

Interim Report

31 July

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

The logo for SESA s.p.a. features the word "seSa" in a stylized, lowercase, blue font. The letters are rounded and connected, with a unique script-like quality. To the right of "seSa" is the text "s.p.a" in a smaller, standard sans-serif font.

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Governing and supervisory bodies of Sesa SpA

Board of Directors

Holding office

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

To the Chairman, Paolo Castellacci, were granted all powers of ord. management for the strategic management of relations with Vendors and suppliers, power 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 Committee 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	15,494,590
Stake held by the controlling company ITH S.p.A.	55.91%
Specialist operator	Intermonte Sim SpA

Conxi Palmero, Investor Relation Manager

Highlights of Group results

Consolidated income statement data at 31 July of each year (3 months)

(in thousands of euros)	2016	2015	2014	2013
Revenues	293,199	279,265	259,067	214,702
EBITDA (Earnings before amortisation and depreciation, other provisions, financial charges and taxes)	12,392	11,391	12,389	11,386
EBIT	8,748	8,317	8,729	8,089
EBT	7,998	7,177	7,122	6,612
Profit (loss) for the period	5,219	4,638	4,488	4,126
Profit (loss) for the period attributable to the Group	4,882	4,497	4,237	3,895
<i>Growth rate</i>	<i>8.6%</i>	<i>6.1%</i>	<i>8.8%</i>	<i>n.a.</i>

Consolidated balance-sheet data at 31 July of each year

(in thousands of euros)	2016	2015	2014	2013
Total Net Invested Capital	197,326	188,378	177,327	171,197
Total equity	184,667	165,415	148,529	135,748
- attributable to the Group	177,160	160,399	144,992	132,984
- attributable to minority interests	7,507	5,016	3,537	2,764
Net Financial Position (Net Liquidity)	12,659	22,963	28,798	35,449
Total Equity and Net Financial Position	197,326	188,378	177,327	171,197

Consolidated profitability ratio at 31 July of each year (3 months)

	2016	2015	2014	2013
EBITDA / Revenues	4.23%	4.08%	4.78%	5.30%
EBIT / Revenues (ROS) (1)	2.98%	2.98%	3.37%	3.77%
Profit attributable to the Group / Revenues	1.67%	1.61%	1.64%	1.81%

(1) For further details, please refer to Interim Report

Human Resources, amount at period-end (1)

(unit or thousands of euros)	2016	2015	2014	2013
Number of employees at period-end	1,262	1,101	1,026	917
Average number of employees	1,182	1,030	1,000	915
Personnel costs	16,765	13,384	12,746	11,795

(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 (31 July of each year)	14.50	15.54	13.12	10.7
Dividend per share (2) (*)	0.48	0.45	0.45	0.45
Dividend paid (in millions of euros)	7.513	7.043	6.984	6.439
Pay Out Ratio (3)	30%	31%	32%	31%
Outstanding shares (in millions at 31 July of each year)	15.65	15.65	14.85	12.29
Market capitalisation (in millions of euros at 31 July of each year)	226.9	243.2	194.8	131.5
Market to Book Value (**)	1.2	1.5	1.3	1.0
Dividend Yield (on Stock price at 31 July) (***)	3.3%	2.9%	3.4%	4.2%
Sesa Group	2016	2015	2014	2013
(Euro)				
Earnings per share at 30 April (base) EPS (****)	1.6	1.4	1.5	1.6
Earnings per share at 30 April (diluted) EPS 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 completed on February 2015

(2) For the FY ended 30 April 2016 calculated according to the dividend approved by the Shareholders' Meeting of August 26, 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 July 31 of every Fiscal Year/Consolidated Group equity as of July 31 of every Fiscal Year

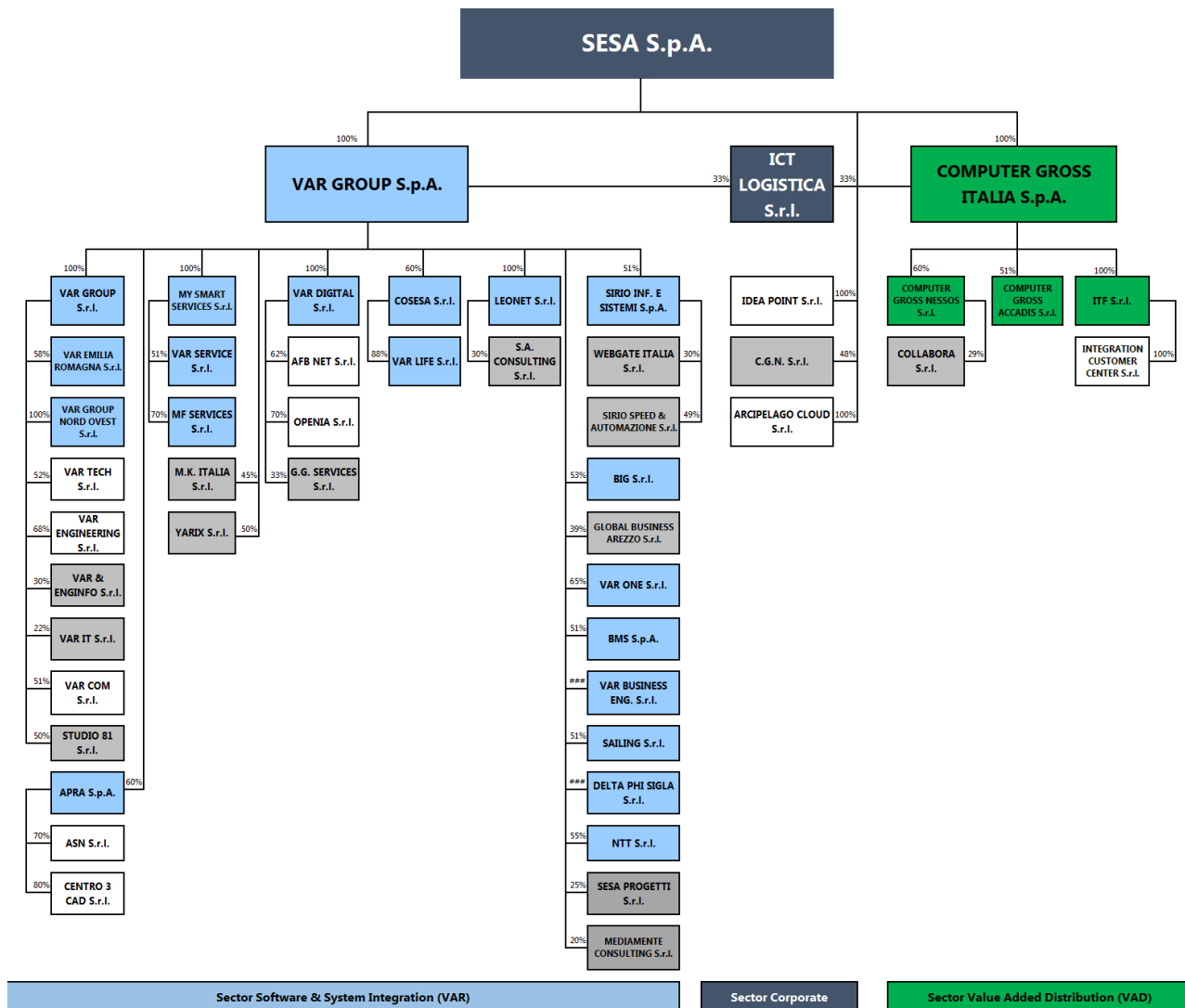
(***) Dividend per share/market value per share as of July 31 of every Fiscal Year

(****) Consolidated net profit at April 30/average number of ordinary shares net of treasury shares in portfolio at April 30

(*****) Consolidated net profit at April 30/average number of ordinary shares at April 30 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

Structure of the Sesa Group at 31 July 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 through the subsidiary Var Group SpA 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 2017, the simplification of the shareholder and corporate structures within the Group has continued with reference to the VAR segment, with the merger of Var Applications Srl into Sirio Informatica e Sistemi SpA, carried out on 20 July 2016. In the quarter ended 31 July 2016, it should be noted the entry into the scope of consolidation of NTT Srl, company active in ERP services sector on Microsoft Dynamics NAV platform, dedicated to SME segment (further details are available in the Interim Report).

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's Consolidated Financial Statements and related Annex at 30 April 2016.

Foreword

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

The Interim Report at 31 July 2016 is referred to the first three months and represents the first quarterly report prepared by the parent Sesa SpA for the fiscal year ended at 30 April 2017.

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

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

Accounting policies and standards

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

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

Compared to the scope of consolidation shown in the Annual Report at 30 April 2016 it shall be noted:

- the entry in the scope of consolidation of the company NTT (VAR sector) due to the purchase of 55% of share capital carried out on June 2016 for an amount of Euro 600 thousand. The company with an annual turnover of over Euro 3 million (net profit after tax at 31 December 2015 Euro 157 thousand) is leader in Italy for ERP services on Microsoft Dynamics NAV platform dedicated to SME and Enterprise segments, through integrated solutions and project management services.

Compared to the scope of consolidation shown in the Interim Report at 31 July 2015 it shall be noted:

- the entry in the scope of consolidation of the company BMS SpA (in the scope of consolidation from August 2015), Sailing Srl (consolidated from November 2015), Apra SpA (consolidated from July 2015) and Accadis Srl (consolidated from 10 June 2016), acquired during the previous year;
- the entry in the scope of consolidation of the company NTT (in the scope of consolidation form June 2016).

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

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

Significant events in the period

With reference to the first three months of the year it should be noted the continuity with the strategy of focusing on higher value-added areas of the ICT market.

In **VAD sector** the company Computer Gross Italy SpA confirms the leading role in the sector of high value-added IT distribution with a market share in further growth. In the first months of the current year the company continued in the work to adapt the structure and processes to the development of the portfolio of products and solutions distributed, with a focus on value areas.

The first three months of the **Software and System Integration (VAR) sector** are characterized by a progressive development of the value-added IT services, also thanks to the integration of the acquisitions carried out during the previous year (Apra, BMS, Sailing, Yarix) which contributed to the enlargement of the offer.

During the quarter continued the simplification of the shareholder and corporate structures with the completion of the merger Var Applications Srl in Sirio Informatica e Sistemi SpA resolved on 20 July 2016. It is also reported the acquisition of 55% of NTT Srl, a company which operates in the ERP services sector on Microsoft Dynamics NAV platform dedicated to the SME segment.

Among the corporate events, on 14 July 2016 was held the Board of Directors of Sesa SpA, which approved the Group's Consolidated financial statements and the statutory financial statements of Sesa SpA at 30 April 2016, proposing the distribution of a dividend of Euro 0.48 per share, with a 6.6% increase compared to Euro 0.45 per share in the previous year, with payment on 14 September 2016. During that meeting, the Board of Directors also adopted the following resolutions:

- Approval of Remuneration Report pursuant to art. 123-ter of Legislative Decree n. 58/1998 and Report on Corporate Governance and Ownership Structures pursuant to art. 123-bis of Legislative Decree n. 58/1998;
- Proposal to extraordinary Shareholders' Meeting for the cancellation of n. 156,511 treasury shares in portfolio, without reduction of share capital, and following amendment of art. 6 of the company's Statute. Following the cancellation, the share capital of Sesa S.p.A., now equal to Euro 37,126,927.50, won't be reduced, while the outstanding shares passed from n. 15,651,101 to n. 15,494,590;
- Proposal to Shareholders' Meeting for the authorization for the purchase and disposal of treasury shares for an amount not exceeding 10% of share capital and however for a maximum amount of Euro 1,500,000 (1.5 million).

The shareholders' Meeting on 26 August 2016 approved the financial statements at 30 April 2016 and the related proposal for dividend distribution of Euro 0.48 per share. During the meeting it was resolved the cancellation of n. 156,511 treasury shares, equal to about 1% of the share capital, as well as the authorization of the plan for the purchase and disposal of treasury shares as proposed by the Board of Directors.

Operating conditions and business development

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 services for the ICT channel 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)

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 and Enterprise.

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.

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 Group Nord Ovest 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).

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.

Var Digital Srl

The Company, which is wholly owned by Var Group SpA, provides IT solutions for its business customers, with particular reference to the digital area (web marketing, e-commerce and digital 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 ICT services for the Italian pharmaceutical sector.

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

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 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.

During the month of July 2016 it was completed the incorporation of the subsidiary Var Applications Srl.

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 for SME segment.

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 (Furniture, Wine, 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.

NTT Srl

The Company is leader in Italy for the services of the Microsoft Dynamics platform dedicated to the SME segment with value-added expertise to customers through integrated solutions and project management for the main industrial sectors. The company entered the scope of consolidation in June 2016.

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.

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, *HPE*, IBM, Lenovo, Lexmark, Microsoft, Oracle, Symantec, VMware.

The company, with revenues equal to 1,050.6 million and a net profit of Euro 22.1 million recorded in the year ended 30 April 2016, is the main subsidiary of the Sesa Group. Computer Gross Italia SpA, with about 300 employees, 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.

Computer Gross Accadis Srl

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

Performance of operations

General economic trend

The year 2016 began with a substantial stability of global growth, after 2015 closed with a GDP increase of 3.1% on a global basis, with a decrease of 0.3% compared to +3.4% achieved in 2014.

For the full year 2016 is expected a growth of 3.1%, in line with 2015, with a possible slowdown due to the trend of American and the eurozone economies, the latter also for the negative effect derived from the United Kingdom's exit from the European Union.

GDP in Euro Area, after a 1.7% growth in 2015 (in acceleration compared to +0.9% in 2014) is expected in slight decline (+1.6%) in 2016 with possible further downward revisions in the second half.

In Italy, after a 2012-2014 period of continuous contraction (-2.8% in 2012, -1.7% in 2013 and -0.4% in 2014), the GDP showed a slightly growth in 2015 (+0.8%). In 2016 is expected a growth broadly in line with 2015 (+0.9%), recently revised downwards as a result of the trend in the first half of the year. To affect the Italian economy that continues to show growth below the European average, the global economic slowdown especially in certain geographical areas which are traditional export markets of Made in Italy as well as the vulnerability of the financial sector (source: IMF - WEO, July 2016).

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

GDP growth rate	Change GDP 2014 (actual)	Change GDP 2015 (actual)	Change GDP 2016 (expected)
World	+3.4%	+3.1%	+3.1%
Advanced Economies	+1.9%	+1.9%	+1.8%
Emerging Market	+4.6%	+4.0%	+4.1%
USA	+2.4%	+2.4%	+2.2%
Japan	0.0%	+0.5%	+0.3%
China	+7.3%	+6.9%	+6.6%
Great Britain	+3.1%	+2.2%	+1.7%
Euro Area	+0.9%	+1.7%	+1.6%
Italy	-0.3%	+0.8%	+0.9%

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

The Italian Information Technology (IT) market is expected to grow by 1.2% in 2016, after a 2015 with a 2.3% decline in demand, compared to a contraction of 2.1% in 2014 and 4.1% in 2013 (source: Sirmi, July 2016),

The following table shows the trend in IT demand in Italy in 2012-2015 and the forecasts for the year 2016 (source: Sirmi, July 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	5,963	-5.7%	-2.6%	-8.4%	1.3%
Software	4,020	3,951	3,881	3,857	3,849	-1.7%	-1.8%	-0.6%	-0.2%
Project Services	3,889	3,711	3,433	3,475	3,428	-4.6%	-4.1%	-2.3%	-1.3%
Managed Services	4,943	4,764	4,751	4,970	5,170	-3.6%	-0.3%	4.6%	4.0%
Total IT Market	19,839	18,019	18,485	18,188	18,410	-4.1%	-2.1%	-2.3%	+1.2%
O/w Cloud Computing	675	789	954	1,128	1,554	16.9%	20.9%	28.7%	25.8%
<i>% Cloud on total IT</i>	<i>3.40%</i>	<i>4.20%</i>	<i>5.10%</i>	<i>6.76%</i>	<i>8.54%</i>				

The improvement in the hardware sales segment (+1.3%) and the constant increase of the segment of managed services (+4.0%) determined the return to the growth. Within the Italian IT market, the segment that shows most growth is still cloud computing services, with growth rates higher than 25% annually, followed by that of Management Services (+4.6% in 2015 and +4.0% in 2016) (source: Sirmi, July 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 has its main business, is still expected to grow in 2016, although at a more moderate rate of increase compared to +9% achieved in 2015 (source: Sirmi, July 2016).

Main income statement data of the Sesa Group

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

Reclassified income statement	31/07/2016 (3 months)	%	31/07/2015 (3 months)	%	Change 2016/15
Revenues	293,199		279,265		5.0%
Other income	1,714		1,317		30.1%
Total Revenues and Other Income	294,913	100.0%	280,582	100.0%	5.1%
Purchase of goods	245,502	83.3%	239,952	85.5%	2.3%
Costs for services and leased assets	19,301	6.5%	15,010	5.3%	28.6%
Personnel costs	16,765	5.7%	13,385	4.8%	25.3%
Other operating charges	953	0.3%	844	0.3%	12.9%
Total Purchase of goods and Operating Costs	282,521	95.8%	269,191	95.9%	5.0%
EBITDA	12,392	4.2%	11,391	4.1%	8.8%
Amortisation and depreciation	1,529		910		68.0%
Accruals to provision for bad debts and provision for risks	2,115		2,164		-2.3%
EBIT	8,748	3.0%	8,317	3.0%	5.2%
Profit from companies valued at equity	80		35		-128.6%
Financial income and charges	(830)		(1,175)		-29.4%
EBT	7,998	2.7%	7,177	2.6%	11.4%
Income taxes	2,779		2,539		9.5%
Net profit	5,219	1.8%	4,638	1.7%	12.5%
<i>Net profit attributable to the Group</i>	<i>4,882</i>		<i>4,497</i>		<i>8.6%</i>
<i>Net profit attributable to minority interests</i>	<i>337</i>		<i>141</i>		<i>139.0%</i>

Consolidated revenues for the period showed an increase of 5.0% from Euro 279,265 thousand at 31 July 2015 to Euro 293,199 thousand at 31 July 2016 thanks to the positive results recorded in both main sectors of the Group.

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

(in thousands of euros)	Period ended 31 July			
	2016	2015	Change	%
Value Added Distribution (VAD)	258,957	253,785	5,172	2.0%
Software and System Integration (VAR)	53,086	46,208	6,878	14.9%
Corporate	3,071	2,863	208	7.3%
<i>Eliminations</i>	<i>(21,915)</i>	<i>(23,591)</i>	<i>1,677</i>	<i>-7.1%</i>
Total Revenues	293,199	279,265	13,935	5.0%

The sector Value Added Distribution (VAD) showed a 2.0% growth compared to the same period of the previous year.

Revenues of sector Software and System Integration (VAR) recorded an increase of 14.9% compared to the same period of 2015, with a growth of Euro 6,878 thousand, benefiting from the consolidation of the new companies acquired during the previous year (Apra SpA, BMS SpA and Sailing Srl), which contributed to the revenues increase for a total of about Euro 5.9 million compared to the previous period.

The most relevant part of Group's revenues remained the sale of technology (hardware, software and accessories) which in the period ended 31 July 2016 amounted to Euro 265,541 thousand, with an increase of

2.4% compared to Euro 259,355 thousand reached in the period ended 31 July 2015. It should be noted a relevant increase in revenues from services and development of software compared to the previous year thanks to the positive performances of sector VAR.

The item consolidated revenues is broken down as follows:

<i>(in thousands of euros)</i>	Period ended 31 July	
	2016	2015
Sale of hardware, software and accessories	265,541	259,355
Software development and other services	12,195	7,857
Hardware and software assistance	11,774	9,030
Marketing activity	2,212	2,350
Other sales	1,477	673
Total Revenues	293,199	279,265

Total revenues and other income showed an increase of Euro 14,331 thousand (+5.1%), passing from Euro 280,582 thousand at 31 July 2015 to Euro 294,913 thousand at 31 July 2016.

The costs for the purchase of goods passed from Euro 239,952 thousand for the period ended 31 July 2015 to Euro 245,502 thousand for the period ended 31 July 2016, with an increase of 2.3%.

Gross margin, calculated as the difference between total revenues and other income and cost for purchase of goods, showed a relevant increase of Euro 8,781 thousand (+21.6% compared to 31 July 2015), passing from Euro 40,630 thousand at 31 July 2015 to Euro 49,411 thousand at 31 July 2016, thanks to a mix of products and solutions with higher value-added.

The ratio between Gross margin and total revenues and other income, equal to 16.7% at 31 July 2016, recorded an improvement of 220 basis points compared to 14.5% obtained at 31 July 2015, mainly thanks to the bigger incidence of sales in the VAR sector (characterized by an higher Gross margin) as well as a growth of Gross margin (+41.2%) reached in the quarter in VAR sector.

The ratio between Gross margin and Total revenues and other income in the VAD sector amounted to 7.9% at 31 July 2016, with an increase of 10 basis points (+2.8%) compared to 7.8% at 31 July 2015, after a period of gradual decline in the previous quarters following the expansion of the distributed portfolio.

The following table details the Gross margin by business segment:

<i>(in thousands of euros)</i>	Period ended 31 July				
	2016	%	2015	%	Change
Total Revenues and Other Income	294,913	100.0%	280,582	100.0%	5.1%
Purchase of goods	-245,502	-83.3%	-239,952	-85.5%	2.3%
Consolidated Gross Margin	49,411	16.7%	40,630	14.5%	21.6%
Total Revenues and Other Income - VAD Segment	260,152	100.0%	254,590	100.0%	2.2%
Purchase of goods	-239,645	-92.1%	-234,646	-92.2%	2.1%
Gross Margin VAD Segment	20,507	7.9%	19,944	7.8%	2.8%
Total Revenues and Other Income - VAR Segment	53,893	100.0%	46,868	100.0%	15.0%
Purchase of goods	-23,949	-44.4%	-25,656	-54.7%	-6.7%
Gross Margin VAR Segment	29,944	55.6%	21,212	45.3%	41.2%

Total purchase of goods and operating costs, equal to Euro 282,521 thousand at 31 July 2016, showed an incidence on Total revenues and other income of 95.8% compared to 95.9% recorded at 31 July 2015, generated by:

- the above-mentioned reduction of the incidence of purchase of goods costs on total revenues and other income from 85.5% at 31 July 2015 to 83.3% at 31 July 2016;
- the higher incidence of operating costs (costs for services and leased assets, personnel costs and other operating charges) from 10.42% at 31 July 2015 to 12.55% at 31 July 2016.

The item operating costs is broken down as follows:

<i>(in thousands of euros)</i>	Period ended 31 July				
	2016	%	2015	%	Change
Costs for services and leased assets	19,301	6.5%	15,010	5.3%	28.6%
Personnel costs	16,765	5.7%	13,385	4.8%	25.3%
Other operating charges	953	0.3%	844	0.3%	12.9%
Total operating costs	37,019	12.55%	29,239	10.42%	26.6%

Costs for services and leased assets, equal to Euro 19,301 thousand at 31 July 2016, recorded an increase of Euro 4,291 thousand compared to the period ended 31 July 2015, following the improvement in turnover recorded in the quarter. The incidence on the item Total revenues and other income passed from 5.4% at 31 July 2015 to 6.5% at 31 July 2016 due to, among other things, the higher incidence of revenues from services on total revenues, also following the companies recently acquired into VAR sector and specialized in supply of IT services.

Personnel costs grew by 25.3% passing from Euro 13,385 thousand at 31 July 2015 to Euro 16,765 thousand at 31 July 2016, deriving from the increase in the Group's average workforce needed to cope with the growth in turnover and the inclusion of skilled and specialized resources regarding recently acquired companies (VAR sector). The incidence of labour costs on total revenues and other income increased from 4.8% at 31 July 2015 to 5.7% at 31 July 2016.

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

<i>(in units)</i>	Average number of employees at 31 July		Actual number of employees at 31 July		Actual number of employees at 30 April 2016
	2016	2015	2016	2015	
Executives	15	15	16	14	16
Middle managers	88	88	92	84	95
Office workers	1,079	928	1,154	1,003	1,104
Total	1,182	1,030	1,262	1,101	1,215

The increasing trend of human resources at 31 July 2016 compared to 31 July 2015 was essentially due to the acquisitions of the companies BMS SpA, Sailing Srl and NTT Srl, entered in the scope of consolidation respectively from August 2015, November 2015 and June 2016, which counted a total of over 100 resources.

Consolidated Ebitda at 31 July 2016 is equal to Euro 12,392 thousand, with an increase of Euro 1,001 thousand (+8.8%) compared to the period at 31 July 2015, showing in the period an higher growth compared to the increase in revenues (Ebitda margin passed to 4.2% from 4.1% at 31 July 2015, growing after 2 years of gradual decline).

The VAR sector contributed to the increase at consolidated level with an Ebitda of Euro 2,785 thousand at 31 July 2016, up 78.1% compared to 31 July 2015, as a result of the increased focus on the areas of high value-added IT services and solutions (cloud computing, managed services, digital and ERP solutions) also obtained through the integration of acquisitions (Apra SpA, BMS SpA, Sailing Srl) carried out during the previous year.

The VAD sector achieved an Ebitda of Euro 9,659 thousand as of 31 July 2016, down slightly (-3.2%) compared to 31 July 2015 (Euro 9,975 thousand).

Ebitda is broken down by operating segments as follows:

(in thousands of euros)	Period ended 31 July				
	2016	%	2015	%	Change
Total Revenues and Other Income	294,913	100.0%	280,582	100.0%	5.1%
Total purchase of goods and operating costs	-282,521	95.8%	-269,191	95.9%	5.0%
Consolidated Ebitda	12,392	4.2%	11,391	4.1%	8.8%
Total Revenues and Other Income - VAD Segment	260,152	100.0%	254,590	100.0%	2.2%
Total purchase of goods and operating costs	-250,493	96.3%	-244,615	96.1%	2.4%
Ebitda - VAD Segment	9,659	3.7%	9,975	3.9%	-3.2%
Total Revenues and Other Income - VAR Segment	53,893	100.0%	46,868	100.0%	15.0%
Total purchase of goods and operating costs	-51,108	94.8%	-45,304	96.7%	12.8%
Ebitda - VAR Segment	2,785	5.2%	1,564	3.3%	78.1%

Consolidated Ebit at 31 July 2016 recorded an increase of Euro 431 thousand (+5.2%) compared to Euro 8,317 thousand at 31 July 2015, after amortisations for Euro 1,529 thousand (+68% compared to 31 July 2015) and provisions for Euro 2,115 thousand (-2.3% compared to 31 July 2015). This increase reflects, among other things, the above-mentioned growth in Ebitda net of the increase in amortisations, passing from a total of Euro 910 thousand at 31 July 2015 to Euro 1,529 thousand at 31 July 2016, as follows:

- higher amortisations of intangible assets from Euro 351 thousand at 31 July 2015 to Euro 673 thousand at 31 July 2016, deriving from the items client lists and technological know-how resulting from the difference in value between the cost for acquisitions of recently acquired companies (Accadis Srl, Apra SpA, BMS SpA and Sailing Srl) and the relative book value of equity, amortized in several years (amortisations refer to items client lists and technological know-how at 31 July 2016 equal to Euro 352 thousand);
- higher amortisations of tangible assets, passing from Euro 559 thousand at 31 July 2015 to Euro 886 thousand at 31 July 2016, following the process of investment in the Group's IT infrastructure (extension of the corporate headquarters in Empoli and development of datacenter).

The item Amortisation and depreciation is broken down as follows:

(in thousands of euros)	At 31 July	
	2016	2015
Intangible assets	673	351
Property, plant and equipment	856	559
Total	1,529	910

Accruals to provisions for bad debts and risks are substantially in line with the last quarter at 31 July 2015 (-2.3%), passing from Euro 2,164 thousand at 31 July 2015 to Euro 2,115 thousand at 31 July 2016.

Consolidated Ebt at 31 July 2016 is equal to Euro 7,998 thousand, with an increase of 11.4% compared to the previous period, benefiting from a more efficient financial management, reflecting the reduction in debt level in the period and the improve in management of exchange rates, which passed from a net passive balance of Euro 142 thousand to a net passive balance of Euro 18 thousand.

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

<i>(in thousands of euros)</i>	Period ended 31 July	
	2016	2015
Interest expense for assignments of receivables	443	457
Charges and commissions for assignments of receivables with recourse	143	126
Interest expense on bank accounts and loans	122	151
Other interest expense	259	241
Commissions and other financial charges	543	522
Financial charges relating to staff severance pay (TFR)	56	47
Foreign exchange losses	439	724
Total financial charges	2,005	2,268
Interest income on other short-term receivables	702	420
Other financial income	32	30
Interest income on bank deposits	20	56
Dividends from equity investments	-	9
Foreign exchange gains	421	578
Total financial income	1,175	1,093
Net financial charges	830	1,175

Consolidated net profit after tax at 31 July 2016 is equal to Euro 5,219 thousand, up to 12.5% compared to a total of Euro 4,638 million at 31 July 2015, also thanks to a lower tax effect on EBT.

After minority interests, Consolidated net profit attributable to shareholders at 31 July 2016 is equal to Euro 4,882 thousand, showing an increase of 8.6% compared to Euro 4,497 thousand at 31 July 2015.

Main balance sheet data of the Group

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

Reclassified Balance Sheet	31/07/2016	31/07/2015	30/04/2016
Intangible assets	18,111	13,518	17,251
Property, plant and equipment	45,464	39,492	44,437
Investments valued at equity	3,988	7,511	3,938
Other non-current receivables	16,362	17,400	16,340
Non-current assets (a)	83,925	77,921	81,966
Inventories	84,822	79,194	59,079
Current trade receivables	297,791	309,438	306,474
Other current assets	27,750	21,597	23,487
Current operating assets (b)	410,363	410,229	389,040
Payables to suppliers	232,168	242,946	261,673
Other current payables	42,588	37,238	49,719
Short-term operating liabilities (c)	274,756	280,184	311,392
Net working capital (b-c)	135,607	130,045	77,648
Non-current provisions and deferred tax liabilities	6,105	4,396	6,175
Employee benefits	16,101	15,192	15,836
Non-current liabilities (d)	22,206	19,588	22,011
Net Invested Capital (a+b-c-d)	197,326	188,378	137,603
Group equity (f)	184,667	165,415	179,414
Medium-Term Net Financial Position	79,956	51,052	65,103
Short-Term Net Financial Position	(67,297)	(28,089)	(106,914)
Total Net Financial Position (Net Liquidity) (g)	12,659	22,963	(41,811)
Equity and Net Financial Position (f+g)	197,326	188,378	137,603

Non-current assets at 31 July 2016 are equal to Euro 83,925 thousand, with an increase of Euro 1,959 thousand compared to 30 April 2016, generated essentially by investments made during the period in question. In particular, the following main effects should be noted:

- net increase of Euro 860 thousand in intangible assets item, rising from Euro 17,251 thousand at 30 April 2016 to Euro 18,111 thousand at 31 July 2016. The change was mainly due to the purchase of software by Var Group SpA (Euro 507 thousand), in order to provide Saas (software as a service) and the acquisition of control of NTT Srl. The difference between the price to acquire control and the related net assets of NTT srl was allocated to the client list and technological know how items for Euro 591 thousand gross of deferred taxes.
- net increase of Euro 1,027 thousand in the tangible assets item, rising from Euro 44,437 thousand at 30 April 2016 to Euro 45,464 thousand at 31 July 2016, mainly due to Group investments in electronic machinery (storage and server) needed for the development of the offer in the Cloud sector, as well as investments carried out by the subsidiary Computer Gross Italia SpA in order to complete the network of Cash&Carry on the Italian territory.

The net working capital amounted to Euro 135,607 thousand at 31 July 2016, and showed a 4.3% increase compared to Euro 130,045 thousand recorded in the period ended 31 July 2015, less than proportional to the growth in turnover. The item inventories, equal to Euro 84,822 thousand at 31 July 2016, included for Euro 11,555 thousand IT products relative to sales carried out by the subsidiary ITF Srl in August 2016. Excluding such transaction, it should be noted a further growing efficiency in the management of the receivables portfolio and the management of inventories.

The item non-current liabilities, equal to Euro 22,206 thousand at 31 July 2016, recorded an increase of Euro 195 thousand, compared to Euro 22,011 thousand at 30 April 2016.

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

Net Financial Position	31/07/2016	31/07/2015	30/04/2016
Liquidity	113,669	56,961	146,168
Current financial receivables	1,295	523	1,294
Current financial debt	47,667	29,395	40,548
Net current financial debt	(67,297)	(28,089)	(106,914)
Current financial debt	79,956	51,052	65,103
Net non-current financial debt	79,956	51,052	65,103
Net Financial Position	12,659	22,963	(41,811)

Consolidated Net Financial Position at 31 July 2016 (net debt) is equal to Euro 12,659 thousand, with an improvement of Euro 10,304 thousand compared to the amount recorded in the period ended 31 July 2015. The positive trend of Net Financial Position compared to the same period of the previous year is due to the growing efficiency in working capital management, especially in trade receivables management, together with the self-financing of the period.

The change in Net Financial Position at 31 July 2016 compared to 30 April 2016, which showed a net liquidity equal to Euro 41,811 thousand, mainly reflects the seasonality of the business which is characterized by a greater absorption of working capital at 31 July compared to 30 April of every year.

Consolidated Group's equity at 31 July 2016 amounted to Euro 184,667 thousand. The change compared to 30 April 2016 reflects essentially the profit for the current period at 31 July 2016 for Euro 5,175 thousand.

Segment Reporting

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

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

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

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

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

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

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

The segment reporting for the period ended at 31 July 2016 and 31 July 2015 is broken down as follows :

<i>(in thousands of euros)</i>	Value Added Distribution	Software and System Integration	Corporate	Eliminations		Value Added Distribution	Software and System Integration	Corporate	Eliminations	
Revenues from third parties	240,400	52,251	548	-	293,199	233,189	45,681	395		279,265
Inter segment revenues	18,557	835	2,523	-	21,915	20,597	527	2,468		23,592
Revenues	258,957	53,086	3,071	(21,915)	293,199	253,786	46,208	2,863	(23,592)	279,265
Other income	1,195	807	504	(792)	1,714	804	660	353	(500)	1,317
Total Revenues and other income	260,152	53,893	3,575	(22,707)	294,913	254,590	46,868	3,216	(24,092)	280,582
Purchase of goods	(239,645)	(23,949)	(293)	18,385	(245,502)	(234,646)	(25,656)	(219)	20,569	(239,952)
Costs for services and rent, leasing and similar costs	(6,735)	(14,966)	(1,841)	4,241	(19,301)	(6,333)	(10,491)	(1,570)	3,384	(15,010)
Personnel costs	(3,534)	(11,848)	(1,383)	-	(16,765)	(3,074)	(8,987)	(1,325)	1	(13,385)
Other operating costs	(579)	(345)	(40)	11	(953)	(562)	(170)	(69)	(43)	(844)
Ebitda	9,659	2,785	18	(70)	12,392	9,975	1,564	33	(181)	11,391
Amortisation, depreciation and write-downs	(2,283)	(1,340)	(21)	-	(3,644)	(2,285)	(769)	(20)	-	(3,074)
Ebit	7,376	1,445	(3)	(70)	8,748	7,690	795	13	(181)	8,317
Profit from companies valued at equity	-	80	-	-	80	-	35	-	-	35
Net financial income and charges	(403)	(435)	8	-	(830)	(818)	(379)	23	(1)	(1,175)
Profit before taxes	6,973	1,090	5	(70)	7,998	6,872	451	36	(182)	7,177
Income taxes	(2,169)	(607)	(25)	22	(2,779)	(2,299)	(268)	(31)	59	(2,539)
Profit for the period	4,804	483	(20)	(48)	5,219	4,573	183	5	(123)	4,638
Net profit attributable to minority interests	2	349	(14)	0	337	64	91	(14)	0	141
Net profit attributable to the Group	4,802	134	(6)	(48)	4,882	4,509	92	19	(123)	4,497

Relations with related parties and Group's companies

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

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

No significant related party transactions are reported in the period.

Significant events after the period-end

No significant events happened subsequent to 31 July 2016.

Outlook on operations

The management at 31 July 2016 highlighted an economic environment characterized by a weak growth of European and Italian economy.

For the remaining part of the year, the aim of the management is to confirm and consolidate the growth trend in revenues and profitability reached in the first quarter of the financial year, strengthening its market leadership and developing the portfolio of products and services offered to customers.

The Chairman
Paolo Castellacci

Annexes

Consolidated Income Statement

<i>(in thousand of euros)</i>	Period ended 31 July	
	2016	2015
Revenues	293,199	279,265
Other income	1,714	1,317
Consumables and goods for resale	(245,502)	(239,952)
Costs for services and rent, leasing and similar costs	(19,301)	(15,010)
Personnel costs	(16,765)	(13,385)
Other operating costs	(3,068)	(3,008)
Amortisation and depreciation	(1,529)	(910)
EBIT	8,748	8,317
Profit from companies valued at equity	80	35
Financial income	1,175	1,093
Financial charges	(2,005)	(2,268)
Profit before taxes	7,998	7,177
Income taxes	(2,779)	(2,539)
Profit for the period	5,219	4,638
<i>of which:</i>		
Net profit attributable to minority interests	337	141
Net profit attributable to the Group	4,882	4,497

Consolidated Statement of Financial Position

<i>(in thousand of euros)</i>	At 31 July 2016	At 30 April 2016
Intangible assets	18,111	17,251
Property, plant and equipment	45,464	44,437
Investment property	290	290
Equity investments valued at equity	3,988	3,938
Deferred tax assets	5,648	5,449
Other non-current receivables and assets	8,606	8,783
Total non-current assets	82,107	80,148
Inventories	84,822	59,079
Current trade receivables	297,791	306,474
Current tax receivables	4,023	4,269
Other current receivables and assets	25,023	20,512
Cash and cash equivalents	113,668	146,168
Total current assets	525,327	536,502
Non-current assets held for sale	1,818	1,818
Total assets	609,252	618,468
Share capital	37,127	37,127
Share premium reserve	33,102	33,144
Other reserves	5,293	5,330
Profits carried forward	101,638	96,738
Total Group equity	177,160	172,339
Equity attributable to minority interests	7,507	7,075
Total equity	184,667	179,414
Non-current loans	79,956	65,103
Employee benefits	16,101	15,836
Non-current provisions	831	712
Deferred tax liabilities	5,274	5,463
Total non-current liabilities	102,162	87,114
Current loans	47,667	40,548
Payables to suppliers	232,168	261,673
Current tax payables	4,789	2,260
Other current liabilities	37,799	47,459
Total current liabilities	322,423	351,940
Total liabilities	424,585	439,054
Total equity and liabilities	609,252	618,468

Consolidated Statement of Changes in Equity

(in thousand 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 2016	37,127	33,144	5,330	96,738	172,339	7,075	179,414
Profit for the period				4,882	4,882	337	219
Actuarial Profit/ Loss for employee benefits					-		-
Comprehensive income for the period	-	-	-	4,882	4,882	337	5,219
Purchase of treasury shares		(42)			(42)		(42)
Dividends distribution					-		-
Allocation of Net profit					-		-
Changes in the scope of consolidation and other changes			(37)	18	(19)	95	76
At 31 July 2016	37,127	33,102	5,293	101,638	177,160	7,507	184,667

Consolidated Statement of Cash Flows

<i>(in thousands of euros)</i>	Period ended 31 July	
	2016	2015
Profit before taxes	7,998	7,217
Adjustments for:		
Amortisation and depreciation	1,529	910
Provisions for personnel and other provisions	2,222	1,714
Net financial (income)/charges	886	1,182
Profit from companies valued at equity	(80)	(35)
Other non-monetary items	-	-
Cash flows generated from operating activities before changes in net working capital	12,555	10,988
Change in inventories	(25,563)	(19,611)
Change in trade receivables	7,019	(24,533)
Change in payables to suppliers	(29,872)	(9,692)
Change in other assets	(4,150)	1,992
Change in other liabilities	(9,908)	(2,346)
Use of provisions for risks	92	(241)
Payment of employee benefits	(159)	(446)
Change in deferred taxes	(556)	(243)
Change in current tax payables and receivables	(4)	3,156
Interest paid	(2,005)	(2,228)
Taxes paid	-	(2,539)
Net cash flow generated from operating activities	(52,551)	(45,743)
Investments in companies, net of acquired cash	(352)	(4,412)
Investments in property, plant and equipment	(1,875)	(1,613)
Investments in intangible assets	(899)	(265)
Disposals of property, plant and equipment and intangible assets	-	-
Disposal of assets held for sale	-	-
Investments in associated companies	-	-
Disposals of other non-current investments	30	(2,970)
Disbursement of loans	-	-
Investments in non-current financial assets	-	-
Collection of non-current financial assets	122	82
Dividends collected	-	-
Interest collected	1,175	1,093
Net cash flow generated from/(used in) investing activities	(1,799)	(8,085)
New disbursements of long-term loans and financial leasings	32,500	16,153
Repayments of long-term loans	(2,428)	(648)
(Decrease)/increase in short-term loans	(8,102)	3,592
Change in Group equity	(19)	18
Change in equity attributable to minority interests	(59)	(264)
Purchase of treasury shares	(42)	(184)
Dividends distribution	-	-
Net cash flow generated from/(used in) financing activities	21,850	18,667
Translation difference on cash and cash equivalents	-	-
Change in cash and cash equivalents	(32,500)	(35,161)
Cash and cash equivalents at the beginning of the year	146,168	92,122
Cash and cash equivalents at the end of the year	113,668	56,961

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

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

Empoli, 13 September 2016

Alessandro Fabbroni

(Director responsible for drawing up accounting documents)