

Milan - March 12<sup>th</sup>, 2015

**TOD'S S.p.A.: 2014 consolidated sales: 965.5 million Euros of Sales, with an EBITDA margin of 20%. Dividend: 2 Euro (pay-out: 63%).**

The Board of Directors approved the draft of 2014 Annual Report

Sales revenues: 965.5 million Euros, -0.2% compared to 2013

EBITDA: 193.5 million Euros, with a 20% margin on sales

EBIT: 148.2 million Euros

Group's net income: 97.1 million Euros

Positive net financial position: 130 million Euros,

Dividend: 2.00 Euro per share

Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the luxury goods group of the same name operating in luxury and quality shoes, accessories and apparel with the Tod's, Hogan, Fay and Roger Vivier brands, today approved the draft of the Group's 2014 Annual Report.

### **Message of the Group's Chairman and CEO**

Diego Della Valle, Chairman and CEO of the Group, commented as follows:

*"As already noted and commented in previous quarters, in the fiscal year 2014 our Group recorded a temporary slowdown in operating profits, due to our strategic decision to continue to invest in production capacity, communication, research and, especially, in the retail distribution network, despite a particularly challenging environment, characterized by weak consumer spending in major markets for luxury goods. We have done important investments to strengthen the management, with the inclusion of new figures. Aware of the financial solidity of our Group, we have, in fact, decided to focus on the mid/long-term view, as our habit, to preserve the quality, the awareness and prestige of our brands. Given the largely positive net financial position, we have also decided to confirm the generous dividend pay-out, which is one of the highest in our industry, in line with our usual policy. On top of the expenses made for social solidarity and social responsibility, which correspond to almost one percentage point of the Group's sales, we are continuing our commitment to social, and also this year we are proposing to the Shareholders' Meeting to allocate 1% of net income to charitable initiatives in the territory. As for the current year, the start of the Spring Summer season in our stores is in line with our expectations; considering also the positive trend of the orders' backlog and the enthusiasm shown by the press for the Fall Winter collections,*

*I'm confident that in the current year our Group's revenue and profits will start to grow again, despite the still uncertain and challenging context."*

### **Comments to the Group's sales**

Consolidated sales were 965.5 million Euros in FY 2014, broadly aligned with 2013 turnover. In the fourth quarter of 2014, sales amounted to 224.5 million Euros, up 4.5% from the same period of 2013, showing a sharp improvement as compared to the previous quarterly figures.

In FY 2014 the impact of currency fluctuations was negative, even if with a lower incidence in the last few months; at constant exchange rates, meaning by using FY 2013 average exchange rates, including the related effects of hedging derivatives, sales would have been 971 million Euros (+0.4% from the previous year).

### **Breakdown of consolidated sales by brand: all the brands achieved positive results in Q4, in the retail channel**

<i>million Euros</i>	<b>FY 2014</b>	FY 2013	% change at reported rates	% change at constant rates
Tod's	<b>568.0</b>	578.1	-1.7%	- 1.0%
Hogan	<b>212.3</b>	217.0	-2.2%	-2.2%
Fay	<b>57.3</b>	57.6	-0.6%	-0.6%
Roger Vivier	<b>126.9</b>	113.7	+11.6%	+12.4%
Other	<b>1.0</b>	1.1	n.m.	n.m.
<b>TOTAL</b>	<b>965.5</b>	967.5	-0.2%	+0.4%

The Tod's brand totalled 568 million Euros in sales, with a slight decrease, at constant exchange rates, from 2013. The brand's performance was positive in Q4 (+5.7%), with good results in all the regions where the brand is distributed, with the only exception of the Chinese market, which was negative during the entire year and that was also impacted by the antigovernment demonstrations in Hong Kong, started in September.

The Hogan brand registered 212.3 million Euros as turnover, with a decrease of 2.2% from FY 2013. The retail results were positive, but the Q4 wholesale performance was affected by a different timing of the deliveries of 2015 Spring Summer collections. The brand confirmed the double-digit growth of its foreign sales.

The Fay brand totalled 57.3 million Euros in sales, broadly aligned with FY 2013 turnover. As expected, the brand performance was positive in the second half of the year, also thanks to the end of the rationalization of the Italian wholesale distribution. The brand is also starting its international expansion process; in October the first monobrand store was opened in Korea, under a franchising agreement.

Finally, Roger Vivier, which is recognized worldwide as one of the most prestigious *maison* of luxury accessories and shoes in the most exclusive segment of luxury goods, registered a turnover of 126.9 million Euros, up 12.4% from FY 2013, at constant rates. The brand is continuing its selective expansion, aiming at maintaining its exclusive positioning.

**Breakdown of consolidated sales by product category: all the product categories improved their performance in the fourth quarter**

<i>million Euros</i>	<b>FY 2014</b>	FY 2013	% change at reported rates	% change at constant rates
Shoes	<b>743.5</b>	739.7	+0.5%	+1.0%
Leather goods and accessories	<b>155.6</b>	160.9	-3.3%	-2.1%
Apparel	<b>65.4</b>	65.8	-0.7%	-0.6%
Other	<b>1.0</b>	1.1	n.m.	n.m.
<b>TOTAL</b>	<b>965.5</b>	967.5	-0.2%	+0.4%

*Preliminary and unaudited figures*

The Group has further strengthened its leadership in the core business of shoes. Sales of this product category totaled 743.5 million Euros, slightly higher than in FY 2013, at constant exchange rates, showing an acceleration in Q4 (+5.7%).

Revenues of leather goods and accessories totaled 155.6 million Euros, down 2.1% from FY 2013, at constant exchange rates. Visible improvement of their performance in the fourth quarter.

Finally, sales of apparel were 65.4 million Euros, with a slight decrease from FY 2013, but with a growth in Q4 2014 (+4.0%); this category broadly reflects the performance of the Fay brand.

**Breakdown of consolidated sales by region: positive trend across all the regions in the second half of 2014**

<i>million Euros</i>	<b>FY 2014</b>	FY 2013	% change at reported rates	% change at constant rates
Italy	<b>311.1</b>	323.0	-3.7%	-3.7%
Europe (excl. Italy)	<b>221.3</b>	207.8	+6.5%	+6.1%
Americas (*)	<b>87.3</b>	90.3	-3.3%	-1.8%
Greater China (**)	<b>225.7</b>	237.5	-5.0%	-4.4%
Rest of World	<b>120.1</b>	108.9	+10.3%	+13.6%
<b>TOTAL</b>	<b>965.5</b>	967.5	-0.2%	+0.4%

*Preliminary and unaudited figures*

(\*) This line includes the whole American continent (Northern and Southern America).

(\*\*) This line includes: mainland China, Hong Kong, Macao and Taiwan.

Sales in Italy were 311.1 million Euros, down 3.7% from FY 2013. In line with management expectations, domestic sales grew in the second half of 2014, also thanks to the end of the rationalization of the Italian wholesale distribution, started in 2012.

In the rest of Europe, sales totalled 221.3 million Euros, up 6.5% from FY 2013, driven by Germany, UK and Spain.

The Group's sales in the Americas totalled 87.3 million Euros, down 1.8% from FY 2013, at constant exchange rates. The bad weather conditions at the beginning of the year and the temporary closing, for refurbishment, of two important boutiques, including the New York Madison Avenue flagship store, affected the performance in the first part of the year; sales grew in Q4.

The Group's sales in Greater China were 225.7 million Euros, down 4.4% from FY 2013, at constant exchange rates. This market was the only negative region in the fourth quarter, affected by the already commented weak consumer environment in mainland China and also by the impact of the antigovernment demonstrations in Hong Kong, started in September.

Finally, in the area "Rest of the World" sales totalled 120.1 million Euros, up 13.6% from FY 2013, at constant exchange rates, driven by the outstanding results of Korea, Japan and Singapore.

**Breakdown of consolidated sales by distribution channel: both the distribution channels grew in the fourth quarter**

<i>million Euros</i>	<b>FY 2014</b>	FY 2013	% change at reported rates	% change at constant rates
DOS	<b>616.0</b>	617.7	-0.3%	+0.3%
Third parties (Franchised stores + Independent retailers)	<b>349.5</b>	349.8	-0.1%	+0.4%
<b>TOTAL</b>	<b>965.5</b>	967.5	-0.2%	+0.4%

*Preliminary and unaudited figures*

Sales through DOS globally totalled 616 million Euros, broadly aligned with FY 2013 turnover, and represent 63.8% of consolidated revenues as of December 31<sup>st</sup>, 2014. In Q4 2014, retail sales grew by 4%.

The *Same Store Sales Growth* (SSSG) rate, calculated as the worldwide average of sales growth rates at constant exchange rates registered by the DOS already existing as of January 1<sup>st</sup>, 2013, is -7.1% in the year, showing a visible improvement in the last months, despite the already commented negative impact of the recent Hong Kong events.

During the current year, the SSSG remains negative, due to persistent weakness of important markets, such as Greater China. This situation, however, affects the whole industry. We want also to emphasize that, with the start of sales of the Spring Summer season, the trend is positive and the SSSG is improving.

In the first 10 weeks of the year (from January 1<sup>st</sup> to March 8<sup>th</sup>, 2015), the SSSG rate, calculated as the worldwide average of sales growth rates at constant exchange rates registered by the DOS already existing as of January 1<sup>st</sup>, 2014, is -10.6%, but it would rise to -3.6% at reported rates.

As of December 31<sup>st</sup>, 2014 the Group's distribution network was composed of 232 DOS and 93 franchised stores, compared to 219 DOS and 84 franchised stores as of December 31<sup>st</sup>, 2013.

Revenues to third parties totalled 349.5 million Euros, broadly aligned with FY 2013 turnover; in Q4 2014, the growth was 5.9%.

## **Comments on the Profit & Loss key figures**

In FY 2014 the Group's EBITDA was 193.5 million Euros, with a margin on sales of 20%. At constant exchange rates, EBITDA would have been 197.5 million Euros, with a 20.3% margin.

As already commented in previous quarters, the decline in the Group's profitability is due to the strategic decision to continue to invest in distribution network, communication, human resources and production capacity, notwithstanding the temporary lack of revenue growth.

Despite a slight decline in gross margin, primarily due to an unfavorable revenue mix, the EBITDA margin was impacted by the higher incidence on sales of: cost for services (equal to 24% in 2014, compared to 21.9% in 2013), rents (equal to 11.4% in 2014, compared to 10.5% in 2013) and labour cost (16.6% in 2014, compared to 15.7% in 2013), as already seen in previous quarters.

The Group's headcount continues to grow: 4,297 employees as of December 31<sup>st</sup>, 2014, compared to 4,144 as of the end of 2013.

In fiscal year 2014, the Group's EBIT was 148.2 million Euros, with a margin on sales of 15.3%; the incidence on sales of depreciation and amortisation increased slightly: 4.3% in 2014 compared to 4% of 2013.

At constant exchange rates, EBIT would have been 152.1 million Euros, with a 15.7% margin.

Profit before taxes was 144.4 million Euros; taxes for the year amounted to 47.6 million Euros, with a tax rate of 33%, a significant increase compared to 29.9% in 2013. The increase of three percentage points in the tax rate results from a different, and less favourable, mix of markets of generation of the result (a greater part of the profits has been obtained in countries with higher taxation).

Net of minority interests, the Group's net income amounted to 97.1 million Euros, with a margin on sales of 10.1% .

## **Comments on the Balance Sheet and Cash Flow key figures**

In 2014, the Group invested 64.5 million Euros in tangible and intangible fixed assets, compared to 51.4 million Euro in 2013. Most of the difference is related to investments in production capacity (for acquisition of a plant, near the headquarters of the company, and for the construction of a new large building, within the perimeter of the Group's headquarters in the Marche). The other investments are related to the

expansion and renovation of the DOS network, to the normal processes of modernization of industrial equipment and to the development of the company's software.

As of December 31<sup>st</sup>, 2014 the operating working capital (trade receivables + inventories – trade payables) totalled 266.3 million Euros, equal to 27.6% of revenues.

As of December 31<sup>st</sup>, 2014, the Group's net financial position was positive and equal to 130 million Euros, lower than in 2013 for the above commented higher investments and for the temporary financing of operating working capital requirements.

As of December 31<sup>st</sup>, 2014, consolidated shareholders' equity was 814.6 million Euros, which compares to 801.1 million Euros as of December 31<sup>st</sup>, 2013.

### **Comments on the key figures of the Parent Company Tod's SpA**

The Board of Director also approved the draft of the 2014 Annual Report for the parent company Tod's SpA, whose sales were 672.3 million Euros, up 3.1% from the 652.4 million Euros revenues posted in 2013.

Net income was 78.4 million Euros, or 11.7% of sales; net income per share was 2.56 Euro.

In 2014, the parent company invested a total amount of 29.2 million Euros in tangible and intangible fixed assets, compared to 22.1 million Euros invested in the previous year.

As of December 31<sup>st</sup>, 2014 the parent company's net financial position was positive and equal to 33 million Euros; the shareholders' equity of the parent company was 644.2 million Euros (660.1 million Euros as of December 31<sup>st</sup>, 2013).

### **Dividend proposal**

The Board approved also to propose the distribution of a dividend of Euro 2.00<sup>1</sup> per share, which corresponds to a pay-out of 63%, calculated on the Group's net income, slightly higher than in 2013.

---

<sup>1</sup> Gross of withholding tax, if due.

The dividend will be put into payment on May 20<sup>th</sup>, 2015 (coupon nr. 16; ex-dividend date: May 18<sup>th</sup>, 2015, record date: May 19<sup>th</sup>, 2015).

This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered offices next April 22<sup>nd</sup>, 2015, at 9.00 a.m. on first call (and on second call on April 29<sup>th</sup>, 2015 same place and time), as well as the proposal to allocate 1% of consolidated net income – which corresponds to 967,611 Euros, to pursue solidarity projects.

**Please note that the audit process on the data presented in this press release has not been completed yet.**

*The manager responsible for preparing the company's financial reports, Mr. Rodolfo Ubaldi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.*

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51  
e-mail: [c.oglio@todsgroup.com](mailto:c.oglio@todsgroup.com)  
Corporate website: [www.todsgroup.com](http://www.todsgroup.com)

**THE FOLLOWING PAGES CONTAIN THE CONSOLIDATED AND TOD'S S.P.A.  
FINANCIAL STATEMENTS**



## Consolidated Income Statement

euro 000's	Year 14	Year 13
<b>Revenues</b>		
Sales revenues	965,532	967,490
Other revenues and income	10,476	15,630
<b>Total revenues and income</b>	<b>976,008</b>	<b>983,120</b>
<b>Operating Costs</b>		
Change in inventories of work in process and finished goods	31,944	16,549
Cost of raw materials, supplies and materials for consumption	(278,912)	(267,948)
Costs for services	(231,436)	(211,761)
Costs of use of third party assets	(109,665)	(101,778)
Costs of labour	(160,386)	(151,665)
Other operating charges	(34,005)	(30,200)
<b>Total operating costs</b>	<b>(782,461)</b>	<b>(746,803)</b>
<b>EBITDA</b>	<b>193,547</b>	<b>236,317</b>
<b>Amortisation, depreciation and write-downs</b>		
Amortisation of intangible assets	(8,792)	(8,889)
Depreciation of property, plant and equipment	(32,791)	(30,395)
Other adjustments	(2,339)	
<b>Total amortisation, depreciation and write-downs</b>	<b>(43,922)</b>	<b>(39,284)</b>
Provisions	(1,447)	(3,878)
<b>EBIT</b>	<b>148,179</b>	<b>193,155</b>
<b>Financial income and charges</b>		
Financial income	23,403	18,201
Financial charges	(27,202)	(20,184)
<b>Total financial income (charges)</b>	<b>(3,799)</b>	<b>(1,983)</b>
Income (losses) from equity investments	-	-
<b>Profit before taxes</b>	<b>144,380</b>	<b>191,172</b>
Income taxes	(47,619)	(57,172)
<b>Profit/(loss) for the period</b>	<b>96,761</b>	<b>134,000</b>
Non-controlling interests	353	(220)
<b>Profit/(loss) of the Group</b>	<b>97,114</b>	<b>133,780</b>
EPS (in euro)	3.17	4.37
EPS diluted (in euro)	3.17	4.37

Consolidated Statement of Comprehensive Income

euro 000's	Year 14	Year 13
<b>Profit (loss) for the period (A)</b>	<b>96,761</b>	<b>134,000</b>
<b>Other comprehensive income that will be reclassified subsequently to profit and loss:</b>		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	(7,795)	(3,717)
Gain/(Losses) on currency translation of foreign subsidiaries	10,020	(8,428)
<b>Total other comprehensive income that will be reclassified subsequently to profit and loss (B)</b>	<b>2,225</b>	<b>(12,145)</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit and loss:</b>		
Cumulated actuarial gains/(losses) on defined benefit plans	(1,183)	623
<b>Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)</b>	<b>(1,183)</b>	<b>623</b>
<b>Total Comprehensive Income (A) + (B) + (C)</b>	<b>97,803</b>	<b>122,478</b>
Of which:		
Attributable to Shareholders of the Parent company	98,118	122,253
Attributable to non-controlling interests	(314)	225

## Consolidated Statement of Financial Position

euro 000's	12.31.14	12.31.13
<b>Non current assets</b>		
<i>Intangible fixed assets</i>		
Assets with indefinite useful life	149,466	149,466
Key money	16,676	18,419
Others intangible assets	27,411	28,455
<b>Total Intangible fixed assets</b>	<b>193,553</b>	<b>196,340</b>
<i>Tangible fixed assets</i>		
Buildings and land	95,111	90,225
Plant and machinery	8,550	8,472
Equipment	16,082	16,002
Leasehold improvement	43,361	37,460
Others	54,722	40,194
<b>Total Tangible fixed assets</b>	<b>217,826</b>	<b>192,353</b>
<i>Other assets</i>		
Real estate investments	32	36
Equity investments	20	20
Deferred tax assets	48,237	49,568
Others	18,535	15,362
<b>Total others assets</b>	<b>66,824</b>	<b>64,986</b>
<b>Total non current assets</b>	<b>478,203</b>	<b>453,679</b>
<b>Current assets</b>		
Inventories	327,085	282,348
Trade receivables	99,445	94,326
Tax receivables	30,698	16,859
Derivative financial instruments	1,751	4,430
Others	37,229	34,793
Cash	165,949	228,178
<b>Total current assets</b>	<b>662,159</b>	<b>660,935</b>
<b>Total assets</b>	<b>1,140,362</b>	<b>1,114,613</b>

continuing

continuing

euro 000's	12.31.14	12.31.13
<b>Equity</b>		
Share capital	61,219	61,219
Capital reserves	214,055	214,055
Treasury stock		
Hedging and translation	(8,747)	(10,902)
Retained earnings	445,889	397,304
Profit/(loss) attributable to the Group	97,114	133,780
<b>Total Equity attributable to the Group</b>	<b>809,531</b>	<b>795,456</b>
<b>Non-controlling interests</b>		
Share capital and reserves	5,431	5,428
Profit/(loss) attributable to non-controlling interests	(353)	220
<b>Total Equity attributable to non-controlling interests</b>	<b>5,078</b>	<b>5,648</b>
<b>Total Equity</b>	<b>814,609</b>	<b>801,104</b>
<b>Non-current liabilities</b>		
Provisions for risks	3,417	3,651
Deferred tax liabilities	29,360	35,254
Reserve for employee	12,582	11,134
Others	16,619	18,835
Bank borrowings	20,298	21,087
<b>Total non-current liabilities</b>	<b>82,276</b>	<b>89,961</b>
<b>Current liabilities</b>		
Trade payables	160,220	152,619
Tax payables	9,015	7,809
Derivative financial instruments	17,258	1,876
Others	41,345	35,278
Bank	15,638	25,966
<b>Total current liabilities</b>	<b>243,477</b>	<b>223,547</b>
<b>Total Equity and liabilities</b>	<b>1,140,362</b>	<b>1,114,613</b>

## Consolidated Statement of Cash Flows

euro 000's	Year 14	Year 13
<b>Profit/(Loss) for the period</b>	<b>96,761</b>	<b>134,000</b>
<b>Non-cash adjustments:</b>		
Amortizat., deprec., revaluat., and write-downs	41,910	42,256
Change in reserve for employee	261	(272)
Change in deferred tax/liabilities	(287)	(1,148)
Other non monetary expenses/(income)	2,405	(1,915)
<b>Cash flow (A)</b>	<b>141,051</b>	<b>172,921</b>
<b>Change in current assets and liabilities:</b>		
Trade receivables	(4,613)	34,687
Other current assets	(2,436)	1,758
Inventories	(43,232)	(19,210)
Tax receivables	(13,840)	(774)
Trade payables	7,601	13,383
Other current liabilities	4,674	4,512
Tax payables	1,206	(347)
<b>Change in operating working capital (B)</b>	<b>(50,640)</b>	<b>34,009</b>
<b>Cash flow from operations (C) = (A)+(B)</b>	<b>90,411</b>	<b>206,930</b>
Net investments in intangible and tangible assets	(63,086)	(49,582)
(Increase) decrease of equity investments		
Other changes in fixed assets		
Reduction (increase) of other non-current assets	(3,173)	(1,959)
<b>Cash flow generated (used) in investment activities (D)</b>	<b>(66,259)</b>	<b>(51,541)</b>
Dividends paid	(82,902)	(83,014)
Others change in Equity	0	
Changes in long term loans/other non-current liabilities	(3,325)	(5,844)
Capital increase		
Changes in non controlling-interests		
<b>Cash flow generated (used) in financing (E)</b>	<b>(86,227)</b>	<b>(88,858)</b>
Translation differences (F)	9,935	(735)
<b>Cash flow from continuing operations (G)=(C)+(D)+(E)+(F)</b>	<b>(52,140)</b>	<b>65,796</b>
<b>Cash flow from assets held for sale (H)</b>		
<b>Cash flow generated (used) (I)=(G)+(H)</b>	<b>(52,140)</b>	<b>65,796</b>
Net cash and cash equivalents at the beginning of the period	207,100	141,304
Net cash and cash equivalents at the end of the period	154,961	207,100
<b>Change in net cash and cash equivalents</b>	<b>(52,140)</b>	<b>65,796</b>

## Consolidated Statement of changes in equity

Year 2014 euro 000's							
	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
<b>Balances as of 01.01.14</b>	<b>61,219</b>	<b>214,055</b>	<b>(10,902)</b>	<b>531,082</b>	<b>795,456</b>	<b>5,650</b>	<b>801,104</b>
Profit & Loss account				97,114	97,114	(353)	96,761
Directly in equity			2,156	(1,153)	1,003	39	1,042
<b>Total Comprehensive Income</b>			<b>2,156</b>	<b>95,961</b>	<b>98,118</b>	<b>(314)</b>	<b>97,803</b>
Dividends				(82,645)	(82,645)	(257)	(82,902)
Capital increase							
Share based payments							
Other				(1,396)	(1,396)		(1,396)
<b>Balances as of 12.31.14</b>	<b>61,219</b>	<b>214,055</b>	<b>(8,747)</b>	<b>543,003</b>	<b>809,530</b>	<b>5,078</b>	<b>814,609</b>

Year 2013 euro 000's							
	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
<b>Balances as of 01.01.13</b>	<b>61,219</b>	<b>214,055</b>	<b>1,235</b>	<b>480,783</b>	<b>757,292</b>	<b>5,795</b>	<b>763,087</b>
Profit & Loss account				133,780	133,780	220	134,000
Directly in equity			(12,137)	610	(11,527)	5	(11,522)
<b>Total Comprehensive Income</b>			<b>(12,137)</b>	<b>134,390</b>	<b>122,253</b>	<b>225</b>	<b>122,478</b>
Dividends				(82,645)	(82,645)	(370)	(83,015)
Capital increase							
Share based payments							
Other				(1,446)	(1,446)		(1,446)
<b>Balances as of 12.31.13</b>	<b>61,219</b>	<b>214,055</b>	<b>(10,902)</b>	<b>531,082</b>	<b>795,456</b>	<b>5,650</b>	<b>801,104</b>

## Income Statement

euro 000's	Year 14	Year 13
<b>Revenues</b>		
Sales revenues (1)	672,280	652,366
Other revenues and income	7,380	12,742
<b>Total revenues and income</b>	<b>679,660</b>	<b>665,108</b>
<b>Operating costs</b>		
Change in inventories of work in process and finished goods	17,179	(21)
Cost of raw materials, supplies and material for consumption	(267,688)	(250,208)
Costs for services	(173,321)	(158,154)
Costs of use of third party assets	(19,050)	(17,654)
Costs of labour	(79,016)	(75,748)
Other operating charges	(19,286)	(17,616)
<b>Total operating costs</b>	<b>(541,183)</b>	<b>(519,401)</b>
<b>EBITDA</b>	<b>138,477</b>	<b>145,707</b>
<b>Amortisation, depreciation and write-downs</b>		
Amortisation of intangible assets	(6,603)	(6,323)
Depreciation of tangible assets	(11,155)	(10,483)
Other adjustment	(763)	
<b>Total amortisation, depreciation and write-downs</b>	<b>(18,522)</b>	<b>(16,806)</b>
Provisions	(2,915)	(3,181)
<b>EBIT</b>	<b>117,040</b>	<b>125,720</b>
<b>Financial income and charges</b>		
Financial income	14,267	10,506
Financial charges	(14,187)	(11,064)
<b>Total financial income (charges)</b>	<b>80</b>	<b>(558)</b>
Income (losses) from equity investments	57	18,000
<b>Profit before taxes</b>	<b>117,177</b>	<b>143,162</b>
Income taxes	(38,763)	(41,660)
<b>Profit for the year</b>	<b>78,414</b>	<b>101,502</b>
EPS (Euro)	2.56	3.32
EPS diluted (Euro)	2.56	3.32

Note:

<sup>(1)</sup> Sales revenues include transactions with the Group's entities for 311.2 and 289.9 million euros, respectively, in the fiscal year 2014 and 2013.

## Comprehensive Income

euro 000's	Year 14	Year 13
<b>Profit/(loss) for the period (A)</b>	<b>78,414</b>	<b>101,502</b>
<b>Other Comprehensive Income that will be reclassified subsequently to profit and loss:</b>		
Derivative financial instruments (cash flow hedge)	(9,300)	(536)
<b>Total other Comprehensive Income that will be reclassified subsequently to profit and loss (B)</b>	<b>(9,300)</b>	<b>(536)</b>
<b>Other Comprehensive Income that will not be reclassified subsequently to profit and loss:</b>		
Cumulated actuarial gains/losses) on defined benefit plans	(1,018)	514
<b>Total other Comprehensive Income that will not be reclassified subsequently to profit and loss (C)</b>	<b>(1,018)</b>	<b>514</b>
<b>Total Comprehensive Income (A)+(B)+(C)</b>	<b>68,096</b>	<b>101,480</b>



## Statement of Financial Position

euro 000's	12.31.14	12.31.13
<b>Non current assets</b>		
<i>Intangible fixed assets</i>		
Assets with indefinite useful life	150,919	150,919
Others	27,163	27,972
<b>Total intangible fixed assets</b>	<b>178,082</b>	<b>178,891</b>
<i>Tangible fixed assets</i>		
Buildings and land	45,878	40,698
Plant and machinery	7,486	7,254
Equipment	13,188	13,661
Leasehold improvement	5,422	6,078
Others	16,204	9,566
<b>Total property, plant and equipment</b>	<b>88,178</b>	<b>77,257</b>
<i>Other assets</i>		
Real estate investments	32	36
Equity investments	174,422	156,468
Deferred tax assets		
Others	2,571	3,327
<b>Total other assets</b>	<b>177,025</b>	<b>159,831</b>
<b>Total non-current assets</b>	<b>443,285</b>	<b>415,979</b>
<b>Current assets</b>		
Inventories	179,788	155,784
Trade receivables (1)	196,968	168,916
Tax receivables	16,691	10,784
Derivative financial instruments	93	4,135
Others	28,384	30,186
Cash	36,440	102,169
<b>Total current assets</b>	<b>458,364</b>	<b>471,974</b>
<b>Total assets</b>	<b>901,649</b>	<b>887,953</b>

to be continued

Note:

(1) Trade receivables include receivables from Group's entities for 119.3 and 93.3 million euros, respectively, at December 31<sup>st</sup>, 2014 and December 31<sup>st</sup>, 2013.

continuing

euro 000's	12.31.14	12.31.13
<b>Shareholders' equity</b>		
Share Capital	61,219	61,219
Capital reserves	213,975	213,975
Treasury stock		
Hedging reserves	(8,011)	1,289
Retained earnings	298,626	282,127
Income for the period	78,414	101,502
<b>Shareholders' equity</b>	<b>644,223</b>	<b>660,112</b>
<b>Non-current liabilities</b>		
Provisions for risks	4,048	2,730
Deferred tax liabilities	19,499	20,278
Reserve for employee severance indemnity	8,409	7,504
Bank borrowings	3,199	
Other	16,189	19,797
<b>Total non-current liabilities</b>	<b>51,344</b>	<b>50,309</b>
<b>Current liabilities</b>		
Trade payables (2)	147,248	138,100
Tax payables	5,333	5,163
Derivative financial instruments	16,568	436
Other	36,715	32,012
Bank	219	1,821
<b>Total current liabilities</b>	<b>206,083</b>	<b>177,532</b>
<b>Total Shareholders' equity and liabilities</b>	<b>901,649</b>	<b>887,953</b>

Note:

<sup>(2)</sup> Trade payables include payables to Group's entities for 10.5 and 9.9 million euros, respectively, at December 31<sup>st</sup>, 2014 and December 31<sup>st</sup>, 2013.

## Statement of Cash Flows

euro 000's	Year 14	Year 13
<b>Profit/(Loss) for the period</b>	<b>78,414</b>	<b>101,502</b>
<b>Non-cash adjustments:</b>		
Amortizat., deprec., revaluat., and write-downs	16,816	19,495
Change in reserve for employee	(112)	(253)
Change in deferred tax/liabilities	(780)	911
Other non monetary expenses/(income)	12,193	(144)
<b>Cash flow (A)</b>	<b>106,531</b>	<b>121,511</b>
<b>Change in current assets and liabilities:</b>		
Inventories	(22,807)	(452)
Trade receivables	(27,545)	12,492
Tax receivables	(5,907)	4,102
Other current assets	(616)	2,531
Trade payables	9,148	9,954
Tax payables	170	652
Other current liabilities	3,363	7,587
<b>Change in operating working capital (B)</b>	<b>(44,194)</b>	<b>36,866</b>
<b>Cash flow from operations (C) = (A)+(B)</b>	<b>62,337</b>	<b>158,377</b>
Net investments in intangible and tangible assets	(28,629)	(21,339)
(Increase) decrease of equity investments	(17,954)	(10,333)
Reduction (increase) of other non-current assets	756	(709)
<b>Cash flow generated (used) in investment activities (D)</b>	<b>(45,827)</b>	<b>(32,381)</b>
Dividends paid	(82,645)	(82,645)
Loans to subsidiaries	2,418	(838)
Changes in long term loans/other non-current liabilities	(2,011)	(3,108)
Capital increase		
Others change in Equity		
<b>Cash flow generated (used) in financing (E)</b>	<b>(82,239)</b>	<b>(86,591)</b>
<b>Cash flow generated (used) (F)=(C)+(D)+(E)</b>	<b>(65,729)</b>	<b>39,405</b>
Net cash and cash equivalents at the beginning of the period	102,169	62,763
Net cash and cash equivalents at the end of the period	36,440	102,169
<b>Change in net cash and cash equivalents</b>	<b>(65,729)</b>	<b>39,406</b>

Statement of changes in equity

Year 2014					
euro 000's					
	Share capital	Capital reserves	Reserve for translation	Retained earnings	Total
<b>Balances as of 01.01.14</b>	<b>61,219</b>	<b>213,975</b>	<b>1,289</b>	<b>383,629</b>	<b>660,112</b>
<b>Profit/(Loss) recognized in the period</b>					
Profit & Loss account				78,414	78,414
Directly in equity			(9,300)	(1,018)	(10,318)
<b>Total Comprehensive Income</b>			<b>(9,300)</b>	<b>77,396</b>	<b>68,096</b>
Dividends				(82,645)	(82,645)
Capital increase					
Share based payments					
Other				(1,340)	(1,340)
<b>Balances as of 12.31.14</b>	<b>61,219</b>	<b>213,975</b>	<b>(8,011)</b>	<b>377,040</b>	<b>644,223</b>

Year 2013					
euro 000's					
	Share capital	Capital reserves	Reserve for translation	Retained earnings	Total
<b>Balances as of 01.01.13</b>	<b>61,219</b>	<b>213,975</b>	<b>1,825</b>	<b>365,716</b>	<b>642,735</b>
<b>Profit/(Loss) recognized in the period</b>					
Profit & Loss account				101,502	101,502
Directly in equity			(536)	514	(22)
<b>Total Comprehensive Income</b>			<b>(536)</b>	<b>102,016</b>	<b>101,480</b>
Dividends				(82,645)	(82,645)
Capital increase					
Share based payments					
Other				(1,458)	(1,458)
<b>Balances as of 12.31.13</b>	<b>61,219</b>	<b>213,975</b>	<b>1,289</b>	<b>383,629</b>	<b>660,112</b>