

Milan – March 13th, 2018

TOD'S S.p.A. – Group's sales totaled 963.3 mln Euros in FY2017 (973.4 at constant exchange rates); net income: 71 million Euros. Strong cash generation and return to a positive net financial position. Dividend per share: 1.40 Euro.

The Board of Directors approved the draft of 2017 Annual Report

Sales revenues: 963.3 million Euros, -4.1% compared to 2016

EBITDA: 160.5 million Euros, with a 16.7% margin on sales

EBIT: 111.8 million Euros

Group's net income: 71 million Euros

Net financial position: 9.3 million Euros, positive

Dividend: 1.40 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 2017 Annual Report.

Message from the Group's Chairman and CEO

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

"The 2017 Actual Results are in line with our expectations. At year-end, the Group returned to a positive net financial position, also considering the purchase of the Roger Vivier Brand, thanks to a good cash generation, deriving from effective working capital and cost management. Therefore, we have proposed to re-confirm last year's dividend pay-out, which ranks among the highest in the industry. The management team is almost complete and has already been working for several months.

We are all focused on implementing the strategic and industrial plan presented during the November Investor Day, which we hope will give results in the near future. Very good is the feedback gathered by all the brands during the presentation of the collections of the next Autumn / Winter; particularly appreciated is the strong creative evolution in interpreting the iconic products of the group. Each brand is following its own strategy, focusing on all future development and the investments necessary to achieve the planned results.

We are increasingly convinced that our business model to present more than two collections per year and to prepare capsule collections and limited editions supported by adequate digital communication is effective.

We are gearing up with speed and conviction to have strong and adequate digital marketing and PR structures all over the world.

The e-commerce sales channel, top priority of our investment strategy, is giving excellent results, growing at double-digit figures.

The DOS development model follows the changes taking place in the group, creating both special flagship stores, made by different artists and architects, and pop-up stores, which are brought around the world to increase brand awareness and sales.”

Comments to the Group's sales

Tod's Group consolidated sales were 963.3 million Euros in FY 2017, down 4.1% from FY 2016.

In Q4 2017, sales totalled 241.1 million Euros; the trend was slightly negative, but better than in the first nine months of the year.

At constant exchange rates, meaning by using FY 2016 average exchange rates, including the related effects of hedging derivatives, sales would have been 973.4 million Euros (-3.1% from the previous year).

In the following paragraphs, the comments will refer to figures at constant exchange rates, which we believe best express the real performance of the business.

Breakdown of consolidated sales by brand

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
Tod's	515.7	559.0	-7.7%	-6.6%
Hogan	203.9	214.2	-4.8%	-4.5%
Roger Vivier	179.3	166.3	+7.8%	+9.7%
Fay	63.5	62.6	+1.4%	+1.4%
Altro	0.9	1.9	n.m.	n.m.
TOTAL	963.3	1,004.0	-4.1%	-3.1%

Tod's sales totalled 515.7 million Euros in FY 2017; the 6.6% decrease, as compared to the previous year, is mainly due to the trend of shoes, also penalized by some delays in deliveries, which occurred at the start of the season, and were not recovered.

Hogan revenues were 203.9 million Euros; as already commented in the previous press releases, the decrease is mainly due to the weakness of the Italian market, while the results abroad are positive, on both the retail and the wholesale channels.

Roger Vivier totalled 179.3 million Euros in sales, up 9.7% from FY 2016. Positive results in all the main markets.

Finally, revenues of the Fay brand were 63.5 million Euros, up 1.4% from FY 2016. The brand registered positive results both in Italy and in the European countries.

Breakdown of consolidated sales by product category

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
Shoes	757.9	791.3	-4.2%	-3.2%
Leather goods and accessories	135.8	142.5	-4.7%	-3.6%
Apparel	68.7	68.3	+0.5%	+0.6%
Other	0.9	1.9	n.m.	n.m.
TOTAL	963.3	1,004.0	-4.1%	-3.1%

Revenues from shoes were 757.9 million Euros, down 3.2% from FY 2016, but showing a visible improvement in the fourth quarter. Due to its greater exposure to the wholesale, this category is also the most affected by the weakness of this channel.

Sales of leather goods and accessories totalled 135.8 million Euros, down 3.6% from FY 2016.

Finally, sales of apparel were 68.7 million Euros, broadly in line with 2016 and reflect Fay's performance.

Breakdown of consolidated sales by region

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
Italy	298.2	311.5	-4.3%	-4.3%
Europe (excl. Italy)	245.1	250.0	-2.0%	-0.2%
Americas (*)	78.0	96.7	-19.3%	-19.1%
Greater China (**)	212.0	210.3	+0.8%	+3.0%
Rest of World	130.0	135.5	-4.1%	-3.5%
TOTAL	963.3	1,004.0	-4.1%	-3.1%

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

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

In FY 2017, domestic sales were 298.2 million Euros; the 4.3% decrease from FY 2016 is mainly due to the weakness of the wholesale channel, mainly in secondary cities.

In the rest of Europe, the Group's revenues totalled 245.1 million Euros, broadly in line with FY 2016. The retail network posted positive results, while the wholesale channel was weak.

In the Americas sales amounted to 78 million Euros, down 19.1% from FY 2016.

The Group's revenues in Greater China totalled 212 million Euros, up 3.0% from FY 2016. Mainland China, which represents more than half of this region, registered positive results; Hong Kong and Taiwan are still negative, even if showing some timid signs of improvement.

Finally, in the area "Rest of the World" the Group's sales were 130 million Euros, down 3.5% from FY 2016. In the fourth quarter of the year, Japan recorded a strong improvement in results, while the Korean market remains difficult.

Breakdown of consolidated sales by distribution channel

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
DOS	621.1	630.3	-1.5%	+0.1%
Third parties (Franchised stores + Independent retailers)	342.2	373.7	-8.4%	-8.4%
TOTAL	963.3	1,004.0	-4.1%	-3.1%

In FY 2017, sales through DOS totalled 621.1 million Euros, representing approx. two thirds of consolidated turnover. At constant rates, the value is broadly in line with the figure of last year.

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 1st, 2016, is -2.8% in the fiscal year.

As of December 31st, 2017 the Group's distribution network was composed by 275 DOS and 112 franchised stores, compared to 272 DOS and 107 franchised stores as of December 31st, 2016.

Revenues to third parties totalled 342.2 million Euros; the 8.4% decrease from FY 2016 is due to the already commented weakness experienced by some important markets, such as Italy and USA.

Comments on the Profit & Loss key figures

In fiscal year 2017 the Group's EBITDA was 160.5 million Euros, with a 16.7% margin on sales.

The improvement of the gross margin, as compared to the previous year, was more than offset by higher incidences on sales of: labour costs (19.9% in 2017, compared to 18.5% in 2016) and costs for the use of third parties assets (equal to 12.3% in 2017, compared to 11.7% in 2016). The incidence on sales of advertising and communication costs for broadly stable.

Further increase of the Group's headcount: 4,627 employees as of December 31st, 2017, compared to 4,485 as of the end of 2016.

In fiscal year 2017, the Group's EBIT was 111.8 million Euros, with a 11.6% margin on sales; the incidence on sales of depreciation, amortisation and provisions was broadly stable: 5.1% in 2017 compared to 5.2% in 2016.

At constant exchange rates, EBITDA and EBIT would have been, respectively 163 million Euros (with a 16.7% margin on sales) and 113.6 million Euros (with a 11.7% margin).

Profit before taxes was 101.9 million Euros; income taxes were 32.5 million Euros, with a tax rate of 31.9%.

Net of minority interests, the Group's net income amounted to 71 million Euros, with a 7.4% margin on sales.

Comments on the Balance Sheet and Cash Flow key figures

In 2017 the Group invested 36.6 million Euros in tangible and intangible fixed assets, compared to 34.9¹ million Euro of 2016. They were mainly devoted to the widening and refurbishment of the DOS network; they include also the building of the new industrial plant in Arquata del Tronto. The remaining part is related to the normal update of the industrial and production structures and to the development of the Company's software.

As of December 31st, 2017 the operating working capital (trade receivables + inventories – trade payables) totalled 261.3 million Euros, with a 27.1% incidence on sales, showing an improvement as compared to 2016.

As of December 31st, 2017, the Group's net financial position was positive and equal to 9.3 million Euros, compared to a negative balance of 35.4 million Euros as of the end of 2016. Therefore, the acquisition of the Roger Vivier brand, which took place in 2016, was completely absorbed.

As of December 31st, 2017, consolidated shareholders' equity was 1,087.2 million Euros, broadly aligned with the balance as of the end of 2016.

¹ Net of the price paid to acquire the Roger Vivier brand (415 million Euros) in January 2016.

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

The Board of Directors also approved the draft of the 2017 Annual Report for the parent company Tod's SpA, whose sales were 662.6 million Euros, compared to the 637.2 million Euros revenues registered in 2016.

Net income was 85 million Euros, or 12.8% of sales; earning per share was 2.57 Euro.

In 2017, the parent company invested a total amount of 15.7 million Euros in tangible and intangible fixed assets, compared to 13.3 million Euros invested in the previous year.

As of December 31st, 2017 the parent company's net financial position was negative and equal to 73.9 million Euros; the shareholders' equity of the parent company was 908.2 million Euros.

Dividend proposal

The Board approved also to propose the distribution of a dividend of Euro 1.40² per share, which corresponds to a pay-out³ of 65.2%, slightly higher than in the previous year (64.8%).

The dividend will be paid on May 23rd, 2018 (coupon nr. 19; ex-dividend date: May 21st, 2018, record date: May 22nd, 2018).

This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered office next April 19th, 2018, at 11.00 a.m. on first call (and on second call on April 26th, 2018, same place and time), as well as the proposal to allocate 1% of consolidated net income – which corresponds to 693,615.41 Euros, to pursue solidarity projects.

Other resolutions

² Gross of withholding tax, if due.

³ The *pay-out* is calculated on the average number of shares, which is 33,093,539 for the year 2017 and 32,916,587 for 2016.

Furthermore, the Board of Directors (i) approved the Report on Corporate Governance and Ownership Structures for fiscal year 2017 prepared pursuant to article 123-ter of Legislative Decree no. 58/1998, (ii) updated, upon Remuneration Committee's proposal, the Remuneration Policies and Procedures of the Company and (iii) approved the Remuneration Report prepared pursuant to Article 123-ter of Legislative Decree no. 58/1998. The above documents shall be made available to the public, together with the Annual Financial Report 2017 (including, the non-financial statement pursuant to Legislative Decree no. 254/16) by 29 March 2018, at the Company's registered office, in the Company's website www.todsgroup.com and in the authorised storage device 1info at www.1info.it.

Following what was communicated on November 6, 2017, it is recalled that the relationships with the CEO and Managing Director Stefano Sincini (both the employment and the corporate relationships) will expire with the next Annual Shareholders' Meeting.

On the proposal of the Remuneration Committee and with the favorable opinion of the Control and Risks Committee and the Board of Statutory Auditors, the Company's Board of Directors resolved to recognize Mr. Sincini: with reference to the termination of both the corporate and employment relationships (i) an amount of approximately 0.6 million euro, equal to the total emoluments received for the administration office vested in the Tod's Group over a 12-month period; (ii) an additional amount of 1.8 million euros as consideration for a non-competition and transfer ban agreement with 2-year validity in Europe, Switzerland and the United States, subject to claw back in the event of violation; (iii) an amount of 1 million euros, equal to 24 months of the gross annual fixed remuneration for the General Manager's relationship, plus (iv) the indemnity compensation replacing the notice (equal to approximately 0.3 million euros corresponding to about 7 months).

As a result of the termination of the administration relationship, Mr. Sincini will lose the right to exercise the virtual option rights assigned as variable component of the long-term incentive plan (LTI) for the position of Chief Executive Officer, as established by the Phantom Stock Option Plan regulations approved by the Shareholders' Meeting of 20 April 2016. It should also be noted that there is no provision for the maintenance or recognition of benefits (monetary or non-monetary) for Mr. Sincini, nor the stipulation of consultancy agreements subsequent to the termination of both the employment and corporate relationships.

A settlement agreement will be signed with the related settlement report, in order to reflect the conditions described above. All the above amounts will be paid, after the signature of this agreement and subject to the same, with different times and methods.

It should be noted that, as of today's date, Mr. Sincini does not hold any shares in the Company. The Company renews its thanks to Mr. Sincini for his 33-year cooperation in the Tod's Group.

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

Consolidated Income Statement

Unaudited

euro 000's	Year 17	Year 16
Revenues		
Sales revenues (1)	963,287	1,004,021
Other income	19,451	36,026
Total revenues and income	982,738	1,040,047
Operating Costs		
Change in inventories of work in progress and finished goods (2)	12,871	(55,346)
Cost of raw materials, supplies and materials for consumption (2)	(255,290)	(238,625)
Costs for services	(237,871)	(228,894)
Costs of use of third party assets	(118,229)	(117,370)
Personnel costs	(191,540)	(186,208)
Other operating charges	(32,188)	(32,698)
Total operating costs	(822,245)	(859,140)
EBITDA	160,492	180,908
Amortisation, depreciation and write-downs		
Amortisation of intangible assets	(8,814)	(9,209)
Depreciation of tangible assets	(35,405)	(36,956)
Other adjustments	(2,453)	(4,431)
Total amortisation, depreciation and write-downs	(46,672)	(50,596)
Provisions	(2,060)	(1,951)
EBIT	111,760	128,361
Financial income and expenses		
Financial income	17,341	20,184
Financial expenses	(26,541)	(33,579)
Total financial income (expenses)	(9,199)	(13,395)
Income (losses) from equity investments	(664)	
Profit before taxes	101,897	114,967
Income taxes (3)	(32,535)	(29,198)
Profit/(loss) for the period	69,362	85,768
Non-controlling interests	1,645	524
Profit/(loss) of the Group	71,007	86,292
EPS (in euro)	2.15	2.62
EPS diluted (in euro)	2.15	2.62

Notes:

- (1) Of which non-recurring for 25 million euros in FY 2016.
- (2) Of which non-recurring for -24.2 million euros in FY 2016.
- (3) Of which non-recurring for -0.3 million euros in FY 2016.

Consolidated Statement of Comprehensive Income

Unaudited

euro 000's	Year 17	Year 16
Profit (loss) for the period (A)	69,362	85,768
Other comprehensive income that will be reclassified subsequently to profit and loss:		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	750	4,410
Gains/(Losses) on currency translation of foreign subsidiaries	(19,992)	8,339
Gains/(Losses) on net investments in foreign operations	4,275	(4,216)
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	(14,967)	8,533
Other comprehensive income that will not be reclassified subsequently to profit and loss:		
Cumulated actuarial gains/(losses) on defined benefit plans	(12)	(288)
Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)	(12)	(288)
Total Comprehensive Income (A) + (B) + (C)	54,383	94,013
Of which:		
Attributable to Shareholders of the Parent company	56,123	94,669
Attributable to non-controlling interests	(1,739)	(656)

Consolidated Statement of Financial Position

Unaudited

euro 000's	12.31.17	12.31.16
Non current assets		
<i>Intangible fixed assets</i>		
Assets with indefinite useful life (1)	565,934	565,881
Key money	14,427	15,847
Other intangible assets	21,644	23,907
Total Intangible fixed assets	602,005	605,635
<i>Tangible fixed assets</i>		
Buildings and land	109,966	114,467
Plant and machinery	13,124	12,452
Equipment	10,800	12,180
Leasehold improvement	34,259	40,454
Others	32,783	37,336
Total Tangible fixed assets	200,932	216,888
<i>Other assets</i>		
Investment properties	22	25
Equity investments		20
Deferred tax assets	50,411	58,885
Others	18,547	21,367
Total other assets	68,979	80,298
Total non current assets	871,916	902,821
Current assets		
Inventories	312,263	291,892
Trade receivables	107,471	118,142
Tax receivables	29,805	28,646
Derivative financial instruments	2,763	2,857
Others	38,706	36,635
Cash and cash equivalents	221,609	227,706
Total current assets	712,618	705,879
Total assets	1,584,534	1,608,700

To be continued

Note:

(1) This figure includes, for 415 million euros, the amount of ROGER VIVIER brand acquired through a related party transaction occurred on January 2016.

continuing

euro 000's	12.31.17	12.31.16
Equity		
Share capital	66,187	66,187
Capital reserves	416,588	416,588
Treasury stock		
Hedging and translation reserves	6,360	25,505
Retained earnings	526,130	492,640
Profit/(loss) attributable to the Group	71,007	86,292
Total Equity attributable to the Group	1,086,272	1,087,212
Non-controlling interests		
Share capital and reserves	2,526	3,793
Profit/(loss) attributable to non-controlling interests	(1,645)	(524)
Total Equity attributable to non-controlling interests	880	3,269
Total Equity	1,087,152	1,090,481
Non-current liabilities		
Provisions for risks	5,385	4,517
Deferred tax liabilities	37,968	32,739
Employee benefits	13,157	14,787
Others	15,795	15,910
Derivative financial instruments	1,197	2,687
Bank borrowings	147,617	197,139
Total non-current liabilities	221,119	267,779
Current liabilities		
Trade payables	158,388	130,804
Tax payables	7,932	8,241
Derivative financial instruments	2,459	8,046
Others	38,205	35,859
Banks	64,654	65,948
Provisions for risks	4,626	1,543
Total current liabilities	276,263	250,440
Total Equity and liabilities	1,584,534	1,608,700

Consolidated Statement of Cash Flows

Unaudited

euro 000's	Year17	Year16
Profit/(Loss) for the period	69,362	85,768
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:		
Amortizat., deprec., revaluat., and write-downs	48,274	81,801
Other non monetary expenses/(income)	1,756	125
Income taxes for the period	32,535	29,198
Changes in operating assets and liabilities:		
Trade receivables	9,898	(7,059)
Inventories	(21,200)	28,647
Tax receivables and tax payables	(3,919)	15,147
Trade payables	27,584	(15,054)
Other assets and liabilities	3,116	(8,176)
Change in reserve for employee	(1,641)	2,190
Cash flows from operating activities	165,764	212,587
Interests (paid)/collected	(1,189)	(1,767)
Income taxes (paid)/refunded	(16,380)	(61,136)
Net cash flows from operating activities (A)	148,195	149,684
Net investments in intangible and tangible assets	(35,868)	(34,181)
Acquisition of Roger Vivier brand		(415,000)
Acquisition of Roger Vivier Paris Sas legal entity net of cash and cash equivalents		(17,297)
Other changes in fixed assets		
Cash flows generated (used) in investing activities (B)	(35,868)	(466,478)
Dividends paid	(56,259)	(66,187)
Capital increase		207,500
Others change in Equity		
Changes in other financial liabilities		
Repayments of financial liabilities	(49,713)	(123,040)
Proceeds from financial liabilities		300,000
Cash flows generated (used) in financing (C)	(105,972)	318,273
Translation differences (D)	(12,648)	6,450
Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)	(6,293)	7,929
Cash flow from assets held for sale (F)		
Cash flows generated (used) (G)=(E)+(F)	(6,293)	7,929
Net cash and cash equivalents at the beginning of the period	211,993	204,063
Net cash and cash equivalents at the end of the period	205,699	211,993
Change in net cash and cash equivalents	(6,293)	7,929

Consolidated Statement of changes in equity

Unaudited

Year 2017 euro 000's							
	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
Balances as of 01.01.17	66,187	416,588	25,505	578,932	1,087,212	3,269	1,090,481
Profit & Loss account				71,007	71,007	(1,645)	69,362
Directly in equity			(19,145)	4,261	(14,884)	(94)	(14,978)
Total Comprehensive Income			(19,145)	75,268	56,123	(1,739)	54,383
Dividend paid				(56,259)	(56,259)		(56,259)
Capital increase							
Share based payments							
Other (1)				(804)	(804)	(649)	(1,453)
Balances as of 12.31.17	66,187	416,588	6,360	597,137	1,086,272	880	1,087,152

Year 2016 euro 000's							
	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
Balances as of 01.01.16	61,219	214,055	12,630	574,127	862,032	4,048	866,081
Profit & Loss account				86,292	86,292	(524)	85,768
Directly in equity			12,875	(4,498)	8,377	(132)	8,245
Total Comprehensive Income			12,875	81,794	94,669	(656)	94,013
Dividend paid				(66,187)	(66,187)		(66,187)
Capital increase	4,968	202,532			207,500		207,500
Share based payments							
Other				(10,802)	(10,802)	(123)	(10,925)
Balances as of 12.31.16	66,187	416,588	25,505	578,932	1,087,212	3,269	1,090,481

Note:

(1) They include both the use of the specific reserve for promoting territorial solidarity projects and the effects of the additional acquisition of 50% company shares representing the share capital of the company Webcover Ltd. (already consolidated with the integral global method).

Income statement

Unaudited

euro 000's	Year 17	Year 16
Revenues		
Sales revenues (1)	662,576	637,231
Other income (2)	7,807	32,657
Total revenues and income	670,383	669,888
Operating costs		
Change in inventories of work in progress and finished goods (3)	3,665	(29,875)
Cost of raw materials, supplies and material for consumption (3)	(232,158)	(219,440)
Costs for services	(178,984)	(170,429)
Costs of use of third party assets	(24,859)	(23,889)
Personnel costs	(86,823)	(83,011)
Other operating charges	(18,831)	(22,965)
Total operating costs	(537,990)	(549,609)
EBITDA	132,393	120,279
Amortisation, depreciation and write-downs		
Amortisation of intangible assets	(6,501)	(7,119)
Depreciation of tangible assets	(11,145)	(11,601)
Other adjustment		
Total amortisation, depreciation and write-downs	(17,645)	(18,720)
Provisions	(2,002)	(1,604)
EBIT	112,746	99,955
Financial income and expenses		
Financial income	10,556	13,372
Financial expenses	(18,719)	(22,008)
Total financial income (expenses)	(8,164)	(8,636)
Income (losses) from equity investments	7,283	(1,843)
Profit before taxes	111,866	89,477
Income taxes (4)	(26,889)	(25,296)
Profit for the period	84,977	64,180
EPS (Euro)	2.57	1.95
EPS diluted (Euro)	2.57	1.95

Note:

(1) Sales revenues include transactions with the Group's entities for 277.8 and 280.9 million euros, respectively, in the fiscal year 2017 and 2016. In the FY 2016 the item included, moreover, non-recurring operations, as reduction of revenues, for 26.3 million euros.

(2) Of which non-recurring for 25 million euros in the FY 2016.

(3) Of which non-recurring for a total of -9.3 million euros in the FY 2016.

(4) Of which non-recurring for 2.1 million euros in the FY 2016.

Statement of Comprehensive Income

Unaudited

euro 000's	Year 17	Year 16
Profit/(loss) for the period (A)	84,977	64,180
Other Comprehensive Income that will be reclassified subsequently to profit and loss:		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	1,400	2,770
Total other Comprehensive Income that will be reclassified subsequently to profit and loss (B)	1,400	2,770
Other Comprehensive Income that will not be reclassified subsequently to profit and loss:		
Cumultated actuarial gains/(losses) on defined benefit plans	(17)	(238)
Total other Comprehensive Income that will not be reclassified subsequently to profit and loss (C)	(17)	(238)
Total Comprehensive Income (A)+(B)+(C)	86,360	66,712

Statement of Financial Position

Unaudited

euro 000's	12.31.17	12.31.16
Non current assets		
<i>Intangible fixed assets</i>		
Assets with indefinite useful life	150,919	150,919
Others	20,949	23,392
Total intangible fixed assets	171,868	174,311
<i>Tangible fixed assets</i>		
Buildings and land	57,602	56,866
Plant and machinery	12,050	11,639
Equipment	8,559	9,626
Leasehold improvement	3,662	3,882
Others	4,902	5,104
Total property, plant and equipment	86,776	87,117
<i>Other assets</i>		
Investments properties	22	25
Equity investments	583,059	583,145
Deferred tax assets		
Others	2,588	2,654
Total other assets	585,669	585,824
Total non-current assets	844,312	847,253
Current assets		
Inventories	164,421	150,882
Trade receivables (1)	182,687	188,569
Tax receivables	16,267	10,986
Derivative financial instruments	2,688	2,034
Others	35,213	68,269
Cash and cash equivalents	100,802	87,989
Total current assets	502,078	508,729
Total assets	1,346,390	1,355,981

to be continued

Note:

(1) Trade receivables include receivables from Group's entities for 99.9 and 99.3 million euros, respectively, at December 31st, 2017 and December 31st, 2016.

continuing

euro 000's	12.31.17	12.31.16
Shareholders' equity		
Share Capital	66,187	66,187
Capital reserves	416,507	416,507
Treasury stock		
Hedging reserve	(186)	(1,586)
Retained earnings	340,728	333,681
Profit/(Loss) for the period	84,977	64,180
Shareholders' equity	908,213	878,970
Non-current liabilities		
Provisions for risks	5,210	4,328
Deferred tax liabilities	13,241	8,443
Employee benefits	7,370	8,845
Derivative financial instruments	1,197	2,687
Bank borrowings	137,572	183,612
Other	14,340	13,269
Total non-current liabilities	178,928	221,183
Current liabilities		
Trade payables (2)	157,268	131,478
Tax payables	3,767	3,201
Derivative financial instruments	2,020	7,239
Other	46,533	66,944
Bank	46,176	46,289
Provisions for risks	3,485	678
Total current liabilities	259,250	255,828
Total Shareholders' equity and liabilities	1,346,390	1,355,981

Note:

(2) Trade payables include payables to Group's entities for 19.2 and 20.5 million euros, respectively, at December 31st, 2017 and December 31st, 2016.

Statement of Cash Flows

Unaudited

euro 000's	12.31.17	12.31.16
Profit/(Loss) for the period	84,977	64,180
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:		
Amortizat., deprec., revaluat., and write-downs	27,543	38,671
Other non monetary expenses/(income)	(1,755)	710
Income taxes for the period	26,889	25,296
Changes in operating assets and liabilities:		
Trade receivables	5,378	24,317
Inventories	(22,469)	17,577
Tax receivables and tax payables	(3,441)	5,719
Trade payables	25,791	(3,453)
Other assets and liabilities	(23,046)	18,695
Change in reserve for employee	(1,492)	930
Cash flows from operating activities	118,375	192,643
Interests (paid)/collected	(518)	(284)
Income taxes (paid)/refunded	(23,366)	(48,513)
Net cash flows from operating activities (A)	94,490	143,846
Net investments in intangible and tangible assets	(14,857)	(12,904)
(Increase) decrease of equity investments	(378)	(405,498)
Reduction (increase) of other non-current assets	66	(14)
Cash flows generated (used) in investing activities (B)	(15,169)	(418,416)
Dividends paid	(56,259)	(66,187)
Capital increase		207,500
Others change in Equity		
Loans to subsidiaries	36,000	(45,000)
Repayments of financial liabilities	(46,250)	(119,449)
Proceeds from financial liabilities		300,000
Cash flows generated (used) in financing (C)	(66,509)	276,864
Translation differences (D)		
Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)	12,813	2,294
Cash flow from assets held for sale (F)		
Cash flows generated (used) (G)=(E)+(F)	12,813	2,294
Net cash and cash equivalents at the beginning of the period	87,989	85,696
Net cash and cash equivalents at the end of the period	100,802	87,989
Change in net cash and cash equivalents	12,813	2,294

Statement of Changes in Equity

Unaudited

Year 2017					
euro 000's					
	Share capital	Capital reserves	Hedging reserve	Retained earnings	Total
Balances as of 01.01.17	66,187	416,507	(1,586)	397,862	878,970
Profit & Loss account				84,977	84,977
Directly in equity			1,400	(17)	1,383
Total Comprehensive Income			1,400	84,960	86,360
Dividends				(56,259)	(56,259)
Capital increase					
Share based payments					
Other (1)				(858)	(858)
Balances as of 12.31.17	66,187	416,507	(186)	425,705	908,213

Year 2016					
euro 000's					
	Share capital	Capital reserves	Hedging reserve	Retained earnings	Total
Balances as of 01.01.16	61,219	213,975	(4,356)	401,028	671,866
Profit & Loss account				64,180	64,180
Directly in equity			2,770	(238)	2,531
Total Comprehensive Income			2,770	63,942	66,712
Dividends				(66,187)	(66,187)
Capital increase	4,968	202,532			207,500
Share based payments					
Other				(921)	(921)
Balances as of 12.31.16	66,187	416,507	(1,586)	397,862	878,970

Note:

(1) They include the use of the specific reserve for promoting territorial solidarity projects.