



**F.I.L.A. GROUP  
INTERIM REPORT  
AT MARCH 31, 2017**

F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A.

Via XXV Aprile 5 Pero (MI)

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**DIRECTORS' REPORT**

**AT MARCH 31, 2017**

## I - Directors' Report

### Corporate Boards

#### Board of Directors

Chairman	Gianni Mion
Chief Executive Officer	Massimo Candela
Executive Director	Luca Pelosin
Director & Honorary Chairman	Alberto Candela
Director (**)	Fabio Zucchetti
Director (**)	Annalisa Barbera
Director (*)	Sergio Ravagli
Director (*) (***)	Gerolamo Caccia Dominioni
Director (*)	Francesca Prandstraller

(\*) Independent director in accordance with Article 148 of the CFA and Article 3 of the Self-Governance Code.

(\*\*) Non-Executive Director.

(\*\*\*) Lead Independent Director.

#### Control and Risks Committee

Gerolamo Caccia Dominioni  
Fabio Zucchetti  
Sergio Ravagli

#### Board of Statutory Auditors

Chairman	Claudia Mezzabotta
Standing Auditor	Stefano Amoroso
Standing Auditor	Pietro Villa
Alternate Auditor	Sonia Ferrero

## Overview of the F.I.L.A. Group

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The F.I.L.A. Group operates in the creativity tools market, producing colouring, design, modelling, writing and painting objects, such as pencils, crayons, modelling clay, chalk, oil colours, acrylics, watercolours, paints and paper for the fine arts, school and leisure.

The F.I.L.A. Group at March 31, 2017 operates through 21 production facilities and 40 subsidiaries across the globe and employs approx. 7,000, becoming a pinnacle for creative solutions in many countries with brands such as GIOTTO, DAS, LYRA, Canson, Maimeri, Daler & Rowney Lukas and Ticonderoga.

Founded in Florence in 1920, F.I.L.A. has achieved strong growth over the last twenty years, supported by a series of strategic acquisitions: the Italian Company Adica Pongo in 1994, the US Group Dixon Ticonderoga in 2005, the German Group LYRA in 2008, the Mexican Company Lapiceria Mexicana in 2010, the Brazilian Company Lycin in 2012 and the Maimeri business unit in 2014. In addition to these operations, on the conclusion of an initiative which began with the acquisition of a minority stake in 2011, control was acquired in 2015 of the Indian company DOMS Industries Pvt Ltd.

In 2016, the F.I.L.A. Group has focused upon development on strategic art & craft sector acquisitions, seeking to become the leading market player. On February 3, 2016, F.I.L.A. S.p.A. acquired control of the Daler-Rowney Lukas Group, an illustrious brand producing and distributing since 1783 materials and accessories on the arts & crafts market, with a direct presence in the United Kingdom, the Dominican Republic, Germany and the USA.

In September 2016, the F.I.L.A. Group acquired St. Cuthberts, a highly-renowned English paper mill, founded in 1907, located in the south-west of England and involved in the production of high quality artist's papers.

In October 2016, F.I.L.A. S.p.A. acquired the Canson Group, founded in 1557 by the Montgolfier family, with headquarters in Annonay in France, production facilities in France and conversion and distribution centres in Italy, France, the USA, China, Australia and Brazil. Canson products are available in over 120 countries and the brand is the most respected globally involved in the production and distribution of high added value paper for the fine arts, design, leisure and schools, but also for artists' editions and technical and digital drawing materials.

## **Significant Events in the period**

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- On January 20, 2017, 52% of the share capital of FILA Art Products AG (Switzerland) was acquired, a company involved in the sale of F.I.L.A. Group writing, art and design products in Switzerland;
- On February 8, 2017, Lyra KG (Germany), a F.I.L.A. Group company held directly by F.I.L.A. S.p.A., sold 30% of its investment in Fila Nordic AB to non-controlling interests. The holding of Lyra KG (Germany) was 50% and therefore is considered a F.I.L.A. Group subsidiary as per the definition of control in IFRS 10.

## Operating performance

The F.I.L.A. Group Key Financial Highlights for Q1 2017 are reported below.

<i>Euro thousands</i>	March 2017	% core business revenue	March 2016	% core business revenue	Change 2017 - 2016	
Core Business Revenue	117,613	100.0%	82,896	100.0%	34,717	41.9%
EBITDA <sup>(1)</sup>	16,072	13.7%	10,143	12.2%	5,930	58.5%
EBIT	11,456	9.7%	6,853	8.3%	4,603	67.2%
Net financial expenses	(1,685)	-1.4%	(4,309)	-5.2%	2,624	60.9%
Total income taxes	(3,564)	-3.0%	(2,486)	-3.0%	(1,079)	-43.4%
F.I.L.A. Group Net Profit/(loss)	5,731	4.9%	(288)	-0.3%	6,018	2092.4%
<i>Earnings per share (€ cents)</i>						
	<i>basic</i>	0.14	(0.01)			
	<i>diluted</i>	0.14	(0.01)			

<i>NORMALISED - Euro thousands</i>	March 2017	% core business revenue	March 2016	% core business revenue	Change 2017 - 2016	
Core Business Revenue	117,613	100.0%	82,896	100.0%	34,717	41.9%
EBITDA <sup>(1)</sup>	17,106	14.5%	11,870	14.3%	5,236	44.1%
EBIT	12,490	10.6%	8,580	10.4%	3,910	45.6%
Net financial expenses	(2,675)	-2.3%	(1,217)	-1.5%	(1,458)	-119.8%
Total income taxes	(3,656)	-3.1%	(2,707)	-3.3%	(949)	-35.0%
F.I.L.A. Group Net Profit	5,683	4.8%	4,310	5.2%	1,373	31.9%
<i>Earnings per share (€ cents)</i>						
	<i>basic</i>	0.14	0.11			
	<i>diluted</i>	0.14	0.11			

<i>Euro thousands</i>	March 31, 2017	March 31, 2016	Change 2017 - 2016
Cash Flow from operating activities	(24,866)	(26,802)	1,936
Investments	3,696	1,988	1,708
% core business revenue	3.1%	2.4%	

<i>Euro thousands</i>	March 31, 2017	December 31, 2015	Change 2017 - 2016
Net capital employed	504,473	462,407	42,066
Net Financial debt <sup>(2)</sup>	(255,852)	(223,437)	(32,415)
Equity	(248,621)	(238,970)	(9,651)

<sup>(1)</sup> The Gross Operating Profit (EBITDA) corresponds to the operating result before amortisation and depreciation and write-down;

<sup>(2)</sup> Indicator of the net financial structure, calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets and loans provided to third parties classified as non-current asset. The net financial position as per CONSOB Communication DEM/6064293 of July 28, 2006 excludes non-current financial assets. The non-current financial assets of the F.I.L.A. Group at March 31, 2017 amount to Euro 4,169 thousand, of which Euro 355 thousand included in the calculation of the net financial position; therefore the F.I.L.A. Group financial indicator does not equate, for this amount, with the net financial position as defined in the above-mentioned Consob communication. For further details, see paragraph "Financial Overview" of the Report below.

2017 Normalizations:

- The normalization of the Q1 2017 EBITDA relates to non-recurring operating costs of approx. Euro 1 million, principally for Group reorganisation plans.
- The normalization of Net financial charges amount approx. to Euro 1 million relates to the selling of 30% of the investment of Lyra KG (Germany) in Fila Nordic AB to non-controlling interests.
- The normalization of the Q1 2017 Group Result concerns the above-stated normalizations, net of the tax effect.

2016 Normalizations:

- The normalization of the Q1 2016 EBITDA relates to non-recurring operating costs of approx. Euro 1.7 million, principally for consultancy in support of M&A operations carried out by the Group.
- The normalization of Net financial charges of Euro 3.1 million relates to the exchange adjustments on the loan in UK Sterling for the acquisition of the Daler-Rowney Group, net of financial income on the currency hedging derivative opened on the loan.
- The normalization of the Q1 2016 Group Result concerns the above-stated normalizations, net of the tax effect.



## F.I.L.A Group Key Financial Highlights

The F.I.L.A. Group Key Financial Highlights for Q1 2017 are reported below.

### Normalised operating results

The Q1 2017 F.I.L.A. Group results report an increased EBITDA of 44.1% on Q1 2016 (7.97%, excluding the M&A effect in the period<sup>1</sup>).

	March 2017	% core business revenue	March 2016	% core business revenue	Change 2017 - 2016	
<i>NORMALIZED - Euro thousands</i>						
Core Business Revenue	117,613	100%	82,896	100%	34,717	41.9%
Other Revenue and Income	5,855		2,131		3,724	174.8%
<b>Total Revenue</b>	<b>123,468</b>		<b>85,027</b>		<b>38,441</b>	<b>45.2%</b>
Total operating costs	(106,362)	-90.4%	(73,157)	-88.3%	(33,205)	-45.4%
<b>EBITDA</b>	<b>17,106</b>	<b>14.5%</b>	<b>11,870</b>	<b>14.3%</b>	<b>5,236</b>	<b>44.1%</b>
Amortisation, depreciation and write-down	(4,616)	-3.9%	(3,290)	-4.0%	(1,326)	-40.3%
<b>EBIT</b>	<b>12,490</b>	<b>10.6%</b>	<b>8,580</b>	<b>10.4%</b>	<b>3,910</b>	<b>45.6%</b>
Net financial expenses	(2,675)	-2.3%	(1,217)	-1.5%	(1,458)	-119.8%
<b>Pre-tax profit</b>	<b>9,815</b>	<b>8.3%</b>	<b>7,363</b>	<b>8.9%</b>	<b>2,452</b>	<b>33.3%</b>
Total income taxes	(3,656)	-3.1%	(2,707)	-3.3%	(949)	-35.0%
<b>NET PROFIT FOR THE YEAR - CONTINUING OPERATIONS</b>	<b>6,159</b>	<b>5.2%</b>	<b>4,656</b>	<b>5.6%</b>	<b>1,503</b>	<b>32.3%</b>
<b>Net Profit</b>	<b>6,159</b>	<b>5.2%</b>	<b>4,656</b>	<b>5.6%</b>	<b>1,503</b>	<b>32.3%</b>
Non-controlling interest profit	476	0.4%	346	0.4%	130	37.7%
<b>F.I.L.A. Group Net Profit</b>	<b>5,683</b>	<b>4.8%</b>	<b>4,310</b>	<b>5.2%</b>	<b>1,373</b>	<b>31.9%</b>

The main changes compared to Q1 2016 are outlined below.

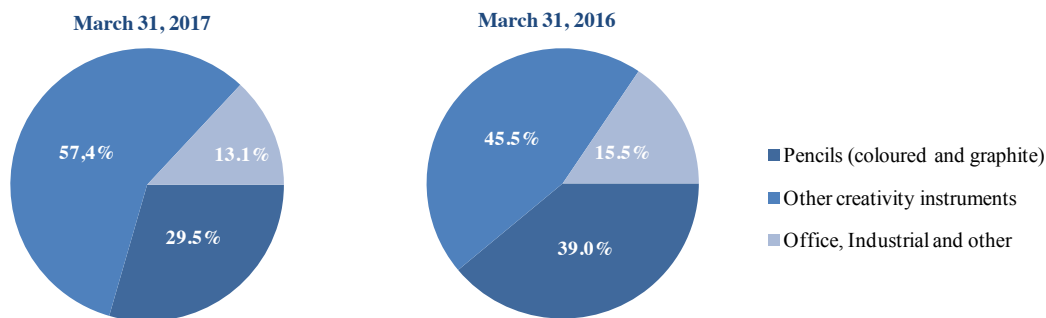
“Core Business Revenue” of Euro 117,613 thousand increased on the previous year Euro 82,896 thousand (+41.9%).

Organic growth was Euro 5,061 thousand (+6.10% on Q1 2016), calculated net of positive currency effects of approx. Euro 329 thousand (mainly due to the strengthening of the US Dollar and the Indian Rupee, only partially offset by the weakening of the Mexican Peso and UK Sterling) and the M&A effect of approx. Euro 29,327 thousand (of which: Euro 4,724 thousand relating to a month of Daler-Rowney Lukas operations, consolidated from February 2016, Euro 22,450 thousand relating to the Canson Group, consolidated from October 2016, Euro 1,307 thousand concerning St. Cuthberts Mill, consolidated from September 2016 and Euro 846 thousand concerning the Indian company Pioneer Stationery Private Ltd, consolidated from May 2016). This growth principally relates to Asia for Euro 3,167 thousand, up 28.1% (principally relating to the Indian subsidiary), Central-South America for

<sup>1</sup> M&A effect relating to the result of the companies acquired subsequently to March 2016 (Canson Group, Pioneer Stationery Private Ltd and St. Cuthberts Holding Limited) and partially of the Daler-Rowney Lukas Group companies consolidated from February 2016.

Euro 2,730 thousand, up 25.3% (in particular Mexico and to a lesser extent Chile and Argentina), Europe for Euro 688 thousand, +1.7% (Turkey, Poland and to a lesser extent Russia and Greece), while partially offset by the North American revenue contraction of Euro 1,551 thousand (-7.5%).

In order to better illustrate F.I.L.A. Group developments, reference should be made to the table below highlighting revenue compared with the previous period by “Strategic Segments”:



Other Revenue and Income of Euro 5,855 thousand increased on the previous year Euro 3,724 thousand, mainly on the basis of exchange gains on commercial operations.

“Operating Costs” in 2017 of Euro 106,362 thousand increased Euro 33,205 thousand on 2016, almost exclusively as a result of the M&A effect and residually the increase in acquisition and commercial costs in support of the higher revenues.

“EBITDA” amounted to Euro 17,106 thousand, increasing Euro 5,236 thousand on 2016 (+44.1%, of which +7.97% entirely organic growth), greater therefore than organic revenue growth (+6.10%).

Amortisation, depreciation & write-downs increased Euro 1,326 thousand, due in particular to the amortisation of “Trademarks” and “Other Intangible assets”, valued according to the “Purchase Price Allocation” under the corporate operations executed in 2016.

Normalised “Net Financial Charges” increased on Q1 2016 Euro 1,458 thousand, principally due to higher interest charges incurred by F.I.L.A. S.p.A. on the loan contracted in 2016 for the acquisitions.

Group normalised “Income taxes” were Euro 3,656 thousand, increasing on the previous year, mainly due to the consolidation of the companies acquired in 2016; the tax rate was lower than the previous year due to utilisation of the matured “ACE” base.

Excluding the non-controlling interest result, the F.I.L.A. Group normalised net profit in Q1 2017 was Euro 5,683 thousand, compared to Euro 4,310 thousand in the previous year.

## Business seasonality

The Group's operations are affected by business seasonality, as reflected in the consolidated results.

The breakdown of the income statement by quarter highlights the concentration of sales in the second and third quarters for the “schools’ campaign”. Specifically, in June significant sales are made through the “*school suppliers*” traditional channel and in August through the “*retailers*” channel.

The key quarterly highlights for 2017 and 2016 are reported below.

	2016				2017
	First 3 mth. 2016	First 6 mth. 2016	First 9 mth. 2016	FY 2016	First 3 mth. 2017
<i>Euro thousands</i>					
<b>Core Business Revenue</b>	<b>82,896</b>	<b>201,514</b>	<b>309,312</b>	<b>422,609</b>	<b>117,613</b>
<i>Full year portion</i>	19.62%	47.68%	73.19%	100.00%	100.00%
<b>EBITDA</b>	<b>10,143</b>	<b>31,222</b>	<b>49,016</b>	<b>56,824</b>	<b>16,072</b>
<i>% core business revenue</i>	12.24%	15.49%	15.85%	13.45%	13.67%
<i>Full year portion</i>	17.85%	54.94%	86.26%	100.00%	
<b>Normalised EBITDA</b>	<b>11,870</b>	<b>36,572</b>	<b>55,169</b>	<b>67,222</b>	<b>17,106</b>
<i>% core business revenue</i>	14.32%	18.15%	17.84%	15.91%	14.54%
<i>Full year portion</i>	17.66%	54.41%	82.07%	100.00%	
<b>Net Financial Debt</b>	<b>(166,344)</b>	<b>(188,895)</b>	<b>(175,798)</b>	<b>(223,437)</b>	<b>(255,852)</b>

## Statement of Financial Position

The F.I.L.A. Group key Statement of Financial Position accounts at March 31, 2017 are reported below.

<i>Euro thousands</i>	<b>March 2017</b>	<b>December 2016</b>	<b>Change 2017 - 2016</b>
Intangible Assets	217,876	218,440	(564)
Property, plant & equipment	83,210	81,321	1,889
Financial Assets	4,125	3,656	469
<b>Net Fixed Assets</b>	<b>305,211</b>	<b>303,416</b>	<b>1,795</b>
<b>OTHER ASSETS/NON-CURRENT LIABILITIES</b>	<b>19,581</b>	<b>20,737</b>	<b>(1,156)</b>
Inventories	193,708	177,406	16,302
Trade and Other Receivables	138,492	113,582	24,910
Trade and Other Payables	(89,856)	(90,445)	589
Other Current Assets and Liabilities	(958)	154	(1,112)
<b>Net Working Capital</b>	<b>241,386</b>	<b>200,697</b>	<b>40,689</b>
<b>Provisions</b>	<b>(61,705)</b>	<b>(62,444)</b>	<b>739</b>
<b>Net Capital Employed</b>	<b>504,473</b>	<b>462,407</b>	<b>42,066</b>
<b>Equity</b>	<b>(248,621)</b>	<b>(238,970)</b>	<b>(9,651)</b>
<b>Net Financial Debt</b>	<b>(255,852)</b>	<b>(223,437)</b>	<b>(32,415)</b>
<b>Net Funding Sources</b>	<b>(504,473)</b>	<b>(462,407)</b>	<b>(42,066)</b>

The “Net Capital Employed” of the F.I.L.A. Group at March 31, 2017 of Euro 504,473 thousand is principally comprised of “Net Fixed Assets” of Euro 305,211 thousand (increasing on December 31, 2016 Euro 1,795 thousand) and “Net Working Capital” totalling Euro 241,386 (increasing on December 31, 2016 Euro 40,689 thousand).

The decrease in “Intangible Assets” of Euro 564 thousand substantially concerns the amortisation of “Trademarks” and “Development Technology” by the Group companies Daler-Rowney Lukas, St. Cuthberts Mill (United Kingdom), the Canson Group and DOMS Industries Pvt Ltd (India), valued during their respective acquisitions.

The increase in “Property, plant and equipment” of Euro 1,889 thousand mainly relates to investments in “Plant and machinery” and “Buildings” (in use or under construction) by Group companies in support of production volume growth and business development, in particular in the “Art & Craft” sector. In particular, overall net investments of Euro 3,639 thousand principally concerned F.I.L.A.-Dixon, S.A. de C.V. (Mexico), DOMS Industries Pvt Ltd (India), F.I.L.A. S.p.A., Daler Rowney Ltd (United Kingdom) and Canson SAS (France). The overall movement also stems from positive currency differences for Euro 1,014 thousand and depreciation of Euro 2,781 thousand.

The increase in “Net Working Capital” of Euro 40,689 thousand relates to the following:

- “Inventories” - increasing Euro 16,302 thousand, principally due to business seasonality relating to the schools campaign, in addition to the development of the “Art & Craft” business. The increase particularly concerned the US subsidiary Dixon Ticonderoga Company, the European subsidiaries Lyra KG (Germany), Canson SAS (France), Daler Rowney Ltd (United Kingdom) and the Mexican Grupo F.I.L.A.-Dixon, S.A. de C.V..
- “Trade and Other Receivables” - increasing Euro 24,910 thousand, principally due to the seasonality of F.I.L.A. Group business and concerning particularly F.I.L.A. S.p.A., Dixon Ticonderoga Company (U.S.A.), the South American subsidiaries Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico) and F.I.L.A. Chile Ltda (Chile), Omyacolor S.A. (France) and F.I.L.A. Iberia S. L. (Spain).
- “Trade and Other Payables” - reducing Euro 589 thousand, principally due to the payment of year-end debt positions (F.I.L.A. S.p.A. and Grupo F.I.L.A.-Dixon, S.A. de C.V. - Mexico), which offset the increase from higher purchases in the period.

The reduction in “Provisions” of Euro 739 thousand substantially concerns “Employee Benefit” plans (Euro 558 thousand) and “Deferred Tax Liabilities” Euro 112 thousand.

The “Equity” of the F.I.L.A. Group, amounting to Euro 248,621 thousand at March 31, 2017, increased Euro 9,651 thousand on the end of the previous year. Net of the period profit of Euro 6,207 thousand (of which Euro 476 thousand concerning non-controlling interests), the residual movement principally concerns currency effects for Euro 2,618 thousand, the “Fair Value” adjustment of derivative instruments held by F.I.L.A. S.p.A. designated as hedges (Euro 581 thousand) and the increase in the IAS 19 reserve of Euro 372 thousand.

The F.I.L.A. Group “Net Financial Position” at March 31, 2017 was a net debt of Euro 255,852 thousand, increasing Euro 32,415 thousand on December 31, 2016. For greater details, reference should be made to the “Financial Overview” paragraph.

## Financial overview

The overview of the Q1 2017 Group operating and financial performance is completed by the Group Net Financial Position and Statement of Cash Flow reported below.

The **Net Financial Position** at March 31, 2017 reports a debt of Euro 255,852 thousand.

<i>Euro thousands</i>	<b>March 2017</b>	<b>December 2016</b>	<b>Change 2017 - 2016</b>
A Cash	90	73	17
B Other cash equivalents	40,910	59,446	(18,536)
C Securities held-for-trading	-	-	-
<b>D Liquidity ( A + B + C )</b>	<b>41,000</b>	<b>59,519</b>	<b>(18,519)</b>
<b>E Current financial receivables</b>	<b>324</b>	<b>275</b>	<b>49</b>
F Current bank loans and borrowings	(87,426)	(52,879)	(34,547)
G Current portion of non-current debt	(26,246)	(24,158)	(2,088)
H Other current loans and borrowings	(1,974)	(16,497)	14,523
<b>I Current financial debt ( F + G + H )</b>	<b>(115,646)</b>	<b>(93,534)</b>	<b>(22,112)</b>
<b>J Net current financial debt ( I + E+ D )</b>	<b>(74,322)</b>	<b>(33,740)</b>	<b>(40,582)</b>
K Non-current bank loans and borrowings	(181,752)	(189,902)	8,150
L Bonds issued	-	-	-
M Other non-current loans and borrowings	(133)	(150)	17
<b>N Non-current financial debt ( K + L + M )</b>	<b>(181,885)</b>	<b>(190,052)</b>	<b>8,167</b>
<b>O Net financial debt ( J+N )</b>	<b>(256,207)</b>	<b>(223,792)</b>	<b>(32,415)</b>
<b>P Loans issued to third parties</b>	<b>355</b>	<b>355</b>	<b>-</b>
<b>Q Net financial debt ( O + P ) - F.I.L.A. Group</b>	<b>(255,852)</b>	<b>(223,437)</b>	<b>(32,415)</b>

*Note:*

1) The net financial debt calculated at point "O" complies with Consob Communication DEM/6064293 of July 28, 2006, which excludes non-current financial assets. The net financial debt of the F.I.L.A. Group differs from the above communication by Euro 355 thousand in relation to the non-current loans granted to third parties by F.I.L.A. S.p.A. (Euro 350 thousand) and Omyacolor S.A. (Euro 5 thousand)

3) At March 31, 2017 there were no transactions with related parties which impacted the net financial debt.

Compared to December 31, 2016 (debt of Euro 223,437 thousand), the net debt increased Euro 32,415 thousand, as outlined below in the Statement of Cash Flow.

<i>Euro thousands</i>	<b>March 2017</b>	<b>March 2016</b>
EBIT	11,456	6,853
Adjustments for non-cash items	4,593	3,282
Integrations for income taxes	(1,872)	(1,457)
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>14,177</b>	<b>8,678</b>
<b>Change in NWC</b>	<b>(39,223)</b>	<b>(31,656)</b>
Change in Inventories	(14,442)	(16,977)
Change in Trade and Other Receivables	(23,077)	(22,690)
Change in Trade and Other Payables	(1,541)	9,156
Change in Other Current Assets/Liabilities	(163)	(1,146)
<b>Net cash Flow from Operating Activities</b>	<b>(25,046)</b>	<b>(22,978)</b>
Investments in tangible and intangible assets	(3,696)	(1,988)
Other Investments	990	45
Equity Investments	-	(16,751)
<b>Cash Flow used in Investing Activities</b>	<b>(2,706)</b>	<b>(18,693)</b>
Change in Equity	(127)	(490)
Interest Expense	(2,343)	(1,042)
<b>Cash Flow used in Financing Activities</b>	<b>(2,470)</b>	<b>(1,531)</b>
Other changes	183	952
<b>Total Net Cash Flow</b>	<b>(30,039)</b>	<b>(42,251)</b>
Effect from exchange rate changes	(2,376)	1,401
NFP from M&A operations (Change in Consolidation Scope)	-	(86,752)
<b>Change in Net Financial Debt</b>	<b>(32,415)</b>	<b>(127,602)</b>

The net cash flow absorbed in 2017 from “Operating Activities” of Euro 25,046 thousand (absorption of operating cash in Q1 2016 of Euro 22,978 thousand) concerns:

- generation of Euro 14,177 thousand (Euro 8,678 thousand in Q1 2016) from “EBIT”, based on the difference of the “Value” and the “Costs of Cash Generation” and the remaining ordinary income components, excluding financial management;
- absorption of Euro 39,223 thousand (Euro 31,656 thousand in Q1 2016) from “Working Capital Management”, particularly concerning the increase in “Trade and Other Receivables”, due to business seasonality and the increased revenues, principally for Central-South America and Asia, in addition to greater stock in support of forecast sales.

“Investing Activities” absorbed liquidity of Euro 2,706 thousand (Euro 18,693 thousand in Q1 2016), of which:

- liquidity of Euro 3,696 thousand (Euro 1,988 thousand in Q1 2016) absorbed from net investment in plant and machinery, principally by Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico), Daler Rowney Ltd (United Kingdom), DOMS Industries Pvt Ltd (India),



Canson SAS (France) and F.I.L.A. S.p.A. for the refurbishment and extension of production facilities;

- Euro 990 thousand (Euro 45 thousand in Q1 2016) generated from the disposal of the minority stake (30%) held in FILA Nordic AB (Sweden) by the German subsidiary Lyra KG.

“Financing Activities” absorbed liquidity of Euro 2,470 thousand (Euro 1,531 thousand in Q1 2016), of which:

- Euro 2,343 thousand (Euro 1,042 thousand in Q1 2016) from interest paid on loans and credit lines granted to Group companies, principally F.I.L.A. S.p.A. (Italy), Grupo F.I.L.A. – Dixon, S.A. de C.V. (Mexico) and Licyn Mercantil Industrial Ltda (Brazil);
- Euro 127 thousand (Euro 490 thousand in Q1 2016) from the distribution of dividends to Group non-controlling interests, net of those paid to non-controlling interests of the company FILA Art Products AG (Switzerland), currently in the incorporation phase.

Excluding the currency effect from the translation of the net financial positions in currencies other than the Euro, absorbing cash of Euro 2,376 thousand, the increase in the net debt was therefore Euro 32,415 thousand (Euro 127,602 thousand at March 31, 2016).

“Net Liquidity” movements are reported below.

<i>Euro thousands</i>	March 2017	December 2016
<b>Opening Cash and Cash Equivalents</b>	<b>53,973</b>	<b>17,542</b>
Cash and cash equivalents	59,519	30,683
Bank overdrafts	(5,546)	(13,141)
<b>Closing Cash and Cash Equivalents</b>	<b>22,546</b>	<b>53,973</b>
Cash and cash equivalents	41,000	59,519
Bank overdrafts	(18,454)	(5,546)

## Disclosure by operating segment

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In terms of segment reporting, the F.I.L.A. Group has adopted IFRS 8, obligatory from January 1, 2009.

IFRS 8 requires an entity to base segment reporting on internal reporting, which is constantly reviewed by the highest level of management in order to allocate resources to the various segments and to analyse performance.

Geographic region is the primary basis of analysis and of decision-making by F.I.L.A. Group Management, therefore fully in line with the internal reporting prepared for these purposes.

The products of the F.I.L.A. Group are similar in terms of quality and production, target market, margins, sales network and clients, even with reference to the different brands which the Group markets. No diversification is therefore deemed to be present within the Segment, in consideration of the substantial uniformity of the risks and benefits relating to the products produced by the F.I.L.A. Group.

The segment disclosure accounting standards are in line with those utilised for the consolidated financial statements.

Segment disclosure was therefore based on the location of operations (“Entity Locations”), broken down as follows: “Europe”, “North America”, “Central and South America” and “Rest of the World”. The “Rest of the World” includes the subsidiaries in South Africa and Australia.

The “Business Segment Reporting” of the F.I.L.A. Group aggregates companies by region on the basis of the “*operating location*”.

For disclosure upon the association between the regions and F.I.L.A. group companies, reference should be made to the attachments to the report in the “List of companies included in the consolidation scope and other investments” paragraph.

The segment reporting required in accordance with IFRS 8 is presented below.

## Business Segments – Statement of Financial Position

The key statement of financial position figures for the F.I.L.A. Group by region, at March 31, 2017 and December 31, 2016, are reported below:

March 2017	Europe	North America	Central & South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Intangible Assets	139,463	5,958	4,886	67,533	112	(76)	217,876
Property, plant & equipment	45,590	2,827	7,497	26,945	351		83,210
<b>Total Intangible and Tangible Assets</b>	<b>185,053</b>	<b>8,785</b>	<b>12,383</b>	<b>94,478</b>	<b>463</b>	<b>(76)</b>	<b>301,086</b>
<i>of which Intercompany</i>	<i>(76)</i>						
Inventories	80,300	57,043	37,032	25,455	2,688	(8,810)	193,708
Trade and Other Receivables	94,595	34,794	66,447	9,311	1,431	(68,086)	138,492
Trade and Other Payables	(91,906)	(29,892)	(19,185)	(13,044)	(3,658)	67,829	(89,856)
Other Current Assets and Liabilities	(1,207)	231	163	(145)			(958)
<b>Net Working Capital</b>	<b>81,782</b>	<b>62,176</b>	<b>84,457</b>	<b>21,577</b>	<b>461</b>	<b>(9,067)</b>	<b>241,386</b>
<i>of which Intercompany</i>	<i>(3,102)</i>	<i>(4,772)</i>	<i>(695)</i>	<i>(209)</i>	<i>(290)</i>		
<b>Net Financial Debt</b>	<b>(192,644)</b>	<b>(18,456)</b>	<b>(41,281)</b>	<b>(1,277)</b>	<b>(2,451)</b>	<b>257</b>	<b>(255,852)</b>
<i>of which Intercompany</i>	<i>86</i>			<i>171</i>			

December 2016	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Intangible Assets	140,368	6,085	4,976	66,980	107	(76)	218,440
Property, plant & equipment	44,788	3,035	6,820	26,323	355		81,321
<b>Total Intangible and Tangible Assets</b>	<b>185,156</b>	<b>9,120</b>	<b>11,796</b>	<b>93,303</b>	<b>463</b>	<b>(76)</b>	<b>299,761</b>
<i>of which Intercompany</i>	<i>(76)</i>						
Inventories	77,053	47,859	33,391	25,147	2,690	(8,734)	177,406
Trade and Other Receivables	91,382	32,166	62,315	8,431	1,979	(82,691)	113,582
Trade and Other Payables	(98,518)	(24,623)	(33,283)	(13,056)	(3,656)	82,691	(90,445)
Other Current Assets and Liabilities	(907)	1,524	(356)	(107)			154
<b>Net Working Capital</b>	<b>69,010</b>	<b>56,926</b>	<b>62,067</b>	<b>20,415</b>	<b>1,013</b>	<b>(8,734)</b>	<b>200,697</b>
<i>of which Intercompany</i>	<i>(3,677)</i>	<i>(3,892)</i>	<i>(689)</i>	<i>(290)</i>	<i>(185)</i>		
<b>Net Financial Debt</b>	<b>(184,961)</b>	<b>(14,052)</b>	<b>(20,923)</b>	<b>(776)</b>	<b>(2,725)</b>		<b>(223,437)</b>

## Business Segments – Income Statement

The income statement for the F.I.L.A. Group by region for Q1 2017 and Q1 2016 is reported below:

March 2017	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Core Business Revenue	76,959	32,953	24,290	26,711	1,413	(44,713)	117,613
<i>of which Intercompany</i>	<i>(20,805)</i>	<i>(4,370)</i>	<i>(9,676)</i>	<i>(9,835)</i>	<i>(26)</i>		
EBITDA	7,948	3,773	1,947	2,802	(282)	(116)	16,072
Net financial charges	(29)	761	(540)	(88)	46	(1,835)	(1,685)
<i>of which Intercompany</i>	<i>(858)</i>	<i>(1,058)</i>	<i>54</i>	<i>-</i>	<i>27</i>		
Net Profit/(loss)	3,885	2,724	775	991	(268)	(1,900)	6,207
Non-controlling interest profit	122	-	-	362	(8)		476
<b>F.I.L.A. Group Net Profit</b>	<b>3,763</b>	<b>2,724</b>	<b>775</b>	<b>629</b>	<b>(260)</b>	<b>(1,900)</b>	<b>5,731</b>

March 2016	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Core Business Revenue	53,038	20,998	19,809	21,194	127	(32,270)	82,896
<i>of which Intercompany</i>	<i>13,057</i>	<i>272</i>	<i>9,029</i>	<i>9,913</i>	<i>-</i>		
EBITDA	4,838	2,518	2,020	3,097	(89)	(2,241)	10,143
Net financial charges	(3,156)	(88)	(441)	(119)	8	(513)	(4,309)
<i>of which Intercompany</i>	<i>(537)</i>		<i>19</i>		<i>5</i>		
Net Profit/(loss)	(841)	1,315	796	1,369	(86)	(2,495)	58
Non-controlling interest profit/(loss)	61			293	(8)		346
F.I.L.A. Group Net Profit/(loss)	(902)	1,315	796	1,076	(78)	(2,495)	(288)

## Business Segments – Other Information

The “other information”, concerning tangible and intangible fixed asset investments of Group companies by region for March 31, 2017 and March 31, 2016 is reported below:

<b>March 2017</b>						
<i>Euro thousands</i>	<b>Europe</b>	<b>North America</b>	<b>Central - South America</b>	<b>Asia</b>	<b>Rest of the World</b>	<b>F.I.L.A. Group</b>
Intangible Assets	33		17		5	57
Property, Plant and Equipment	2,227	12	609	777	13	3,639
<b>Net Investments</b>	<b>2,261</b>	<b>12</b>	<b>626</b>	<b>777</b>	<b>18</b>	<b>3,696</b>

\* Allocation by "Entity Location"

<b>March 2016</b>						
<i>Euro thousands</i>	<b>Europe</b>	<b>North America</b>	<b>Central - South America</b>	<b>Asia</b>	<b>Rest of the World</b>	<b>F.I.L.A. Group</b>
Intangible Assets	47					47
Property, Plant and Equipment	812	55	229	844	1	1,941
<b>Net Investments</b>	<b>859</b>	<b>55</b>	<b>229</b>	<b>844</b>	<b>1</b>	<b>1,988</b>

\* Allocation by "Entity Location"

## **Subsequent events**

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There were no significant events subsequent to period-end.

## **Treasury shares**

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The parent F.I.L.A. S.p.A. did not hold treasury shares at March 31, 2017.

## II - Consolidated Financial Statements of the F.I.L.A. Group at March 31, 2017

### Consolidated Financial Statements

#### Statement of Financial Position

<i>Euro thousands</i>	March 31, 2017	December 31, 2016
<b>Assets</b>	<b>704,654</b>	<b>680,501</b>
<b>Non-Current Assets</b>	<b>325,254</b>	<b>324,614</b>
Intangible Assets	217,876	218,440
Property, Plant and Equipment	83,210	81,321
Non-Current Financial Assets	4,169	3,709
Investments Measured at Equity	280	271
Investments Measured at Cost	31	31
Deferred Tax Assets	19,688	20,842
<b>Current Assets</b>	<b>379,400</b>	<b>355,887</b>
Current Tax Receivables	324	275
Deferred Tax Assets	5,876	5,105
Inventories	193,708	177,406
Trade and Other Receivables	138,492	113,582
Cash and Cash Equivalents	41,000	59,519
<b>LIABILITIES AND EQUITY</b>	<b>704,653</b>	<b>680,501</b>
<b>Equity</b>	<b>248,621</b>	<b>238,970</b>
Share Capital	37,171	37,171
Reserves	38,379	35,550
Retained Earnings	141,522	120,767
Net Profit for the year	5,731	20,993
<b>Group Equity</b>	<b>222,803</b>	<b>214,481</b>
<b>Non-controlling interest equity</b>	<b>25,818</b>	<b>24,489</b>
<b>Non-Current Liabilities</b>	<b>241,436</b>	<b>250,152</b>
Non-Current Financial Liabilities	181,885	190,052
Employee Benefits	10,784	11,343
Provisions for Risks and Charges	1,738	1,618
Deferred Tax Liabilities	46,922	47,034
Other Payables	107	105
<b>Current Liabilities</b>	<b>214,597</b>	<b>191,379</b>
Current Financial Liabilities	115,646	93,534
Provisions for Risks and Charges	2,261	2,449
Current Tax Payables	6,834	4,951
Trade and Other Payables	89,856	90,445

## Statement of Comprehensive Income

<i>Euro thousands</i>	March 31, 2017	March 31, 2016
Revenue from Sales and Services	117,613	82,896
Other Revenue and Income	5,855	2,131
<b>Total Revenue</b>	<b>123,468</b>	<b>85,027</b>
Raw Materials, Ancillary, Consumables and Goods	(62,970)	(50,666)
Services and Rent, Leases and Similar Costs	(27,314)	(21,834)
Other Operating Costs	(6,256)	(2,516)
Change in Raw Materials, Semi-Finished, Work-in-progress & Finished Prod.	14,986	17,436
Personnel expense	(25,842)	(17,304)
Amortisation & Depreciation	(4,475)	(3,091)
Write-downs	(141)	(199)
<b>Total Operating Costs</b>	<b>(112,012)</b>	<b>(78,174)</b>
<b>EBIT</b>	<b>11,456</b>	<b>6,853</b>
Financial Income	1,694	1,236
Financial Expense	(3,379)	(5,545)
Income/Expense from Investments at Equity	-	-
<b>NET FINANCIAL CHARGES</b>	<b>(1,685)</b>	<b>(4,309)</b>
<b>Pre-Tax Profit/(loss)</b>	<b>9,771</b>	<b>2,544</b>
Income Taxes	(2,985)	(2,417)
Deferred Tax Income and Expenses	(579)	(69)
<b>Total Income Taxes</b>	<b>(3,564)</b>	<b>(2,486)</b>
<b>NET PROFIT/(LOSS) - CONTINUING OPERATIONS</b>	<b>6,207</b>	<b>58</b>
<b>NET PROFIT - DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>Net Profit/(Loss) for the Year</b>	<b>6,207</b>	<b>58</b>
<i>Attributable to:</i>		
<b>Profit attributable to non-controlling interests</b>	<b>476</b>	<b>346</b>
<b>Profit/(loss) attributable to shareholders of the parent</b>	<b>5,731</b>	<b>(288)</b>
<b>Other Comprehensive Income Items which may be reclassified subsequently in the profit or loss account</b>	<b>3,199</b>	<b>(5,816)</b>
Translation Difference recorded in Equity	2,618	(5,816)
Adjustment Fair value of Hedges	581	-
<b>Other Comprehensive Income Items which may not be reclassified subsequently in the profit or loss account</b>	<b>372</b>	<b>237</b>
Actuarial Gains/(Losses) for Employee Benefits recorded directly in Equity	483	238
Income Taxes on income and charges recorded directly to Equity	(111)	(1)
<b>Other Comprehensive Income Items (net of tax effect)</b>	<b>3,571</b>	<b>(5,579)</b>
<b>Total Comprehensive Income</b>	<b>9,778</b>	<b>(5,521)</b>
<i>Attributable to:</i>		
<b>Profit attributable to non-controlling interests</b>	<b>1,217</b>	<b>(679)</b>
<b>Profit/(loss) attributable to shareholders of the parent</b>	<b>8,561</b>	<b>(4,842)</b>
<b>Earnings per share:</b>		
<i>basic</i>	<i>0.14</i>	<i>(0.01)</i>
<i>diluted</i>	<i>0.14</i>	<i>(0.01)</i>



## Statement of Changes in Equity

<i>Euro thousands</i>	Share capital	Legal Reserve	Share Premium Reserve	IAS 19 Reserve	Other Reserves	Translation Difference	Retained Earnings	Group Profit/(loss)	Group Equity	Non-Control. Int. Capital and Reserves	Non-Control. Int. Profit/Loss	Non-Control. Int. Equity	Total Equity
December 31, 2016	37,171	7,434	65,349	(3,303)	(23,026)	(10,904)	120,767	20,993	214,481	23,510	979	24,489	238,970
Net Profit								5,731	5,731		476	476	6,207
Other Changes in the year				372	581	1,876	(238)		2,591	1,023		1,023	3,614
Gains/(losses) recorded directly to equity	-	-	-	372	581	1,876	(238)	5,731	8,322	1,023	476	1,499	9,821
Allocation of the 2015 result							20,993	(20,993)	-	979	(979)	-	-
Allocation to reserves									-			-	-
Dividends									-	(170)		(170)	(170)
March 31, 2017	37,171	7,434	65,349	(2,931)	(22,445)	(9,028)	141,522	5,731	222,803	25,342	476	25,818	248,621

## Condensed Consolidated Statement of Cash Flow

<i>Euro thousands</i>	March 31, 2017	March 31, 2016
<b>EBIT</b>	<b>11,456</b>	<b>6,853</b>
<b>Adjustments for non-cash and other items:</b>	<b>5,163</b>	<b>3,830</b>
Amortisation & Depreciation	4,475	3,091
Write-down and Recovery in Value	5	6
Doubtful Debt Provision	135	193
Exch. effect on Assets and Liabilities in Foreign Curr. of Commercial Transactions	570	548
Gain/Losses of non-current assets Disposals	(23)	(8)
<b>Integrations for:</b>	<b>(2,261)</b>	<b>5,829</b>
Income Taxes Paid	(1,872)	(1,457)
Unrealised Exchange Rate Differences on Assets and Liabilities in Foreign Currencies	587	(2,279)
Realised Exchange Rate Differences on Assets and Liabilities in Foreign Currencies	(977)	(2,093)
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>14,357</b>	<b>4,854</b>
<b>Changes in Net Working Capital:</b>	<b>(39,223)</b>	<b>(31,656)</b>
Change in Inventories	(14,442)	(16,977)
Change in Trade and Other Receivables	(23,077)	(22,690)
Change in Trade and Other Payables	(1,541)	9,156
Change in Other Assets/Liabilities	396	(1,061)
Change in Post-Employment and Employee Benefits	(558)	(85)
<b>Cash Flow from Operating Activities</b>	<b>(24,866)</b>	<b>(26,802)</b>
Total Investment/Divestment in Intangible Assets	(57)	(47)
Total Investment/Divestment in Property, Plant and Equipment	(3,639)	(1,941)
Totale Investimenti/Disinvestimenti in Partecipazioni valutate al Costo	990	-
Total Investment/Divestment in Other Financial Assets	171	(287)
Acquisition of investment in Daler & Rowney Lukas Group	-	(16,751)
Interest Received	-	45
<b>Cash Flow used in Investing Activities</b>	<b>(2,535)</b>	<b>(18,981)</b>
Total Change in Equity	(127)	(490)
Interest paid	(2,343)	(1,042)
Total Increase/Decrease Loans and Other Financial Liabilities	(1,054)	126,310
<b>Cash Flow used in Financing Activities</b>	<b>(3,524)</b>	<b>124,788</b>
Translation difference	2,618	(5,816)
Other non-cash equity changes	(3,120)	8,374
<b>NET CASH FLOW IN THE YEAR</b>	<b>(31,426)</b>	<b>81,553</b>
<b>Changes in Consolidation Scope</b>		
Cash and Cash Equivalents net of Bank Overdrafts at beginning of the year	53,973	17,542
Cash and Cash Equivalents net of Bank Overdrafts at beginning of the year (change in consolidation scope)	-	(86,710)
<b>Cash and Cash Equivalents net of Bank Overdrafts at end of the year</b>	<b>22,546</b>	<b>12,385</b>

- 1) Cash and cash equivalents at March 31, 2017 totalled Euro 41,000 thousand; current account overdrafts amounted to Euro 18,454 thousand net of relative interest.
- 2) Cash and cash equivalents at March 31, 2016 totalled Euro 28,455 thousand; current account overdrafts amounted to Euro 16,070 thousand net of relative interest.
- 3) The cash flows are presented using the indirect method. In order to provide a more complete and accurate presentation of the individual cash flows, the effects from non-cash operations were eliminated (including the conversion of statement of financial position items in currencies other than the Euro), where significant. These effects were aggregated and included in the account "Other non-cash changes".

<i>Euro thousands</i>	March 2017	December 2016
<b>Opening Cash and Cash Equivalents</b>	<b>53,973</b>	<b>17,542</b>
Cash and cash equivalents	59,519	30,683
Bank overdrafts	(5,546)	(13,141)
<b>Closing Cash and Cash Equivalents</b>	<b>22,546</b>	<b>53,973</b>
Cash and cash equivalents	41,000	59,519
Bank overdrafts	(18,454)	(5,546)

## Attachments

### List of companies included in the consolidation and other investments

Company	State of residence of the company	Segment IFRS 8 <sup>1</sup>	Year of acquisition of the company	% held directly (F.I.L.A. S.p.A.)	% held indirectly	% held by F.I.L.A. Group	Investing Company	Consolidation Method	Non-controlling interests
Omyacolor S.A.	France	EU	2000	94.94%	5.06%	100.00%	FILA S.p.A. Johann Froesecheis Lyra Bleistift-Fabrik GmbH & Co. KG Lyra Bleistift-Fabrik Verwaltungs GmbH	Line-by-line	0.00%
F.I.L.A. Hispania S.L.	Spain	EU	1997	96.77%	0.00%	96.77%	FILA S.p.A.	Line-by-line	3.23%
FILALYRA GB Ltd.	UK	EU	2005	0.00%	100.00%	100.00%	Daler Rowney Ltd	Line-by-line	0.00%
Johann Froesecheis Lyra Bleistift-Fabrik GmbH & Co. KG	Germany	EU	2008	99.53%	0.47%	100.00%	Lyra Bleistift-Fabrik Verwaltungs GmbH	Line-by-line	0.00%
Lyra Bleistift-Fabrik Verwaltungs GmbH	Germany	EU	2008	0.00%	100.00%	100.00%	Johann Froesecheis Lyra Bleistift-Fabrik GmbH & Co. KG	Line-by-line	0.00%
F.I.L.A. Nordic AB2	Sweden	EU	2008	0.00%	50.00%	50.00%	Johann Froesecheis Lyra Bleistift-Fabrik GmbH & Co. KG	Line-by-line	50.00%
FILA Stationery and Office Equipment Industry Ltd. Co.	Turkey	EU	2011	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
Fila Stationery O.O.O.	Russia	EU	2013	90.00%	0.00%	90.00%	FILA S.p.A.	Line-by-line	10.00%
Industria Maimeri S.p.A.	Italy	EU	2014	51.00%	0.00%	51.00%	FILA S.p.A.	Line-by-line	49.00%
Fila Hellas SA2	Greece	EU	2013	50.00%	0.00%	50.00%	FILA S.p.A.	Line-by-line	50.00%
Fila Polska Sp. Z.o.o	Poland	EU	2015	51.00%	0.00%	51.00%	FILA S.p.A.	Line-by-line	49.00%
Dixon Ticonderoga Company	U.S.A.	NA	2005	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
Dixon Ticonderoga Inc.	Canada	NA	2005	0.00%	100.00%	100.00%	Dixon Ticonderoga Company	Line-by-line	0.00%
Grupo F.I.L.A.-Dixon, S.A. de C.V.	Mexico	CSA	2005	0.00%	100.00%	100.00%	Dixon Ticonderoga Inc. Dixon Ticonderoga Company	Line-by-line	0.00%
F.I.L.A. Chile Ltda	Chile	CSA	2000	0.79%	99.21%	100.00%	Dixon Ticonderoga Company FILA S.p.A.	Line-by-line	0.00%
FILA Argentina S.A.	Argentina	CSA	2000	0.00%	100.00%	100.00%	F.I.L.A. Chile Ltda Dixon Ticonderoga Company	Line-by-line	0.00%
Licyn Mercantil Industrial Ltda	Brazil	CSA	2012	99.99%	0.00%	99.99%	FILA S.p.A.	Line-by-line	0.01%
Beijing F.I.L.A.-Dixon Stationery Company Ltd.	China	AS	2005	0.00%	100.00%	100.00%	Dixon Ticonderoga Company	Line-by-line	0.00%
Xinjiang F.I.L.A.-Dixon Plantation Company Ltd.	China	AS	2008	0.00%	100.00%	100.00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Line-by-line	0.00%
PT. Lyra Akretek	Indonesia	AS	2008	0.00%	52.00%	52.00%	Johann Froesecheis Lyra Bleistift-Fabrik GmbH & Co. KG	Line-by-line	48.00%
FILA Dixon Stationery (Kunshan) Co., Ltd.	China	AS	2013	0.00%	100.00%	100.00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Line-by-line	0.00%
FILA Australia PTY LTD	Australia	RM	2015	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
FILA SA PTY LTD	South Africa	RM	2014	90.00%	0.00%	90.00%	FILA S.p.A.	Line-by-line	10.00%
FILA Dixon Art & Craft Yixing Co. Ltd	China	AS	2015	0.00%	100.00%	100.00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Line-by-line	0.00%
DOMS Industries Pvt Ltd <sup>(3)</sup>	India	AS	2015**	51.00%	0.00%	51.00%	FILA S.p.A.	Line-by-line	49.00%
Pioneer Stationery Pvt Ltd.	India	AS	2015	0.00%	51.00%	51.00%	DOMS Industries Pvt Ltd	Line-by-line	49.00%
Renoir Topco Ltd	United Kingdom	EU	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
Renoir Midco Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Renoir Topco Ltd	Line-by-line	0.00%
Renoir Bidco Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Renoir Midco Ltd	Line-by-line	0.00%
Daler Rowney Group Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Renoir Bidco Ltd	Line-by-line	0.00%
FILA Benelux SA	Belgium	EU	2016	0.00%	100.00%	100.00%	Renoir Bidco Ltd Daler Rowney Ltd Daler Board Company Ltd	Line-by-line	0.00%
Daler Rowney Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Renoir Bidco Ltd	Line-by-line	0.00%
Longbeach Arts Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Group Ltd	Line-by-line	0.00%
Daler Board Company Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Group Ltd	Line-by-line	0.00%
Daler Holdings Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Longbeach Arts Ltd	Line-by-line	0.00%
Daler Designs Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Daler Board Company Ltd	Line-by-line	0.00%
Daler Rowney GmbH	Germany	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Line-by-line	0.00%
Lukas-Nerchau GmbH	Germany	EU	2016	0.00%	100.00%	100.00%	Daler Rowney GmbH	Line-by-line	0.00%
Nerchauer Malifarben GmbH	Germany	EU	2016	0.00%	100.00%	100.00%	Daler Rowney GmbH	Line-by-line	0.00%
Lastmill Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Line-by-line	0.00%
Rowney & Company Pencils Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Line-by-line	0.00%
Rowney (Artists Brushes) Ltd	United Kingdom	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Line-by-line	0.00%
Daler Rowney USA Ltd	U.S.A.	NA	2016	0.00%	100.00%	100.00%	Daler Rowney Group Ltd	Line-by-line	0.00%
Brideshore srl	Dominican Rep.	CSA	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Line-by-line	0.00%
St. Cuthberts Holding Limited	United Kingdom	EU	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
St. Cuthberts Mill Limited	United Kingdom	EU	2016	0.00%	100.00%	100.00%	St. Cuthberts Holding Limited	Line-by-line	0.00%
Fila Iberia S. L.	Spain	EU	2016	0.00%	99.99%	99.99%	F.I.L.A. Hispania S.L.	Line-by-line	0.01%
Eurholdam USA Inc.	U.S.A.	NA	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
Carson Inc.	U.S.A.	NA	2016	0.00%	100.00%	100.00%	Eurholdam USA Inc.	Line-by-line	0.00%
Carson SAS	France	EU	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
Carson Brasil L.P.E. LTDA	Brazil	CSA	2016	0.19%	99.81%	100.00%	Carson SAS FILA S.p.A.	Line-by-line	0.00%
Lodi 12 SAS	France	EU	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Line-by-line	0.00%
Carson Australia PTY LTD	Australia	RM	2016	0.00%	100.00%	100.00%	Lodi 12 SAS	Line-by-line	0.00%
Carson Qingdao Ltd.	China	AS	2016	0.00%	100.00%	100.00%	Lodi 12 SAS	Line-by-line	0.00%
Carson Italy	Italy	EU	2016	0.00%	100.00%	100.00%	Lodi 12 SAS	Line-by-line	0.00%
FILA Art Products AG	Switzerland	EU	2017	52.00%	0.00%	52.00%	FILA S.p.A.	Line-by-line	48.00%
Univrite Pens and Plastics Pvt Ltd	India	AS	2016	0.00%	35.00%	35.00%	DOMS Industries Pvt Ltd	Equity	65.00%

1 - EU - Europe; NA - North America; CSA - Central-South America; AS - Asia; RW - Rest of World

2 - Although not holding more than 50% of the share capital considered a subsidiary under IFRS 10

3 - During 2017, company Writefine Products Private Limited changed his name in DOMS Industries Pvt Ltd

## **Transactions relating to Atypical and/or Unusual Operations**

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In accordance with Consob Communication of July 28, 2006, during 2016, F.I.L.A. S.p.A. did not undertake any atypical and/or unusual operations as defined by this communication, whereby atypical and/or unusual operations refers to operations which for size/importance, nature of the counterparties, nature of the transaction, method in determining the transfer price or time period (close to the year-end) may give rise to doubts in relation to: the correctness/completeness of the information in the financial statements, conflicts of interest, the safeguarding of the company's assets and the protection of minority shareholders.

The Board of Directors  
THE CHAIRMAN  
Mr. Gianni Mion



Fabbrica Italiana Lapis ed Affini

**F.I.L.A. S.p.A.**  
Via XXV Aprile, 5  
20016 Pero (Milano)

May 10, 2017

**Declaration of the Executive Officer – Interim Report (ref. Article 154-bis,  
paragraph 2)**

The undersigned Stefano De Rosa, Executive Officer responsible for the preparation of the financial statements of F.I.L.A. S.p.A.,

declares

in accordance with paragraph 2 of Article 154bis of Legislative Decree No. 58 of February 24, 1998 that the accounting information contained in the present Interim Report at March 31, 2017 corresponds to the underlying accounting records.

The Executive Officer responsible  
for the preparation of the financial statements  
Stefano De Rosa

LYRA



PONGO

DAS

tratto

be-be

GIOTTO

F.I.L.A. - Fabbrica Italiana Lapis ed Affini Società per Azioni.

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