accumulated depreciation	*-*	*(1)*	***(1)***
Depreciation			
Balance at 30 April 2015	**281**	**9**	**290**
Of which:			
- historical cost	*281*	*10*	***291***
- accumulated depreciation	*-*	*(1)*	***(1)***
Depreciation			
Balance at 30 April 2016	**281**	**9**	**290**
Of which:			
- historical cost	*281*	*10*	***291***
- accumulated depreciation	*-*	*(1)*	***(1)***

17 Equity Investments

This item and the related changes can be broken down as follows:

	FY eneded 30 April	
(in thousands of euros)	**2016**	**2015**
Computer Gross Italia S.p.A.	53,163	53,163
Var Group S.p.A.	13,999	13,999
C.G.N. S.r.l.	994	994
Arcipelago Cloud S.r.l.	50	50
Idea Point S.r.l.	35	35
Total	**68,241**	**68,241**

The changes in Equity investments can be broken down as follows:

(in thousands of euros)	Equity Investments
Balance at 30 April 2014	**68,241**
Changes:	
- Purchases or subscriptions	-
- Sales	-
Balance at 30 April 2015	**68,241**
Changes:	
- Purchases or subscriptions	-
- Sales	-
Balance at 30 April 2016	**68,241**

18 Deferred tax assets and Deferred tax liabilities

Below is the breakdown of the expected maturity of deferred tax assets and deferred tax liabilities:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Deferred tax assets due within 12 months	314	354
Deferred tax assets due beyond 12 months	3	212
Total deferred tax assets	**317**	**566**
Deferred tax liabilities within 12 months		
Deferred tax liabilities beyond 12 months		
Total deferred tax liabilities		

The net change in the items in question can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Balance at the beginning of the year	**566**	**768**
Increase by merger		-
Effect on the income statement	-249	-202
Effect on the statement of comprehensive income		
Reclassifications		
Balance at the end of the year	**317**	**566**
Of which:		
- deferred tax assets	*317*	*566*
- deferred tax liabilities		

The change in deferred tax assets can be broken down as follows:

Deferred tax assets *(in thousands of euros)*	**Value differences on property, plant and equipment and intangible assets**	**Provisions for risks and charges and other allocations**	**Employee benefits**	**Other items**	**Total**
Balance at 30 April 2014	**778**	**-**	**(10)**	**-**	**768**
Effect on the income statement	(202)			-	**(202)**
Effect on the statement of comprehensive income					
Other changes					
Balance at 30 April 2015	**576**		**(10)**	**-**	**566**
Effect on the income statement	(249)			-	**(249)**
Effect on the statement of comprehensive income					
Other changes					
Balance at 30 April 2016	**327**		**(10)**	**-**	**317**

19 Other current and non-current receivables and assets

This item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Non-current receivables from others	48	47
Non-current equity investments in other companies	1	173
Non-current securities		
Total other non-current receivables and assets	**49**	**220**
Current receivables from subsidiaries	13,106	7,153
Current receivables from others	11	12
Other current tax receivables	13	93
Accrued income and prepaid expenses	272	189
Derivative assets	-	-
Total other current receivables and assets	**13,402**	**7,447**

Non-current equity investments in other companies relate to companies that are not listed on an active market and the fair value of which cannot be measured reliably; therefore, these investments are valued at cost, net of any losses in value.

20 Current trade receivables

This item can be broken down as follows:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Receivables from customers (*)	750	620
Provision for write-down of receivables from customers (**)	(8)	0
Receivables from customers, net of provision for bad debts	**742**	**620**
Receivables from subsidiaries and associated companies	360	677
Total current trade receivables	**1,102**	**1,297**

(*)For the purposes of a better portrayal of receivables from customer, they are presented net of the balance relating to customers subject to bankruptcy and composition with creditors proceedings which, at 30 April 2015 and 30 April 2016 were respectively Euro 226 thousand and Euro 143 thousand. These positions have been fully written down via the booking of a specific provision. Receivables from customers pertain mainly to the companies of the Sesa Group despite not having a controlling relationship or connection with Sesa SpA.

The table below reports the change in the provision for bad debts:

(in thousands of euros)	**Provision for bad debts**
Balance at 30 April 2015 **	**0**
Allocation	8
Use	0
Balance at 30 April 2016 **	**8**

(**)For the purposes of a better representation, the value of the provision for bad debts is presented net of accrual set aside to cover receivables subject to bankruptcy proceedings which, at 30 April 2015 and 30 April 2016 amounted respectively to Euro 226 thousand and Euro 143 thousand. Receivables from customers pertain mainly to companies of the Sesa Group despite not having a controlling relationship or connection with Sesa SpA.

21 Equity

Share capital

At 30 April 2016 the Parent Company's share capital, fully subscribed and paid-up, amounted to Euro 37,127 thousand and was divided into 15,651,101 ordinary shares.

The details of the movements of the outstanding shares and treasury shares during the financial year can be broken down as follows:

(in thousands of euros)	**Number of shares**
Balance at 30 April 2015	
Issued shares	15,651,101
Treasury shares	186,191
Outstanding shares	15,464,910
Movements during the year	
Assignment of shares in execution Stock Grant plan	26,000
Purchase of treasury shares	80,516
Balance at 30 April 2016	
Issued shares	15,651,101
Treasury shares	240,707
Outstanding shares	15,410,394

Other reserves

The item "Other reserves" and "Reserve for actuarial gain (loss) attributable to minority interests" can be broken down as follows:

(in thousands of euros)	Legal reserve	Reserve for actuarial gain (loss)	Reserve for capital increase	Sundry reserves	Total Other reserves
At 30 April 2014	**366**	**(15)**	**43**	**(2,191)**	**(1,797)**
Actuarial gain/(loss) for employee benefits – gross		(166)			(166)
Actuarial gain/(loss) for employee benefits – tax effect		45			45
Capital increase on exercise of warrants			(43)		(43)
Dividends distributed					
Stock Grant Plan – shares vesting in the period				302	302
Indemnification under Framework Agreement				2,430	2,430
Other changes				1	1
Allocation of the profit of the year	316				316
At 30 April 2015	**682**	**(136)**		**542**	**1,088**
Actuarial gain/(loss) for employee benefits – gross		(37)			(37)
Actuarial gain/(loss) for employee benefits – tax effect		9			9
Dividends distributed					
Vesting/Assignment of shares under the Stock Grant Plan				44	44
Indemnification under Framework Agreement					
Other changes					
Allocation of the profit of the year	344				344
At 30 April 2016	**1,026**	**(164)**		**586**	**1,448**

22 Earnings per Share

For the purposes of calculating the profit per share and the profit diluted per share, please see the notes to the Group's consolidated Financial Statements.

23 Current and non-current loans

At 30 April 2016 and 2015 the item is equal to zero.

Below is reported a summary of the net financial position:

	(in thousands of euros)	At 30 April 2016	2015
A.	Cash		
B.	Cheques and bank and postal deposits	7,049	5,828
C.	Securities held for trading	-	
D.	**Liquidity (A) + (B) + (C)**	**7,049**	**5,828**
E.	**Current financial receivables**	**5,000**	**5,000**
F.	Current bank debt	-	
G.	Current portion of non-current debt	-	
H.	Other current financial payables	-	
I.	**Current financial debt (F) + (G) + (H)**	**-**	
J.	**Net current financial debt (I) - (E) - (D)**	**(12,049)**	**(10,828)**
K.	Non-current bank debt		
L.	Bonds issued		
M.	Other non-current payables		
N.	**Non-current financial debt (K) + (L) + (M)**		
O.	**Net financial debt (J) + (N)**	**(12,049)**	**(10,828)**

In current financial receivables is included an interest-bearing loan of Euro 5 million to the subsidiary Computer Gross Italy SpA.

24 Employee benefits

This item includes the provision relating to the staff severance pay (TFR) for employees.

The change in the item can be broken down as follows:

(in thousands of euros)	FY ended 30 April 2016	2015
Balance at the beginning of the year	**979**	**672**
Service cost	115	92
Interest on the obligation	16	23
Uses and advances	(63)	(58)
Actuarial loss/(gain)	37	166
Changes for personnel transfers		84
Balance at the end of the year	**1,084**	**979**

The table below reports the actuarial calculation assumptions for the purposes of the determination of defined-benefit pension plans:

	At 30 April	
(in thousands of euros)	**2016**	**2015**
Economic assumptions		
Rate of inflation	1.75%	1.75%
Discount rate	1.45%	1.50%
Rate of increase in staff severance pay (TFR)	2.81%	2.81%

As regards the discount rate, reference has been made to the iBoxx Eurozone Corporates AA index with duration 10+ as at the various valuation dates, commensurate with the residual average term of the staff subject to assessment.

Sensitivity analysis

According to IAS 19R, a sensitivity analysis was carried out when the main actuarial assumptions used in the calculation model changed. In detail, the most significant assumptions, meaning the average annual discount rate, the average annual rate of inflation and the turnover rate, were increased and decreased by half a percentage point, a quarter of a percentage point and two percentage points, respectively.

(in thousands of euros)	**Scenarios**	**Past service liability**
Discount rate	0.50%	1,029
	-0.50%	1,144
Rate of inflation	0.25%	1,096
	-0.25%	1,073
Turnover rate	2.00%	1,054
	-2.00%	1,121

25 Provisions for risks and charges

At 30 April 2016 the item was equal to zero.

26 Other current liabilities

This item can be broken down as follows:

(in thousands of euros)	At 30 April 2016	2015
Accrued expenses and deferred income	67	21
Tax payables	8,181	2,340
Payables to personnel	694	664
Other payables	161	282
Payables to social security institutions	117	112
Advances from customers		
Derivatives		
Total other current liabilities	**9,220**	**3,419**

27 Other information

Contingent liabilities

There are no pending disputes.

Commitments

Moreover, the Company has issued surety guarantees in favour of a leading Group supplier, in the interest of certain Group companies. At 30 April 2016, the amount of the guarantees, net of the sum already paid, is equal to Euro 12,351 thousand.

Fees due to Directors and Statutory Auditors

Details of fees due to Sesa SpA directors and Statutory Auditors are given below, gross of welfare charges and taxes paid by them for the year. For a full description and analysis of the fees due to Directors, Statutory Auditors and Executives with strategic responsibilities, please refer to the Remuneration Report, which is available for consultation at the head office and on the website of the company in the "Corporate Governance" section.

(in thousands of euros)	FY ended 30 April 2016
Fees due to Directors	452
Fees due to Statutory Auditors	52

Fees to Directors reported in the table above, include fixed and variable amounts, as well as those due for participation in internal committees. They do not include reversible fees to directors and shares assigned under the stock grant plan approved by the shareholders' meeting on 28 August 2014. In relation to the foregoing, it should be noted that, on 30 April 2016, a total of 26,000 shares matured, for an imputed cost of Euro 346 thousand, and were equally assigned to 4 executive directors.

Fees due to Independent Auditors

The following table, prepared pursuant to art. 149 duodecies of the Consob Issuers' Regulations, shows the fees for the year ended 30 April 2016 for audit and non-audit services provided by the independent Auditors and by entities belonging to their network, including expenses.

Service	**Entity providing the service**	**Recipient**	**Fees for the year ended 30 April 2016** (thousands of euros)
Audit	PWC	Sesa SpA	100

The amount includes the fees, out-of-pocket expenses and the supervisory fee.

28 Transactions with related parties

Relations maintained by the Group with related parties that are associated and controlling companies are mainly of a commercial nature, chiefly concerning the purchase and sale of hardware and software materials and their related technical assistance.

The Company believes that all relations maintained with related parties are substantially regulated on the basis of standard market conditions.

The table below shows details of the financial balances with related parties at 30 April 2016 and 2015.

(in thousands of euros)	**Subsidiaries**	**Associated Companies**	**Parent Companies**	**Top management**	**Other related parties**	**Total**	**% on the balance-sheet item**
Current trade receivables							
At 30 April 2016	516	9	5			530	**48.1%**
At 30 April 2015	980	22	11	-	-	1,013	**78.1%**
Other current receivables and assets							
At 30 April 2016	13,106					13,106	**37.3%**
At 30 April 2015	5,000	-	-	-	-	5,000	**67.1%**
Employee benefits							
At 30 April 2016				1		1	**0.1%**
At 30 April 2015	-	-	-	1	-	1	**0.1%**
Payables to suppliers							
At 30 April 2016	19					19	**5.7%**
At 30 April 2015	37		-	-	12	49	**16.5%**
Other current liabilities							
At 30 April 2016	1			70		71	**0.8%**
At 30 April 2015	-	-	-	66	-	66	**1.9%**

The following table details the effects on the income statement of transactions with related parties for the years ended 30 April 2016 and 30 April 2015.

(in thousands of euros)	**Subsidiaries**	**Associated Companies**	**Parent Companies**	**Top management**	**Other related parties**	**Total**	**% on the balance-sheet item**
Revenues							
At 30 April 2016	4,807	72	53			4,932	96.40%
At 30 April 2015	4,871	78	52			5,001	98.25%
Other income							
At 30 April 2016	912	1	1	7		921	96.44%
At 30 April 2015	501	2	1	6		510	88.70%
Consumables and goods for resale							
At 30 April 2016	14					14	-28.57%
At 30 April 2015	6					6	11.11%
Costs for services and rent, leasing and similar costs							
At 30 April 2016	136			798	29	963	-51.55%
At 30 April 2015	77	1		652	55	785	42.07%
Personnel costs							
At 30 April 2016				316		316	-8.45%
At 30 April 2015				328		328	9.55%
Other operating costs							
At 30 April 2016						-	0.00%
At 30 April 2015	1					1	1.23%
Financial income							
At 30 April 2016	62					62	0.75%
At 30 April 2015	69					69	-0.96%
Financial charges							
At 30 April 2016						-	0.00%
At 30 April 2015							0.00%

The information provided in the table does not include dividends received by subsidiaries and associates.

Subsidiaries, Associated and Parent Companies

Relations with subsidiaries, associated and parent companies mainly relate to the supply of administration, finance and control services, organisation, personnel management and the management of information systems for the Group companies.

Top Management

Relations with top management mainly relate to the fees due to directors and executives with strategic responsibilities. Specifically, "personnel costs" include fees due to members of the companies' Board of Directors, which were not included in "costs for services".

29 Events After the Year-End

No significant events occurred after the year-end.

30 Authorisation for publication

The publication of the Separate financial statements of Sesa SpA at 30 April 2016 was authorised by resolution of the Board of Directors on 14 July 2016.

Attestation of the Separate Financial Statements pursuant to art. 154-bis of Italian Legislative Decree no. 58/98

1. The undersigned Paolo Castellacci, in his capacity as Chairman of the Board of Directors, and Alessandro Fabbroni, in his capacity as Director responsible for drawing up Sesa S.p.A.'s accounting documents, certify, also taking into account that envisaged by article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:
   - the adequacy in relation to the enterprise characteristics and
   - the effective application of the administrative and accounting procedures for the preparation of the separate financial statements at 30 April 2016.

2. No important aspects emerged from the application of the administrative and accounting procedures for the preparation of the separate financial statements at 30 April 2016.

3. It is also certified that:

   3.1 The separate financial statements:

   a) are drawn up in compliance with the applicable international accounting standards recognised by the European Community, pursuant to EC regulation no. 1606/2002 of the European Parliament and Council, dated 19 July 2002;

   b) correspond to the company accounts, books and records;

   c) offer a true and fair representation of the financial position, results of operations and cash flows of the issuer.

   3.2 the Report on Operations includes a reliable analysis of the performance and of the operating result, as well as of the situation of the issuer and of the groups of companies included within the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed,

Empoli, 14 July 2016

Paolo Castellacci
Chairman of the Board of Directors

Alessandro Fabbroni
Director responsible for drawing up accounting documents

Independent Auditors' Report on the Separate Financial Statements of Sesa SpA

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the shareholders of
Sesa SpA

Report on the separate financial statements

We have audited the accompanying separate financial statements of Sesa SpA, which comprise the separate statement of financial position as of 30 April 2016, the separate income statement, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the separate financial statements

The directors of Sesa SpA are responsible for the preparation of separate financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree no. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of separate financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of Sesa SpA as of 30 April 2016 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree no. 38/2005.

Report on compliance with other laws and regulations

Opinion on the consistency with the separate financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) no. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree no. 58/98, which are the responsibility of the directors of Sesa SpA, with the separate financial statements of Sesa SpA as of 30 April 2016. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the separate financial statements of Sesa SpA as of 30 April 2016.

Florence, 25 July 2016

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

SESA S.P.A.

Registered office VIA PIOVOLA 138 – 50053 EMPOLI
Share Capital Euro 37,126,927
Fiscal Code and Florence Register of Companies n. 07116910964

REPORT OF BOARD OF STATUTORY AUDITORS TO SHAREHOLDERS’ MEETING PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/98 AND ART. 2429, PARAGRAPH 3 OF CIVIL CODE

Dear Shareholders,

With this report, prepared pursuant to art. 153 of Legislative Decree no. 58/98 and art. 2429, paragraph 3 of Civil Code, the Board of Statutory Auditors of Sesa S.p.A. wants to make you aware of supervisory and control activities, according to its role, during the year ended 30 April 2016.

1. FOREWORD: RENEWAL OF ADMINISTRATIVE AND SUPERVISORY BODIES

On a preliminary basis, it should be noted the renewal during the year 2015 of administrative and supervisory bodies of Sesa S.p.A., pursuant the resolution of Shareholders' Meeting of 28 August 2015; they will remain in office for three years, until approval of the financial statements at 30 April 2018.

The Board of Directors currently in charge is composed as follows:

- Paolo Castellacci (Chairman);
- Moreno Gaini (Executive Vice - Chairman);
- Giovanni Moriani (Executive Vice - Chairman);
- Alessandro Fabbroni (CEO);
- Angelica Pelizzari (Director);
- Luigi Gola (Director);
- Angela Oggionni (Director);
- Giovanna Zanotti (Director);

The Board of Statutory Auditors currently in charge is composed as follows:

- Prof. Avv. Sergio Menchini (Chairman);
- Dott. Luca Parenti (Standing Auditor);
- Dott.ssa Chiara Pieragnoli (Standing Auditor);
- Prof. Fabrizio Berti (Alternate Auditor);
- Dott.ssa Daria Dalle Luche (Alternate Auditor).

For more details on independence requirements, functions, organization and information, please refer to sub §3.

2. BOARD OF STATUTORY AUDITORS' ACTIVITIES

During the year ended 30 April 2016, the Board of Statutory Auditors carried out the supervisory activity pursuant to article 149 of Legislative Decree no. 58/98 in accordance with the Rules of Conduct of the Board of Statutory Auditors, as recommended by the National Councils of Professional and Public Accountants with documento of 15 April 2015 (Consigli Nazionali dei Dottori Commercialisti e degli Esperti Contabili) and the recommendations of Consob about audit and activities of the Board of Statutory Auditors (and , in particular: Communication no . 1025564 of April 6, 2001, as subsequently integrated with Communication no. 3021582 of 4 April 2003 and Communication no. 6031329 of 7 April 2006) and the guidance provided in the Code of Corporate Governance in the version updated to July 2015, adopted by the Company.

The Board of Statutory Auditors, during the year, carried out its activities by performing 5 meetings, all duly recorded, lasting about 1 hour each; at the meetings of the Board of Statutory Auditors attended the Group's Internal Auditor.

The Board also took part in 8 meetings of the Board of Directors held during the year ended 30 April 2016.

The Board of Statutory Auditors, together with the Supervisory Board (of which a member of the Board of Statutory Auditors holds the office of President), every six months, met with representatives of the company in charge of statutory audit of accounts.

The Chairman of the Board of Statutory Auditors attended the meetings of Control and Risk Commitee.

The Board of Statutory Auditors asked for and received regular reports from the administrative body, the Independent Auditors, the Parties involved in Control and Risk Management, the Internal Auditor, the Supervisory Board .

The Board of Statutory Auditors also examined the company's documentation, accounting and not, that was provided by the persons responsible of the various functions.

On the Basis of the information acquired during the supervisory activities, the Board of Statutory Auditors did not verify any omissions and/or reprehensible events and/or irregularities or anyway significant facts, such as to be reported to supervisory Bodies or to be mentioned in this report; the Board of Statutory Auditors also noted that have not received any complaints pursuant to art. 2408 Civil Code.

During the year, a positive opinion were issued about the equal allocation of n. 26,000 ordinary shares of the Company to the 4 Executive Directors , according to Stock Grant Plan and resolved by the Board of Directors.

3. SUPERVISORY ACTIVITY

3.1. Supervisory activity on compliance with the law, the Statute and the Code of Corporate Governance for Listed Companies currently in force

The Board of Statutory Auditors notes that the flow of internal and external information, have been implemented by the Company by means the coordination between the parties involved pursuant the law, the Statute and the Code of Corporate Governance, as outlined in the Report on Corporate Governance and ownership structure prepared by Board of Directors pursuant to art . 123-bis of TUF.

The Board of Statutory Auditors also states that:

- the obligations relative to confidential information are regulated by a "Procedure for reporting to the public of Confidential Information" adopted by the Board of Directors in the meeting of 25 June 2013;

- The Group continues to manage and update the Register of Internal Dealing according to Internal Dealing Procedure approved by the Board of Directors on 25 June 2013, recently updated by Board of Directors on 30 May 2016 in order to make it compliant to some of the provisions contained in art. 19 of the EU Regulation n. 596/2014, even in advance of its applications on 3 July 2016, issuing a mandate to the Chairman of the Board of Directors to make the amendments to the Internal Dealing Procedure that would have been necessary following any interventions by Consob and/or Borsa Italiana;
- the management of the requirements arising from the Internal Dealing regulation takes place according to the Internal Dealing Procedure approved by the Board of Directors on 25 June 2013, as amended on 22 December 2015 and finally on 30 May 2016.

The Board of Statutory Auditors acknowledges that, according to information collected during its supervisory activity, every office or function of the Company has duly complied with the information requirements imposed by law.

Based on information obtained referring to the period before the appointment of this Board of Statutory Auditors, no violations of law, the Code of Corporate Governance, Statute of the Company and its Board/Committees have been noted or compliant received from shareholders.

The Board of Statutory Auditors met regularly in the year, during which it also took part in meetings of the Board of Directors (about this, please refer to sub §2).

3.2. Supervisory activity on compliance with principles of proper management

Based on information obtained performing control and supervisory activities, in particular information received from the Directors on quarterly basis regarding the Group (parent and subsidiaries) main activities and operations with economics, financial e patrimonial impact, as well as information obtained from corporate documentation, We are not aware of any:

- operations not compliant with principles of good management;
- operations not compliant with law and the Statute;
- operations outside Company scope;
- operations in contrast with Shareholders' Meetings' resolutions or such as to compromise the integrity of social assets;
- operations in a potential conflict of interest.

3.3. Supervisory activity on adequacy of the Company's structure

The Board of Statutory Auditors checked the adequacy of the Company's structure, through information collecting from the function responsibles and regular exchanges of information with the Auditing Company.

The Board of Statutory Auditors has no particular observations about the Company's organization, that, as regards the structure, procedures, skills and responsibilities, at the moment, seems to be appropriate to the size of the Company, as well as the nature and mode through which it is proposed the achievement of the corporate objects .

The Board of Directors in office is made up of eight components; The members of the Board of Directors include three independent directors, of which the company confirmed compliance with independence requirements art. 147-ter, par. 4, of the TUF and by art. 3 of the Code of Corporate Governance, according with art. 2.2.3, par. 3, letter l) of the Regulation of the Borsa Italiana and by art. IA.2.10.6 of the Instructions for Regulation of the Borsa - both applicable to issuers in possession of STAR qualification. In this respect, Board of Statutory Auditors confirms the compliance by the

Company with the law and regulations and principles and criteria established by the Code of Corporate Governance.

The Company's Board of Directors has full powers for the ordinary and extraordinary management of the Company, with the authority to perform all acts deemed appropriate to achieve the corporate objects, excluding only those reserved by law to the Shareholders' Meeting; In compliance with art. 15 of the Statute, the board of directors is granted the faculty, notwithstanding the concurrent competence of the extraordinary Shareholders' Meeting, to take on the resolutions concerning mergers and demergers in the cases envisaged by articles 2505 and 2505-bis, c.c., the setting up or shutting down of secondary offices, the indication of which among the Directors shall represent the Company, the reduction of the share capital in the event of withdrawal by a Shareholder, the adaptations of the Statute to legislative provisions, the transferral of the registered office within Italy.

Board of directors decided to allocate powers within the Board instead of appoint an Executive Committee. In this respect, Board of Statutory Auditors verified correspondence between organizational structure and power of attorney.

Board of Statutory Auditors in charge, composed by three standing auditors and two supplementary auditors, verified the existence of the requirements of independence of each auditors at the date of appointment (in a letter dated 14 October 2015 sent to the Chairman of Board of Directors) and on-going (check performed and sent on 14 July 2016) , in compliance with art. 2397 Civil Code, as well as no grounds for ineligibility or incompatibility exist, and that they meet the requirements established by art. 2382 and 2399 Civil Code, art. 148, paragraph 3 of the TUF and art.8 of the Code of Corporate Governance. Members of the Board of Statutory Auditors compliant with the limits on the cumulation of positions established by the prevailing legislation art 148-bis of TUF and artt. 144 and following of the Consob Issuer's Regulation.

The function of audit of accounts has been given to the Auditing Company PricewaterhouseCoopers SpA, by resolution of 15 July 2013 with effect until approval of the financial year ended 30 April 2022.

3.4. Supervisory activity on adequacy of internal control systems and risk management

Board of Statutory Auditors confirms that the Board of Directors of Sesa Spa established the type and level of risk compatible with the issuer's strategic aims, both during the preparation for the listing and systematically in relation to the indications supplied by the Audit and Risks Committee. This has been disclosed in the Annual Report at 30 April 2016 and Board of Statutory Auditors has no issues to report.

The Board of Directors, in line with the contents of par. 7.C.1 of the Code of Corporate Governance, performs the role of guiding and assessing the adequacy of the internal audit and risk management system, using work perfomed by Appointed Director for the Internal Audit and Risk Management System and an Audit and Risks Committee.

The subjects and functions involved in internal control systems and risk management are:

- the Board of Directors, assisted by the Control and Risk Committee and the Internal Auditor;
- the Board of Statutory Auditors;
- the Supervisory Board;
- Internal Auditor;
- the Manager responsible for drawing up the Company’s accounts.

The Board of Statutory Auditors states that, in the year:

- checked the activities of Subjects responsible of internal control;
- had regular meetings with subjects involved in internal control systems and risk management; in this regard, it should be noted that the Internal Auditor participated in all Board of Statutory Auditors' meetings;
- its Chairman participated to meetings of Control and Risk Committee;
- one of its members participated to the Supervisory Board's meetings, as Chairman;
- examined business documents;
- analyzed the results obtained by the Indipendent Auditors;
- verified the results obtained by the Supervisory Board.

During the year, Board of Statutory Auditors obtained from the Supervisory Board all the useful information in order to verify independence, adequacy, and competences requirements necessary to performs activities assigned.

Board of Statutory Auditors has been informed by the Supervisory Board regarding the effectiveness and observance of the Organisational and management model pursuant to Legislative Decree 231/2001.

The Supervisory Board disclosed results of its activities of the year ended at 30 April 2016 with no significant issue, confirming compliance with the management model pursuant to Legislative Decree 231/2001 and demanding update of the general part of the management model. The Board of Statutory Auditors appreciated the effort of the Company to improve and amend its internal control framework, quickly updated in order to be compliant to the latest regulamentary requirements adopted. In this regard, we noted:

- amendment of the Internal Dealing Procedure (adopted on 25 May 2013) resolved on 30 May 2016 with the aim of adapting it to some of the provisions contained in art. 19 of EU regulation no. 596/2014, issuing a mandate to the Chairman of the Board of Directors to make the amendments to the Internal Dealing Procedure that would have been necessary following any interventions by Consob and/or Borsa Italiana;
- amendment of the Internal Dealing Procedure (adopted on 25 May 2013) resolved on 22 December 2015 and then 30 May 2016 with the aim of adapting it to some of the provisions contained in art. 19 of EU regulation no. 596/2014, issuing a mandate to the Chairman of the Board of Directors to make the amendments to the Internal Dealing Procedure that would have been necessary following any interventions by Consob and/or Borsa Italiana;
- Management model pursuant to Legislative Decree 231/2001 adopted on 27 February 2013 has been amended in particular the special part over 2015 and 2016;
- issuing of the strategic guidelines of the Internal Audit and Risk Management System with the aim to set actions to manage in order to be compliant to recent amendments of the Code of Corporate Governance (July 2015) and assessment of Internal control operations.

Based on information obtained we confims The methods of coordination set up by the Company among the various parties involved in the Internal Audit and Risk Management System guarantee, an effective and efficient sharing of information among the bodies with these functions and Company internal controls is adequate. Considering Internal Audit Report and Supervisory Board Reports still exists some possible improvements.

3.5. Supervisory activity on adequacy of administrative and accounting system and auditing activity

3.5.1. Supervisory activity on administrative and accounting system

The Board of Statutory Auditors supervised on the adequacy of administrative and accounting system to correctly represent the business events through direct observations, information obtained from the heads of the various departments, the exam of company's documents and the analysis of the results obtained by the Indipendent Auditors.

The Board of Statutory Auditors acknowledges that the Board of Directors, on 28 August 2015, after check of the requirement of art. 20 of the Statute of the Company and received the approval of the Board of Statutory Auditors, resolved the confirmation of the Manager responsible for drawing up the Company's accounts, granting him the powers and functions pursuant to art. 154-bis of the Consolidated Finance Act (TUF) and applicable legal and regulatory provisions.

The Board of Statutory Auditors examined the results of tests conducted by KPMG S.p.A. to test the operating effectiveness of the internal control system on the administrative and accounting procedures to oversee the financial reporting and, taking into account the outcome of the tests, no deficiencies in the adequacy and effective application of procedures is revealed.

3.5.2. Supervisory activity on Indipendent Auditors' job

The Board of Statutory Auditors carried out the supervisory activity on the job of Indipendent Auditors which, as said, is PricewaterhouseCoopers S.p.A.

The Board of Statutory Auditors met the Indipendent Auditors several times during the year in order to exchange data and information relating to their respective activities.

The Board of Statutory Auditors acknowledges that PricewaterhouseCoopers S.p.A. performed the audit of financial statements in accordance with International Standards on Auditing (ISA Italy) established pursuant to art. 11, paragraph 3, of Legislative Decree no. 39/2010 and that the resulting report pursuant to art. 14, paragraph 2, of Legislative Decree no. 39/2010, issued on 25 July 2016, did not reveal any facts considered reprehensible or irregularities to be pointed out pursuant art. 156 of Consolidated Financial Act (TUF).

It is pointed out that, according to the express declaration of the Board of Directors, confirmed by PricewaterhouseCoopers S.p.A., Sesa S.p.A. did not confer additional assignments to the Indipendent Auditors or to parties related to the latter by continuous relationships.

3.6. Comments on statutory and consolidated financial statements

The Board of Statutory Auditors examined the draft of the statutory and consolidated financial statements at 30 April 2016, which is available notwithstanding to art. 154-ter, paragraph 1-ter of Legislative Decree no. 58/98 .

Not being entitled to this Board the analytical control of the content of the financial statements, the Board of Statutory Auditors monitored the compliance with the procedural requirements concerning the preparation and setting of the draft of the statutory and consolidated financial statements at 30 April 2016 and points out to have no particular comments.

In particular, regarding the statutory financial statements as of 30 April 2016, the Board of Statutory Auditors verified the compliance with laws regulating its setting and development, by means of checks and through the information provided by the Indipendent Auditors, within the Board's competence pursuant to art. 149 Legislative Decree no. 58/98 .

The Board of Statutory Auditors also verified the compliance of the financial statements to the facts and information known following the execution of its duties and has no comments.

The Board of Statutory Auditors has no specific comments about the Report on Operations which has been prepared in accordance with the law.

As the knowledge of the Board of Statutory Auditors, the Board of Directors has not deviated from the law in preparing the financial statements, pursuant to art. 2423, paragraph 4 Civil Code.

3.7. Application of corporate governance principles

Board of Statutory Auditors noted the Companys' adoption of the Code of Corporate Governance drawn up by the Committee for Corporate Governance of listed companies in the latest version of July 2015 and relative amendments to corporate governance structure.

Board of Statutory Auditors confirmed the Report on corporate governance and ownership structures has been prepared in compliance with art. 123-bis of the TUF, according to instructions and principles included in Regulation of the Borsa Italiana and noted the disclosure of adoption level of the Code of Corporate Governance.

3.8. Supervisory activities regarding intra-group transactions and related parties

Board of Statutory Auditors confirmed periodic inspections and audits of the Company didn't show atypical and / or unusual, with third parties, related parties or within the Group, as defined by Consob Communication of 28 July 2006.

Regarding intra-group transactions, Board of Statutory Auditors confirmed, as disclosed by the Directors in the Note to financial statements, the existence of numerous commercial relations, concerning overall the sale and purchase of hardware and software products and technical support, stating that they have been regulated on the basis of normal market conditions.

In this regard, we note that at the meeting of 23 September 2013, the Board of Directors also approved the adoption of the "Procedure for transactions with related parties" adopted pursuant to Consob Regulation n. 17221 of 12 March 2010 and subsequent amendments thereto, appointing the Audit and Risks Committee as Related Parties Committee.

4. CONCLUSIONS

On the basis of the above, a compendium of the supervisory activity carried out during the year, the Board of Statutory Auditors, taking into account the results of the activity carried out by the Auditing Company and contained in the Audit Reports relating to statutory and consolidated financial statements, do not have observations to make pursuant to art. 153 of Legislative Decree n. 58/98 on the extent of its competence regarding statutory and consolidated financial statements and related notes and the management report

Empoli, 25 July 2016

THE BOARD OF STATUTORY AUDITORS

Prof. Avv. Sergio Menchini – Chairman

Dott. Luca Parenti – Standing Auditor

Dott.ssa Chiara Pieragnoli – Standing Auditor