

PRESS RELEASE

**PIAGGIO GROUP: 2017 DRAFT FINANCIAL STATEMENTS**

**Consolidated net sales 1,342.4 million euro, up 2.2% (+2.6% at constant exchange rates)  
(1,313.1 €/mln in 2016)**

**Ebitda 192.3 million euro, up 12.6% (170.7 €/mln in 2016)  
Ebitda margin 14.3% (13% in 2016)**

**Industrial gross margin 411.3 million euro, up 5.7% (389.2 €/mln in 2016)  
30.6% return on net sales (29.6% in 2016)**

**Ebit 72.3 million euro, up 18.8% (60.9 €/mln in 2016)  
Ebit margin 5.4% (4.6% in 2016)**

**Profit before tax 40.1 million euro, up 57.1%  
(25.5 €/mln in 2016)**

**Net profit 20 million euro, up 42.3% (14 €/mln in 2016)**

**Cash flows of 44.3 million euro (7.2 million euro in 2016)**

**Net financial position -446.7 million euro,  
an improvement of 44.3 €/mln from -491 €/mln at 31 December 2016**

**552,800 vehicles shipped worldwide (532,000 in 2016)**

**Proposed dividend of 0.055 euro per share (equivalent to 19,698,450 euro)**

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**Two-wheelers: the Piaggio Group confirms its leadership of the European market with an overall share of 15.1%, rising to 24.2% in scooters. Increase in worldwide sales for the Vespa (+10.2%), in the high-wheel segment (+7.7%), strong improvement in two-wheelers in India, +71.1%**

**Commercial vehicles: confirmation of leadership in cargo segment in India with a market share of 48.8%**

**Piaggio Fast Forward: development of Gita and Kilo continues and the Advisory Board is strengthened with the entry of Daniela Rus, one of the world's leading researchers in robotics and AI**

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**Authorisation for the purchase and sale of own shares**

*Milan, 28 February 2018* - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. (PIA.MI) examined and approved the 2017 draft financial statements.

**Piaggio Group business and financial performance at 31 December 2017<sup>1</sup>**

**In 2017 the Piaggio Group reported positive performance, with significant improvements in all the main indicators and a reduction in debt compared with 2016.**

Group **consolidated net sales** totalled **1,342.4 million euro**, an improvement of 2.2% (+2.6% at constant exchange rates) from 1,313.1 million euro in 2016.

The **industrial gross margin** at 31 December 2017 was **411.3 million euro**, up by 5.7% from 389.2 million euro at 31 December 2016. **The return on net sales was 30.6%, the best result since 2010 (29.6% at 31 December 2016).**

**Operating expense** sustained by the Group in 2017 amounted to **339 million euro**, an increase of 3.3% from 2016 generated by the rise in amortisation and depreciation. **Net of amortisation and depreciation, operating expense in 2017 was down** from 2016.

The income-statement figures described above produced **consolidated Ebitda of 192.3 million euro, the best figure since 2012, with an increase of 12.6%** from 170.7 million euro at 31 December 2016. The **Ebitda margin was 14.3%, the best result ever recorded (13% at 31 December 2016).**

**Ebit** in 2017 amounted to **72.3 million euro**, up **18.8%** from 60.9 million euro in 2016. The **Ebit margin was 5.4%** (4.6% at 31 December 2016).

At 31 December 2017, the Piaggio Group posted **profit before tax of 40.1 million euro, up 57.1%** compared with 25.5 million euro in 2016. Income tax for the period was 20.1 million euro, with an impact on pre-tax profit of 50.1%.

The **Piaggio Group** closed 2017 with **net profit of 20 million euro, an increase of 42.3%** compared with 14 million euro in 2016.

**Cash flows** in the year to 31 December 2017 totalled **44.3 million euro** (7.2 million euro at 31 December 2016).

**Net financial debt** at 31 December 2017 stood at **446.7 million euro**, an improvement of **44.3 million euro** from 31 December 2016 (**491 million euro**). The **leverage ratio (net debt/Ebitda)** was therefore **2.3 compared with 2.9 in 2016.**

Group **shareholders' equity** at 31 December 2017 was **385.1 million euro** (393.7 million euro at 31 December 2016).

Piaggio Group **capital expenditure** in 2017 amounted to **86.7 million euro** (96.7 million euro in 2016).

**The total workforce** of the Piaggio Group at 31 December 2017 numbered **6,620 employees.**

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<sup>1</sup>The main alternative performance indicators used by the Piaggio Group, representing the data monitored by management, are as follows:

- EBITDA: earnings (EBIT) before amortisation and depreciation and impairment losses on property, plant and equipment and intangible assets, as reflected in the consolidated income statement;
- Industrial gross margin: net sales less costs to sell;
- Net financial position: gross financial debt less cash and cash equivalents, and other current financial receivables. Determination of the net financial position does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals.

The Group's Italian employees numbered 3,444, substantially unchanged from the year-earlier period.

### **Business performance in 2017**

During 2017 **the Piaggio Group sold 552,800 vehicles worldwide, an increase of 3.9%** (532,000 shipments in 2016), and reported consolidated net sales of 1,342.4 million euro, up 2.2%.

In **geographical terms**, the Group reported a **rise in sales volumes in the Emea and Americas areas (+3.5%) and in India (+7.4%)**, where growth in sales of two-wheelers (+71.1%) counterbalanced the fall in sales of commercial vehicles (-7.1%). The improvements more than offset the downturn reported in **Asia Pacific (-4.2%)**.

#### ***Two-wheelers:***

In 2017, the Group sold **376,000 two-wheelers worldwide (up 9.3% from 344,000 in 2016)**, generating **net sales of 950.6 million euro, an improvement of 3.7%** from 916.5 million euro in 2016.

The figure **includes spares and accessories, on which turnover totalled 129 million euro, an increase of 3.6%** from 2016.

In **Europe the Piaggio Group maintained its leadership position with an overall market share of 15.1%, rising to 24.2% in the scooter segment**, and reported a **3.4% rise in sales volumes**. The Group retained a particularly **strong presence on the North American scooter market, where its share reached 22.1%**, and is already taking action to strengthen its position in motorcycles in the region. On the **Indian two-wheeler market the Group boosted sales volumes by 71.1%** thanks to the success of the new Aprilia SR 150 scooter and the excellent performance of the Vespa. In **Asia Pacific**, scooter sales volumes fell, but the slowdown was more than counterbalanced by the positive results in the other regions. In Thailand, the sales offer was expanded as a result of the recent entry on to the motorcycle market with the introduction of the Aprilia and Moto Guzzi brands, flanking the already consolidated offer in the scooter sector with the Vespa and Piaggio brands, while Hong Kong's first Motoplex store was opened a few weeks ago.

In the **scooter sector** the main highlight was the **excellent performance of the Vespa brand**, which boosted **worldwide sales by more than 10%** from 2016, with growth reported in all regions.

**Performance was also positive in high-wheel scooters (7.7% increase in sales volumes)**, where the Group reported **revenue growth** at global level, largely thanks to the new **Liberty** and to the **Beverly**.

**The Group also reported important results in motorcycles**. The **Aprilia brand** achieved **sales increases** across the entire range: the supersports models in the **RSV4** family, the naked bikes in the **Tuono** family, the new **Aprilia Shiver 900 and Dorsoduro 900** (which began shipping in June 2017) and the new **125cc bikes** launched last April.

**Moto Guzzi** net sales received a particularly important boost from the successful sales performance of the **V7 bikes**, whose 50th anniversary in 2017 was celebrated with the introduction of an ad hoc model.

#### ***Commercial vehicles:***

In the **commercial vehicles** sector, the Group sold **176,800 vehicles** (188,000 in 2016) for **net sales of 391.9 million euro** (396.6 million euro in 2016).

The figure includes **spares and accessories**, where **sales totalled 46.6 million euro, up 4.8%** from 44.5 million euro in 2016.

Although demand on the Indian market for **three-wheel commercial vehicles** continued to fall compared with the previous year, the trend improved and the PVPL subsidiary had an **overall market share of 26.5%** and confirmed its **leadership in the cargo segment** with a share of **48.8%**.

The slowdown in sales in India reported by the **PVPL production hub** was offset in part by the rise in worldwide exports, which totalled **21,800 commercial vehicles** in 2017. These sales arose in part in the EMEA and Americas areas and in part in the India area, in connection with responsibility for management of the individual markets.

### ***Piaggio Fast Forward:***

**Piaggio Fast Forward (PFF)**, the Boston-based Piaggio Group subsidiary responsible for Group research in mobility of the future, recently enhanced its **Advisory Board with the entry of Daniela Rus, one of the world's leading researchers in artificial intelligence and robotics**. Daniela Rus is Director of the Computer Science and Artificial Intelligence Laboratory (MIT CSAIL) and the Andrew (1956) and Erna Viterbi Professor of Electrical Engineering and Computer Science (EECS), also at the MIT in Boston.

**PFF continued development work on its first innovative projects, Gita and Kilo**, which were presented in Boston in February 2017. These are two smart autonomous vehicles designed to improve mobility productivity in today's increasingly complex urban environments, with a payload of up to 100 kg and a range of 20 km in an urban setting. The vehicles accompany the user, map their surroundings and monitor other moving objects.

### **Significant events in and after 2017**

This section supplements the information published here and at the time of approval of the 2017 third-quarter results (directors' meeting of 27 October 2017).

On 7 November 2017, at the EICMA international tradeshow in Milan, the Piaggio Group held the world preview of the Vespa Elettrica project, confirming its commitment to development of alternative zero-emission mobility solutions. The Vespa Elettrica, a complete response to the growing demand for clean mobility, was also presented in the X version, where the addition of a generator to the electric engine doubles the scooter's range. Production and marketing of the Vespa Elettrica are scheduled for the second half of 2018.

Also at the international two-wheeler tradeshow, the Group presented a number of new entries, including the Vespa Primavera and Vespa Sprint in the S version, which offer a number of updates to boost technical capabilities, comfort and safety, and enhance the scooters' look; the Vespa Primavera 50th Anniversary model in I-Get 50 and 125 displacements; a completely new Moto Guzzi V85, featuring an 850cc air-cooled 90° transverse V-twin engine, whose new design delivers a top power of 80 hp; three new versions of the best-selling Moto Guzzi V7; the new Piaggio MP3 350 Sport and Piaggio MP3 500; the new range of scooters fitted with I-Get 50cc Euro 4 engines; the new Aprilia RX 125 and SX 125, two bikes with different personalities that share the same superstructure, frame, engine and suspension.

On 18 December 2017, Piaggio Fast Forward (PFF), the Piaggio Group subsidiary at the cutting edge of research into mobility of the future, received an award at the GOOD DESIGN® AWARDS 2017, one of the first and most prestigious international design awards.

On 30 January 2018, the Piaggio Group announced the strengthening of its distribution network after reaching the important threshold of 300 Motoplex stores around the world. Recent openings include the multibrand stores in Hong Kong and in Bangalore in the Indian State of Karnataka. The Motoplex store concept introduced just three years ago flanks the traditional distribution network.

Following the significant success of the Aprilia SR 150 sports scooter, on 8 February 2018 at the Auto Expo tradeshow, the Piaggio Group presented the new Aprilia SR 125 and Aprilia Storm 125 for the Indian market. The new models will enable the Group to address a broad target in a rapidly growing market segment, which is expanding even faster than the Indian scooter market as a whole. The new 125cc Aprilia scooters flank the premium Vespa offer.

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### **Piaggio & C. S.p.A.**

In 2017, the parent reported net sales of 817.8 million euro and net profit of 20.6 million euro.

The Board of Directors will ask the shareholders to approve distribution of a gross dividend of 0.055 euro per entitled ordinary share (0.055 for financial year 2016), equivalent to approximately 19,698,450 million euro. The ex dividend date (coupon no.11) is 23 April 2018, the record date is 24 April 2018 and the payment date is 25 April 2018.

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### **Outlook**

In a general economic context showing a strengthening of the global economic upturn, where uncertainty will nonetheless remain with regard to the speed of European growth and the risk of a slowdown in some Asian countries in the Far East, Piaggio Group commercial and industrial operations will focus on:

- confirming the leadership position on the European two-wheeler market, taking full advantage of the expected recovery through:
  - further strengthening of its product range;
  - maintenance of current positions on the European commercial vehicle market;
- consolidating its presence in Asia Pacific, in part through the opening of new Motoplex stores, the exploration of new opportunities in countries in the region, with a particular focus on the premium segment of the market;
- increasing sales on the Indian scooter market thanks to the Vespa offer and the success of the new Aprilia SR 150;
- growing the penetration of commercial vehicles in India, in part through the introduction of new engine displacements, and related sales in the emerging countries, aiming for further growth in exports to Africa and South America.

From the technological viewpoint, the Piaggio Group will continue research on new solutions to current and future mobility problems, through the work of Piaggio Fast Forward (Boston) and new advances in design at PADc (Piaggio Advanced Design center) in Pasadena.

At a more general level, the Group maintains its commitment – a characteristic of recent years and continuing in 2018 – to generate higher productivity through close attention to cost and investment efficiency, in compliance with its ethical principles.

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### **Authorisation for the purchase and sale of own shares**

At today's meeting, the Board of Directors agreed to present to the shareholders' meeting a proposal for the renewal of the authorisation for the purchase and sale of own shares granted by the Annual General Meeting of 12 April 2017, which is due to expire on 12 October 2018. The

proposal aims to provide the company with a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in art. 5 of EU Regulation 596/2014 (Market Abuse Regulation, hereinafter “MAR”) and in the practices allowed under art. 13 MAR, and also for purchases of own shares for subsequent cancellation.

Authorisation to purchase own sales will be requested for a period of 18 months, as from the shareholder resolution date; authorisation to sell own shares will be requested for an unlimited period. As of today, the company does not hold any own shares.

All information concerning the terms and procedures of the authorisation will be set out in the Illustrative Report on Own Share Purchases, to be made available to shareholders within the terms envisaged by current laws.

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### **Conference call with analysts**

The presentation of the financial results as at and for the year ended 31 December 2017, which will be illustrated during a conference call with financial analysts, is available on the corporate website at [www.piaggiogroup.com/it/investor](http://www.piaggiogroup.com/it/investor).

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The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the year ended 31 December 2017 are set out below.

The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2 of art. 154 bis of Legislative Decree no. 58/1998 (TUF), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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In line with the recommendations of CESR Communication 05-178b, attention is drawn to the fact that this press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Piaggio Group 2016 Annual Report and in the quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that the alternative performance indicators (“Non-GAAP Measures”) have not been audited by the independent auditors.

This press release may contain forward-looking statements relating to future events and Piaggio Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

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## SCHEDULES

### Consolidated Income Statement

	2017		2016	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales	1,342,450	1,777	1,313,109	855
Cost of materials	791,068	23,508	784,404	23,289
Cost of services and use of third-party assets	227,536	3,716	233,277	3,774
Employee expense	215,463		213,775	
Depreciation and impairment property, plant and equipment	44,628		45,797	
Amortisation and impairment intangible assets	75,370		64,041	
Other operating income	106,478	395	109,163	3,188
Other operating expense	22,534	16	20,073	24
<b>EBIT</b>	<b>72,329</b>		<b>60,905</b>	
Results of associates	825	716	588	564
Finance income	1,303	21	1,023	
Finance costs	35,102	134	36,952	134
Net exchange-rate gains/(losses)	700		(61)	
<b>Profit before tax</b>	<b>40,055</b>		<b>25,503</b>	
Income tax expense	20,071	(1,195)	11,463	388
<b>Profit from continuing operations</b>	<b>19,984</b>		<b>14,040</b>	
Discontinued operations:				
Profit or loss from discontinued operations				
<b>Profit (loss) for the period</b>	<b>19,984</b>		<b>14,040</b>	
Attributable to:				
Equity holders of the parent	19,984		14,040	
Minority interests	0		0	
Earnings per share (in €)	0.056		0.039	
Diluted earnings per share (in €)	0.056		0.039	

## Consolidated Statement of Comprehensive Income

	2017	2016
<i>In thousands of euro</i>		
<b>Profit (loss) for the period (A)</b>	<b>19,984</b>	<b>14,040</b>
<b>Items that cannot be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	1,274	(2,672)
<b>Total</b>	<b>1,274</b>	<b>(2,672)</b>
<b>Items that may be reclassified to profit or loss</b>		
Gains (losses) on translation of financial statements of foreign entities	(9,673)	1,758
Share of components of Comprehensive Income relating to equity-accounted investees	(609)	(329)
Total gains (losses) on cash flow hedges	68	198
<b>Total</b>	<b>(10,214)</b>	<b>1,627</b>
<b>Other comprehensive income (expense) (B)*</b>	<b>(8,940)</b>	<b>(1,045)</b>
<b>Total comprehensive income (expense) for the period (A + B)</b>	<b>11,044</b>	<b>12,995</b>
* Other comprehensive income (expense) taking related tax effects into account		
<b>Attributable to:</b>		
<b>Equity holders of the parent</b>	<b>10,975</b>	<b>13,058</b>
<b>Minority interests</b>	<b>69</b>	<b>(63)</b>

**Consolidated Statement of Financial Position**

	<u>At 31 December 2017</u>		<u>At 31 December 2016</u>	
	<u>Total</u>	<u>of which related parties</u>	<u>Total</u>	<u>of which related parties</u>
<i>In thousands of euro</i>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	648,977		668,665	
Property, plant and equipment	273,013		301,079	
Investment property	11,523		11,710	
Equity investments	7,553		7,445	
Other financial assets	7,364		19,209	
Non-current tax receivables	19,913		15,680	
Deferred tax assets	58,601		60,372	
Trade receivables				
Other receivables	12,157	115	13,170	133
<b>Total non-current assets</b>	<b>1,039,101</b>		<b>1,097,330</b>	
<b>Assets held for sale</b>				
<b>Current assets</b>				
Trade receivables	83,995	2,150	75,166	3,350
Other receivables	26,916	10,029	24,151	8,753
Current tax receivables	11,106		26,783	
Inventories	218,622		208,459	
Other financial assets	2,321		7,069	
Cash and cash equivalents	128,067		191,757	
<b>Total current assets</b>	<b>471,027</b>		<b>533,385</b>	
<b>Total Assets</b>	<b>1,510,128</b>		<b>1,630,715</b>	

	<u>At 31 December 2017</u>		<u>At 31 December 2016</u>	
	<b>Total</b>	<i>of which related parties</i>	<b>Total</b>	<i>of which related parties</i>
<i>In thousands of euro</i>				
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital and reserves attributable to equity holders of the parent	385,296		394,019	
Share capital and reserves attributable to minority interests	(236)		(305)	
<b>Total shareholders' equity</b>	<b>385,060</b>		<b>393,714</b>	
<b>Non-current liabilities</b>				
Borrowings due after one year	446,483	2,900	535,105	2,900
Trade payables				
Other non-current provisions	9,096		10,566	
Deferred tax liabilities	3,170		3,880	
Pension funds and employee benefits	44,457		48,924	
Tax payables				
Other non-current payables	5,621	12	5,485	162
<b>Total non-current liabilities</b>	<b>508,827</b>		<b>603,960</b>	
<b>Current liabilities</b>				
Borrowings due within one year	137,780		173,445	
Trade payables	411,775	9,375	395,649	9,935
Tax payables	10,185		8,128	
Other current liabilities	46,424	7,863	46,936	7,152
Current portion of other non-current provisions	10,077		8,883	
<b>Total current liabilities</b>	<b>616,241</b>		<b>633,041</b>	
<b>Total Shareholders' equity and Liabilities</b>	<b>1,510,128</b>		<b>1,630,715</b>	

## Consolidated Statement of Cash Flows

	2017		2016	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<i>Operating assets</i>				
Profit (loss) for the period	19,984		14,040	
Earnings attributable to minority interests	0		0	
Income tax expense	20,071		11,463	
Depreciation property, plant and equipment	44,628		44,797	
Amortisation intangible assets	71,145		63,662	
Allowances for risks, retirement funds and employee benefits	18,850		18,038	
Impairment losses / (Reversals)	7,172		2,627	
Losses / (Gains) realised on sale of property, plant and equipment	(558)		(2,267)	
Finance income	(1,222)		(1,023)	
Dividend income	(109)		(24)	
Finance costs	32,392		34,536	
Income from public grants	(4,266)		(3,880)	
Share of results of associates	(716)		(564)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(10,900)	1,200	6,658	(2,200)
(Increase)/Decrease in other receivables	(2,441)	(1,258)	6,004	146
(Increase)/Decrease in inventories	(10,163)		4,353	
Increase/(Decrease) in trade payables	16,126	(560)	15,286	(173)
Increase/(Decrease) in other payables	(376)	561	1,281	182
Increase/(Decrease) in provisions for risks	(10,730)		(9,914)	
Increase/(Decrease) in retirement funds and employee benefits	(12,442)		(8,688)	
Other changes	24,205		(11,936)	
<b>Cash generated by operating activities</b>	<b>200,650</b>		<b>184,449</b>	
Interest expense paid	(31,474)		(32,355)	
Tax paid	(19,058)		(25,114)	
<b>Cash flow from operating activities (A)</b>	<b>150,118</b>		<b>126,980</b>	
<i>Investing activities</i>				
Investment in property, plant and equipment	(28,775)		(38,247)	
Sale price or redemption value of property, plant and equipment	3,277		2,552	
Investment in intangible assets	(57,931)		(58,426)	
Sale price or redemption value of intangible assets	62			
Dividends from equity investments	109			
Sale price of financial assets			3	
Interest collected	977		581	
<b>Cash flow from investing activities (B)</b>	<b>(82,281)</b>		<b>(93,537)</b>	
<i>Financing activities</i>				
Own share purchases			(5,612)	
Outflow for dividends paid	(19,698)		(17,962)	
Loans received	73,925		133,674	
Outflow for loan repayments	(174,823)		(66,194)	
Finance leases received	0		12,839	
Repayment of finance leases	(1,124)		(1,601)	
<b>Cash flow from financing activities (C)</b>	<b>(121,720)</b>		<b>55,144</b>	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(53,883)		88,587	
<b>Opening balance</b>	<b>191,400</b>		<b>101,302</b>	
Exchange differences	(9,623)		1,511	
<b>Closing balance</b>	<b>127,894</b>		<b>191,400</b>	

## Income Statement

	2017		2016	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<b>Net Sales</b>	<b>817,764</b>	<b>103,991</b>	<b>788,397</b>	<b>94,910</b>
Cost of materials	483,186	93,193	478,185	88,039
Cost of services and use of third-party assets	170,663	38,710	180,531	41,965
Employee expense	159,303		159,871	52
Depreciation and impairment property, plant and equipment	24,931		26,752	
Amortisation and impairment intangible assets	65,027		54,469	
Other operating income	108,506	34,694	117,694	43,187
Other operating expense	17,678	1,113	15,244	746
<b>EBIT</b>	<b>5,482</b>		<b>(8,961)</b>	
Results of associates	38,103	37,994	43,523	43,499
Finance income	370	338	530	287
Finance costs	26,805	134	27,112	135
<i>of which non-recurring</i>				
Net exchange-rate gains/(losses)	(101)		(574)	
<b>Profit before tax</b>	<b>17,049</b>		<b>7,406</b>	
Income tax expense	(3,544)	(1,144)	(6,597)	497
<i>of which non-recurring</i>				
<b>Profit from continuing operations</b>	<b>20,593</b>		<b>14,003</b>	
Discontinued operations:				
Profit or loss from discontinued operations				
<b>Profit (loss) for the period</b>	<b>20,593</b>		<b>14,003</b>	

## Statement of Comprehensive Income

	2017	2016
<i>In thousands of euro</i>		
<b>Profit (loss) for the period (A)</b>	<b>20,593</b>	<b>14,003</b>
<b>Items that cannot be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	828	(2,377)
Share of components of comprehensive income relating to equity-accounted investees	451	(285)
<b>Total</b>	<b>1,279</b>	<b>(2,662)</b>
<b>Items that may be reclassified to profit or loss</b>		
Total gains (losses) on cash flow hedges	68	198
Share of components of comprehensive income relating to equity-accounted investees	(10,547)	1,469
<b>Total</b>	<b>(10,479)</b>	<b>1,667</b>
<b>Other comprehensive income (expense) (B)*</b>	<b>(9,200)</b>	<b>(995)</b>
<b>Total comprehensive income (expense) for the period (A + B)</b>	<b>11,393</b>	<b>13,008</b>

\* Other comprehensive income (expense) taking related tax effects into account

## Statement of Financial Position

	At 31 December 2017		At 31 December 2016	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	549,140		562,760	
Property, plant and equipment	170,565		183,904	
Investment property				
Equity investments	127,442		123,983	
Other financial assets	7,365		17,469	
Non-current tax receivables	9,351		6,176	
Deferred tax assets	42,447		39,872	
Other receivables	2,555	115	3,000	133
<b>Total non-current assets</b>	<b>908,865</b>		<b>937,164</b>	
<b>Assets held for sale</b>				
<b>Current assets</b>				
Trade receivables	46,878	18,351	52,937	25,819
Other receivables	57,261	46,868	49,839	38,851
Current tax receivables	3,759		4,817	
Inventories	160,889		152,541	
Other financial assets	16,355	14,171	13,715	9,714
Cash and cash equivalents	10,239		90,882	
<b>Total current assets</b>	<b>295,381</b>		<b>364,731</b>	
<b>TOTAL ASSETS</b>	<b>1,204,246</b>		<b>1,301,895</b>	

	At 31 December 2017		At 31 December 2016	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital	207,614		207,614	
Share premium	7,171		7,171	
Legal reserve	19,095		18,395	
Other reserves	(20,895)		(4,770)	
Retained earnings (accumulated losses)	77,035		76,505	
Profit (loss) for the period	20,593		14,003	
<b>Total shareholders' equity</b>	<b>310,613</b>		<b>318,918</b>	
<b>Non-current liabilities</b>				
Borrowings due after one year	436,851	2,900	508,766	2,900
Other non-current provisions	7,197		8,384	
Pension funds and employee benefits	42,868		47,241	
Tax payables				
Other non-current payables	1,678	13	1,408	163
<b>Total non-current liabilities</b>	<b>488,594</b>		<b>565,799</b>	
<b>Current liabilities</b>				
Borrowings due within one year	85,742		97,137	
Trade payables	263,762	19,021	269,770	24,562
Tax payables	3,847		4,185	
Other current liabilities	42,296	11,845	39,142	9,062
Current portion of other non-current provisions	9,392		6,944	
<b>Total current liabilities</b>	<b>405,039</b>		<b>417,178</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,204,246</b>		<b>1,301,895</b>	

## Statement of Cash Flows

	2017	2016
<i>In thousands of euro</i>		
<i>Operating assets</i>		
Profit (loss) for the period	20,593	14,003
Income tax expense	(3,544)	(6,597)
Depreciation property, plant and equipment	24,931	25,752
Amortisation intangible assets	61,864	54,090
Non-monetary costs for stock options	0	0
Allowances for risks, retirement funds and employee benefits	19,237	15,580
Impairment losses / (Reversals)	(33,031)	(41,088)
Losses / (Gains) realised on sale of property, plant and equipment	1,093	(3,934)
Finance income	(370)	(530)
Dividend income	(109)	(24)
Finance costs	26,265	27,041
<i>Change in working capital:</i>		
(Increase)/Decrease in trade receivables	(2,519)	11,034
(Increase)/Decrease in other receivables	(4,368)	(6,125)
(Increase)/Decrease in inventories	(8,348)	4,692
Increase/(Decrease) in trade payables	(467)	18,069
Increase/(Decrease) in other payables	(2,117)	2,558
Increase/(Decrease) in provisions for risks	(9,600)	(6,455)
Increase/(Decrease) in retirement funds and employee benefits	(12,749)	(9,183)
Other changes	22,301	513
<b>Cash generated by operating activities</b>	<b>99,062</b>	<b>99,396</b>
Interest expense paid	(23,155)	(23,816)
Tax paid	(3,354)	(3,810)
<b>Cash flow from operating activities (A)</b>	<b>72,553</b>	<b>71,770</b>
<i>Investing activities</i>		
Investment in property, plant and equipment	(14,140)	(22,330)
Sale price or redemption value of property, plant and equipment	1,456	4,042
Investment in intangible assets	(51,447)	(50,891)
Sale price or redemption value of intangible assets	38	0
Investment in non-current financial assets	(8,434)	(3,494)
Loans given	(4,457)	0
Reimbursement loans granted	0	3,689
Sale price of financial assets	0	0
Interest collected	335	505
Dividends from equity investments	18,550	41,427
<b>Cash flow from investing activities (B)</b>	<b>(58,099)</b>	<b>(27,052)</b>
<i>Financing activities</i>		
Own share purchases	0	(5,612)
Proceeds on exercise of stock options	0	0
Outflow for dividends paid	(19,698)	(17,962)
Loans received	56,687	84,397
Outflow for loan repayments	(131,050)	(38,640)
Finance leases	0	12,839
Repayment of finance leases	(1,081)	(1,570)
<b>Cash flow from financing activities (C)</b>	<b>(95,142)</b>	<b>33,452</b>
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(80,688)	78,170
<b>Opening balance</b>	<b>90,872</b>	<b>12,692</b>
Exchange differences	(118)	10
<b>Closing balance</b>	<b>10,066</b>	<b>90,872</b>