



*Milan, March 24, 2017*

## **Supplement to the Press Release issued on March 23, 2017**

To supplement the Press Release issued on March 23, 2017, the Financial Statements of Reno De Medici Group are attached below.

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## CONSOLIDATED STATEMENT OF INCOME

	12.31.2016	12.31.2015
<b>(thousands of Euros)</b>		
Revenues from sales	477,764	438,037
- of which related parties	17,596	6,344
Other revenues and income	6,932	6,488
- of which related parties	359	442
Change in inventories of finished goods	468	(2,184)
Cost of raw materials and services	(373,659)	(331,362)
- of which related parties	(7,418)	(15,363)
Personnel costs	(76,067)	(63,663)
Other operating costs	(5,004)	(5,507)
<b>Gross operating profit</b>	<b>30,434</b>	<b>41,809</b>
Depreciation and amortization	(21,680)	(22,345)
Write-downs and revaluations		(2,222)
<b>Operating profit</b>	<b>8,754</b>	<b>17,242</b>
Financial expense	(3,248)	(3,597)
Gains (losses) on foreign exchange	169	450
Financial income	29	20
Net financial income (expense)	(3,051)	(3,127)
Gains (losses) from investments	705	543
Taxes	(3,030)	(3,676)
<b>Profit (loss) for the period before discontinued operations</b>	<b>3,378</b>	<b>10,982</b>
Discontinued operations	(188)	(1,114)
<b>Profit (loss) for the period</b>	<b>3,189</b>	<b>9,868</b>
Total profit (loss) for the period attributable to:		
- Group	3,132	9,790
- Minority interests	58	78
Weighted Average number of share outstanding		
Basic	377.522.561	377.522.561
Diluted	377.522.561	377.522.561
Basic earnings (loss) per ordinary share (Euros)	0	0.026
Diluted earnings (loss) per ordinary share (Euros)	0	0.026
Basic profit (loss) per ordinary share from discontinued operations (Euros)	0	(0.003)
Diluted profit (loss) per ordinary share from discontinued operations (Euros)	0	(0.003)



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	12.31.2016	12.31.2015
<i>(thousands of Euros)</i>		
<b>Profit (loss) for the period</b>	<b>3,132</b>	<b>9,868</b>
<b>Other components of comprehensive profit (loss)</b>		
<b>Other components that may be transferred to the income statement in subsequent financial periods:</b>	<b>(158)</b>	<b>(197)</b>
<i>Change in fair value of cash flow hedges</i>	<i>(178)</i>	<i>(163)</i>
<i>Profit (loss) on translation of financial statements of foreign investee companies</i>	<i>20</i>	<i>(34)</i>
<b>Other components that will not be transferred to the income statement in subsequent financial periods:</b>	<b>(571)</b>	<b>1,188</b>
Actuarial gain (loss)	(571)	1,188
<b>Total other components of comprehensive profit (loss)</b>	<b>(729)</b>	<b>991</b>
<b>Total comprehensive profit (loss)</b>	<b>2,403</b>	<b>10,859</b>
Total comprehensive profit (loss) attributable to:		
- Group	2,403	10,781
- Minority interests		78

All values in the table are stated net of related tax effects



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	12.31.2016	12.31.2015
<b>(thousands of Euros)</b>		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	196,633	190,452
Intangible assets	2,493	1,880
Intangible assets with an indefinite useful life	3,948	3,948
Equity investments	2,509	1,981
Deferred tax assets	1,535	2,795
Other receivables	3,679	1,167
<b>Total non-current assets</b>	<b>210,798</b>	<b>202,223</b>
<b>Current assets</b>		
Inventories	82,450	68,391
Trade receivables	60,786	58,861
- of which related parties	414	229
Receivables from associates and joint ventures	6,619	115
Other receivables	12,862	7,289
Other receivables from associates and joint ventures	4	470
Cash and cash equivalents	29,331	23,146
<b>Total current assets</b>	<b>192,052</b>	<b>158,272</b>
<b>Total assets held for sale</b>		<b>8,129</b>
<b>TOTAL ASSETS</b>	<b>402,850</b>	<b>368,624</b>

	12.31.2016	12.31.2015
<b>(thousands of Euros)</b>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	140,000	150,399
Other reserves	11,294	(6,761)
Retained earnings (losses)	790	790
Profit (loss) for the year	3,132	9,790
Use of profit for the year to cover losses		(2,239)
<b>Residual profit (loss) for the year</b>	<b>3,132</b>	<b>7,551</b>
<b>Shareholders' equity attributable to the Group</b>	<b>155,216</b>	<b>151,979</b>
Minority interests		440
<b>Total shareholders' equity</b>	<b>155,216</b>	<b>152,419</b>
<b>Non-current liabilities</b>		
Payables to banks and other lenders	57,627	53,280
Derivative instruments	268	50
Other payables	78	130
Deferred taxes	7,492	8,888
Employee benefits	33,878	29,063
Long-term provisions for risks and charges	6,224	2,657
<b>Total non-current liabilities</b>	<b>105,568</b>	<b>94,068</b>
<b>Current liabilities</b>		
Payables to banks and other lenders	16,174	14,839
Derivative instruments	154	146
Trade payables	103,075	81,985
- of which related parties	9	496
Payables to associates and joint ventures	610	2,894
Other payables	20,543	11,985
Other payables to associates and joint ventures		1,954
Current taxes	658	378
Employee benefits	12	31
Short-term provisions for risks and charges	840	452
<b>Total current liabilities</b>	<b>142,066</b>	<b>114,664</b>
<b>Total liabilities held for sale</b>		<b>7,473</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>402,850</b>	<b>368,624</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

	December 31, 2016	December 31, 2015	
		Continuing	Discontinued
<b>(thousands of Euros)</b>			
Profit (loss) for the period	3,189	10,983	(1,114)
Taxes	3,030	3,676	
Depreciation and amortization	21,680	22,345	492
Write-downs		2,222	
Losses (gains) from investments	(705)	(543)	
Financial (income) expense	3,220	3,576	152
Capital losses (gains) on sale of fixed assets	(88)	(372)	
Change in provisions for employee benefits and in other provisions, including the provision for bad and doubtful receivables	(110)	(3,461)	20
Change in inventories	(366)	2,222	(274)
Change in receivables	1,758	1,647	1,875
- of which related parties	(6,690)	381	20
Change in payables	2,146	(4,444)	(1,273)
- of which related parties	(2,771)	378	(96)
<b>Overall change in working capital</b>	<b>3,538</b>	<b>(575)</b>	<b>328</b>
<b>Gross cash flows</b>	<b>33,754</b>	<b>37,851</b>	<b>(122)</b>
Interest paid in the period	(2,285)	(2,858)	(152)
- of which related parties			
Taxes paid in the period	(3,130)	(7,054)	
<b>Cash flows from operating activities</b>	<b>(5,415)</b>	<b>27,939</b>	<b>(274)</b>
Equity investments	(255)	(2)	
Investment net of disinvestment in tangible and intangible assets	(18,051)	(11,410)	(330)
Investments in associates and joint ventures	(7,304)		
Dividends received	270	270	
<b>Cash flows from investing activities</b>	<b>(25,340)</b>	<b>(11,142)</b>	<b>(330)</b>
Dividends paid	(1,983)		
Own Shares	(182)		
Change in other financial assets and liabilities and short-term payables to banks	1,281	(20,111)	266
- of which related parties	(986)	(589)	
Change in medium- and long-term loans	3,828	24,119	(201)
<b>Cash flows from financing activities</b>	<b>2,944</b>	<b>4,007</b>	<b>65</b>
<b>Translation differences</b>	<b>241</b>	<b>(34)</b>	
<b>Change in unrestricted cash and cash equivalents</b>	<b>6,184</b>	<b>20,770</b>	<b>(538)</b>
<b>Unrestricted cash and cash equivalents at the beginning of the period</b>	<b>23,146</b>	<b>2,376</b>	<b>702</b>
<b>Unrestricted cash and cash equivalents at the end of the period</b>	<b>29,330</b>	<b>23,146</b>	<b>163</b>



**STATEMENT OF INCOME OF RENO DE MEDICI S.P.A.**

	12.31.2016	12.31.2015
Revenues from sales	213,669,172	217,505,263
- of which related parties	15,518,223	18,156,764
Other revenues and income	8,106,602	9,079,679
- of which related parties	4,382,707	5,119,675
Change in inventories of finished goods	(1,494,607)	(2,042,283)
Cost of raw materials and services	(175,613,352)	(171,423,156)
- of which related parties	(7,242,078)	(8,265,834)
Personnel costs	(26,147,619)	(25,975,480)
Other operating costs	(2,827,430)	(2,982,567)
<b>Gross operating profit</b>	<b>15,692,766</b>	<b>24,161,456</b>
Depreciation and amortization	(11,390,155)	(12,059,929)
Write-downs		(2,288,351)
<b>Operating profit</b>	<b>4,302,611</b>	<b>9,813,176</b>
	<i>Financial expense</i>	(2,336,109)
	<i>Gains (losses) on foreign exchange</i>	106,853
	<i>Financial income</i>	361,098
Net financial income (expense)	(1,868,158)	(2,707,939)
Gains (losses) from investments	5,431,236	6,536,014
Taxes	(1,076,977)	(1,252,306)
<b>Profit (loss) for the period</b>	<b>6,788,712</b>	<b>12,388,945</b>



STATEMENT OF COMPREHENSIVE INCOME OF RENO DE MEDICI S.P.A.

	12.31.2016	12.31.2015
<b>Profit (loss) for the period</b>	<b>6,788,712</b>	<b>12,388,945</b>
<b>Other components of comprehensive profit (loss)</b>		
<b>Other components that may be transferred to the income statement in subsequent financial periods:</b>		
<i>Change in fair value of cash flow hedges</i>	<i>(111,018)</i>	<i>(163,484)</i>
<b>Other components that will not be transferred to the income statement in subsequent financial periods</b>	<b>(161,708)</b>	<b>270,261</b>
<i>Actuarial gain/ (loss)</i>	<i>(161,708)</i>	<i>270,261</i>
<b>Total other components of comprehensive profit (loss)</b>	<b>(272,726)</b>	<b>106,777</b>
<b>Total comprehensive profit (loss)</b>	<b>6,515,986</b>	<b>12,495,722</b>

The change in fair value of cash flow hedges is stated net of the related tax effect.





**STATEMENT OF FINANCIAL POSITION OF RENO DE MEDICI S.P.A.**

	12.31.2016	12.31.2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	114,531,623	125,603,302
Other intangible assets	1,728,643	915,481
Investments in subsidiaries	81,089,094	69,357,550
Investments in associates	707,417	601,558
Deferred tax assets		1,394,976
Other receivables	1,011,834	472,077
<b>Total non-current assets</b>	<b>199,068,611</b>	<b>198,344,944</b>
<b>Current assets</b>		
Inventories	32,723,750	34,823,508
Trade receivables	30,277,653	32,084,207
Receivables from Group Companies	9,018,891	7,975,752
Other receivables	2,913,987	3,125,327
Other receivables from Group Companies	255,670	7,819,416
Cash and cash equivalents	28,101,370	22,800,735
<b>Total current assets</b>	<b>103,291,321</b>	<b>108,628,945</b>
<b>Assets held for sale</b>		<b>800,000</b>
<b>TOTAL ASSETS</b>	<b>302,359,932</b>	<b>307,773,889</b>



	12.31.2016	12.31.2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	140,000,000	150,399,256
Other reserves	19,419,809	1,308,735
Retained earnings (losses)		
Profit (loss) for the year	6,788,712	12,388,945
Use of profit for the year to cover losses		(2,239,197)
<b>Residual profit (loss) for the year</b>	<b>6,788,712</b>	<b>10,149,748</b>
<b>Total shareholders' equity</b>	<b>166,208,521</b>	<b>161,857,739</b>
<b>Non-current liabilities</b>		
Payables to banks and other lenders	31,178,190	44,128,883
Derivative instruments	187,421	50,114
Other payables	78,154	130,258
Deferred tax liabilities	193,725	
Employee benefits	5,881,376	7,150,403
Long-term provisions for risks and charges	3,428,068	2,014,258
<b>Total non-current liabilities</b>	<b>40,946,934</b>	<b>53,473,916</b>
<b>Current liabilities</b>		
Payables to banks and other lenders	12,147,218	13,542,046
Derivative instruments	129,447	146,082
Trade payables	54,713,900	52,869,075
Payables to Group Companies	4,028,635	2,801,891
Other payables	5,472,090	5,530,976
Other payables to Group Companies	18,268,860	16,853,630
Current taxes	3,404	216,022
Employee benefits		30,642
Short-term provision for risks and charges	440,923	451,870
<b>Total current liabilities</b>	<b>95,204,477</b>	<b>92,442,234</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>302,359,932</b>	<b>307,773,889</b>



**STATEMENT OF CASH FLOWS OF RENO DE MEDICI S.P.A.**

	12.31.2016	12.31.2015
<b>(thousands of Euros)</b>		
Profit (loss) for the period before tax	7,866	13,641
Depreciation and amortization	11,390	12,060
Write-downs		2,288
Losses (gains) from investments	(5,431)	(6,536)
Financial (income) expense	1,975	2,791
Capital losses (gains) on sale of fixed assets	(59)	
Change in provisions for employee benefits and in other provisions, including the provision for bad and doubtful receivables	317	(2,467)
Change in inventories	2,181	1,988
Change in receivables	846	(2,653)
- of which related parties	(1,797)	854
Change in payables	4,219	2,009
- of which related parties	1,073	(113)
Overall change in working capital	7,246	1,344
<b>Gross cash flows</b>	<b>23,304</b>	<b>23,121</b>
Interest paid in the period	(1,900)	(2,769)
- of which related parties	(320)	(481)
Interest received in the period	361	262
- of which related parties	146	219
Taxes paid in the period	(1,332)	(1,899)
<b>Cash flows from operating activities</b>	<b>20,433</b>	<b>18,715</b>
Sale (purchase) of available-for-sale financial assets	(34)	(1)
Investment net of disinvestment in tangible and intangible assets	(6,264)	(6,653)
Equity investments in subsidiaries and joint venture	(4,635)	(3)
Disinvestments in subsidiaries and assets held for sale	1,500	
Dividends received	4,985	8,545
<b>Cash flows from investing activities</b>	<b>(4,448)</b>	<b>1,888</b>
Change in other financial assets and liabilities and short-term payables to banks	5,997	(27,782)
- of which related parties	6,575	(9,825)
Change in medium- and long-term loans	(14,517)	27,891
Dividends paid	(1,983)	
Own Shares	(182)	
<b>Cash flows from financing activities</b>	<b>(10,685)</b>	<b>109</b>
<b>Change in unrestricted cash and cash equivalents</b>	<b>5,300</b>	<b>20,712</b>
<b>Unrestricted cash and cash equivalents at the beginning of the period</b>	<b>22,801</b>	<b>2,086</b>
<b>Unrestricted cash and cash equivalents at the end of the period</b>	<b>28,101</b>	<b>22,801</b>