
2016 ANNUAL REPORT OF THE TAMBURI INVESTMENT PARTNERS GROUP

(TRANSLATION FROM THE ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

CONTENTS

Corporate Boards	3
Directors' Report	4
Motion for allocation of the profit for the year of Tamburi Investment Partners S.p.A.	14

Consolidated Financial Statements

Financial Statements	15
▪ Consolidated income statement	
▪ Consolidated Statement of Comprehensive Income	
▪ Consolidated Statement of Financial Position	
▪ Statement of changes in Consolidated Shareholders' Equity	
▪ Consolidated Statement of Cash Flows	
Explanatory notes to the 2016 consolidated financial statements	21
Attachments	54
▪ Declaration of the Executive Officer for Financial Reporting	
▪ List of investments held	
▪ Changes in AFS financial assets measured at fair value	
▪ Changes in associates valued under equity method	
▪ Independent Auditors' Report	
▪ Fees for audit services	

Separate Financial Statements

Financial Statements	64
▪ Income Statement	
▪ Statement of Comprehensive Income	
▪ Statement of Financial Position	
▪ Statement of changes in Shareholders' Equity	
▪ Statement of Cash Flows	
Explanatory notes to the 2016 financial statements	70
Attachments	92
▪ Declaration of the Executive Officer for Financial Reporting	
▪ List of investments held	
▪ 2016 key financial highlights of the subsidiaries	
▪ Changes in AFS financial assets measured at fair value	
▪ Changes in investments in associated companies	
▪ Board of Statutory Auditors' Report	
▪ Independent Auditors' Report	

Corporate Boards

Board of Directors of Tamburi Investment Partners S.p.A.

Giovanni Tamburi	Chairman and Chief Executive Officer
Alessandra Gritti	Vice Chairman and Chief Executive Officer
Cesare d'Amico	Vice Chairman
Claudio Berretti	Executive Director & General Manager
Alberto Capponi (1)(2)	Independent Director *
Paolo d'Amico	Director
Giuseppe Ferrero (1)	Independent Director *
Manuela Mezzetti (1)(2)	Independent Director *
Daniela Palestra (2)	Independent Director *

Board of Statutory Auditors

Emanuele Cottino	Chairman
Paola Galbiati	Standing Auditor
Andrea Mariani	Standing Auditor
Laura Visconti	Alternate Auditor
Fabio Pasquini	Alternate Auditor

Independent Audit Firm

PricewaterhouseCoopers S.p.A.

(1) Member of the appointments and remuneration committee

(2) Member of the control and risks and related parties' committee

* In accordance with the Self-Governance Code

2016 Directors' Report of the Tamburi Investment Partners Group

The Tamburi Investment Partners Group (hereafter "TIP Group") in 2016 reports a consolidated profit of approximately Euro 86 million - of which Euro 51.5 million attributable to the shareholders of the parent - compared to approximately Euro 25 million in 2015.

It has been a truly exceptional year.

A large part of the income was generated from the withdrawal from Ruffini Partecipazioni with the assignment of Moncler shares to the subsidiary Clubsette S.r.l. ("Clubsette"). This latter was wound up by the end of the year through the assignment of the Moncler shares to shareholders.

The company reported strong results on all fronts with advisory revenues exceeding Euro 12 million compared to approximately Euro 4 million in 2015 and financial income other than the transaction mentioned above of over Euro 34 million.

Consolidated net equity exceeded Euro 437 million, from Euro 449.3 million at December 31, 2015, after the distribution, from profits and reserves, of over Euro 82 million to the minority shareholders of Clubsette, as well as dividends by Tamburi Investment Partners S.p.A. (hereafter "TIP") for approximately Euro 9 million.

The result for the year was influenced by the spin-off of Ferrari from the FCA Group, completed on January 4, 2016, following which TIP received 367,422 Ferrari shares, of which (i) 174,000 shares related to the 1,740,000 FCA shares held at December 31, 2015 and (ii) 193,422 shares from the FCA convertible bond. These transactions, in accordance with IFRS, were recorded for accounting purposes as a dividend distribution and therefore generated a capital gain in the income statement of approximately Euro 16 million. Following this transaction however a loss was recorded in the income statement arising from the difference between the carrying amount at December 31, 2015 of the bonds subscribed within the FCA convertible bond and the market price. This negative difference - initially very significant and which considerably impacted the profitability of TIP in the quarterly and half-yearly results during 2016 - progressively reduced due to the strong increase in the price of FCA shares. At the conversion date into FCA shares, on December 15, 2016, the loss was Euro 8.9 million; in this context it was opportune for TIP to have invested in various instruments related to the Group in order to offset the numerous "peculiarities" imposed by the accounting standards in force; in any case, the overall performance of the FCA Group was - for the TIP Group from an economic and financial standpoint - extremely positive.

The recovery in the FCA and Ferrari share prices continued into 2017 and the fair value of these investments is today well above their initial recognition value, including for the FCA shares received from the conversion.

The result for year also benefitted from capital gains on sales - with two public offers launched by industrial partners and therefore permitting TIP the opportunity to monetise “strategic” values - of the investments in Bolzoni S.p.A. and Noemalife S.p.A. which generated total gains of Euro 10.3 million. The Noemalife – Dedalus transaction created the largest Pan-European IT Health Group.

Costs were in line with preceding years, except for personnel and executive director fees, which are linked to company performance and therefore significantly increased, given the results achieved; personnel costs include approximately Euro 5.7 million relating to the assignment of 3,500,000 options within the “2014-2021 TIP Incentive Plan”.

At December 31, 2016, TIP consolidated net debt – also taking into account the TIP 2014-2020 bond loan – but without including the non-current financial assets, considered by management as liquidity available in the short-term - was approximately Euro 200 million (compared to Euro 177.4 million at December 31, 2015).

Among the most significant events in 2016 we recall the incorporation of Asset Italia S.p.A. (“Asset Italia”) in July with the contribution, in addition to TIP, of approximately 30 family offices, for an endowment capital of Euro 550 million. Asset Italia will act as an investment holding and will give shareholders the opportunity to choose for each proposal their individual investments and the receipt of shares for the specific asset class related to the investment subscribed. Asset Italia and TIP will combine within five years.

In relation to this project the TIP Shareholders’ Meeting conferred a proxy to the Board of Directors to increase the share capital for a maximum amount of Euro 1,500,000,000 to serve the contribution in kind of Asset Italia shares; the Shareholders’ Meeting also approved the elimination of the nominal value of TIP shares.

In the year, TIP significantly increased the investment in Hugo Boss, holding more than 900,000 shares and reducing the average carrying price.

On September 30, 2016, TIP formalised the underwriting of a convertible loan of Euro 15 million issued by Furla S.p.A. that will automatically convert into Furla shares at the time of listing or, alternatively, at September 30, 2019.

Furla announced revenues of over Euro 420 million, of which over 80% abroad with growth at current exchange rates of over 24% and an ever-greater increase in EBITDA; the mono-brand boutiques worldwide reached 444 stores, while the sales points rose to over 1,200.

During 2016 TIP partially reduced the position in Ferrari, not due to a lack of faith in its tremendous potential, but rather, considering the weight of the investments held in the sector, to obtain resources to fund investments more in line with TIP’s general profile.

In October TIP finalised a further investment in Talent Garden S.p.A., the largest digital co-working network in Europe, in which Digital Magics holds approximately 18%.

In January, the subsidiary TIP-Pre IPO S.p.A. (hereafter “TIPO”), acquired, together with the company Centokappa S.r.l., full ownership of the Beta Utensili S.p.A. Group, an international leader in the tools sector. For the transaction, TIPO arranged a club deal with 15 co-investors, all Italian family offices.

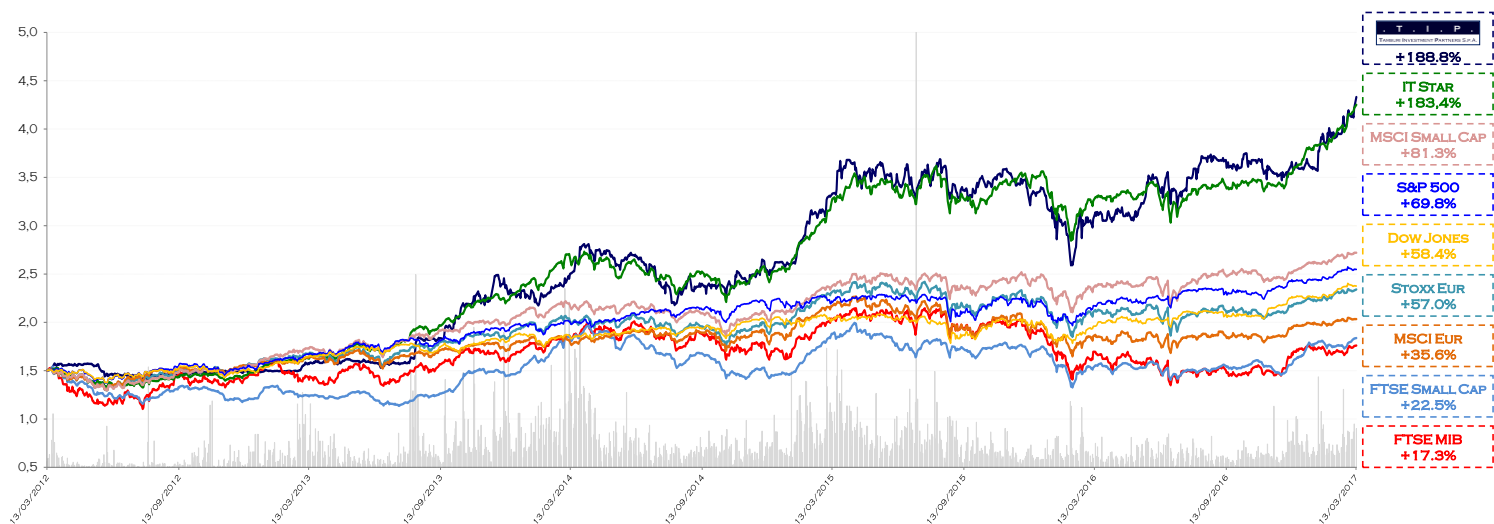
In June 2016, TIPO and members of the Guzzini family incorporated a company to acquire 17.32% of the share capital of Fimag S.p.A., the holding of the entire Guzzini Group. TIPO’s indirect stake in the iGuzzini’s group - by far the largest asset within the parent - was significantly increased through this transaction, with the first tranche pay-out entirely funded by the sale on the market of AAA - Advanced Accelerator Applications shares.

AAA’s industrial and stock market performances (at February 28, 2017 +137.1% compared to the IPO price one year ago) continue to be very good.

The most important aspect concerning TIP and TIPO’s investees, particularly given the current market environment, is the continued strong performances - in 2016 - of all the principal holdings. Indeed, Amplifon, FCA, Ferrari, Interpump, Moncler and Prysmian - among the companies that have so far published their 2016 figures - report strong earnings, even on the record year of 2015. In relation to the companies which have not yet published their draft financial statements, the results for the nine months were very encouraging.

The TIP share price in the year progressed well, outperforming nearly all the main Italian indices and was up approximately 8% at December 31, 2016 compared to the beginning of the year, while the FTSE MIB lost approximately 10% in the same period.

The usual five-year TIP share chart (at March 13, 2017) highlights the very strong performance of the TIP share, improving 188.8%; the total return for TIP shareholders over the five years was 208.3% (annual average of 41.7%).



EQUITY HOLDINGS – PRINCIPAL INVESTMENTS AT DECEMBER 31, 2016

The financial results reported below refer, where available, to the 2016 Annual Report already approved by the Board of Directors of the investees by the current date; in the absence of such figures, reference is made to the report for the first nine months of the year or the prior year Annual Report.

A) SUBSIDIARIES

Clubsette S.r.l. (company which held 14.0% of Ruffini Partecipazioni S.r.l., liquidated in 2016)

TIP holding: 52.50%

In July 2013, TIP incorporated Clubsette S.r.l. (“Clubsette”), which included other investors, principally entrepreneurs and family office, one of which qualified as a related party pursuant to IAS 24; TIP held 52.5% of the share capital of Clubsette.

In July 2016, in accordance with the agreements reached, Clubsette received shares in Moncler previously held by Ruffini Partecipazioni, equal to 5.125% of the share capital.

Clubsette, following the withdrawal from Ruffini Partecipazioni, received the Moncler shares previously held by Ruffini Partecipazioni. This transaction generated for Clubsette - in accordance with IAS/IFRS - a capital gain of Euro 78,008,920, equal to the difference between the book value of the investment in Ruffini Partecipazioni S.r.l. and the payment on withdrawal comprising the Moncler shares received, which in the TIP consolidated financial statements were measured at the price on the day of the transaction, equal to 15,66 Euro.

Clubsette was then placed in liquidation and the Moncler shares assigned to the shareholders. The closure of the liquidation was on December 29, 2016.

TIP however remains a direct shareholder of Moncler with a holding of 2.32%.

In 2016, the Moncler group reported consolidated revenues of Euro 1,040.3 million, an adjusted Ebitda of Euro 355.1 million and a net profit of Euro 196.0 million. The growth in revenues and earnings was therefore again confirmed in 2016, positioning Moncler at the top end of the most prestigious global brands, by margins.

TXR S.r.l (company which holds 38.34% of Furn Invest S.a.S.)

TIP holding at December 31, 2016: 51.00%

TXR, a 51.0% subsidiary, with the residual share held by other co-investors (including a trust company) not qualifying as related parties pursuant to IAS 24, in accordance with the club deals promoted by TIP was incorporated for the purpose of acquiring a shareholding in Furn-Invest S.a.S., a company which now controls 99.9% of the Roche Bobois group.

Roche Bobois is the world leader in the creation and distribution of select high quality, design and luxury furniture products. The group operates the largest chain worldwide of high-end design furniture products, with a network – direct and/or franchising – comprising approximately 300 sales points (of which 100 owned) located in prestigious commercial areas, with a presence in the most important cities worldwide, including Europe, North, Central and South America, Africa, Asia and the Middle East.

In 2016, the Roche Bobois group grew further and the preliminary results indicate aggregate revenues (including franchising stores) of approximately Euro 545 million, while consolidated revenues - which only refer to direct sales - totalled approximately Euro 255 million and consolidated Ebitda of approximately Euro 27 million; the Group has a net cash position.

B) ASSOCIATED COMPANIES

BE Think, Solve, Execute S.p.A. (“BE”)

TIP holding at December 31, 2016: 23.41%

Listed on the Italian Stock Exchange - STAR Segment.

The BE group is one of the leading Italian management consultancy operators for the banking and insurance sectors and for IT and back office services.

In the first nine months of 2016, the BE Group reported consolidated revenues of Euro 97.1 million, +24.3% on the same period of 2015, an EBITDA of Euro 11.1 million, compared to Euro 9.4 million in the same period of the previous year, and a pre-tax profit of Euro 5.6 million (+44.4%).

Clubitaly S.p.A.

TIP holding at December 31, 2016: 27.50%, 37.29% fully diluted

Clubitaly was incorporated in 2014, together with some entrepreneurial families and family office, two of which qualify as related parties pursuant to IAS 24, and acquired from Eatinvest S.r.l., a company controlled by the Farinetti family, 20% of Eataly S.r.l. (“Eataly”). Clubitaly S.p.A. currently holds 19.74% of Eataly.

Eataly, founded in 2003 by Oscar Farinetti, operates with a global reach in the distribution and marketing of Italian high-end gastronomic products integrating production, sales, catering and healthy living. The company represents a peculiar phenomenon - being the only Italian company in the food retail sector with a truly international vocation, as well as a symbol of Italian food and of high quality Made in Italy products worldwide.

Eataly currently operate in Italy, America, the Middle and Far East with a network of approximately 30 stores operational and is implementing a significant store opening programme in some of the world’s major cities through direct sales points and franchises. In 2016, the second store was opened in New York, in front of Ground Zero and was followed by important openings in Boston and Copenhagen. In January 2017, an impressive store was opened in Trieste. In 2017/2018 openings are planned in London, Los Angeles, Moscow, Paris, Stockholm,

Toronto and Verona.

The preliminary results for the year 2016 report Group revenues of just under Euro 400 million, with profitability heavily impacted by one-off costs and major delays in some openings.

Clubtre S.p.A.

TIP holding at December 31, 2016: 35%, 43.28% fully diluted

Clubtre S.p.A. is currently the largest shareholder in Prysmian S.p.A. (“Prysmian”), even after the sale of shares through an accelerated book building in January 2017.

Prysmian is the world leader in the production of energy and telecommunication cables with 88 factories, 17 R&D centres and approximately 19,000 employees worldwide.

In 2016, Prysmian reported consolidated revenues of approximately Euro 7.6 billion, an adjusted Ebitda of approximately Euro 711 million, up 14%, and a net profit of approximately Euro 246 million.

Gruppo IPG Holding S.p.A.

TIP holding at December 31, 2016: 23.64%, 33.72% fully diluted

Gruppo IPG Holding S.p.A. (“IPGH”) currently holds 23,406,799 shares (equal to 21.5% of the share capital) of Interpump Group S.p.A., world leader in the production of high pressure pistons pumps, power take-offs (PTOs), distributors and hydraulic systems.

In 2016, Interpump Group reported consolidated revenues of Euro 922.8 million, up 3.1%, an Ebitda of Euro 198.5 million, compared to Euro 180.3 million in 2015 and a net profit of Euro 94.5 million.

TIP-PRE IPO S.p.A. – TIPO

TIP holding at December 31, 2016: 28.57%

TIPO undertakes minority investments in Italian or overseas companies in the industrial or services sectors, with revenues of between Euro 30 and 200 million, listed on a stock exchange or with a view to listing on a regulated equity market.

TIPO may also subscribe convertible bonds, cum warrants or other “semi-equity” similar instruments, as well as share capital increases – including companies already listed on the stock exchange – provided that the transactions are to be considered as part of expansion projects, investments and/or growth of the respective activities.

At December 31, 2016, TIPO held the following shareholdings:

Advanced Accelerator Applications S.A. – AAA

The company, in which TIPO holds a small investment, has been listed on the Nasdaq Global Select Market since November 2015 and is one of the major molecular and nuclear medicine

players, founded in 2002 by Italian academics as a “spin-off” of CERN (European Organisation for Nuclear Research) to develop diagnostic applications and products and innovative therapeutics.

In the first nine months of 2016, AAA generated consolidated revenues of Euro 81.3 million, strong growth on Euro 66.1 million in the same period of the previous year.

Beta Utensili S.r.l.

Beta Utensili S.r.l., indirectly held 49.917% by Betaclub S.r.l., in turn controlled by TIPO with a 58.417% holding, is the leader in Italy in the distribution and production of high quality professional utensils, with over 500 employees. Exports account for over 50% of turnover.

The preliminary results for 2016 report further growth by the Group with net revenues of approximately Euro 130 million and an EBITDA of approximately Euro 25 million.

iGuzzini Illuminazione S.p.A.

TIPO holds 14.29% (15.85% on a fully diluted basis) of iGuzzini Illuminazione S.p.A., the Italian leader - and among the leaders in Europe - in the design and production of high quality internal and external architectural lighting systems. The sectors of application include the lighting of historic buildings, retail spaces, offices, residential buildings, hotels, streets and urban areas. The group has 15 international branches and production facilities in Italy and China. In June 2016, TIPO, together with some members of the Guzzini family, incorporated GH S.r.l. with the purpose of acquiring some investments in Fimag S.p.A., a company which in addition to holding over 75% (84.15% on a fully diluted basis) in iGuzzini Illuminazione S.p.A. has investments in other industrial, property and financial companies.

The total investment by TIPO (which holds 47.83% of GH S.r.l.) in this second Group transaction is so far approximately Euro 5.5 million.

The preliminary results for 2016 report further growth by the Group with revenues of approximately Euro 232 million and an EBITDA of approximately Euro 29 million.

OTHER ASSOCIATED COMPANIES

TIP in addition holds:

- a 29.97% stake in Gatti & Co. GmbH, a corporate finance boutique with headquarters in Frankfurt (Germany), primarily operating on the cross-border M&A market between Germany and Italy;
- a 30% stake in Palazzari & Turries Ltd, a corporate finance boutique based in Hong Kong which has a long tradition of assisting numerous Italian companies in start-ups, joint ventures and corporate finance in China, building upon its extensive experience in China and Hong Kong.

C) OTHER COMPANIES

INVESTMENTS IN LISTED COMPANIES

Amplifon S.p.A.

TIP holding at December 31, 2016: 4.24%

Listed on the Italian Stock Exchange - STAR Segment.

The Amplifon Group is world leader in the distribution and personalised application of hearing aids with almost 4,000 direct sales points, 3,700 service centres and 1,900 affiliated stores.

In 2016, the Amplifon group reported consolidated revenues of Euro 1,133 million (up 10%), an Ebitda of Euro 190 million (up 13%) and a net profit of over Euro 70 million.

Digital Magics S.p.A.

TIP holding at December 31, 2016: 18.11%

Listed on the Alternative Investment Market (AIM) Italia

Digital Magics S.p.A. is the leading Italian incubator for innovative digital start-ups. It has incubated over 80 start-ups to date, with 74 still in portfolio. The “incubated” start-ups have created more than 500 jobs.

It launched and is progressively developing, through aggregations, the largest innovative hub in partnership with Talent Garden - the largest European co-working centre - WebWorking (company founded by Marco Gay), WithFounders, Innogest, Università Telematica Pegaso and Universitas Mercatorum.

The start-ups incubated by Digital Magics in 2015 generated revenues of Euro 32.5 million, compared to Euro 18.7 million in 2014 - up 73%.

Ferrari N.V.

TIP holding at December 31, 2016: 0.16% of the ordinary share capital

Listed on the Italian Stock Exchange and the New York Stock Exchange

Ferrari N.V. manufactures and distributes high-end sports cars and racing cars. The company possess technologies and intangibles difficult to replicate, ensuring the company's place as a meeting point of innovation, design, exclusivity and technology.

In 2016, Ferrari reported revenues of Euro 3.105 billion, up 8.8% on 2015, an adjusted EBITDA of Euro 880 million, up 18% on the previous year and a net profit of Euro 400 million, up 38%.

FCA – Fiat Chrysler Automobiles NV

TIP shareholding at December 31, 2016: 0.22% of the ordinary share capital

Listed on the Italian Stock Exchange and the New York Stock Exchange

The Fiat Chrysler Automobiles NV (FCA) group is the seventh largest car manufacturer in the world with the brands Abarth, Alfa Romeo, Chrysler, Dodge, Ferrari, Fiat, Fiat Professional, Jeep,

Lancia, Maserati and Ram, in addition to SRT, the sports division dedicated to high performance vehicles and Mopar, the post-sales service and spare parts brand. Group operations include also Comau (production systems), Magneti Marelli (components) and Teksid (foundries).

In 2016, the FCA group reported record results with consolidated revenues of Euro 111.018 billion, an adjusted EBIT of Euro 6.056 billion, up 26%, and an adjusted net profit of Euro 2.516 billion, up 47% on 2015.

Hugo Boss AG

TIP holding at December 31, 2016: 1.28%

Listed on the Frankfurt Stock Exchange

Hugo Boss AG is a market leader in the premium and luxury segment of the medium-high and high-end apparel market for men and women, with a diversified range from fashionable clothing to footwear and accessories.

Hugo Boss products are distributed in over 1,000 shops worldwide.

In 2016, the Hugo Boss Group reported consolidated revenues of Euro 725.2 million, an adjusted EBITDA of approximately Euro 493 million and a net profit of approximately Euro 63.5 million.

INVESTMENTS IN NON-LISTED COMPANIES

Azimut Benetti S.p.A.

TIP holding at December 31, 2016: 12.07%

Azimut Benetti S.p.A. is one of the most prestigious constructors of mega yachts worldwide. The company has been ranked 16 times in the last 18 years as the “Global Order Book” leader, which ranks the major global constructors of yachts and mega yachts of over 24 metres worldwide.

It has 11 boatyards and a sales network in over 70 countries.

In the year to August 31, 2016, the company reports a small but significant increase in the value of production to approximately Euro 700 million and a strong increase in EBITDA compared to 2015.

D) OTHER INVESTMENTS AND FINANCIAL INSTRUMENTS

TIP subscribed a bond of approximately Euro 8 million in one of the holdings with an investment in Octo Telematics, the principal global provider of telematic services for the insurance and automotive market.

On the sale of shares in Noemalife, TIP reinvested over Euro 9 million in a vendor loan in Dedalus Holding, at an interest rate of 9% with maturity on December 31, 2018.

TIP also has a direct holding of 2.77% in Talent Garden, the leading European co-working operator, already an investee with a stake of 18.72% by Digital Magics.

In addition to the investments listed, TIP holds stakes in other listed and non-listed companies which in terms of amounts invested are not considered significant; for details reference should be made to Attachment 2.

TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties are detailed in note 33.

SUBSEQUENT EVENTS TO DECEMBER 31, 2016

In January 2017, Clubtre, held 43.28% by TIP on a fully diluted basis, sold 4 million shares in Prysmian, corresponding to 1.85% of the share capital, for a total value of Euro 97.6 million, before commissions. Following this sale, Clubtre remains the largest shareholder of Prysmian, with over 4% of the share capital.

The transaction represented a partial realisation of the significant investment made in 2010.

Taking also into account the additional 2,076,925 FCA shares received by TIP in the conversion in December 2016 of the FCA 7.875% convertible bond, in the initial months of 2017, TIP also partially reduced - for approximately 25% of the overall position held in the Group - the position in FCA shares, due to the significant increase in the share price.

In February 2017, the investee Digital Magics launched a share capital increase with the issue of 1,232,459 ordinary shares for a total maximum value of approximately Euro 5 million. TIP (already the largest shareholder with a stake of approximately 18%), subscribed the option rights for approximately Euro 900 thousand and exercised the pre-emption right on 76,883 unopted shares for a further Euro 310 thousand.

OUTLOOK

In a truly challenging market, the TIP Group continues to perform strongly, generating further growth and continuing to invest and launch new initiatives which will ensure its continued role – through employing a unique business model in Italy - as an entrepreneurial partner and financial backer for outstanding companies willing to grow and/or resolve governance issues, always with a view to business development.

The key to the TIP Group model is to continue to invest in solid, well managed companies with distinctive technologies and/or brands which enable them to be market leaders.

The results reported in 2016 confirm that all the main TIP Group investees have such characteristics and in our view are excellently positioned to meet future challenges, while considering the accelerated pace of development and growing competitiveness of recent years.

The record results achieved by the TIP Group in 2016 are clearly closely linked to the partial or

total realisation of significant investments which – in order to be repeated – depend on market performances and the buying and selling opportunities which will present in the coming year.

RESEARCH AND DEVELOPMENT

During the year, the Company did not carry out any research and development activity.

PRINCIPAL RISKS AND UNCERTAINTIES

In relation to the principal Group risks and uncertainties, reference should be made to note 30.

TREASURY SHARES

The treasury shares in portfolio at December 31, 2016 totalled 1,478,370, equal to 1.00% of the share capital. At the present date, treasury shares in portfolio total 1,459,498, equal to 0.987% of the share capital.

MOTION FOR ALLOCATION OF THE PROFIT FOR THE YEAR OF TAMBURI INVESTMENT PARTNERS S.p.A.

Dear Shareholders,

We invite you to approve the 2016 statutory financial statements of Tamburi Investment Partners S.p.A., as presented, and we propose the allocation of the net profit of Euro 41,072,198, as follows:

- to the legal reserve	Euro 404
- to ordinary shares, a gross dividend of Euro 0.069 per share for a total of (*)	Euro 10,097,459
- to retained earnings	Euro 30,974,335

(*) Net of the 1,459,498 treasury shares held by the Company or any other shares held by the Company at the dividend coupon date, recording the amount necessary in the share premium reserve.

For the Board of Directors
The Chairman
Giovanni Tamburi

Milan, March 14, 2017

Consolidated Income Statement

Tamburi Investment Partners Group

(in Euro)	2016	2015	Note
Revenue from sales and services	12,206,785	3,977,113	4
Other revenue	206,141	152,399	
Total revenue	12,412,926	4,129,512	
Purchases, service and other costs	(2,177,839)	(2,197,392)	5
Personnel expenses	(24,676,991)	(6,781,822)	6
Amortisation, depreciation & write-downs	(59,579)	(44,658)	
Operating Profit	(14,501,483)	(4,894,360)	
Financial income	112,033,771	33,352,638	7
Financial charges	(19,874,805)	(9,737,643)	7
Profit before adjustments to investments	77,657,483	18,720,635	
Share of profit/(loss) of investments under equity	10,609,277	8,360,999	8
Adjustments to available-for-sale financial assets	(2,140,137)	(288,653)	9
Profit before taxes	86,126,623	26,792,981	
Current and deferred taxes	(493,253)	(1,797,729)	10
Profit	85,633,370	24,995,252	
Profit attributable to the shareholders of the parent	51,486,389	25,233,887	
Profit/(loss) attributable to minority interests	34,146,981	(238,635)	
Basic (diluted) earnings per share of the parent	0.35	0.17	24
Basic (diluted) earnings per share of the parent	0.34	0.14	
Number of shares in circulation	146,321,117	147,253,924	

Consolidated Statement of Comprehensive Income

Tamburi Investment Partners Group

(in Euro)	2016	2015	Note
Income and charges recorded directly to equity			
Income through P&L			24
Increase/(decrease) in non-current AFS financial assets	(41,509,030)	24,780,763	
Unrealised profit/(loss)	(40,643,267)	24,621,736	
Tax effect	(865,763)	159,027	
Increase/(decrease) in investees measured under the equity method	32,337,001	21,706,237	
Unrealised profit/(loss)	32,337,001	21,706,237	
Tax effect	-	-	
Increase/(decrease) AFS current financial assets	(183,238)	(606,932)	
Unrealised profit/(loss)	(281,338)	(808,551)	
Tax effect	98,100	201,619	
Income/(loss) not through P&L			
Employee benefits	(20,087)	7,811	
Other changes	-	-	
Total income and charges recorded directly to equity	(9,375,354)	45,887,879	
Profit	85,633,370	24,995,252	
Total income and charges recorded	76,258,016	70,883,131	
Total income and charges attributable to the shareholders of the parent	62,229,306	59,938,564	
Total income and charges attributable to minority interests	14,028,710	10,944,567	

Consolidated Statement of Financial Position

Tamburi Investment Partners Group

(in Euro)	December 31, 2016	December 31, 2015	Note
Non-current assets			
Property, plant and equipment	170,589	114,094	11
Goodwill	9,806,574	9,806,574	12
Other intangible assets	4,626	1,310	12
Associated measured under the equity method	235,559,227	185,498,596	13
AFS financial assets	374,267,042	429,418,286	14
Financial receivables	33,751,593	8,218,972	15
Tax receivables	136,116	293,787	16
Deferred tax assets	2,143,389	824,940	17
Total non-current assets	655,839,156	634,176,559	
Current assets			
Trade receivables	957,977	2,581,564	18
Current financial receivables	483,136	0	15
Current financial assets	182,701	26,946,127	19
AFS financial assets	0	21,613,809	20
Cash and cash equivalents	1,286,769	2,011,105	21
Tax receivables	336,373	442,172	16
Other current assets	272,800	728,564	
Total current assets	3,519,756	54,323,341	
Total Assets	659,358,912	688,499,900	
Equity			
Share capital	76,855,733	76,853,713	22
Reserves	234,969,155	221,052,483	23
Retained earnings	56,977,958	41,139,559	
Result of the parent	51,486,389	25,233,887	24
Total equity attributable to the shareholders of the parent	420,289,235	364,279,642	
Equity attributable to minority interests	16,787,469	85,062,843	
Total equity	437,076,704	449,342,485	
Non-current liabilities			
Post-employment benefits	271,667	226,451	25
Financial payables	133,752,298	138,594,609	26
Deferred tax liabilities	3,078,424	2,239,997	17
Total non-current liabilities	137,102,389	141,061,057	
Current liabilities			
Trade payables	550,303	349,324	
Current financial liabilities	67,380,277	89,417,843	27
Tax payables	429,039	1,792,375	28
Other liabilities	16,820,200	6,536,816	29
Total current liabilities	85,179,819	98,096,358	
Total liabilities	222,282,208	239,157,415	
Total equity and liabilities	659,358,912	688,499,900	

Statement of changes in Consolidated Equity

in Euro

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Revaluation reserve AFS Financial assets	Treasury shares reserve	Other reserves	IFRS reserve business combination	Merger surplus	Retained earnings	Result for the period shareholders of parent	Net Equity shareholders of parent	Net Equity minorities	Result or the period minorities	Net Equity
At January 1, 2015 consolidated	74,609,847	95,114,530	14,148,939	0	50,813,900	(13,606,493)	4,347,294	(483,655)	5,060,152	23,422,765	26,798,061	280,225,340	72,379,694	1,738,581	354,343,616
Change in fair value of financial assets available-for-sale					13,597,560							13,597,560	11,183,203		24,780,763
Change in fair value of investments measured at equity					27,014,534		(5,308,297)					21,706,237			21,706,237
Change in fair value of current financial assets					(606,932)							(606,932)			(606,932)
Employee benefits							7,811					7,811			7,811
Other changes												0			0
Total income and charges recorded directly to equity					40,005,162		(5,300,486)					34,704,676	11,183,203		45,887,879
Profit (loss) 2015											25,233,887	25,233,887		(238,635)	24,995,252
Total statement of comprehensive income					40,005,162						25,233,887	59,938,563		(238,635)	70,883,131
Transfer to equity revaluation reserve												0			0
Allocation profit 2014			773,030							17,716,794	(18,489,824)	0	1,738,581	(1,738,581)	0
Distribution of dividends												0			0
Other changes											(8,308,237)	(8,308,237)			(8,308,237)
Warrant conversion	2,243,866	6,386,388										8,630,254			8,630,254
Acquisition of treasury shares						(5,905,291)						(5,905,291)			(5,905,291)
Sale of treasury shares		12,030,610				17,668,403						29,699,013			29,699,013
At December 31, 2015 consolidated	76,853,713	113,531,528	14,921,969	0	90,819,062	(1,843,381)	(953,192)	(483,655)	5,060,152	41,139,559	25,233,887	364,279,642	85,301,478	(238,635)	449,342,485
At January 1, 2016 consolidated	76,853,713	113,531,528	14,921,969	0	90,819,062	(1,843,381)	(953,192)	(483,655)	5,060,152	41,139,559	25,233,887	364,279,642	85,301,478	(238,635)	449,342,485
Change in fair value of financial assets available-for-sale					(21,390,759)							(21,390,759)	(20,118,271)		(41,509,030)
Change in fair value of investments measured at equity					26,933,361		5,403,640					32,337,001			32,337,001
Change in fair value of current financial assets					(183,238)							(183,238)			(183,238)
Employee benefits							(20,087)					(20,087)			(20,087)
Other changes												0			0
Total income and charges recorded directly to equity					5,359,364		5,383,553					10,742,917	(20,118,271)		(9,375,354)
Profit (loss) 2016											51,486,389	51,486,389		34,146,981	85,633,370
Total statement of comprehensive income					5,359,364						51,486,389	62,229,306	(20,118,271)	34,146,981	76,258,016
Transfer to equity revaluation reserve												0			0
Allocation profit 2015			448,774							15,838,399	(16,287,173)	0	(238,635)	238,635	0
Other changes												0	(82,010,084)		(82,010,084)
Distribution of dividends											(8,946,714)	(8,946,714)	(294,000)		(9,240,714)
Stock option plan effect							5,722,750					5,722,750			5,722,750
Conversione warrant	2,020	12,704										14,724			14,724
Warrant conversion						(3,010,473)						(3,010,473)			(3,010,473)
Acquisition of treasury shares												0			0
At December 31, 2016 consolidated	76,855,733	113,544,232	15,370,743	0	96,178,426	(4,853,854)	10,153,111	(483,655)	5,060,152	56,977,958	51,486,389	420,289,235	(17,359,512)	34,146,981	437,076,704

Consolidated Statement of Cash Flows

Tamburi Investment Partners Group

euro thousands	December 31, 2016	December 31, 2015
A.- <u>OPENING NET CASH AND CASH EQUIVALENTS</u>	(55,739)	(18,475)
B.- <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit	85,633	24,995
Amortisation & Depreciation	54	31
Write-downs/(revaluation) of investments	(8,469)	(8,072)
Write-downs/(revaluation) of current financial assets (doubtful debts)	5	13
Financial income and charges	(93,476)	(18,776)
Changes in "employee benefits"	46	15
Stock option charges	5,722	0
Charges on bonds	6,763	3,334
Change in deferred tax assets and liabilities	(1,847)	(40)
	(5,569)	1,500
Decrease/(increase) in trade receivables	1,624	(2,057)
Decrease/(increases) in other current assets	456	(350)
Decrease/(increase) in tax receivables	264	(374)
Decrease/(increase) in financial receivables	(9,540)	(4,345)
Decrease/(increase) in other current asset securities	21,614	60,476
(Decrease)/increase in trade payables	201	(75)
(Decrease)/increase in financial payables	(12,475)	3,652
(Decrease)/increase of tax payables	(1,363)	1,334
(Decrease)/increase in other current liabilities	10,283	(2,373)
Cash flow from operating activities	5,495	57,388
C.- <u>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</u>		
Intangible and tangible assets		
Investments / divestments	(108)	(76)
Financial assets		
Investments	(242,440)	(164,883)
Disposals	270,016	49,962
Cash flow from investing activities	27,468	(114,997)

euro thousands	December 31, 2016	December 31, 2015
D.- <u>CASH FLOW FROM FINANCING</u>		
Loans		
New loans	39,830	0
Repayment of loans	(39,944)	0
Borrowing costs on loans	(6,408)	(3,334)
Share capital		
Share capital increase and capital contributions on account	14	38,329
Reduction for treasury share purchases	(3,007)	(5,905)
Payment of dividends	(9,241)	(8,308)
Change in reserves	(417)	(436)
Cash flow from financing activities	(19,173)	20,346
E.- <u>NET CASH FLOW FOR THE YEAR</u>	13. 790	(37,263)
F. <u>CLOSING CASH AND CASH EQUIVALENTS</u>	(41,949)	(55,739)

The breakdown of the net available liquidity was as follows:

Cash and cash equivalents	1,287	2,011
Bank payables due within one year	(43,236)	(57,750)
Closing cash and cash equivalents	(41,949)	(55,739)

NOTES TO THE 2016 CONSOLIDATED FINANCIAL STATEMENTS

(1) Group activities

The TIP Group is an independent investment/merchant bank focused on Italian medium-sized companies, with a particular involvement in:

1. investments: as an active shareholder in companies (listed and non-listed) capable of achieving “excellence” in their relative fields of expertise;
2. advisory: corporate finance operations, in particular acquisitions and sales through the division Tamburi & Associati (T&A).

(2) Accounting principles

The parent company TIP was incorporated in Italy as a limited liability company and with registered office in Italy.

The company was listed in November 2005 and on December 20, 2010 Borsa Italiana S.p.A. assigned the STAR classification to TIP S.p.A. ordinary shares.

These consolidated financial statements at December 31, 2016 were approved by the Board of Directors on March 14, 2017, and authorised their publication.

The consolidated financial statements at December 31, 2016 were prepared in accordance with the going-concern concept and in accordance with International Financial Reporting Standards and International Accounting Standards (hereafter “IFRS”, “IAS” or international accounting standards) issued by the International Accounting Standards Boards (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament.

The consolidated financial statements in accordance with IAS1 are comprised of the income statement, the statement of comprehensive income, the statement of financial position, the change in shareholders’ equity, the statement of cash flow and the explanatory notes, together with the Directors’ Report. The financial statements were prepared in units of Euro, without decimal amounts.

The accounting policies and methods utilised for the preparation of these consolidated financial statements have not changed from those utilised for the preparation of the consolidated financial statements for the year ended December 31, 2015, except as outlined in the paragraph “new accounting standards”.

The income statement and the consolidated statement of comprehensive income for the period to December 31, 2015 and the consolidated statement of financial position and the consolidated statement of cash flow at December 31, 2015 were utilised for comparative purposes.

During the year, no special circumstances arose requiring recourse to the exceptions allowed under IAS 1.

The consolidated financial statements at December 31, 2016 were prepared in accordance with the general cost criterion, with the exception of derivative financial instruments measured at fair value, of the investments in associates valued under the equity method and of the current financial assets and financial assets available for sale measured at fair value.

The preparation of the consolidated financial statements requires the formulation of valuations, estimates and assumptions which impact the application of the accounting principles and the amounts of the assets, liabilities, costs and revenues recorded in the financial statements. These estimates and relative assumptions are based on historical experience and other factors considered reasonable. However, it should be noted as these refer to estimates, the results obtained will not necessarily be the same as those represented. The estimates are used to value the provisions for risks on receivables, measurement at fair value of financial instruments, impairment tests, employee benefits and income taxes.

The accounting principles utilised in the preparation of the financial statements and the composition and changes in the individual accounts are illustrated below.

New accounting standards

New standards, amendments, and interpretations applicable for periods beginning January 1, 2016

- *Amendments to IAS 19 - Employee Benefits (Defined Benefit Plans - Employee contributions)*

On December 17, 2014, EU Regulation 29-2015 was issued and enacted at EU level some improvements to IAS 19 (Employee Benefits). In particular, these amendments have the objective to clarify the accounting treatment of contributions paid by employees within a defined benefit plan.

- *Improvements to IFRS (2010–2012 cycle)*

On December 17, 2014 EU Regulation 28-2015 was issued which enacted at EU level some improvements to IFRS for the period 2010–2012. In particular, we highlight:

- IFRS 2 – *Share-based payments* (Definition of maturing conditions): the change clarifies the meaning of “maturing conditions” defining separately the “establishment of the result conditions” and the “service conditions”;
- IFRS 3 - *Business combinations* (Accounting of “potential payments” in a business combination); the amendment clarifies the accounting treatment of “potential payments” within a business combination in relation to classification and measurement;
- IFRS 8 - *Segment reporting* (Aggregation of operating segments and reconciliation of the total assets of the reporting segments and total assets of the business): the amendment introduces additional disclosure to the financial statements. In particular, a brief description must be provided of the method in which segments are aggregated and

which financial indicators were utilised in determining whether the operating segments have similar financial characteristics;

- IAS 24 - *Financial statement disclosure on transactions with related parties* (strategic management services): the amendment clarifies that also companies (or any member of a group of which it is part) which provide to the reporting entity or its parent company strategic management services is a related party. The costs incurred for these services are subject to separate disclosure.

- Accounting of the acquisition of investments in joint arrangements (Amendments to IFRS 11 - *Joint control agreements*): the amendment clarifies how a joint operator should account in their financial statements the acquisition of an interest in a joint operation, distinguishing cases in which such constitutes a business according to IFRS 3 from the separate acquisition of assets and liabilities.

- Amendments to IAS 16 – *Property, plant and equipment* and IAS 38 – *Intangible assets* - Clarification on the amortisation and depreciation methods applicable to intangible and tangible assets: the amendment clarifies that a depreciation method based on revenues may not be applied to buildings, plant and machinery.

- Amendment to IAS 1 (*Financial statement presentation*): the proposed amendments concern the materiality, the aggregation of accounts, the structure of the notes, the disclosure on accounting criteria adopted and the presentation of other comprehensive income items deriving from the valuation at equity of investments.

- Amendments to IAS 27 (*Separate Financial Statements*): the amendments will allow entities to use the equity method to measure investments in subsidiaries, joint ventures and associates in their separate financial statements, applying the change retrospectively.

- Improvements to IFRS (2012–2014 cycle): the approved provisions resulted in the following amendments:
 - IFRS 5: it has been clarified that the change of the asset disposal method (or disposal groups) from sale to distribution to shareholders should not be considered as a new disposal plan but a continuation of the original plan;
 - IFRS 7: it is clarified that a servicing contract which includes a remuneration may involve continuous involvement in a financial asset. An entity must define the nature of the remuneration and the agreement based on the guidance contained in IFRS 7 in relation to continuous involvement to evaluate whether relative disclosure is required;
 - IAS 19: it is outlined that the active market (market depth) of high quality corporate bonds must be defined in relation to the currency in which the bond is denominated, rather than the country in which the bond is located. When an active market is not identified for the high quality corporate bonds in this currency, the relative interest rate linked to government securities must be utilised;
 - IAS 34: it is clarified that the disclosure required in interim financial statements should be presented or incorporated through cross reference between the interim

financial statements and the part of the interim financial report in which it is included (for example the Directors' Report or the comment upon risk's report).

- Amendments to IFRS 10 (*Consolidated Financial Statements*), IFRS 12 (*Disclosure on investments in other entities*) and IAS 28 (*Investments in associates and joint ventures*); the amendments provide clarifications on the application of the exception to consolidation for "investment entities".

The application of the new accounting standards and the amendments to the existing accounting standards reported above do not have a significant impact on the Group consolidated financial statements.

New standards, amendments to existing standards and interpretations applicable for periods subsequent to January 1, 2016 and not yet adopted by the Group

- IFRS 14 (*Regulatory Deferral Accounts* - Deferred accounting of regulated assets): the application of the new standard was required by the IASB from periods beginning or subsequent to January 1, 2016, although at the date of these consolidated financial statements they had not yet been endorsed by the European Union.
- Amendments to IAS 12 (*Income taxes*): the amendments clarify the accounting of deferred tax assets relating to debt instruments measured at fair value. The new provisions will be applicable from periods beginning on or subsequent to January 1, 2017, except for any deferrals following endorsement of the amendments to the standards by the European Union, not yet implemented at the date of these consolidated financial statements.
- Amendments to IAS 7 (*Cash flow statement*): the amendments relate to the disclosures which the companies must provide to permit the investors to measure the changes in the liabilities deriving from financing activities. The new provisions will be applicable from periods beginning on or subsequent to January 1, 2017, except for any deferrals following endorsement of the amendments to the standards by the European Union, not yet implemented at the date of these consolidated financial statements.
- IFRS 15 (*Revenue from Contracts with Customers*): the standard replaces IAS 18, IAS 11, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. Revenues are recognised when the customer acquires control of assets and services and, consequently, when having the capacity to direct usage and obtain benefits. When a company agrees to provide goods or services at a price which varies according to the occurrence of other future events, an estimate of the variable part is included in the price only where such is considered highly probable. In the case of transactions concerning the simultaneous sale of a number of assets and/or services, the sales price should be allocated on the basis of the price which the company would apply to customers where such assets and services included in the contract were sold individually. The company on occasion incurs costs, such as sales commissions, to obtain or ensure execution of a contract. These costs, where certain conditions are met, are capitalised and recognised to the income statement over the duration of the contract.

The standard specifies, in addition, that the sales prices should be adjusted where containing a significant financial component. IFRS 15 will be applicable from the first quarter of financial years beginning January 1, 2018.

- IFRS 9 (*Financial instruments*): published on July 24, 2014, includes three phases (“classification and measurement”, “impairment” and “hedge accounting”) of the IASB project substituting IAS 39 - Financial instruments: recognition and measurement. IFRS 9 introduced new requirements for the classification and measurement of financial assets. The new standard reduces to three the number of financial asset categories under IAS 39 and requires that all financial assets are (i) classified according to the business model adopted to manage financial assets and cash flows from financing activity (ii) initially measured at fair value plus, in the case of financial assets not at fair value recognised to the income statement, a number of accessory costs (“transaction costs”) and (iii) subsequently measured at fair value or at amortised cost. IFRS 9 also establishes that implied derivatives within the application of the standard may no longer be separated from the principal contract which hosts them and that the company may decide to directly include in the statement of comprehensive income the changes to the fair value of investments within the application of the IFRS standard. The new impairment model introduced by IFRS 9 no longer requires a “trigger event” before recognition of an impairment and in fact establishes that impairments may be recognised at any time and that their amount is reviewed and adjusted at each reporting date in order to reflect the changes in the credit risk of financial instruments. IFRS 9 introduces a three-phase model for the recognition of impairments. The method to assess impairments varies according to the three phases established for financial assets. The standard greater aligns the accounting of hedging instruments with the risk management activities which the company undertakes in order to reduce and/or eliminate exposure to financial and non-financial risks. The new model introduced by IFRS 9 enables the utilisation of documentation produced internally as a basis for hedge accounting. IFRS 9 must be adopted from January 1, 2018.
- IFRS 16 - “Leases”: the standard replaces IAS 17, with the principal new issue concerning the obligation of the company to highlight in the statement of financial position all rental contracts as assets and liabilities, taking account of the substance of the operation and the contract. IFRS 16 should be adopted from January 1, 2019, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements.
- Amendments to IFRS 10 and IAS 28: the amendments introduced better define the accounting treatment of gains or losses from transactions with joint ventures or associates measured at equity. At the date of these consolidated financial statements, the date from which the new provisions will apply has not yet been set.
- Clarifications to IFRS 15: the IASB issued a document containing a number of clarifications on the application of IFRS 15 and simplifications for the adoption phase of the new standard. The application date will be the same as IFRS 15, to which it refers.

- Amendments to IFRS 2: the amendments provide clarifications with regard to the classification and measurement of share-based payment transactions. They should be adopted from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements.
- Amendments to IFRS 4: The amendments aim to resolve the problems deriving from the application of IFRS 9, the new standard on financial instruments. They should be adopted from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements. The amendments to the standard will permit all entities which issue insurance contracts the option to recognise in the comprehensive income statement, rather than in the income statement, the volatility which may arise when IFRS 9 will be applied before the new standard on insurance contracts is published. In addition, it will permit entities whose activities are primarily related with insurance contracts a temporary exception in the application of IFRS 9 until 2021. The entities which defer the application of IFRS 9 will continue to apply IAS 39.
- In December 2016, IASB issued an amendment to IAS 40 “Investment properties”. These amendments clarify that the change in use is a necessary condition for the transfer from/to investment properties. These amendments will be applicable from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements.
- In December 2016, the IAS published a series of annual amendments to IFRS 2014–2016. The amendments concern:
 - IFRS 12 - Disclosure of interests in other entities (applicable from January 1, 2017, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements);
 - IFRS 1 - First-time Adoption of International Financial Reporting Standards (application from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements);
 - IAS 28 - Investments in associated companies and joint ventures (applicable from January 1, 2018), except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements.
 The amendments clarify, correct, or renew the redundant text in the related IFRS standards.
- In December 2016, the IAS issued amendments to the interpretation IFRIC 22 relating to the considerations on transactions and advances in foreign currencies. The amendment concerns the exchange rate to be utilised in transactions and advances paid or received in foreign currencies. The amendment will be applicable from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet

implemented at the date of these consolidated financial statements.

The impacts of these amendments on the Group consolidated financial statements are currently being assessed.

Consolidation principles and basis of consolidation

Consolidation Scope

The consolidation scope includes the parent TIP - Tamburi Investment Partners S.p.A. and the companies in which it exercises direct or indirect control. An investor controls an entity in which an investment has been made when exposed to variable income streams or when possessing rights to such income streams based on the relationship with the entity, and at the same time has the capacity to affect such income streams through the exercise of its power. Subsidiaries are consolidated from the date control is effectively transferred to the Group, and cease to be consolidated from the date control is transferred outside the Group.

At December 31, 2016, the consolidation scope included the companies TXR S.r.l. and Clubsette S.r.l.

The details of the subsidiaries were as follows:

Company	Registered office	Share capital	Holding
Clubuno S.r.l.	Milan	10,000	100%
TXR S.r.l.	Milan	100,000	51.00%

The consolidation scope compared to the previous year excludes the subsidiary Clubsette S.r.l., as after the withdrawal of the investment in Ruffini Partecipazioni - following which it received the Moncler S.p.A. shares - the company was placed in liquidation. The liquidation process, which saw the assignment of the assets to the shareholders, including in particular the Moncler shares, was concluded on December 29, 2016.

Consolidation procedures

The consolidation of the subsidiaries is made on the basis of the respective financial statements of the subsidiaries, adjusted where necessary to ensure uniform accounting policies adopted by the Parent Company.

All inter-company balances and transactions, including any unrealised gains deriving from transactions between Group companies are fully eliminated. Unrealised losses are eliminated except when they represent a permanent impairment in value.

Accounting policies

The most significant accounting policies adopted in the preparation of the consolidated financial

statements at December 31, 2016 are disclosed below.

PROPERTY, PLANT AND EQUIPMENT

Property, plant & equipment are recognised at historical cost, including directly allocated accessory costs and those necessary for bringing the asset to the condition for which it was acquired. If major components of such tangible assets have different useful lives, such components are accounted for separately.

Tangible assets are presented net of accumulated depreciation and any losses in value, calculated as described below.

Depreciation is calculated on a straight-line basis according to the estimated useful life of the asset; useful life is reviewed annually. Any changes, where necessary, are recorded in accordance with future estimates; the main depreciation rates used are the following:
following:

- furniture & fittings	12%
- equipment & plant	15%
- EDP	20%
- mobile telephones	20%
- equipment	15%
- automobiles	25%

The book value of tangible assets is tested to ascertain possible losses in value if events or circumstances indicate that the book value cannot be recovered. If there is an indication of this type and in the case where the carrying value exceeds the realisable value, the assets must be written down to their realisable value. The realisable value of the property, plant and equipment is the higher between the net sales price and the value in use. In defining the value of use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the activity. Losses in value are charged to the income statement under amortisation, depreciation and write-down costs. Such losses are restated when the reasons for their write-down no longer exist.

At the moment of the sale, or when there are no expected future economic benefits from the use of an asset, this is eliminated from the financial statements and any loss or gain (calculated as the difference between the disposal value and the book value) is recorded in the income statement in the year of the above-mentioned elimination.

GOODWILL

Business combinations are recorded using the purchase method. Goodwill represents the surplus of acquisition cost compared to the purchaser's share of the identifiable net fair value of the assets and liabilities acquired, current and potential. After initial recognition, goodwill is reduced by any accumulated losses in value, calculated with the methods described below.

Goodwill deriving from acquisitions prior to January 1, 2004 are recorded at replacement cost, equal to the value recorded in the last financial statements prepared in accordance with the

previous accounting standards (December 31, 2003). In the preparation of the opening financial statements in accordance with international accounting standards the acquisitions before January 1, 2004 were not reconsidered.

Goodwill is subject to a recoverability analysis conducted annually or at shorter intervals in case of events or changes that could result in possible losses in value. Any goodwill emerging at the acquisition date is allocated to each cash-generating unit which is expected to benefit from the synergies of the acquisition. Any loss in value is identified by means of valuations based on the ability of each cash-generating unit to produce cash flows for purposes of recovering the part of goodwill allocated to it; these valuations are conducted with the methods described in the section referring to tangible assets. If the recoverable value of the cash-generating unit is less than the attributed book value, the loss in value is recorded.

This loss is not restated if the reasons for the loss no longer exist.

OTHER INTANGIBLE ASSETS

Other intangible assets are recorded at cost, in accordance with the procedures indicated for tangible fixed assets.

The intangible assets with definite useful lives are recognised net of the relative accumulated amortisation and any permanent impairment in value, determined in the same manner as that for tangible assets.

The useful life is reviewed on an annual basis and any changes, where necessary, are made in accordance with future estimates.

The gains and losses deriving from the disposal of intangible assets are determined as the difference between the value of disposal and the carrying value of the asset and are recorded in the income statement at the moment of the disposal.

ASSOCIATED COMPANIES MEASURED UNDER THE EQUITY METHOD

Associated companies are companies in which the Group exercises a significant influence on the financial and operating policies, although not having control. Significant influence is presumed when between 20% and 50% of voting rights is held in another entity.

Investments in associated companies are measured under the equity method and initially recorded at cost. The investments include the goodwill identified on acquisition, less any cumulative loss in value. The consolidated financial statements include the share of profits and losses of the investees recognised under the equity method, net of any adjustments necessary to align accounting principles, on the date in which significant influence commences or the joint control until the date such influence or control ceases. When the share of the loss of an investment recognised under the net equity method exceeds the book value of the investee, the investment is written-down and the share of the further losses are not recorded except in the cases where there is a legal or implied contractual obligation or where payments were made on behalf of the investee.

NON-CURRENT AFS FINANCIAL ASSETS

AFS financial assets are comprised of other investments (generally with holdings below 20%) and are measured at fair value with changes through equity. When the reduction in value compared to the acquisition cost constitutes “loss in value”, the effect of the adjustment is recognised through

the income statement. Where the conditions that resulted in the write-down no longer exist, the recovery is recorded through equity.

The fair value is identified in the case of listed investments with the stock exchange price at the balance sheet date and in the case of investments in non-listed companies utilising valuation techniques. These valuation techniques include the comparison with the values taken from similar recent operations and other valuation techniques which are substantially based on the analysis of the capacity of the investee to produce future cash flows, discounted to reflect the time value of money and the specific risks of the activities undertaken.

The investments in equity instruments which do not have a listed price on a regulated market and whose fair value cannot be reasonably valued, are measured at cost, reduced by any loss in value.

The choice between the above-mentioned methods is not optional, as these must be applied in hierarchical order: absolute priority is given to official prices available on active markets (effective market quotes – level 1) or for assets and liabilities measured based on valuation techniques which take into account observable market parameters (comparable approaches – level 2) and the lowest priority to assets and liability whose fair value is calculated based on valuation techniques which take as reference non-observable parameters on the market and therefore more discretionary (market model – level 3).

Within the analysis which the Group carried out regarding the introduction of the new Accounting Standards illustrated above, and in particular IFRS 9, the necessity to review some measurement criteria previously applied in relation to the Accounting Standards in force should be noted. Specifically, in consideration of the current market context, the threshold related to the prolonged presence of market values below cost for listed equities classified as available for sale financial assets, previously determined as 18 months, is no longer considered adequate to the circumstances which at the time gave rise to the above-mentioned determination. In particular, the high volatility of the financial markets in the first months of 2016, based on the nature of the investment Portfolio of the Group, suggested the redetermination of the above-mentioned threshold to 36 months, from the year 2016, in order not to record such atypical volatility in the income statement through any write-downs, in the firm belief that the new time profile cited above more adequately reflects the current situation of an effective “prolonged” time period.

Therefore, in relation to equity securities listed in active markets it is considered that the Group, in relation to the nature of its investment portfolio in small/mid cap Italian companies, recognises a reduction of value in the presence of a market price at the balance sheet date lower than the purchase price by at least 50% or in the prolonged presence for over 36 months of a market value below cost. In any case, even the securities that have reported values which are within the above-mentioned threshold are subject to analysis and – where considered appropriate – written down for impairment. The adoption of the new time period resulted in a marginal impact (approximately Euro 0.5 million) on the present consolidated financial statements.

TRADE AND FINANCIAL RECEIVABLES

Receivables are recorded at fair value and subsequently measured at amortised cost. They are adjustments for sums considered uncollectible.

CURRENT AFS FINANCIAL ASSETS

They concern non-derivative financial assets comprising investments made under capital management and in bond securities, made for the temporary utilisation of liquidity, valued at fair

value with changes recorded through equity. When the reduction in value compared to the acquisition cost constitutes “loss in value”, the effect of the adjustment is recognised through the income statement. Where the reasons for the loss in value no longer exist, the recovery is recognised to equity in the case of equity instruments. In the case of bond securities, where the conditions resulted in the write-down no longer exists, the recovery is recognised to the income statement.

In relation to the fair value measurement methods utilised reference should be made to the previous paragraph “Non-current AFS financial assets”.

CURRENT FINANCIAL ASSETS

Current financial assets comprise securities which represent short-term commitment of available liquidity, held for trading purposes. These are therefore classified as trading instruments and measured at fair value with changes recorded through the income statement.

The purchases and sales of securities are recorded and cancelled at the settlement date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include those values which are available on demand at short notice (within three months), certain in nature and with no payment expenses.

For the purposes of the Statement of Cash Flows, available liquidity is represented by cash and cash equivalents less bank overdrafts at the balance sheet date.

TRADE AND COMMERCIAL PAYABLES

Trade payables are initially recorded at fair value and subsequently measured at amortised cost.

The financial liabilities are recorded at amortised cost using the effective interest rate method.

In particular, the convertible bonds record, based on the indications contained in IAS 32, the financial liability components separately (measured at amortised costs), and the implicit options assigned to the holders of the instruments to convert part of the loan into an equity instrument.

EMPLOYEES BENEFITS

The benefits guaranteed to employees paid on the termination of employment or thereafter through defined benefit plans are recognised in the period the right matures. The liability for defined benefit plans, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries.

The Company recognises additional benefits to some employees through stock option plans.

According to IFRS 2 – Share-based payments, these plans are a component of the remuneration of the beneficiaries and provide for application of the “equity settlement” method. Therefore, the relative cost is represented by the fair value of the stock options at the grant date, and is recognised in the income statement over the period between the grant date and the maturity date, and directly recorded under equity.

TREASURY SHARES

The treasury shares held by the parent company are recorded as a reduction from equity. The original cost of the treasury shares and the revenues deriving from any subsequent sale are recognised as equity movements.

REVENUES

Revenues are recognised to the extent that their fair value can be reliably calculated and based on the probability that their economic benefits will be received. According to this type of operation, the revenues are recognised on the basis of the specific criteria indicated below:

- the revenues for advisory/investment banking services are recognised with reference to the stage of completion of the activities. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.
- the success fees which mature on the exercise of a significant deed are recorded under revenues when the significant deed is completed.

Where it is not possible to reliably determine the value of revenues, they are recognised up to the costs incurred which may reasonably be recovered.

GAINS AND LOSSES DERIVING FROM THE SALE OF INVESTMENT AND SECURITIES

The income and charges deriving from the sale of investments and shares are recorded on an accruals basis, recording changes in fair value to the income statement which were previously recognised through equity.

FINANCIAL INCOME AND CHARGES

Financial income and charges are recorded on an accruals basis on the interest matured on the net value of the relative financial assets and liabilities and utilising the effective interest rate.

DIVIDENDS

The dividends are recorded in the year in which the right of the shareholders to receive the payment arises. The dividends received from investments valued under the equity method were recorded as a reduction in the value of the investments.

INCOME TAXES

Current income taxes for the period are determined based on an estimate of the taxable assessable income and in accordance with current legislation. Deferred tax assets and liabilities are calculated on temporary differences between the values recorded in the financial statements and the corresponding values recognised for fiscal purposes. The recognition of deferred tax assets is made when their recovery is probable - that is when it is expected that there will be future assessable fiscal income sufficient to recover the asset. The recovery of the deferred tax asset is reviewed at each balance sheet date. Deferred tax liabilities are always recorded in accordance with the provisions of IAS 12.

(3) Presentation

The choices adopted by the Group relating to the presentation of the consolidated financial statements is illustrated below:

- statement of financial position: in accordance with IAS 1, the assets and liabilities should be classified as current or non-current or, alternatively, according to the liquidity order. The Group chose the classification criteria of current and non-current;

- income statement and comprehensive income statement: IAS requires alternatively classification based on the nature or destination of the items. The Group decided to utilise the presentation calculation by nature of expenses;
- statement of changes in consolidated shareholders' equity, prepared in accordance with IAS 1;
- statement of cash flows: in accordance with IAS 7 the statement of cash flows reports cash flows during the period classified by operating, investing and financing activities, based on the indirect method.

(4) Segment information

The company undertakes investment banking and merchant banking activities. Top management activity in the above-mentioned areas, both at marketing contact level and institutional initiatives and direct involvement in the various deals, is highly integrated. In addition, execution activity is also organised with the objective to render the “on-call” commitment of advisory or equity professional staff more flexible.

In relation to this choice it is almost impossible to provide a clear representation of the separate financial economic impact of the different areas of activity, as the breakdown of the personnel costs of top management and other employees on the basis of a series of estimates related to parameters which could be subsequently superseded by the actual operational activities would result in an extremely high distortion of the level of profitability of the segments of activity.

In the present consolidated financial statements only details on the performance of the “revenues from sales and services” component is provided, related to the sole activity of advisory, excluding therefore the account “other revenues”.

Euro	2016	2015
Revenue from sales and services	12,206,785	3,977,113
Total	12,206,785	3,977,113

The significant increase in revenues is due to the excellent performance of the normal activities of advisory and the fees related to the start-up of Asset Italia S.p.A.

(5) Purchases, service and other costs

The account comprises:

Euro	2016	2015
1. Services	1,532,337	1,647,146
2. Rent, leasing and similar costs	354,767	366,480
3. Other charges	290,735	183,766
Total	2,177,839	2,197,392

Service costs mainly relate to professional and legal consultancy, general expenses and commercial expenses. They include Euro 85,000 of audit fees and Euro 64,250 emoluments paid to the Board of Statutory Auditors and the Supervisory Board.

Other charges principally include non-deductible VAT.

(6) Personnel costs

The account comprises:

Euro	2016	2015
Wages and salaries	1,443,117	1,139,333
Social security expenses	394,458	302,161
Directors' fees	17,054,014	5,285,103
Stock option charges	5,722,750	0
Post-employment benefits	62,652	55,225
Total	24,676,991	6,781,822

The account "Wages and salaries" and "Directors' fees" includes fixed and variable remuneration matured in the year. The higher revenues and the 2016 pre-tax result saw an increase in the variable remuneration compared to 2015.

The cost includes, in addition, Euro 5,722,750 of charges relating to the assignment of 3,500,000 options under the "2014-2021 TIP Incentive Plan".

In line with IFRS 2, the options allocated were measured according to the equity settlement method. The fair value of the option was measured utilising the applicable valuation method for the given circumstances (in this case the Black & Scholes method), taking into account the terms and conditions by which the rights were allocated.

The assumptions utilised for the application of the model at the assignment date, or rather September 30, 2016 and December 30, 2016 are as follows:

TIP share price at September 30, 2016	3.594
Exercise price of the Options	1.995
First day for the exercise of the options	Jan 1, 17
Last day for the exercise of the options	Dec 31, 21
Historic average volatility of the STAR index (360 days)	19.79%
Riskless Rate (Italian Bond 2021)	0.274%
Number of options originally outstanding	2,500,000
Number of options outstanding at the date	2,500,000
Number of shares per option	1.00
Number of options exercised at the date	0
Number of TIP shares issued at September 30, 2016	147,799,487
TIP share price at December 31, 2016	3.600
Exercise price of the Options	1.995
First day for the exercise of the options	Jan 1, 17
Last day for the exercise of the options	Dec 31, 21
Historic average volatility of the STAR index (360 days)	18.71%
Riskless Rate (Italian Bond 2021)	0.596%
Number of options originally outstanding	2,500,000
Number of options outstanding at the date	3,500,000
Number of shares per option	1.00
Number of options exercised at the date	0
Number of TIP shares issued at December 31, 2016	147,799,487

“Post-employments benefits” are updated based on actuarial valuations, with the gains or losses recognised through equity.

At December 31, 2016, the number of TIP employees was as follows:

	December 31, 2016	December 31, 2015
White collar & apprentices	11	10
Managers	1	1
Executives	4	3
Total	16	14

The Chairman/CEO and Vice Chairman/CEO are not employees either of TIP or of Group companies.

(7) Financial income/(charges)

The account comprises:

Euro	2016	2015
1. Investment income	108,462,166	21,887,753
2. Income from securities recorded in current assets	2,311,318	10,939,394
Other income	1,260,287	525,481
Total financial income	112,033,771	33,352,638
3. Interest and other financial charges	(19,874,805)	(9,737,643)
Total financial charges	(19,874,805)	(9,737,643)
Net financial income	92,158,966	23,614,995

(7).1. Investment income

Euro	2016	2015
Gain on withdrawal from Ruffini Partecipazioni S.r.l.	78,008,920	0
Gain on Ferrari N.V. share	15,960,812	0
Gain on disposal of investments	10,601,386	15,336,870
Dividends	3,891,048	3,112,334
Gains on liquidation of investments	0	3,438,549
Total	108,462,166	21,887,753

Following the withdrawal from Ruffini Partecipazioni S.r.l., the subsidiary Clubsette S.r.l. received the Moncler S.p.A. shares previously held by Ruffini Partecipazioni. This operation generated for Clubsette S.r.l. a gain of Euro 78,008,920, equal to the difference between the value at cost of the investment in Ruffini Partecipazioni S.r.l. and the payment on withdrawal comprising the Moncler shares received, measured as the trading price on the day of the operation. Clubsette S.r.l. was then placed in liquidation and the Moncler shares were assigned to the shareholders. The closure of the liquidation was on December 29, 2016.

Following the spin-off of Ferrari from FCA on January 4, 2016, TIP received 174,000 Ferrari shares based on the FCA shares held at December 31, 2015 and 193,422 FCA convertible securities. These transactions, in accordance with IFRS, were recorded for accounting purposes as a dividend distribution and therefore generated a gain in the income statement of approximately Euro 16 million, equal to the market value of the Ferrari shares communicated by the Stock

Exchange on January 4, 2016. On the other hand, the decrease in the value of the convertible loan following the distribution of the Ferrari shares and the consequent performance of the FCA securities resulted in a significant initial charge. During the year, this charge reduced significantly to approximately Euro 9 million. The net effect of the approximately Euro 16 million gain and the charge of approximately Euro 9 million above was therefore a net gain of approximately Euro 7 million booked to the income statement in 2016, in addition to interest matured on the convertible bond of approximately Euro 1.9 million.

For the statement of financial position, the above operations resulted in an initial significant decrease in the fair value reserve attributable to FCA and also this negative effect reduced to approximately Euro 1.5 million at December 31, 2016

The recovery in the FCA and Ferrari share prices continued into 2017 and the fair value of these investments is today well above their initial recognition value, including for the FCA shares received from the conversion on December 15, 2016.

In 2016, the gains relate to the sale of the following investments (Euro):

Bolzoni S.p.A.	6,326,818
Noemalife S.p.A.	4,003,582
Other	270,986
Total	10,601,386

In 2016, TIP received dividends from the following shareholdings:

Euro	
Hugo Boss AG	2,534,000
Furn Invest Sas	416,436
Amplifon S.p.A.	410,132
Ferrari N.V.	324,347
Other	206,133
Total	3,891,048

(7).2. Income from securities recorded in current assets

Euro	2016	2015
Interest on securities in current assets	1,998,102	3,407,676
Gain on sale of securities	313,216	2,406,827
Unrealised gains on securities	0	4,738,544
Exchange differences on sale of securities	0	386,347
Total	2,311,318	10,939,394

(7).3. Interest and other financial charges

Euro	2016	2015
Unrealised losses on securities	8,989,959	0
Interest on bonds	6,763,447	6,679,381
Incentive plan costs (stock option)	0	1,324,838
Other	4,121,399	1,733,424
Total	19,874,805	9,737,643

The unrealised losses on securities follows the application of IFRS to the performance of the investment in the FCA convertible loan, resulting in a loss also following the spin-off of the

investment in Ferrari N.V. This impact should be, at least from an operational profile, considered jointly with the income of Euro 16 million outlined in Note 7.1.

“Interest on bonds” refers to that matured in favour of the partial convertible bond of Euro 40 million, as well as the 2014-2020 TIP Bond of Euro 100 million calculated in accordance with the amortised cost method applying the effective interest rate. The bond partially convertible was repaid in advance in December 2016 through the drawdown of a bank loan at much more favourable conditions.

The “Other” account includes bank interest, on loans, losses realised on securities and other financial charges.

The incentive plan costs in 2015 included the changes in the fair value relating to the liability to directors and employees as the plan provided for a cash settlement. The new plan in 2016, which provides for an equity settlement except where otherwise resolved by the Board, does not result in any financial adjustment for charges already recorded under personnel costs.

(8) Share of investments measured under the equity method and adjustments

The account comprises:

Euro	2016	2015
Asset Italia S.p.A.	(126,688)	0
BE Think, Solve, Executive S.p.A.	737,195	217,239
Clubtre S.p.A.	1,471,760	881,283
Clubitaly S.p.A.	23,421	(116,549)
Data Holding 2007 S.r.l.	0	70,532
Gruppo IPG Holding S.p.A.	6,365,753	6,898,400
Gatti & Co. Gmbh	10,518	0
Palazzari & Turries Limited	(12,656)	32,725
TIP -Pre IPO – TIPO S.p.A.	2,139,974	377,369
Total	10,609,277	8,360,999

For further details, reference should be made to note 13 “Investments in associates measured under the equity method” and attachment 3.

(9) Adjustments to AFS financial assets

Euro	2016	2015
Write-down of AFS financial assets	(2,140,137)	(288,653)
Total	(2,140,137)	(288,653)

The write-down in the period relates mainly to minor investments. Reference should be made to attachment 2 of these Explanatory Notes for a breakdown of the write-downs.

(10) Current and deferred taxes

The breakdown of income taxes is as follows:

Euro	2016	2015
Current income taxes	1,740,939	1,476,687
Deferred tax income	(1,318,449)	196,165
Deferred tax charge	70,764	124,877
Total	493,254	1,797,729

The reconciliation between the theoretical and actual tax charges is provided below:

	2016		2015	
Euro	Amount	Tax	Amount	Tax
Profit before taxes	86,126,623		26,792,981	
Theoretical tax charge	27.50%	23,684,821	27.50%	7,368,070
Permanent decreases				
Dividends	(3,652,275)	(1,004,376)	(3,007,134)	(826,962)
Exempt gains (*)	(75,456,982)	(20,750,670)	(10,969,729)	(3,016,675)
Tax losses	76,276	20,976	53,155	14,618
Other permanent decreases	(18,274,095)	(5,025,376)	(2,907,637)	(799,600)
		(26,759,446)		(4,628,620)
Permanent increases	26,948,083	7,410,723	932,633	256,474
Temporary differences				
Differences which will reverse in future years	(1,850,271)	(508,825)	(1,933,383)	(531,680)
Reversal differences from previous years	(2,442,758)	(671,758)	(3,028,558)	(832,853)
Total temporary differences		(1,180,583)		(1,364,534)
ACE assessable	(8,538,198)	(2,348,004)	(85,796)	(23,593)
Losses carried forward	(201,540)	(55,424)	(1,469,968)	(404,241)
Total	2,734,863	752,087	4,376,564	1,203,555
IRAP regional tax		303,660		273,132
Change in deferred tax assets/liabilities		(1,247,681)		321,042
Other changes		685,188		0
Total income taxes		493,254		1,797,729

(*) The tax charge is principally due to the application of the PEX regime on the gains realised on the equity investments.

Deferred taxes recognised directly to equity

The company recognised directly to equity a net decrease in deferred tax liabilities amounting to Euro 767,663 in relation to the increase in the value of the financial assets available-for-sale.

(11) Property, plant and equipment

The following table illustrates the changes in the account:

Euro	Other assets
Net value at December 31, 2014	69,657
Increases	74,871
Decreases	0
Decrease depreciation provision	0
Depreciation	(30,434)
NBV at December 31, 2015	114,094
Increases	107,940
Decreases	(20,817)
Decrease depreciation provision	20,817
Depreciation	(51,445)
NBV at December 31, 2016	170,589

The increase in “Other Assets” mainly refers to the purchase of EDP, furniture and fittings, motor vehicles and mobile telephones.

(12) Goodwill and other intangible assets

“Goodwill” for Euro 9,806,574 refers to the incorporation of the subsidiary Tamburi & Associati S.p.A. into TIP S.p.A. in 2007.

In accordance with IAS 36 the value of goodwill, having an indefinite useful life, is not amortised, but subject to an impairment test, made at least annually.

The recoverable value is estimated based on the value in use, calculated using the following assumptions:

- forecast of normalised perpetual cash flows of the advisory activity;
 - terminal value based on a “perpetual” of 1.11%;
 - discount rate corresponding to the cost of capital (“unlevered”) equal to 7.58%.
- with the conclusion that the value attributed is appropriate and recoverable.

The following illustrates the changes in “Other intangible assets”:

Euro	Industrial patents and intellectual property rights	Concessions, licences and trademarks	Total
Net value at December 31, 2014	840	536	1,376
Increases	840	-	840
Decreases	-	-	-
Amortisation	(700)	(206)	(906)
Net value at December 31, 2015	980	330	1,310
Increases	6,219	-	6,219
Decreases	-	-	-
Amortisation	(2,773)	(130)	(2,903)
Net value at December 31, 2016	4,426	200	4,626

(13) Associated companies measured under the equity method

Company	registered office	share capital	shares	holding	% Held
Clubtre S.p.A.	Milan	120,000	120,000	42,000	35.00
Clubitaly S.p.A.	Milan	100,000	100,000	27,500	27.50
Gruppo IPG Holding S.p.A.	Milan	142,438	284,875	67,348	23.64
TIP-Pre IPO S.p.A.	Milan	244,284	1,200,000	342,856	28.57
BE Think, Solve, Executive S.p.A.	Rome	27,109,165	134,897,272	31,582,225	23.41
Palazzari & Turries Limited	Hong Kong	300,000 (1)	300,000	90,000	30.00
Gatti & Co. Gmbh	Frankfurt	35,700	35,700	10,700	29.97

(1) In Hong Kong Dollars.

The investments in associated companies refer to:

- for Euro 102,667,452 to the company Clubtre S.p.A.. Clubtre was established for the purpose of acquiring a significant shareholding in the listed company Prysmian S.p.A.. TIP holds 35% of Clubtre S.p.A. (43.28% net of treasury shares). The investment of Clubtre S.p.A. in Prysmian S.p.A. , equal to 5.856%, was measured at fair value (market value at December 31, 2016) and the share of the result of Clubtre was recognised under the equity method. The value of the investment increased compared to December 31, 2015 by Euro 27,788,122, mainly due to the change in the fair value of the investment in Prysmian S.p.A.;
- for Euro 59,075,969 the investment in Gruppo IPG Holding S.p.A. (company which holds the majority shareholding in Interpump Group S.p.A., to be considered a subsidiary);
- for Euro 33,766,907 to the company Clubitaly S.p.A., with a 19.74% stake in Eataly S.r.l.. TIP holds 27.5% in the share capital of the company. The investment of Clubitaly in Eataly was measured at fair value in that the absence of the necessary financial information for the application of the equity method determines the current limited exercise of significant influence;
- for Euro 20,359,570, the investment TIP – Pre IPO S.p.A.. The investments held in AAA, iGuzzini and GH S.r.l were measured at fair value. The investment in Beta Utensili S.r.l was measured under the equity method.
- for Euro 16,775,474 the associated company BE S.p.A, one of the leading Italian management consultancy operators for the banking and insurance sectors and for IT and back office design services.
- for Euro 2,273,312 to the company Asset Italia S.p.A., which will act as an investment holding and will give shareholders the opportunity to choose for each proposal their individual investments;
- for Euro 640,543 to the company Palazzari & Turries Limited, with registered office in Hong Kong and the company Gatti & Co Gmbh, with registered office in Frankfurt.

For the changes in the investments in associated companies reference should be made to attachment 3.

(14) Non-current AFS financial assets

The financial assets refer to minority investments in listed and non-listed companies.

Euro	December 31, 2016	December 31, 2015
Investments in listed companies	299,610,001	189,379,051
Investments in non-listed companies	74,657,041	240,039,235
Total	374,267,042	429,418,286

The changes in the investments measured at fair value are shown in Attachment 2.

In relation to the effects of the measurement of investments in listed companies reference should be made to note (9) and note (23).

The Moncler operation had a substantial impact on movements in the year as resulting in the allocation to Clubsette S.r.l. in liquidation of Moncler shares following the withdrawal from Ruffini Partecipazioni and subsequently the allocation by Clubsette S.r.l. to its shareholders, including TIP S.p.A., of its assets and in particular Moncler shares.

The main increases in the year, in addition to those relating to Moncler, relate to the Ferrari shares received following the previously mentioned spin-off and the FCA shares received from the conversion of the FCA convertible bond.

The composition of the valuation methods of the non-current financial assets available for sale relating to investments in listed and non-listed companies is illustrated in the table below:

Method	Listed companies (% of total)	Non-listed companies (% of total)
Listed prices on active markets (level 1)	100.0%	0.0%
Valuation models based on market inputs (level 2)	0.0%	52.2%
Other valuation techniques (level 3)	0.0%	45.8%
Purchase cost	0.0%	1.7%
Total	100.0%	100.0%

The TIP group, through TXR S.r.l., currently holds 38.34% of Furn Investment S.a.s., a company which holds approximately 99% of Roche Bobois Groupe.

This investment, at December 31, 2016, was not classified as an associated company, although in the presence of a holding above 20% and some indicators of significant influence.

In particular, Furn Investment S.A.S. is unable to provide periodic financial information such as to permit the TIP Group to record the investment under the equity method.

The unavailability of such information represents a limitation in the exercise of significant influence and consequently it was considered appropriate to qualify the investment as available for sale.

(15) Financial receivables

Euro	December 31, 2016	December 31, 2015
Non-current loans	33,751,593	8,218,972
Total	33,751,593	8,218,972

The non-current loans recognised at amortised cost refer to:

- for Euro 15,247,702 to the Furla S.p.A. convertible loan, subscribed on September 30, 2016;
- for Euro 9,538,801 to the vendor loan, at an annual interest rate of 9%, granted to Dedalus Holding S.p.A. in relation to the sale of the investment in Noemalife S.p.A. and with December 2018 maturity.
- for Euro 8,705,090 to loans granted to Tefindue S.p.A. and the subscription of a convertible loan. Tefindue S.p.A. holds indirectly a shareholding in Octo Telematics S.p.A., international leader in the development and management of telecommunication systems and services for the automotive sector, mainly for the insurance market.

The interest matured on loans which will be received within one year are classified in the account current financial receivables.

(16) Tax receivables

The breakdown is as follows:

Euro	December 31, 2016	December 31, 2015
VAT Receivables	18,153	74,570
IRES corp. tax receivables	273,130	28
IRAP regional tax receivables	25,317	6,566
Tax receivables for post-employment benefit revaluation		0
Other withholdings	19,773	361,008
Total (within one year)	336,373	442,172
Due beyond one year		
Tax receivables – tax credit	0	144,119
Tax receivables – IRAP reimbursement	136,116	13,736
Tax receivables – IRAP reimbursement 2007-2011	0	135,932
Total (beyond one year)	136,116	293,787

(17) Deferred tax assets and liabilities

The breakdown of the account at December 31, 2016 and December 31, 2015 is detailed below:

Euro	Assets		Liabilities		Net	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Other intangible assets	3,140	2,773			3,140	2,773
Non-curr. AFS fin. assets and investees under equity method	14,559	42,593	(3,069,455)	(2,132,928)	(3,054,896)	(2,090,335)
Current AFS financial assets				(98,100)		(98,100)
Profit/(loss)	23,760	27,151	(8,969)	(8,969)	14,791	18,182
Elimination inter-company margins		86,204				86,204
Other liabilities	2,101,930	666,219			2,101,930	666,219
Total	2,143,389	824,940	(3,078,424)	(2,239,997)	(935,035)	(1,415,057)

The changes in the tax assets and liabilities were as follows:

Euro	December 31, 2015	Recorded through P&L	Recorded through Equity	December 31, 2016
Other intangible assets	2,773	367		3,140
Non-curr. AFS fin. assets and investees under equity method	(2,090,335)	(98,798)	(865,763)	(3,054,896)
Current AFS financial assets	(98,100)		98,100	
Profit/(loss)	18,182	(3,391)		14,791
Elimination inter-company margins	86,204	(86,204)		
Other liabilities	666,219	1,435,711		2,101,930
Total	(1,415,057)	1,247,685	(767,663)	(935,035)

(18) Trade receivables

Euro	December 31, 2016	December 31, 2015
Trade receivables (before doubtful debt provision)	1,125,786	2,744,143
Doubtful debt provision	(167,809)	(162,579)
Total	957,977	2,581,564
Trade trade receivables beyond 12 months	-	-
Total beyond 12 months	-	-

Changes in trade receivables is strictly related to the different revenue mix between success fees and service revenues.

(19) Current financial assets

Euro	December 31, 2016	December 31, 2015
Bonds and other debt securities	182,701	26,946,127
Total	182,701	26,946,127

At December 31, 2015, the account included the FCA convertible bond loan, whose conversion into FCA shares took place on December 15, 2016.

(20) Current AFS financial assets

Euro	December 31, 2016	December 31, 2015
Bond securities	0	21,613,809
Total	0	21,613,809

The decrease in current AFS financial assets is essentially due to the utilisation of financial resources for investment activity in the year.

(21) Cash and cash equivalents

The account represents the balance of banks deposits determined by the nominal value of the current accounts with credit institutions.

Euro	December 31, 2016	December 31, 2015
Bank deposits	1,281,871	2,006,216
Cash in hand and similar	4,898	4,889
Total	1,286,769	2,011,105

The composition of the net financial position at December 31, 2016 compared with the end of

the previous year is illustrated in the table below.

Euro	December 31, 2016	December 31, 2015
A Cash and cash equivalents	1,286,769	2,011,105
B Current financial assets	182,701	48,559,936
C Current financial receivables	483,136	-
D Liquidity (A+B+C)	1,952,606	50,571,041
E Financial payables	(133,752,298)	(138,594,609)
F Current financial liabilities	(67,380,227)	(89,417,843)
G Net Financial Position	(199,179,919)	(177,441,411)

The net financial position increased following the utilisation of current assets for investment in equity holdings, including the conversion of the convertible bond into FCA shares.

The current financial payables decreased mainly following the completion of the Moncler operation and the related liquidation of Clubsette.

(22) Share capital

The share capital of TIP S.p.A. is composed of:

Shares	Number
ordinary shares	147,799,487
Total	147,799,487

The Shareholders' Meeting of July 14, 2016 approved the proposal to eliminate the nominal value of TIP S.p.A. shares.

On August 13, 2016, the first exercise period of the TIP S.p.A. 2015 - 2020 Warrants concluded, with the exercise of 3,885 warrants and a relative share capital increase of Euro 2,020.20 with the issue of 3,885 new ordinary TIP S.p.A. shares at a price of Euro 3.79 each, for a total value of Euro 14,724.15.

The share capital of TIP S.p.A. amounts therefore to Euro 76,855,733, represented by 147,799,487 ordinary shares.

The treasury shares in portfolio at December 31, 2016 totalled 1,478,370, equal to 1.00% of the share capital.

No. treasury shares at January 1, 2016	No. of shares acquired in 2016	No. of shares sold 2016	No. treasury shares at December 31, 2016
541,678	936,692	-	1,478,370

The following additional disclosures is provided on the shareholders' equity at December 31, 2016.

(23) Reserves*Legal reserve*

This amounts to Euro 15,370,743, increasing Euro 448,774 following the Shareholders' Meeting motion of April 29, 2016 with regard to the allocation of the 2015 net profit.

Valuation reserve AFS financial assets

The positive reserve amounts to Euro 98,463,565. This is an unavailable reserve as referring to the change in the fair value compared to the acquisition value of the investments in portfolio.

The changes in the non-current AFS financial assets valuation reserve, which represents the total of income and charges recognised directly through equity, is illustrated in the table below:

Euro	Book value at 31.12.2015	Change	Book value 31.12.2016
Non-current AFS financial assets	76,405,721	(40,643,266)	35,762,455
Investments measured under the equity method	38,322,568	26,933,361	65,255,929
Current AFS financial assets	281,338	(281,338)	0
Tax effect	(1,787,156)	(767,663)	(2,554,819)
Total	113,222,471	(14,758,906)	98,463,565
of which:			
Group share	90,819,062	5,359,364	96,178,426
minority interest share	22,403,409	(20,118,270)	2,285,139

The table below illustrates the implicit gains of the investments and of the current financial assets in the year which are recognised under equity in the account "Valuation reserve AFS financial assets".

For details of changes, reference should be made to attachment 2 and to note 10 (Non-current AFS financial assets) and attachment 14 and note 13 (Investments measured under the equity method).

For the changes in the year and breakdown of other equity items reference should be made to the specific statement.

Treasury shares acquisition reserve

The negative reserve amounts to Euro 4,853,854. This relates to a non-distributable reserve.

Other reserves

They amount to Euro 10,153,111 and refer for Euro 5,722,750 to the stock option plan reserve created following the allocation of options to employees and directors which will presumably be settled through the equity settlement method.

Merger surplus

The merger surplus amounts to Euro 5,060,152 and derives from the incorporation of Secontip

S.p.A. into TIP S.p.A. on January 1, 2011.

Retained earnings

Retained earnings amount to Euro 56,977,958 and increased, compared to December 31, 2015, Euro 15,838,399 following the allocation of the 2015 net profit.

During the year, dividends of Euro 8,946,714 were distributed, equal to Euro 0.061 per share.

IFRS business combination reserve

The reserve was negative and amounts to Euro 483,655, unchanged compared to December 31, 2015.

The following table shows reconciliation between Parent Company and Consolidated net equity and net profit.

Euro	Equity at January 1, 2016	2016 Result	Other changes	Group net equity at December 31, 2016	Minority interest equity	Equity at December 31, 2016
Parent Company Equity as per separate financial statements	286,384,779	41,072,198	(3,342,060)	324,114,917		324,114,917
Eliminations in separate financial statements		(37,917,385)	37,033,759	(883,626)		(883,626)
Carrying value and adjustments of investments measured under the equity method	51,653,539	10,609,276	32,337,001	94,599,816		94,599,816
Net equity and result for the year (determined in accordance with uniform accounting principles) of the companies consolidated	93,018,289	37,722,300	(113,268,016)	17,472,573	16,787,469	34,260,042
Elimination carrying value of consolidated companies	(66,776,965)		51,762,520	(15,014,445)		(15,014,445)
Equity attributed to the shareholders of the parent from the consolidated financial statements	364,279,642	51,486,389	4,523,204	420,289,235	16,787,469	437,076,704

(24) Net Profit for the year

Basic earnings per share

At December 31, 2016, the basic earnings per share – net profit divided by the number of shares in circulation (146,321,117) taking into account treasury shares at the same date – was Euro 0.35.

Diluted loss per share

At December 31, 2016, the diluted earnings per share was Euro 0.34. This represents the net profit for the year divided by the number of ordinary shares in circulation at December 31, 2016, calculated taking into account the treasury shares held at the same date and considering any dilution effects generated from the shares servicing the stock option plan (3,500,000) and from the newly issued shares (36,945,015) relating to the remaining warrants in circulation.

(25) Post-employment benefit provisions

At December 31, 2016, the balance of the account related to the Post-Employment Benefit due

to all employees of the company at the end of employment service. The liability was updated based on actuarial calculations.

Euro	December 31, 2016	December 31, 2015
Opening balance	226,451	210,646
Provisions in the year	67,455	31,460
Actuarial gains/losses	20,087	(7,811)
Transfers to pension funds and utilisations	(42,326)	(7,844)
Total	271,667	226,451

(26) Financial payables

Financial payables of Euro 133,752,298 refer to:

- a) for Euro 98,949,819 the issue of the 2014-2020 TIP Bond approved by the Board of Directors on March 4, 2014, fully placed on the market on April 7, 2014 (nominal value of Euro 100,000,000). The loan, with an initial rights date of April 14, 2014 and expiry date of April 14, 2020 was issued at par value and offers an annual coupon at the nominal gross fixed rate of 4.75%. The loan was recognised at amortised cost applying the effective interest rate which takes into account the transaction costs incurred for the issue of the loan of Euro 2,065,689; the loan provides for compliance with financial covenants on an annual basis;
- b) for Euro 34,802,479 the portion of medium/long-term loans for a nominal value of Euro 40,000,000 with the following maturities;
 - 12.5% of the loan on December 31, 2017;
 - 12.5% on December 31, 2018;
 - 12.5% on June 30, 2019;
 - 62.5% on December 31, 2019.

The bond provides for compliance with annual financial covenants.

In accordance with the application of international accounting standards required by Consob recommendation No. DEM 9017965 of February 6, 2009 and the Bank of Italy/Consob/Isvap No. 4 of March 4, 2010, we report that this account does not include any exposure related to covenants not complied with.

(27) Current financial liabilities

These amount to Euro 67,380,277 and principally comprise bank payables of the parent company of Euro 64,032,820 and interest on bonds for Euro 3,347,457.

(28) Tax payables

The breakdown of the account is as follows:

Euro	December 31, 2016	December 31, 2015
IRES	0	1,200,390
IRAP	303,660	0
VAT	10,554	0
Withholding taxes	114,825	591,985
Total	429,039	1,792,375

(29) Other liabilities

The account mainly refers to emoluments for directors and employees.

Euro	December 31, 2016	December 31, 2015
Directors and employees	16,534,243	4,739,721
Directors for stock options	0	1,449,525
Social security institutions	174,297	112,455
Others	111,660	235,115
Total	16,820,200	6,536,816

(30) Financial instruments

Management of financial risks

The Group, by nature of its activities, is exposed to various types of financial risks - in particular to the risk of changes in market prices of investments and, marginally, to the risk of interest rates. The policies adopted by the Group for the management of the financial risk are illustrated below.

Interest rate risk

The Group is exposed to the interest rate risk relating to the value of the current financial assets represented by bonds.

Risk of change in the value of investments

The Group, by nature of its activities, is exposed to the risk of changes in the value of the investments.

In relation to the listed investments at the present moment there is no efficient hedging instrument of a portfolio such as those with the characteristics of the Group.

Relating to non-listed companies, the risks related:

- (a) to the valuation of these investments, in consideration of: (i) absence in these companies of control systems similar to those required for listed companies, with the consequent unavailability of information at least equal to, under a quantitative and qualitative profile, of those available for this later; (ii) the difficulties to undertake independent verifications in the companies and, therefore to assess the completeness and accuracy of the information provided;
- (b) the ability to impact upon the management of these investments and drive their growth, the pre-requisite for investment, based on the Group's relationships with management and shareholders and, therefore, subject to verification and the development of these relationship;
- (c) the liquidity of these investments, not negotiable on regulated markets;

were not hedged through specific derivative instruments as not available. The Group attempts to minimise the risk – although within a merchant banking activity and therefore by definition risky – through a careful analysis of the companies and sectors on entry into the share capital, as well as through careful monitoring of the performance of the investee companies after entry in the share capital.

A sensitivity analysis is reported below which illustrates the effects resulting from, respectively on the income statement and on the balance sheet, of a hypothetical change in the fair value of the instruments held at December 31, 2016 of +/-5% compared to the comparative figures for 2015.

<i>Sensitivity Analysis</i>	December 31, 2016			December 31, 2015		
thousands of Euro	-5.00%	Basic	+5.00%	-5.00%	Basic	+5.00%
Investments in listed companies	284,630	299,610	314,591	179,910	189,379	198,848
Investments in non-listed companies	70,924	74,657	78,390	38,017	40,018	42,019
Non-current AFS financial assets	355,554	374,267	392,980	217,927	229,397	240,867
Bonds and other debt securities	173	182	191	25,599	26,946	28,293
Current financial assets	173	182	191	25,599	26,946	28,293
Asset management	0	0	0	0	0	0
Bond securities	0	0	0	20,533	21,614	22,695
ETF	0	0	0	0	0	0
AFS financial assets	0	0	0	20,533	21,614	22,695
Effects on the result	(9)		9	(1,347)	-	1,347
Effects on the revaluation reserve financial assets	(18,713)		18,713	(12,551)	-	12,551

Credit risk

The Group's exposure to the credit risk depends on the specific characteristics of each client as well as the type of activities undertaken and in any case at the preparation date of the present financial statements is not considered significant.

Before undertaking an assignment, careful analysis is undertaken on the credit reliability of the client.

Liquidity risk

The Group approach in the management of liquidity guarantees, where possible, that there are always sufficient funds to meet current obligations.

At December 31, 2016, the credit lines available and not utilised of the TIP Group amounted to Euro 19.8 million.

Management of capital

The capital management policies of the Board of Directors provide for maintaining high levels of own capital in order to maintain a relationship of trust with investors, allowing for future development.

The parent company acquired treasury shares on the market on the basis of available prices.

Hierarchy of Fair Value as per IFRS 13

The classification of financial instruments at fair value in accordance with IFRS 13 is determined based on the quality of the input sources used in the valuation, according to the following hierarchy:

- level 1: determination of fair value based on prices listed ("unadjusted") in active markets for identical assets or liabilities. This category includes the instruments in which the TIP Group operates directly in active markets (for example investments in listed companies, listed bond securities etc.);
- level 2: determination of fair value based on inputs other than the listed prices included in "level 1" but which are directly or indirectly observable (for example recent or comparable prices);

- level 3: determination of fair value based on valuation models whose input is not based on observable market data (“unobservable inputs”). These refer for example to valuations of non-listed investments based on Discounted Cash Flow valuation methods.

In accordance with the disclosures required by IFRS 13, the types of financial instruments recorded in the financial statement at December 31, 2016 are illustrated below with indication of the accounting policies applied and, in the case of financial instruments measured at fair value, of the exposure to changes in fair value (income statement or equity), specifying also the hierarchical level of fair value attributed.

The final column of the following tables shows, where applicable, the fair value at the end of the period of the financial instrument.

Period of the financial instrument:										
Type of instrument	Accounting policies applied in accounts for financial instruments								fair value at 31.12.2016	
	fair value						Amortised cost	Invest. at cost		Book value at 31.12.2016
	with change in fair value recorded through:		Total fair value	Fair value hierarchy						
	P&L	equity		1	2	3				
thousands of Euro										
AFS financial assets of which		374,267	374,267						374,267	374,267
- listed companies		299,610	299,610	299,610						299,610
- non-listed companies		74,657	74,657		38,990	34,226		1,441	74,657	74,657
Financial receivables 1							34,235		34,235	34,235
Trade receivables 1							957		957	957
Current financial assets	182				182				182	182
AFS financial assets										
Cash and cash equivalents 1							1,287		1,287	1,287
Other current assets 1							272		272	272
Non-current financial payables 2							133,752		133,752	142,762
Trade payables 1							550		550	550
Current financial liabilities 1							67,380		67,380	67,380
Other liabilities 1							16,820		16,,820	16,820

Note

1. For these accounts the fair value was not calculated as their carrying value approximates this value.
2. The account includes items whereby the fair value was not calculated as their carrying value approximates this value.

(31) Shares held by members of the Boards and Senior Management of the Group

The following tables report the financial instruments of the parent company TIP directly and indirectly held at the end of the period, also through trust companies, communicated to the company by the members of the Board of Directors. The table also illustrates the financial instruments acquired, sold and held by the parties in 2016.

Members of the Board of Directors						
Name	Office	No. of shares held at December 31, 2015	No. of shares acquired in 2016	No. of shares allocated from exercise of TIP warrant	No. of shares sold in 2016	No. of shares held at December 31, 2016
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	10,916,670	160,481			11,077,151
Alessandra Gritti	Vice Chair. & Exec. Dir.	1,833,943	98,000			1,931,943
Cesare d'Amico ⁽²⁾	Vice Chairman	18,250,624	250,000			18,500,624
Claudio Berretti	Dir. & Gen. Manager	1,436,864	10,000			1,446,864
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	17,600,000	250,000			17,850,000
Giuseppe Ferrero	Director	2,765,815	155,183			2,920,998
Manuela Mezzetti	Director	59,702				59,702
Daniela Palestra	Director	0				0
Name	Office	No. of warrants held at December 31, 2015	No. of warrants assigned in 2016	No. of warrants sold in 2016	No. of warrants exercised in 2016	No. of warrants held at December 31, 2016
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	2,559,167				2,559,167
Alessandra Gritti	Vice Chair. & Exec. Dir.	458,485				458,485
Cesare d'Amico ⁽²⁾	Vice Chairman	4,562,656				4,562,656
Claudio Berretti	Dir. & Gen. Manager	311,716				311,716
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	4,400,000				4,400,000
Giuseppe Ferrero	Director	691,453				691,453
Manuela Mezzetti	Director	14,925				14,925
Daniela Palestra	Director	0				0

⁽¹⁾Giovanni Tamburi holds his investment in the share capital of TIP in part directly in his own name and in part indirectly through Lippiuno S.r.l., a company in which he holds 85.75% of the share capital.

⁽²⁾Cesare d'Amico holds his investment in the share capital of TIP through d'Amico Società di Navigazione S.p.A. (a company in which he holds directly and indirectly 50% of the share capital), through the company Fi.Pa. Finanziaria di Partecipazione S.p.A. (a company which directly holds 54% of the share capital) and through family members.

⁽³⁾Paolo d'Amico holds his investments in the share capital of TIP through d'Amico Società di Navigazione S.p.A., a company in which he holds (directly and indirectly) a 50% shareholding.

The members of the Board of Statutory Auditors do not hold shares and/or warrants of the company.

(32) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2016.

TIP office	Fees 31/12/2016
Directors	17,054,014
Statutory Auditors	61,250

The remuneration of the Supervisory Board is Euro 3,000.

TIP also signed two insurance policies with Chubb Insurance Company of Europe S.A. - a D&O and a professional TPL policy - in favour of the Directors and Statutory Auditors of TIP, of the subsidiaries, as well as the investees companies in which TIP has a Board representative, in addition to the General Managers and coverage for damage to third parties in the exercise of their functions.

(33) Transactions with related parties

The table reports the transactions with related parties during the year outlined according to the amounts, types and counterparties.

Party	Type	Value/Balance at December 31, 2016	Value/Balance at December 31, 2015
Asset Italia S.p.A.	Revenues	476,283	-
Asset Italia S.p.A.	Trade receivables	251,470	-
Betaclub S.r.l.	Revenues	23,728	-
Betaclub S.r.l.	Trade receivables	23,728	-
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	30,000	60,000
ClubTre S.p.A.	Revenues	110,608	410,534
ClubTre S.p.A.	Trade receivables	50,608	410,225
Clubitaly S.p.A.	Revenues	30,606	33,204
Clubitaly S.p.A.	Trade receivables	30,606	31,270
Clubitaly S.p.A.	Financial receivables	220,909	-
Gatti&Co. Gmbh	Revenues	-	5,605
Gatti&Co. Gmbh	Trade receivables	-	-
Gruppo IPG Holding S.p.A.	Revenues	30,041	70,059
Gruppo IPG Holding S.p.A.	Trade receivables	30,041	70,059
Palazzari & Turries S.r.l.	Revenues	-	-
Palazzari & Turries S.r.l.	Trade receivables	-	636
TIP-pre IPO S.p.A.	Revenues	504,222	506,382
TIP-pre IPO S.p.A.	Trade receivables	253,964	502,923
Services provided to companies related to the Board of Directors	Revenues	2,025,835	192,247
Services provided to companies related to the Board of Directors	Trade receivables	10,810	90,420
Services received from companies related to the Board of Directors	Costs (services received)	7,922,858	2,458,488
Services received from companies related to the Board of Directors	Trade payables	7,306,399	1,991,488
Giovanni Tamburi	Revenues (services provided)	3,352	6,128

The services offered for all the above listed parties were undertaken at contractual terms and conditions in line with the market.

(34) Subsequent events

With reference to the subsequent events, reference should be made to the Directors' Report.

(35) Corporate Governance

The TIP Group adopts the provisions of the new version of the Self-Governance Code published by Borsa Italiana as its corporate governance model.

The Corporate Governance and Ownership Structure Report for the year is approved by the Board of Directors and published annually on the website of the company www.tipspa.it, in the "Corporate Governance" section.

For the Board of Directors
The Chairman
Giovanni Tamburi

Milan, March 14, 2017

ATTACHMENTS

Declaration of the Executive Officer for Financial Reporting as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and supplements.

1. The undersigned Alessandra Gritti, as Chief Executive Officer, and Claudio Berretti, as Executive Officer for Financial Reporting of Tamburi Investment Partners S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the conformity in relation to the characteristics of the company and
- the effective application during the year of the consolidated financial statements

of the administrative and accounting procedures for the compilation of the consolidated financial statements for the year ended December 31, 2016.

No significant aspects emerged concerning the above.

2. We also declare that:

- a) the consolidated financial statements at December 31, 2016 correspond to the underlying accounting documents and records;
- b) the consolidated financial statements for the year ended December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) and the relative interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament and provide a true and correct representation of the results, balance sheet and financial position of Tamburi Investment Partners S.p.A.
- c) the Directors' Report includes a reliable analysis of the significant events in the year and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties. The Directors' Report also contains a reliable analysis of the significant transactions with related parties.

The Chief Executive Officer

The Executive Officer

Milan, March 14, 2017

Attachment 1 – List of investments held

Company	Registered office		share capital	number of shares	number of shares held	% held	share of net equity	Book value in accounts
Associates								
Asset Italia S.p.A. (1)	Milan via Pontaccio, 10	Euro	1.000.000	100.000.000	20.000.000	20,00	2.273.312	2.273.312
Be Think, Solve, Execute S.p.A.	Rome viale dell'Esperanto, 71	Euro	27.109.165	134.897.272	31.582.225	23,41	0	16.775.474
Clubitaly S.r.l. (1)	Milan via Pontaccio, 10	Euro	100.000	100.000	27.500	27,50	33.766.907	33.766.907
Clubtre S.p.A. (2)	Milan via Pontaccio, 10	Euro	120.000	120.000	42.000	43,28	102.667.452	102.693.420
Gatti & Co. GmbH (3)	Frankfurt am Main Bockenheimer Landstr. 51-53	Euro	35.700	35.700	10.700	29,97	89.937	254.736
Gruppo IPG Holding S.p.A. (3)	Milan via Appiani, 12	Euro	142.438	284.875	67.348	33,72	70.226.284	59.075.969
Palazzari & Turries Limited (4)	Hong Kong 88 Queen's Road	Euro	300.000	300.000	90.000	30,00	219.445	385.808
Tip-Pre Ipo S.p.A. (1)	Milan via Pontaccio, 10	Euro	244.285	2.442.845	697.956	28,57	19.918.208	19.938.969

(1) Value relating to the updated net equity at 31.12.2016.

(2) Value relating to the updated net equity at al 30.6.2015.

(3) Value relating to the updated net equity at 31.12.2015.

(4) Share capital in Hong Kong Dollars. Value relating to the updated net equity at 31.12.2015. The net equity was converted at the ERU/HKD rate of 0,1185 (relating to 31.12.2015).

Attachment 2 – Changes in AFS financial assets (measured at fair value)

in Euro	No. of shares	historic cost	fair value adjustments	Balance at 31.12.2015			increases		decreases					book value 31.12.2016	
				increases (decreases)	write-downs P&L	book value fair value	acquisition or subscription	reclass.	fair value increase	decreases	fair value decreases	reversal fair value	write-downs P&L		
Non-listed companies															
Azimut Benetti S.p.A.	737,725			38,990,000		38,990,000									38,990,000
Furn Invest S.a.S	37,857,773	29,501,026	3,509,301			33,010,327			1,215,673						34,226,000
Ruffini Partecipazioni S.r.l.	1,400	122,803,490	44,202,510			167,006,000			33,806,410	(122,803,490)		(78,008,920)			0
Talent Garden S.p.A.	6,250						500,000								500,000
Other equity instruments and other minor		1,759,872	0	63,081	(794,832)	1,028,121	100,001			(87,081)			(100,000)		941,041
Total non-listed companies		154,064,388	47,711,811	39,053,081	(794,832)	240,034,448	600,001	0	35,022,083	(122,890,571)	0	(78,008,920)	(100,000)		74,657,041
Listed companies															
Amplifon S.p.A.	9,538,036	34,884,370	41,372,228			76,256,598			10,062,628						86,319,226
Bolzoni S.p.A	3,107,794	5,442,159	5,139,652	3,045,421	(1,450,895)	12,176,337			1,187,166	(7,036,685)		(6,326,818)			0
Digital Magics S.p.A.	892,930	375,000	207,639	4,531,009		5,113,648	19,182				(1,666,476)				3,466,354
Ferrari N.V. USD	304,738		(2,333,541)	17,764,789		15,431,248	8,402,252		4,616,803	(11,493,193)		(148,963)			16,808,147
Ferrari N.V. euro	174,000					0	7,558,560		0	(7,558,560)	(76,276)	76,276			0
Fiat Chrysler Automobiles N.V. USD	2,076,925					0	17,656,453		312,958						17,969,411
Fiat Chrysler Automobiles N.V.	1,740,000	14,846,550	(1,720,017)	1,778,655		14,905,188			171,912						15,077,100
Hugo Boss AG	901,000		(16,562,390)	62,522,390		45,960,000	15,159,593				(8,744,463)				52,375,130
M&C S.p.A.	12,562,115	1,886,201	0		(195,340)	1,690,861			428,368				(28,893)		2,090,336
Moncler S.p.A.	5,898,354						200,792,410		5,131,567	(108,424,187)	(2,955,234)	2,955,234			97,499,791
Monrif S.p.A	12,658,232	11,374,782	(135,831)	0	(7,895,912)	3,343,039			220,253			135,831	(1,309,249)		2,389,874
Noemalife S.p.A	1,248,505	5,265,970	3,130,226	0		8,396,196			873,356	(5,265,970)		(4,003,582)			0
Servizi Italia S.p.A.	548,432	2,038,289	387,318	0	(1,241,564)	2,084,042			0	0	(121,751)	0	0		1,962,291
Other listed companies		2,914,466	(791,370)	1,898,798	0	4,021,894	182,770		186,650	(69,548)	0	32,571	(701,995)		3,652,341
Total listed companies		79,927,787	28,693,914	91,541,062	(10,783,711)	189,379,051	249,771,220	0	23,191,660	(139,848,143)	(13,564,200)	(7,279,451)	(2,040,137)		299,610,001
Total investments		233,992,175	76,405,725	130,594,143	(11,578,543)	429,413,499	250,371,221	0	58,213,743	(262,738,714)	(13,564,200)	(85,288,371)	(2,140,137)		374,267,042

Attachment 3 - Changes in investments measured under the equity method

in Euro	No. of shares	historic cost	write-backs	revaluations write-downs)	share of results as per equity method	shareholder loan capital advance	decreases or restitutions	Balance at 01.01.2016		Purchases	Reclass.	share of results as per equity method	increases (decreases) or restitutions fair value	(decreases) (write-downs) revaluations	Book value at 31.12.2016
								increase (decrease) fair value	Book value in accounts						
Asset Italia S.p.A.										2,400,000		(126,688)			2,273,312
Be Think, Solve, Execute S.p.A.	31,582,225	16,596,460			217,239		(53,070)	(86,700)	16,673,929			737,195	(284,456)	(351,194)	16,775,474
Clubitaly S.p.A.	27,500	33,000,000		(181,956)	(116,549)			1,040,145	33,741,640			23,421	1,846		33,766,907
Clubtre S.p.A.	42,000	17,500			5,260,038	41,948,846	(7,934,801)	35,587,747	74,879,330			1,471,760	27,658,059	(1,341,697)	102,667,452
Gatti & Co Gmbh	10,700	275,000		(19,131)	(11,651)				244,218			10,518			254,736
Gruppo IPG Holding Sp.A.	67,348	39,847,870	5,010,117	(7,597,729)	18,939,309		(1,022,501)	(9,682,990)	45,494,076			6,365,753	8,666,045	(1,449,905)	59,075,969
Palazzari & Turries Limited	90,000	225,000		65,349	108,115				398,464			(12,657)			385,807
Tip-Pre Ipo Sp.A.	342,856	8,000,000			377,369			5,689,570	14,066,939	8,285,667		2,139,974	(3,704,493)	(428,517)	20,359,570
Totale		97,961,830	5,010,117	(7,733,467)	24,773,870	41,948,846	(9,010,372)	32,547,772	185,498,596	10,685,667	0	10,609,276	32,337,001	(3,571,313)	0 235,559,227

(1) The change in the fair value refers to the change in the fair value of the investment in Prysmian Sp.A.



**INDEPENDENT AUDITORS' REPORT IN ACCORDANCE
WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE
No. 39 OF 27 JANUARY 2010**

To the shareholders of
Tamburi Investment Partners SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the Tamburi Investment Partners Group, which comprise the consolidated statement of financial position as of 31 December 2016, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of Tamburi Investment Partners SpA are responsible for the preparation of consolidated financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11 of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 6.890.000,00 Euro i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40122 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wührer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vivenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0331285039 - **Verona** 37122 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

www.pwc.com/it



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Tamburi Investment Partners Group as of 31 December 2016 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Report on compliance with other laws and regulations

Opinion on the consistency with the consolidated financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, which are the responsibility of the directors of Tamburi Investment Partners SpA, with the consolidated financial statements of the Tamburi Investment Partners Group as of 31 December 2016. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the Tamburi Investment Partners Group as of 31 December 2016.

Milan, 30 March 2017

PricewaterhouseCoopers SpA

Signed by

Massimo Rota
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

Audit fees and other services provided by the audit firm pursuant to Article 149 duodecies of Consob Issuers' Regulation.

In accordance with Article 149 *duodecies* of the Consob Issuer's Regulations the information in relation to the fees paid to the audit firm PricewaterhouseCoopers S.p.A. and to its related network is reported in the table below:

- 1) Audit services, which include:
 - the audit of the annual accounts for the expression of a professional opinion;
 - the audit of the interim accounts.
- 2) Certification services, which include assignments in which the auditor evaluates a specific aspect, whose scope is made by another party responsible, through appropriate criteria, in order to express a conclusion on the level of reliability in relation to this specific aspect. This category also includes services related to accounting controls.

The amounts reported in the table, relating to the year 2016, are those contractually agreed, including any inflation rises (not including travel, contributions and V.A.T.). In accordance with the regulation, fees paid to any secondary auditors or their respective networks are not included.

Type of service	Service provider	Recipient of service	Fees (Euro)
• Separate Financial statement	PWC S.p.A.	Tamburi Investment Partners S.p.A.	44.000
• Consolidated Financial statement			5.000
• Limited audit procedures on the half-year Financial Statements			16.000
TOTAL TIP			65.000
• Audit appointments in subsidiaries/associates	PWC S.p.A.		37.083
TOTAL			102.083

The amounts above do not include expenses and Consob contributions.

2016 SEPARATE FINANCIAL STATEMENTS OF TAMBURI INVESTMENT PARTNERS S.P.A.
--

Income Statement**Tamburi Investment Partners S.p.A.****(in Euro)**

	2016	2015	Note
Revenue from sales and services	12,246,785	4,017,113	4
Other revenue	207,423	153,969	
Total revenue	12,454,208	4,171,082	
Purchases, service and other costs	(1,910,253)	(2,133,370)	5
Personnel expenses	(24,676,991)	(6,781,822)	6
Amortisation, depreciation & write-downs	(59,579)	(44,658)	
Operating Loss	(14,192,615)	(4,788,768)	
Financial income	73,587,621	30,631,909	7
Financial charges	(16,626,509)	(9,123,128)	7
Profit before adjustments to investments	42,768,497	16,720,013	
Adjustments to available-for-sale financial assets	(2,140,137)	(288,653)	8
Profit before taxes	40,628,360	16,431,360	
Current and deferred taxes	443,838	(1,641,099)	9
Profit	41,072,198	14,790,261	

Statement of Comprehensive Income
Tamburi Investment Partners S.p.A.

(in Euro)	2016	2015	Note
Income and charges recorded directly to equity			
Income through P&L			23
Increase/decrease in non-current AFS financial assets	3,080,978	1,302,592	
Unrealised profit/(loss)	4,546,137	816,239	
Tax effect	(1,465,159)	486,353	
Increase/decrease AFS current financial assets	(183,238)	(606,932)	
Unrealised profit/(loss)	(281,338)	(808,551)	
Tax effect	98,100	201,619	
Income not through P&L			
Employee benefits	(20,087)	7,811	
Total income and charges recorded directly to equity	2,877,653	703,471	
Profit	41,072,198	14,790,261	
Total financial income and charges	43,949,851	15,493,732	

Statement of Financial Position

Tamburi Investment Partners S.p.A.

(in Euro)	December 31, 2016	December 31, 2015	Note
Non-current assets			
Property, plant and equipment	170,589	114,094	10
Goodwill	9,806,574	9,806,574	11
Other intangible assets	4,626	1,310	11
Investments in subsidiaries	15,014,445	66,776,965	12
Investments in associates	141,323,803	133,429,737	13
AFS financial assets	340,041,042	229,397,172	14
Financial receivables	33,751,593	8,218,972	15
Tax receivables	136,116	293,787	16
Deferred tax assets	2,128,830	696,141	17
Total non-current assets	542,377,618	448,734,752	
Current assets			
Trade receivables	999,322	2,622,069	18
Current financial receivables	472,338	0	15
Current financial assets	182,701	26,946,127	19
AFS financial assets	0	21,613,809	20
Cash and cash equivalents	1,195,650	1,088,569	21
Tax receivables	309,290	340,590	16
Other current assets	272,735	728,512	
Total current assets	3,432,036	53,339,676	
Total Assets	545,809,654	502,074,428	
Equity			
Share capital	76,855,733	76,853,713	22
Reserves	172,743,518	166,692,110	23
Retained earnings	33,443,468	28,048,695	
Profit	41,072,198	14,790,261	
Total equity	324,114,917	286,384,779	
Non-current liabilities			
Post-employment benefits	271,667	226,451	24
Financial payables	133,752,298	138,594,609	25
Deferred tax liabilities	2,502,556	1,135,497	16
Total non-current liabilities	136,526,521	139,956,557	
Current liabilities			
Trade payables	540,611	301,639	
Current financial liabilities	67,380,277	67,104,385	26
Tax payables	429,039	1,792,375	27
Other liabilities	16,818,289	6,534,693	28
Total current liabilities	85,168,216	75,733,092	
Total liabilities	221,694,737	215,689,649	
Total equity and liabilities	545,809,654	502,074,428	

Statement of changes in Equity

(in Euro)

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Revaluation reserve AFS Financial assets	Treasury shares reserve	Other reserves	IFRS reserve business combination	Merger surplus	Retained earnings	Result for the period	Net Equity
At January 1, 2015 separate	74,609,847	102,656,331	14,148,939	0	27,153,060	(13,606,493)	107,165	(483,655)	5,060,152	21,361,767	15,768,195	246,775,308
Change in fair value of financial assets available-for-sale					1,302,592							1,302,592
Change in fair value of current financial assets					(606,932)							(606,932)
Employee benefits							7,811					7,811
Total income and charges recorded directly to equity					695,660							703,471
Profit (loss) 2015											14,790,261	14,790,261
Total statement of comprehensive income					695,660						14,790,261	15,493,732
Transfer to equity revaluation reserve												0
Allocation profit 2014			773,030							6,686,928	(7,459,958)	0
Distribution of dividends											(8,308,237)	(8,308,237)
Warrant conversion	2,243,866	6,386,388										8,630,254
Sale of treasury shares		12,030,610				17,668,403						29,699,013
Acquisition of treasury shares						(5,905,291)						(5,905,291)
At December 31, 2015 separate	76,853,713	121,073,329	14,921,969	0	27,848,720	(1,843,381)	114,976	(483,655)	5,060,152	28,048,695	14,790,261	286,384,779
At January 1, 2016 separate	76,853,713	121,073,329	14,921,969	0	27,848,720	(1,843,381)	114,976	(483,655)	5,060,152	28,048,695	14,790,261	286,384,779
Change in fair value of financial assets available-for-sale					3,080,978							3,080,978
Change in fair value of current financial assets					(183,238)							(183,238)
Employee benefits							(20,087)					(20,087)
Total income and charges recorded directly to equity					2,897,740		(20,087)					2,877,653
Profit (loss) 2016											41,072,198	41,072,198
Total statement of comprehensive income					2,897,740		(20,087)				41,072,198	43,949,851
Allocation profit 2015			448,774							5,394,773	(5,843,547)	0
Distribution of dividends											(8,946,714)	(8,946,714)
Warrant conversion	2,020	12,704										14,724
Stock option plan effect							5,722,750					5,722,750
Acquisition of treasury shares						(3,010,473)						(3,010,473)
At December 31, 2016 separate	76,855,733	121,086,033	15,370,743	0	30,746,460	(4,853,854)	5,817,639	(483,655)	5,060,152	33,443,468	41,072,198	324,114,917

Statement of Cash Flows
Tamburi Investment Partners S.p.A.

euro thousands	2016	2015
A.- <u>OPENING NET CASH AND CASH EQUIVALENTS</u>	(42,624)	(19,644)
B.- <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit	41,072	14,790
Amortisation & Depreciation	54	31
Write-downs/(revaluation) of investments	2,140	289
Write-downs/(revaluation) of current financial assets (doubtful debts)	5	13
Financial income and charges	(57,496)	(16,236)
Changes in "employee benefits"	46	16
Stock option charges	5,722	
Charges on bonds	6,763	3,334
Change in deferred tax assets and liabilities	(1,433)	(524)
	(3,127)	1,713
Decrease/(increase) in trade receivables	1,624	(2,055)
Decrease/(increases) in other current assets	456	(350)
Decrease/(increase) in tax receivables	189	(323)
Decrease/(increase) in financial receivables	(9,540)	(4,345)
Decrease/(increase) in other current asset securities	21,614	60,476
(Decrease)/increase in trade payables	239	(99)
(Decrease)/increase in financial payables	(4,584)	17,430
(Decrease)/increase of tax payables	(1,363)	1,334
(Decrease)/increase in other current liabilities	10,283	(2,378)
Cash flow from operating activities	15,791	71,403
C.- <u>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</u>		
Intangible and tangible assets		
Investments / divestments	(108)	(76)
Financial assets		
Investments	(131,817)	(160,848)
Divestments	135,180	45,874
Cash flow from investing activities	3,255	(115,049)

euro thousands	2016	2015
D.- <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Loans		
New loans	39,830	0
Repayment of loans	(39,944)	0
Borrowing costs on loans	(6,408)	(3,334)
Share capital		
Share capital increase and capital contributions on account	14	38,329
Reduction for treasury share purchases	(3,007)	(5,905)
Payment of dividends	(8,947)	(8,308)
Change in reserves	0	(116)
Cash flow from financing activities	(18,462)	20,666
E.- <u>NET CASH FLOW FOR THE YEAR</u>	584	(22,980)
F. <u>CLOSING CASH AND CASH EQUIVALENTS</u>	(42,040)	(42,624)

The breakdown of the net available liquidity was as follows:

Cash and cash equivalents	1,196	1,089
Bank payables due within one year	(43,236)	(43,713)
Closing cash and cash equivalents	(42,040)	(42,624)

EXPLANATORY NOTES TO THE 2016 SEPARATE FINANCIAL STATEMENTS

(1) Activities of the Company

TIP is an independent investment/merchant bank focused on Italian medium-sized companies, with a particular involvement in:

1. investments: as an active shareholder in companies (listed and non-listed) capable of achieving “excellence” in their relative fields of expertise;
2. advisory: corporate finance operations, in particular acquisitions and sales through the division Tamburi & Associati (T&A).

(2) Accounting principles

The company was incorporated in Italy as a limited liability company and with registered office in Italy.

The company was listed in November 2005 and on December 20, 2010 Borsa Italiana S.p.A. assigned the STAR classification to TIP S.p.A. ordinary shares.

The present financial statements at December 31, 2016 were prepared in accordance with IFRS as separate financial statements as presented together with the consolidated financial statements at the same date. These financial statements were approved by the Board of Directors on March 14, 2017, who authorised their publication.

The financial statements at December 31, 2016 were prepared in accordance with the going-concern concept and in accordance with International Financial Reporting Standards and International Accounting Standards (hereafter “IFRS”, “IAS” or international accounting standards) issued by the International Accounting Standards Boards (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament.

The financial statements in accordance with IAS1 are comprised of the income statement, the statement of comprehensive income, the statement of financial position, the change in shareholders’ equity, the statement of cash flows and the explanatory notes, together with the Directors’ Report. The financial statements were prepared in units of Euro, without decimal amounts.

The accounting policies and methods utilised for the preparation of these separate financial statements, for which reference should be made to the consolidated financial statements except for that indicated below, have not changed from those utilised for the preparation of the financial statements for the year ended December 31, 2015, except as outlined in the paragraph “new accounting standards” for which reference should be made to the Explanatory Notes in the consolidated financial statements. The investments in subsidiaries and associates are measured under the adjusted cost method.

The periodic test of the Investments, required by IAS 36, is made in the presence of an “Impairment indicator” which may consider that the assets have incurred a loss in value.

Associated companies are companies in which the Group exercises a significant influence on the financial and operating policies, although not having control. Significant influence is presumed when between 20% and 50% of voting rights is held in another entity.

The separate financial statements include, for comparative purposes, the figures of the previous year.

The presentation and disclosure relating to financial instruments are based on the provisions of IAS 32, as amended and integrated by IFRS 7.

During the year, no special circumstances arose requiring recourse to the exceptions allowed under IAS 1.

The separate financial statements at December 31, 2016 were prepared in accordance with the general cost criterion, with the exception of derivative financial instruments and current financial assets and AFS financial assets measured at fair value.

The preparation of the separate financial statements at December 31, 2016 requires the formulation of valuations, estimates and assumptions which impact the application of the accounting principles and the amounts of the assets, liabilities, costs and revenues recorded in the financial statements. These estimates and relative assumptions are based on historical experience and other factors considered reasonable. However, it should be noted as these refer to estimates, the results obtained will not necessarily be the same as those represented. The estimates are used to value the provisions for risks on receivables, measurement at fair value of financial instruments, impairment tests, employee benefits and income taxes.

The accounting principles utilised in the preparation of the financial statements and the composition and changes in the individual accounts are illustrated below.

(3) Presentation

The choices adopted relating to the presentation of the financial statements is illustrated below:

- statement of financial position: in accordance with IAS 1, the assets and liabilities must be classified as current or non-current or, alternatively, according to the liquidity order. The Company chose the classification of current and non-current;
- income statement and statement of comprehensive income: IAS requires alternatively classification based on the nature or allocation of the items. The Company chose the classification by nature of income and expenses;
- statement of changes in shareholders' equity, prepared in accordance with IAS 1;

- cash flow statement: in accordance with IAS 7 the cash flow statement reports cash flows during the period classified by operating, investing and financing activities, based on the indirect method.

(4) Segment information

The company undertakes investment banking and merchant banking activities. Top management activity in the above-mentioned areas, both at marketing contact level and institutional initiatives and direct involvement in the various deals, is highly integrated. In addition, execution activity is also organised with the objective to render the “on-call” commitment of advisory or equity professional staff more flexible.

In relation to this choice it is almost impossible to provide a clear representation of the separate financial economic impact of the different areas of activity, as the breakdown of the personnel costs of top management and other employees on the basis of a series of estimates related to parameters which could be subsequently superseded by the actual operational activities would result in an extremely high distortion of the level of profitability of the segments of activity.

In the present financial statements only details on the performance of the “revenues from sales and services” component is provided, related to the sole activity of advisory, excluding therefore the account “other revenues”.

Euro	2016	2015
Revenue from sales and services	12,246,785	4,017,113
Total	12,246,785	4,017,113

The significant increase in revenues is due to the excellent performance of the normal activities of advisory and the fees related to the start-up of Asset Italia S.p.A.

(5) Purchases, service and other costs

The account comprises:

Euro	2016	2015
1. Services	1,385,809	1,585,468
2. Rent, leasing and similar costs	354,767	366,480
3. Other charges	169,677	181,422
Total	1,910,253	2,133,370

Service costs mainly relate to professional and legal consultancy, general expenses and commercial expenses. They include Euro 65,000 of audit fees and Euro 64,250 emoluments paid to the Board of Statutory Auditors and the Supervisory Board.

Other charges principally include non-deductible VAT.

(6) Personnel costs

The account comprises:

Euro	2016	2015
Wages and salaries	1,443,117	1,139,333
Social security expenses	394,458	302,161
Directors' fees	17,054,014	5,285,103
Stock option charges	5,722,750	0
Post-employment benefits	62,652	55,225
Total	24,676,991	6,781,822

The account "Wages and salaries" and "Directors' fees" includes fixed and variable remuneration matured in the period. The higher revenues and the 2016 pre-tax result resulted in an increase in the variable remuneration compared to 2015.

The cost includes, in addition, Euro 5,722,750 of charges relating to the assignment of 3,500,000 options under the "2014-2021 TIP Incentive Plan".

In line with IFRS 2, the options allocated were measured according to the equity settlement method. The fair value of the option was measured utilising the applicable valuation method for the given circumstances (in this case the Black & Scholes method), taking into account the terms and conditions by which the rights were allocated.

The assumptions utilised for the application of the model at the assignment date, or rather September 30, 2016 and December 30, 2016 are as follows:

TIP share price at September 30, 2016	3.594
Exercise price of the Options	1.995
First day for the exercise of the options	Jan 1, 17
Last day for the exercise of the options	Dec 31, 21
Historic average volatility of the STAR index (360 days)	19.79%
Riskless Rate (Italian Bond 2021)	0.274%
Number of options originally outstanding	2,500,000
Number of options outstanding at the date	2,500,000
Number of shares per option	1.00
Number of options exercised at the date	0
Number of TIP shares issued at September 30, 2016	147,799,487
TIP share price at December 31, 2016	3.600
Exercise price of the Options	1.995
First day for the exercise of the options	Jan 1, 17
Last day for the exercise of the options	Dec 31, 21
Historic average volatility of the STAR index (360 days)	18.71%
Riskless Rate (Italian Bond 2021)	0.596%
Number of options originally outstanding	2,500,000
Number of options outstanding at the date	3,500,000
Number of shares per option	1.00
Number of options exercised at the date	0
Number of TIP shares issued at December 31, 2016	147,799,487

"Post-employments benefits" are updated based on actuarial valuations, with the gains or losses recognised through equity.

At December 31, 2016, the number of TIP employees was as follows:

	December 31, 2016	December 31, 2015
White collar & apprentices	11	10
Managers	1	1
Executives	4	3
Total	16	14

The Chairman/CEO and Vice Chairman/CEO are not employees either of TIP or of Group companies.

(7) Financial income/(charges)

The account comprises:

Euro	2016	2015
1. Investment income	69,995,010	19,167,134
2. Income from securities recorded in current assets	2,311,318	10,939,394
Other income	1,281,293	525,381
Total financial income	73,587,621	30,631,909
4. Interest and other financial charges	(16,626,509)	(9,123,128)
Total financial charges	(16,626,509)	(9,123,128)
Net financial income	56,961,112	21,508,781

(7).1. Investment income

Euro	2016	2015
Gains on liquidation of investments	39,073,771	899,578
Gain on Ferrari N.V. share	15,960,812	0
Gain on disposal of investments	10,601,386	15,336,870
Dividends	4,359,041	2,930,686
Total	69,995,010	19,167,134

The gains from the liquidation of investments relates to the gains realised on the liquidation on Clubsette S.r.l..

In particular, the gain represents the difference between the carrying amount of the investment held and the value of the Moncler shares and of the liquidity received by TIP from the liquidation of the company. This liquidation follows the withdrawal from Ruffini Partecipazioni S.r.l. exercised by Clubsette S.r.l. in which Clubsette S.r.l. received the Moncler S.p.A. shares previously held by Ruffini Partecipazioni. Clubsette S.r.l. was then placed in liquidation and the Moncler shares were assigned to the shareholders. The closure of the liquidation was on December 29, 2016.

Following the spin-off of Ferrari from FCA on January 4, 2016, TIP received 174,000 Ferrari shares based on the FCA shares held at December 31, 2015 and 193,422 FCA convertible securities. These transactions, in accordance with IFRS, were recorded for accounting purposes as a dividend distribution and therefore generated a gain in the income statement of approximately Euro 16 million, equal to the market value of the Ferrari shares communicated by the Stock Exchange on January 4, 2016. On the other hand, the decrease in the value of the convertible loan following the distribution of the Ferrari shares and the consequent performance of the FCA securities resulted in a significant initial charge. During the year, this charge reduced significantly to approximately Euro 9 million. At the conversion date in FCA shares, on December 15, 2016,

the charge for the year was approximately Euro 9 million. The net effect of the approximately Euro 16 million gain and the charge of approximately Euro 9 million above was therefore a net gain of approximately Euro 7 million booked to the income statement in 2016, in addition to interest matured on the convertible bond of approximately Euro 1.9 million.

For the statement of financial position, the above operations resulted in an initial significant decrease in the fair value reserve attributable to FCA which at year end reduced to approximately Euro 1.5 million.

The recovery in the FCA and Ferrari share prices continued into 2017 and the fair value of these investments is today above their initial recognition value, including for the FCA shares received from the conversion.

In 2016, the gains relate to the sale of the following investments (Euro):

Bolzoni S.p.A.	6,326,818
Noemalife S.p.A.	4,003,582
Other	270,986
Total	10,601,386

In 2016, TIP received dividends from the following shareholdings:

Euro	
Hugo Boss AG	2,534,000
TIP - Pre Ipo S.p.A.	428,516
Amplifon S.p.A.	410,132
BE S.p.A.	351,194
Ferrari N.V.	324,347
Other	310,852
Total	4,359,041

(7).2. Income from securities recorded in current assets

Euro	2016	2015
Interest on securities in current assets	1,998,102	3,407,676
Unrealised gains on securities	313,216	4,738,544
Exchange differences on sale of securities	0	386,347
Interest on securities in current assets	0	2,406,827
Total	2,311,318	10,939,394

(7).3. Interest and other financial charges

Euro	2016	December 31, 2015
Unrealised losses on securities	8,989,959	0
Interest on bonds	6,763,477	6,679,381
Incentive plan costs (stock option)	0	1,324,838
Other	873,073	1,118,909
Total	16,626,509	9,123,128

The unrealised losses on securities follows the application of IFRS to the performance of the investment in the FCA convertible loan, resulting in a loss also following the spin-off of the investment in Ferrari N.V. This impact should be, at least from an operational profile, considered jointly with the income of Euro 16 million outlined in Note 7.1.

“Interest on bonds” refers to that matured in favour of the partial convertible bond of Euro 40 million, as well as the 2014-2020 TIP Bond of Euro 100 million calculated in accordance with the

amortised cost method applying the effective interest rate. The bond partially convertible was repaid in advance in December 2016 through the drawdown of a bank loan at more favourable conditions.

The incentive plan costs in 2015 included the changes in the fair value relating to the liability to directors and employees as the plan provided for a cash settlement. The new plan in 2016, which provides for an equity settlement except where otherwise resolved by the Board, does not result in any financial adjustment for charges already recorded under personnel costs.

The “Other” account includes bank interest, on loans, losses realised on securities and other financial charges.

(8) Adjustments to AFS financial assets

Euro	2016	2015
Write-down of AFS financial assets	(2,140,137)	(288,653)
Total	(2,140,137)	(288,653)

The write-down in the period relates mainly to minor investments. Reference should be made to Attachment 2 of the present financial statements.

(9) Current and deferred taxes

The breakdown of income taxes is as follows:

Euro	2016	2015
Current income taxes	988,848	1,476,687
Deferred tax income	(1,432,686)	164,412
Total	(443,838)	1,641,099

The reconciliation between the theoretical and actual tax charges is provided below:

	2016		2015	
Euro	Amount	Tax	Amount	Tax
Profit before taxes	40,628,360		16,431,360	
Theoretical tax charge	27.50%	11,172,799	27.50%	4,518,624
Permanent decreases				
Dividends	(4,141,089)	(1,138,799)	(2,784,152)	(765,642)
Exempt gains (*)	(46,968,752)	(12,916,407)	(10,969,729)	(3,016,675)
Tax losses	76,276	20,976	53,155	14,618
Other permanent decreases	(9,019,441)	(2,480,346)	(298,134)	(81,987)
		(16,514,576)		(3,849,687)
Permanent increases	8,671,073	2,384,545	171,300	47,108
Temporary differences				
Differences which will reverse in future years	8,759,006	2,408,727	6,324,401	1,739,210
Reversal differences from previous years	(2,442,758)	(671,758)	(2,995,873)	(823,865)
Total temporary differences		1,736,969		915,345

Euro	2016		2015	
	Amount	Tax	Amount	Tax
ACE assessable			(85,796)	(23,593)
Losses carried forward			(1,469,968)	(404,242)
Total	(4,437,325)		4,376,564	1,203,555
IRAP regional tax		303,660		273,132
Change in deferred tax assets/liabilities		(1,432,686)		164,412
Other changes		685,188		0
Total income taxes		(443,838)		1,641,099

(*) The tax charge is principally due to the application of the PEX regime on the gains realised on the equity investments.

Deferred taxes recognised directly to equity

The company recognised directly to equity a net decrease in deferred tax liabilities amounting to Euro 1,367,059 in relation to the increase in the value of the financial assets available-for-sale.

(10) Property, plant and equipment

The following table illustrates the changes in the account:

Euro	Other assets	Total
Net value at December 31, 2014	69,657	69,657
Increases	74,871	74,871
Decreases	0	0
Decrease depreciation provision	0	0
Depreciation	(30,434)	(30,434)
Net value at December 31, 2015	114,094	114,094
Increases	107,940	107,940
Decreases	(20,817)	0
Decrease depreciation provision	20,817	0
Depreciation	(51,445)	(51,445)
Net value at December 31, 2016	170,589	170,589

The increase in “Other Assets” mainly refers to the purchase of EDP, furniture and fittings, motor vehicles and mobile telephones.

(11) Goodwill and other intangible assets

“Goodwill” for Euro 9,806,574 refers to the incorporation of the subsidiary Tamburi & Associati S.p.A. into TIP S.p.A. in 2007.

In accordance with IAS 36 the value of goodwill, having an indefinite useful life, is not amortised, but subject to an impairment test, made at least annually.

The recoverable value is estimated based on the value in use, calculated using the following assumptions:

- forecast of normalised perpetual cash flows of the advisory activity;
- terminal value based on a “perpetual” of 1.11%;
- discount rate corresponding to the cost of capital (“unlevered”) equal to 7.58% with the conclusion that the value attributed is appropriate and recoverable.

The following illustrates the changes in “Other intangible assets”:

Euro	Industrial patents and intellectual property rights	Concessions, licences and trademarks	Total
Net value at December 31, 2014	840	536	1,376
Increases	840	-	840
Decreases	-	-	-
Amortisation	(700)	(206)	(906)
Net value at December 31, 2015	980	330	1,310
Increases	6,219	-	6,219
Decreases	-	-	-
Amortisation	(2,773)	(130)	(2,903)
Net value at December 31, 2016	4,426	200	4,626

(12) Investments in subsidiaries

This relates to the investment in the subsidiaries TXR S.r.l. and Clubuno S.r.l.

The key data (in Euro) on the subsidiaries are as follows:

Company	Registered Office	Share capital	Number of shares	Number of shares held	% held
Clubuno S.r.l.	Milan	10,000	10,000	10,000	100%
TXR S.r.l.	Milan	100,000	100,000	51,000	51.0%

TXR S.r.l. holds 38.336% in Furn-Invest S.A., a French registered simplified joint stock company which in turn controls Roche Bobois.

Clubuno S.r.l. does not hold any investments.

Compared to the previous year Clubsette S.r.l. is no longer a subsidiary, as after the withdrawal of the investment in Ruffini Partecipazioni following which it received the shares of Moncler S.p.A., the company was placed in liquidation. The liquidation process, which saw the distribution of the Moncler shares, was concluded on December 29, 2016.

(13) Investments in associates

Company	registered office	share capital	shares	holding	% holding
Clubtre S.p.A.	Milan	120,000	120,000	42,000	35.00
Clubitaly S.p.A.	Milan	100,000	100,000	27,500	27.50
Gruppo IPG Holding S.p.A	Milan	142,437.50	248,875.50	67,348	23.64
TIP-pre IPO S.p.A. – TIPO	Milan	120,000	1,200,000	342,856	28.57
BE S.p.A.	Rome	27,109,165	134,897,272	31,582,225	23.41
Palazzari & Turries Limited	Hong Kong	300,000 (1)	300,000	90,000	30.00
Gatti & Co. Gmbh	Frankfurt	35,700	35,700	10,700	29.97

(1) In Hong Kong Dollars.

The investments in associates refer to:

- for Euro 38,392,028 the investment in Gruppo IPG Holding S.p.A. (company which holds the majority shareholding in Interpump Group S.p.A.);
- for Euro 34,149,649 the company Clubtre S.p.A.. Clubtre S.p.A. was established for the purpose of acquiring a significant shareholding in the listed company Prysmian S.p.A.. TIP holds 35% of Clubtre S.p.A.. (43.28% net of treasury shares);
- for Euro 33,000,000 the company Clubitaly S.p.A., with a 19.74% stake in Eataly S.r.l.. TIP holds 27.5% in the share capital of the company;
- for Euro 16,285,667, the investment TIP – Pre IPO S.p.A.;
- for Euro 16,596,459 the associated company BE S.p.A.;
- for Euro 2,400,000 the company Asset Italia S.p.A.;
- for Euro 500,000 the company Palazzari & Turries Limited, with registered office in Hong Kong and the company Gatti & Co GmbH, with registered office in Frankfurt.

For the changes in the investments in associates, reference should be made to attachment 4.

(14) Non-current AFS financial assets

The financial assets refer to minority investments in listed and non-listed companies.

Euro	December 31, 2016	December 31, 2015
Investments in listed companies	299,610,001	189,379,051
Investments in non-listed companies	40,431,041	40,018,121
Total	340,041,042	229,397,172

For the changes in the “AFS financial assets” during the year, reference should be made to attachment 2.

In relation to the effects of the measurement of investments in listed companies reference should be made to note (8) and note (23).

The Moncler operation had a substantial impact on movements in the year as resulting in the allocation to Clubsette S.r.l. in liquidation of Moncler shares following the withdrawal from Ruffini Partecipazioni and subsequently the allocation by Clubsette S.r.l. to its shareholders, including TIP S.p.A., of its assets and in particular Moncler shares.

The main increases in the year, in addition to those relating to Moncler, relate to the Ferrari shares received following the previously mentioned spin-off and to the FCA shares received from the conversion of the FCA convertible bond.

The composition of the valuation methods of the non-current financial assets available for sale relating to investments in listed and non-listed companies is illustrated in the table below:

Method	Listed companies (% of total)	Non-listed companies (% of total)
Listed prices on active markets (level 1)	100.0%	0.0%
Valuation models based on market inputs (level 2)	0.0%	96.44%
Other valuation techniques (level 3)	0.0%	0.0%
Purchase cost	0.0%	3.56%
Total	100.0%	100.0%

(15) Financial receivables

Euro	December 31, 2016	December 31, 2015
Non-current loans	33,751,593	8,218,972
Total	33,751,593	8,218,972

The non-current loans recognised at amortised cost refer to:

- for Euro 15,247,702 to the Furla S.p.A. convertible loan, subscribed on September 30, 2016;
- for Euro 9,538,801 to the vendor loan, at an annual interest rate of 9%, granted to Dedalus Holding S.p.A. in relation to the sale of the investment in Noemalife S.p.A. and with December 2018 maturity.
- for Euro 8,705,090 to loans granted to Tefindue S.p.A. and the subscription of a convertible loan. Tefindue S.p.A. holds indirectly a shareholding in Octo Telematics S.p.A., international leader in the development and management of telecommunication systems and services for the automotive sector, mainly for the insurance market.

The interest matured on loans which will be received within one year are classified in the account current financial receivables.

(16) Tax receivables

The breakdown is as follows:

Euro	December 31, 2016	December 31, 2015
IRES corp. tax receivables	16,387	0
IRAP regional tax receivables	273,130	6,566
VAT Receivables	0	8,224
Tax receivables for post-employment benefit revaluation	0	0
Withholding taxes	19,773	325,800
Total	309,290	340,590
Due beyond one year		
Tax receivables – tax credit	0	144,119
Tax receivables – IRAP reimbursement	136,116	13,736
Tax receivables – IRAP reimbursement 2007-2011	0	135,932
Total (beyond one year)	136,116	293,787

(17) Deferred tax assets and liabilities

The breakdown of the account at December 31, 2015 and December 31, 2016 is detailed below:

Euro	Assets		Liabilities		Net	
	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016
Other intangible assets	2,771	3,140			2,771	3,140
Non-curr. AFS fin. assets and investees under equity method			(1,028,428)	(2,493,587)	(1,028,428)	(2,493,587)
Current AFS financial assets			(98,100)		(98,100)	
Profit/(loss)	27,151	23,760	(8,969)	(8,969)	18,182	14,791
Other liabilities	666,219	2,101,930			666,219	2,101,930
Total	696,141	2,128,830	(1,135,497)	(2,502,556)	(439,356)	(373,726)

The changes in the tax assets and liabilities were as follows:

Euro	31.12. 2015	Recorded through P&L	Recorded through Equity	31.12.2016
Other intangible assets	2,771	369		3,140
Non-curr. AFS fin. assets and investees under equity method	(1,028,428)		(1,465,159)	(2,493,587)
Current AFS financial assets	(98,100)		98,100	
Profit/(loss)	18,182	(3,391)		14,791
Other liabilities	666,219	1,435,711		2,101,930
Total	(439,356)	1,432,689	(1,367,059)	(373,726)

(18) Trade receivables

Euro	December 31, 2016	December 31, 2015
Trade receivables (before doubtful debt provision)	1,167,131	2,784,648
Doubtful debt provision	(167,809)	(162,579)
Total	999,322	2,622,069
Trade receivables beyond 12 months	-	-
Total beyond 1 year	-	-

Changes in trade receivables is strictly related to the different revenue mix between success fees and service revenues.

The doubtful debt provision amounts to Euro 167,809.

(19) Current financial assets

Euro	December 31, 2016	December 31, 2015
Bonds and other	182,701	26,946,127
Total	182,701	26,946,127

At December 31, 2015, the account included the FCA converting bond loan, whose conversion into FCA shares took place on December 15, 2016.

(20) Current AFS financial assets

Euro	December 31, 2016	December 31, 2015
Bond securities	0	21,613,809
Total	0	21,613,809

The decrease in current AFS financial assets is essentially due to the utilisation of financial resources for investment activity in the year.

(21) Cash and cash equivalents

The account represents the balance of banks deposits determined by the nominal value of the current accounts with credit institutions.

Euro	December 31, 2016	December 31, 2015
Bank deposits	1,188,906	1,083,680
Cash in hand and similar	6,744	4,889
Total	1,195,650	1,088,569

The composition of the net financial position at December 31, 2016 compared with the end of the previous year is illustrated in the table below.

Euro	December 31, 2016	December 31, 2015
A Cash and cash equivalents	1,195,650	1,088,569
B Current financial assets	182,701	48,559,936
C Current financial receivables	472,338	0
D Liquidity (A+B+C)	1,850,689	49,648,505
E Financial payables	(133,752,298)	(138,594,609)
F Current financial liabilities	(67,380,277)	(67,104,385)
G Net Financial Position	(199,281,886)	(156,050,489)

The net financial position increased following the utilisation of current assets to invest in equity holdings, including the conversion of the convertible bond into FCA shares.

Financial payables refer to the TIP 2014-2020 bond and the medium/long-term portion of bank loans.

The current financial liabilities principally refer to bank loans and interest related to the bond loan matured and still not paid.

(22) Share capital

The share capital of TIP S.p.A. is composed of:

Shares	Number
ordinary shares	147,799,487
Total	147,799,487

The Shareholders' Meeting of July 14, 2016 approved the proposal to eliminate the nominal value of TIP S.p.A. shares.

On August 13, 2016, the first exercise period of the Tamburi Investment Partners S.p.A. 2015 - 2020 Warrants concluded, with the exercise of 3,885 warrants and a relative share capital increase of Euro 2,020.20 with the issue of 3,885 new ordinary TIP S.p.A. shares at a price of Euro 3.79 each, for a total value of Euro 14,724.15.

The share capital of TIP S.p.A. amounts therefore to Euro 76,855,733, represented by 147,799,487 ordinary shares.

The treasury shares in portfolio at December 31, 2016 totalled 1,478,370, equal to 1.00% of the share capital.

No. treasury shares at January 1, 2016	No. of shares acquired in 2016	No. of shares sold 2016	No. treasury shares at December 31, 2016
541,678	936,692	-	1,478,370

Analysis is provided below of the statutory and tax nature of the equity accounts.

Nature/Description	Amount	Poss. of utilisation	Quota available	Utilisation in 3 previous years to cover losses	Utilisation in 3 previous years for other reasons
Share capital	76,855,733				
Legal reserve	15,370,743	B	15,370,743		
Share premium reserve	121,086,033	A,B	121,086,033		
Valuation reserve AFS financial assets	30,746,460				
Other reserves	5,817,639				
Merger surplus	5,060,152	A,B,C	5,060,152		
Retained earnings	33,443,468	A,B,C	33,443,468		
IFRS business combination reserve	(483,655)				
Treasury shares acquisition reserve	(4,853,854)				
Total	283,042,719		174,960,396		
Non-distributable quota (*)			121,086,033		

A: for share capital increase, B: for coverage of losses and C: for distribution to shareholders.

* Concerns the share premium reserve (Euro 121,086,033) which, in accordance with Article 2431 of the Civil Code, may not be distributed until the legal reserve has reached the limits established by Article 2430 of the Civil Code (Euro 15,371,151).

The following additional disclosure is provided on the shareholders' equity at December 31, 2016.

(23) Reserves

Legal reserve

These amount to Euro 15,370,743. After the conversion of 3,885 warrants into TIP ordinary shares, Euro 404 remains until reaching the limit established by Article 2430 Civil Code.

Share premium reserve

The share premium reserve amounts to Euro 121,086,033. The share premium reserve increased Euro 12,704 following the conversion of 3,885 warrants in TIP ordinary shares.

Valuation reserve AFS financial assets

The positive reserve amounts to Euro 30,746,460. This is an unavailable reserve as referring to the change in the fair value compared to the acquisition value of the investments in portfolio and of the current financial assets.

The changes in the non-current AFS financial assets valuation reserve, which represents the total of income and charges recognised directly through equity, is illustrated in the table below:

Euro	Book value at 1.1.2016	Change	Book value at 31.12.2016
Non-current AFS financial assets	28,693,911	4,546,137	33,240,048
Current AFS financial assets	281,338	(281,338)	-
Tax effect	(1,126,529)	(1,367,059)	(2,493,588)
Total reserve	27,848,720	2,897,740	30,746,460

The table below illustrates the implicit gains of the investments and of the current financial assets between January 1, 2016 and December 31, 2016, net of the potential tax charge at the balance sheet date, which are recognised under equity in the account “Valuation reserve AFS financial assets”.

For details of changes reference should be made to note 14 (Non-current AFS financial assets) and note 20 (Current AFS financial assets).

Other reserves

They amount to Euro 5,817,639 and refer for Euro 5,722,750 to the stock option plan reserve created following the allocation of options to employees and directors which will be settled through the equity settlement method, for Euro 9,545 to the negative employee benefit reserve and for Euro 104,434 to the reserve originally relating to the value of the options of the convertible bond which with the advance repayment without conversion became a free reserve.

Merger surplus

The merger surplus amounts to Euro 5,060,152. This derives from the incorporation of Secontip S.p.A. in TIP on January 1, 2011.

Retained earnings

Retained earnings amount to Euro 33,443,468 and increased compared to December 31, 2015 following the allocation of the 2015 profit.

IFRS business combination reserve

The reserve was negative and amounts to Euro 483,655, unchanged compared to December 31, 2015.

Treasury shares acquisition reserve

The negative reserve amounts to Euro 4,853,854. This relates to a non-distributable reserve.

For the changes in the year and breakdown of other equity items reference should be made to the specific statement.

(24) Post-employment benefit provisions

At December 31, 2016, the balance of the account related to the Post-Employment Benefit due to all employees of the company at the end of employment service.

The liability was updated based on actuarial calculations.

Euro	December 31, 2016	December 31, 2015
Opening balance	226,451	210,646
Provisions in the period	67,455	31,460
Actuarial gains/losses	20,087	(7,811)
Transfers to pension funds and utilisations	(42,326)	(7,844)
Total	271,667	226,451

(25) Financial payables

Financial payables of Euro 133,752,298 refer to:

- c) for Euro 98,949,819 the issue of the 2014-2020 TIP Bond approved by the Board of Directors on March 4, 2014, fully placed on the market on April 7, 2014 (nominal value of Euro 100,000,000). The loan, with an initial rights date of April 14, 2014 and expiry date of April 14, 2020 was issued at par value and offers an annual coupon at the nominal gross fixed rate of 4.75%. The loan was recognised at amortised cost applying the effective interest rate which takes into account the transaction costs incurred for the issue of the loan of Euro 2,065,689; the loan provides for compliance with financial covenants on an annual basis;
- d) for Euro 34,802,479 the portion of medium/long-term loans for a nominal value of Euro 40,000,000 with the following maturities;
 - 12.5% of the loan on December 31, 2017;
 - 12.5% on December 31, 2018;
 - 12.5% on June 30, 2019;
 - 62.5% on December 31, 2019.

The bond provides for compliance with annual financial covenants.

In accordance with the application of international accounting standards required by Consob recommendation No. DEM 9017965 of February 6, 2009 and the Bank of Italy/Consob/Isvap No. 4 of March 4, 2010, we report that this account does not include any exposure related to covenants not complied with.

(26) Current financial liabilities

These amount to Euro 67,380,277 and principally comprise bank payables of Euro 64,032,820 and interest on bonds for Euro 3,347,457.

(27) Tax payables

The breakdown of the account is as follows:

Euro	December 31, 2016	December 31, 2015
IRAP	303,660	0
IRES	0	1,200,390
VAT	10,554	0
Withholding taxes	114,825	591,985
Total	429,039	1,792,375

(28) Other liabilities

The account mainly refers to emoluments for directors and employees.

Euro	December 31, 2016	December 31, 2015
Directors and employees	16,534,243	4,739,721
Directors and employees for stock options	0	1,449,525

Social security institutions	174,297	112,455
Others	109,749	232,992
Total	16,818,289	6,534,693

(29) Financial instruments

Management of financial risks

The Company, by nature of its activities, is exposed to various types of financial risks; in particular, to the risk of changes in market prices of investments and, marginally, to the risk of interest rates.

The policies adopted by the company for the management of the financial risk are illustrated below.

Interest rate risk

The company is exposed to the interest rate risk relating to the value of the current financial assets represented by bonds.

Risk of change in the value of investments

The company, by nature of its activities, is exposed to the risk of changes in the value of the investments.

In relation to the listed investments at the present moment there is no efficient hedging instrument of a portfolio such as those with the characteristics of the company.

Relating to non-listed companies, the risks related:

(a) to the valuation of these investments, in consideration of: (i) absence in these companies of control systems similar to those required for listed companies, with the consequent unavailability of information at least equal to, under a quantitative and qualitative profile, of those available for this later; (ii) the difficulties to undertake independent verifications in the companies and, therefore to assess the completeness and accuracy of the information provided;

(b) the ability to impact upon the management of these investments and drive their growth, the pre-requisite for investment, based on the company's relationships with management and shareholders and, therefore, subject to verification and the development of these relationship;

(c) the liquidity of these investments, not negotiable on regulated markets; were not hedged through specific derivative instruments as not available. The company attempts to minimise the risk – although within a merchant banking activity and therefore by definition risky – through a careful analysis of the companies and sectors on entry into the share capital, as well as through careful monitoring of the performance of the investee companies after entry in the share capital.

A sensitivity analysis is reported below which illustrates the effects resulting from, respectively on the income statement and on the balance sheet, of a hypothetical change in the fair value of the instruments held at December 31, 2016 of +/-5% compared to the comparative figures for 2015.

Sensitivity Analysis	December 31, 2016			December 31, 2015		
	-5.00%	Basic	+5.00%	-5.00%	Basic	+5.00%
thousands of Euro						
Investments in listed companies	284,631	299,611	314,591	179,910	189,379	198,848
Investments in non-listed companies	38,409	40,431	42,453	38,017	40,018	42,019

Non-current AFS financial assets	323,040	340,042	357,044	217,927	229,397	240,867
Bonds and other debt securities	173	182	191	25,599	26,946	28,293
Current financial assets	173	182	191	25,599	26,946	28,293
Asset management	0	0	0	0	0	0
Bond securities	0	0	0	20,533	21,614	22,695
ETF	0	0	0	0	0	0
AFS financial assets	0	0	0	20,533	21,614	22,695
Effects on the result	(9)		9	(1,347)	-	1,347
Effects on the revaluation reserve financial assets	(17,002)		17,002	(12,551)	-	12,551

Credit risk

The company's exposure to the credit risk depends on the specific characteristics of each client as well as the type of activities undertaken and in any case at the preparation date of the present financial statements is not considered significant.

Before undertaking an assignment, careful analysis is undertaken on the credit reliability of the client.

Liquidity risk

The company approach in the management of liquidity guarantees, where possible, that there are always sufficient funds to meet current obligations.

At December 31, 2016, the credit lines available and not utilised of the TIP Group amounted to Euro 19.8 million.

Management of capital

The capital management policies of the Board of Directors provide for maintaining high levels of own capital in order to maintain a relationship of trust with investors, allowing for future development.

The company acquired treasury shares on the market in a timely manner which depends on market prices.

Hierarchy of Fair Value as per IFRS 13

The classification of financial instruments at fair value in accordance with IFRS 13 is determined based on the quality of the input sources used in the valuation, according to the following hierarchy:

- level 1: determination of fair value based on prices listed ("unadjusted") in active markets for identical assets or liabilities. This category includes the instruments in which the TIP company operates directly in active markets (for example investments in listed companies, listed bond securities etc.);
- level 2: determination of fair value based on inputs other than the listed prices included in "level 1" but which are directly or indirectly observable (for example recent or comparable prices);
- level 3: determination of fair value based on valuation models whose input is not based on observable market data ("unobservable inputs"). These refer for example to valuations of non-listed investments based on Discounted Cash Flow valuation methods.

In accordance with the disclosures required by IFRS 13, the types of financial instruments recorded in the financial statement at December 31, 2016 are illustrated below with indication of the accounting policies applied and, in the case of financial instruments measured at fair value, of the exposure to changes in fair value (income statement or equity), specifying also the hierarchical level of fair value attributed.

The final column of the following tables shows, where applicable, the fair value at the end of the period of the financial instrument.

Type of instrument (in thousands of Euro)	Accounting policies applied in accounts for financial instruments								fair value at 31.12.2016	
	fair value						Amortised cost	Invest. at cost		Book value at 31.12.2016
	with change in fair value recorded through:		Total fair value	Fair value hierarchy						
	net equity P&L			1	2	3				
AFS financial assets of which		340,042	340,042						340,042	340,042
- listed companies		299,611	299,611	299,611					299,611	299,611
- non-listed companies		40,431	40,431		38,990			1,441	40,431	40,431
Financial receivables 1							34,224		34,224	34,224
Trade receivables 1							999		999	999
Current financial assets	182				182				182	182
AFS financial assets										
Cash and cash equivalents 1							1,196		1,196	1,196
Other current assets 1							272		272	272
Non-current financial payables 2							133,752		133,752	142,762
Trade payables 1							541		541	541
Current financial liabilities 1							67,380		67,380	67,380
Other liabilities 1							16,818		16,818	16,818

Note

1. For these accounts the fair value was not calculated as their carrying value approximates this value.
2. The account includes the listed bond, for which a fair value was determined at December 31, 2016, while for the other accounts the fair value was not calculated as the recognition value approximates the fair value.

(30) Shares held by members of the Boards and Senior Management of the Group

The following tables report the financial instruments of TIP directly and indirectly held at the end of the period, also through trust companies, communicated to the company by the members of the Board of Directors. The table also illustrates the financial instruments acquired, sold and held by the parties in 2016.

Members of the Board of Directors						
Name	Office	No. of shares held at December 31, 2015	No. of shares acquired in 2016	No. of shares allocated from exercise of TIP warrant	No. of shares sold in 2016	No. of shares held at December 31, 2016
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	10,916,670	160,481			11,077,151
Alessandra Gritti	Vice Chair. & CEO	1,833,943	98,000			1,931,943
Cesare d'Amico ⁽²⁾	Vice Chairman	18,250,624	250,000			18,500,624
Claudio Berretti	Dir. & Gen. Manager	1,436,864	10,000			1,446,864
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	17,600,000	250,000			17,850,000
Giuseppe Ferrero	Director	2,765,815	155,183			2,920,998
Manuela Mezzetti	Director	59,702				59,702
Daniela Palestra	Director	0				0
Name	Office	No. of warrants held at December 31, 2015	No. of warrants assigned in 2016	No. of warrants sold in 2016	No. of warrants exercised in 2016	No. of warrants held at December 31, 2016
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	2,559,167				2,559,167
Alessandra Gritti	Vice Chair. & CEO	458,485				458,485
Cesare d'Amico ⁽²⁾	Vice Chairman	4,562,656				4,562,656
Claudio Berretti	Dir. & Gen. Manager	311,716				311,716
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	4,400,000				4,400,000
Giuseppe Ferrero	Director	691,453				691,453
Manuela Mezzetti	Director	14,925				14,925
Daniela Palestra	Director	0				0

⁽¹⁾Giovanni Tamburi holds his investment in the share capital of TIP in part directly in his own name and in part indirectly through Lippiuno S.r.l., a company in which he holds 85.75% of the share capital.

⁽³⁾Cesare d'Amico holds his investment in the share capital of TIP through d'Amico Società di Navigazione S.p.A. (a company in which he holds directly and indirectly 50% of the share capital), through the company Fi.Pa. Finanziaria di Partecipazione S.p.A. (a company which directly holds 54% of the share capital) and through family members.

⁽⁵⁾Paolo d'Amico holds his investments in the share capital of TIP through d'Amico Società di Navigazione S.p.A., a company in which he holds (directly and indirectly) a 50% shareholding.

The members of the Board of Statutory Auditors do not hold shares and/or warrants of the company.

(31) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2016.

TIP office	Fees 31/12/2016
Directors	17,054,014
Statutory Auditors	61,250

The remuneration of the Supervisory Board is Euro 3,000.

TIP also signed two insurance policies with Chubb Insurance Company of Europe S.A.- D&O and professional TPL - in favour of the Directors and Statutory Auditors of TIP, of the subsidiaries, as well as the investees companies in which TIP has a Board representative and the General Managers and coverage for damage to third parties in the exercise of their functions.

(32) Transactions with related parties

The table reports the transactions with related parties during the year outlined according to the amounts, type and counterparties.

Party	Type	Value/Balance at December 31, 2016	Value/Balance at December 31, 2015
Asset Italia S.p.A.	Revenues	476,283	-
Asset Italia S.p.A.	Trade receivables	251,470	-
Betaclub S.r.l.	Revenues	23,728	-
Betaclub S.r.l.	Trade receivables	23,728	-
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	30,000	60,000
Clubtre S.p.A.	Revenues	110,608	410,534
Clubtre S.p.A.	Trade receivables	50,608	410,225
Clubsette S.r.l. in liquidation	Revenues	25,000	25,343
Clubsette S.r.l. in liquidation	Trade receivables	-	25,000
Clubitaly S.p.A.	Revenues	30,606	33,204
Clubitaly S.p.A.	Trade receivables	30,606	31,270
Clubitaly S.p.A.	Financial receivables	220,909	-
Gatti&Co. Gmbh	Revenues	-	5,605
Gatti&Co. Gmbh	Trade receivables	-	-
Gruppo IPG Holding S.p.A.	Revenues	30,041	70,059
Gruppo IPG Holding S.p.A.	Trade receivables	30,041	70,059
Palazzari & Turries S.r.l.	Revenues	-	-
Palazzari & Turries S.r.l.	Trade receivables	-	636
TIP-pre IPO S.p.A.	Revenues	504,222	506,382
TIP-pre IPO S.p.A.	Trade receivables	253,964	502,923
TXR S.r.l.	Revenues	16,345	16,347
TXR S.r.l.	Trade receivables	16,345	15,505
Services provided to companies related to the Board of Directors	Revenues	2,025,835	192,247
Services provided to companies related to the Board of Directors	Trade receivables	10,810	90,420
Services received from companies related to the Board of Directors	Costs (services received)	7,922,858	2,458,488
Payables for services received from companies related to the Board of Directors	Trade payables	7,306,399	1,991,488
Giovanni Tamburi	Revenues (services provided)	3,352	6,128
Giovanni Tamburi	Trade receivables	3,352	6,128

The services offered for all the above listed parties were undertaken at contractual terms and

conditions in line with the market.

(33) Subsequent events

With reference to the subsequent events, reference should be made to the Directors' Report.

(34) Corporate Governance

TIP corporate governance adopts the provisions of the new version of the Self-Governance Code published by Borsa Italiana.

The Corporate Governance and Ownership Structure Report for the year is approved by the Board of Directors and published annually on the website of the company www.tipspa.it, in the "Corporate Governance" section.

For the Board of Directors
The Chairman
Giovanni Tamburi

Milan, March 14, 2017

ATTACHMENTS

Declaration of the Executive Officer for financial reporting as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and supplements.

2. The undersigned Alessandra Gritti, as Chief Executive Officer, and Claudio Berretti, as Executive Officer for financial reporting of Tamburi Investment Partners S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the conformity in relation to the characteristics of the company and
- the effective application during the year of the separate financial statements

of the administrative and accounting procedures for the compilation of the separate financial statements for the year ended December 31, 2016.

No significant aspect emerged concerning the above.

2. We also declare that:

- a) the separate financial statements at December 31, 2016 correspond to the underlying accounting documents and records;
- b) the separate financial statements for the year ended December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) and the relative interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament and provides a true and correct representation of the results, balance sheet and financial position of Tamburi Investment Partners S.p.A.
- c) the directors' report includes a reliable analysis of the significant events in the year and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties. The Directors' Report also contains a reliable analysis of the significant transactions with related parties.

The Chief Executive Officer

The Executive Officer

Milan, March 14, 2017

Attachment 1 – List of investments held

Company	Registered office		share capital	number of shares	number of shares held	% held	share of net equity	Book value in accounts
Associates								
Asset Italia S.p.A. (1)	Milan							
	via Pontaccio, 10	Euro	1.000.000	100.000.000	20.000.000	20,00	2.270.295	2.400.000
Be Think, Solve, Execute S.p.A.	Rome							
	viale dell'Esperanto, 71	Euro	27.109.165	134.897.272	31.582.225	23,41	0	16.596.459
Clubitaly S.r.l. (1)	Milan							
	via Pontaccio, 10	Euro	100.000	100.000	27.500	27,50	32.922.349	33.000.000
Clubtre S.p.A. (2)	Milan							
	via Pontaccio, 10	Euro	120.000	120.000	42.000	43,28	49.767.020	34.149.649
Gatti & Co. GmbH (3)	Frankfurt am Main							
	Bockenheimer Landstr. 51-53	Euro	35.700	35.700	10.700	29,97	89.937	275.000
Gruppo IPG Holding S.p.A. (3)	Milan							
	via Appiani, 12	Euro	142.438	284.875	67.348	33,72	24.172.380	38.392.028
Palazzari & Turries Limited (4)	Hong Kong							
	88 Queen's Road	Euro	300.000	300.000	90.000	30,00	219.445	225.000
Tip-Pre Ipo S.p.A. (1)	Milan							
	via Pontaccio, 10	Euro	244.285	2.442.845	697.956	28,57	18.000.912	16.285.667

(1) Value relating to the updated net equity at 31.12.2016.

(2) Value relating to the updated net equity at al 30.6.2015.

(3) Value relating to the updated net equity at 31.12.2015.

(4) Share capital in Hong Kong Dollars. Value relating to the updated net equity at 31.12.2015. The net equity was converted at the ERU/HKD rate of 0.1185 (relating to 31.12.2015).

Attachment 2 – Changes in AFS financial assets (measured at fair value)

in Euro	No. of shares	historic cost	fair value adjustments	Balance at 31.12.2015			increases	decreases						
				increases (decreases)	write-downs P&L	book value fair value	acquisition or subscription	reclass.	fair value increase	decreases	fair value decreases	reversal fair value	write-downs P&L	book value 31.12.2016
Non-listed companies														
Azimut Benetti S.p.A.	737,725			38,990,000		38,990,000								38,990,000
Talent Garden S.p.A.	6,250						500,000							500,000
Altri strumenti partecipativi e altre minori		1,759,872	0	63,081	(794,832)	1,028,121	100,001			(87,081)			(100,000)	941,041
Total non-listed companies		1,759,872	0	39,053,081	(794,832)	40,018,121	600,001	0	0	(87,081)	0	0	(100,000)	40,431,041
Listed companies														
Amplifon S.p.A.	9,538,036	34,884,370	41,372,228			76,256,598			10,062,628					86,319,226
Bolzoni S.p.A	3,107,794	5,442,159	5,139,652	3,045,421	(1,450,895)	12,176,337			1,187,166	(7,036,685)		(6,326,818)		0
Digital Magics S.p.A.	892,930	375,000	207,639	4,531,009		5,113,648	19,182				(1,666,476)			3,466,354
Ferrari N.V. USD	304,738		(2,333,541)	17,764,789		15,431,248	8,402,252		4,616,803	(11,493,193)		(148,963)		16,808,147
Ferrari N.V. euro	174,000					0	7,558,560			(7,558,560)	(76,276)	76,276		0
Fiat Chrysler Automobiles N.V. USD	2,076,925					0	17,656,453		312,958					17,969,411
Fiat Chrysler Automobiles N.V.	1,740,000	14,846,550	(1,720,017)	1,778,655		14,905,188			171,912					15,077,100
Hugo Boss AG	901,000		(16,562,390)	62,522,390		45,960,000	15,159,593				(8,744,463)			52,375,130
M&C S.p.A.	12,562,115	1,886,201	0		(195,340)	1,690,861			428,368				(28,893)	2,090,336
Moncler S.p.A.	5,898,354						90,170,236		7,329,555					97,499,791
Monrif S.p.A	12,658,232	11,374,782	(135,831)	0	(7,895,912)	3,343,039			220,253			135,831	(1,309,249)	2,389,874
Noemalife S.p.A	1,248,505	5,265,970	3,130,226	0		8,396,196			873,356	(5,265,970)		(4,003,582)		0
Servizi Italia S.p.A.	548,432	2,938,289	387,318	0	(1,241,564)	2,084,042					(121,751)			1,962,291
Altre società quotate		2,914,466	(791,370)	1,898,798		4,021,894	182,770		186,650	(69,548)		32,571	(701,995)	3,652,341
Total listed companies		79,927,787	28,693,914	91,541,062	(10,783,711)	189,379,051	139,149,046	0	25,389,648	(31,423,956)	(10,608,966)	(10,234,685)	(2,040,137)	299,610,001
Total investments		81,687,659	28,693,914	130,594,143	(11,578,543)	229,397,172	139,749,047	0	25,389,648	(31,511,037)	(10,608,966)	(10,234,685)	(2,140,137)	340,041,042

Attachment 3 – 2016 Key Financial Highlights of the subsidiaries

	TXR S.r.l.	Clubuno S.r.l.
ASSETS		
Fixed assets	29,690,079	1,522
Current assets	104,342	13,860
Accrued liabilities and deferred income	51	14
Total assets	29,794,472	15,396
LIABILITIES		
Equity	29,756,280	644
Payables	38,192	14,752
Total liabilities	29,794,472	15,396
INCOME STATEMENT		
Revenues	58	0
Costs of production	(84,802)	(8,849)
EBITDA	(84,744)	(8,849)
Amortisation & Depreciation	(734)	(508)
Operating Profit/(loss)	(85,478)	(9,357)
Financial income	416,436	0
Interest and other financial charges	0	0
Profit before taxes	330,958	(9,357)
Income taxes	0	0
Utilisation provisions	0	0
Profit/(loss)	330,958	(9,357)

Attachment 4 - Changes in investments in associates

in Euro	No. of shares	historic cost (write-downs)	revaluations	share of results as per equity method	shareholder loan capital advance	decreases or restitutions	Reclass.	increase (decrease) fair value	Balance at 01.01.2016	Purchases	increases		decreases		Book value al 31.12.2016
									Book value in accounts		Share of results as per equity method	shareholder loan capital advance	increase (decrease) fair value	(decreases) (write-downs) or restitutions revaluations	
Asset Italia S.p.A.		-							-	2,400,000					2,400,000
Be Think, Solve, Execute S.p.A.	31,582,225	16,596,459							16,596,459						16,596,459
ClubItaly S.r.l.	27,500	33,000,000							33,000,000						33,000,000
Clubtre S.p.A.	42,000	42,000			41,924,346	(6,475,000)			35,491,346				(1,341,697)		34,149,649
Gatti & Co Gmbh	10,700	275,000							275,000						275,000
Gruppo IPG Holding s.r.l.	67,348	27,623,451					12,218,481		39,841,932				(1,449,904)		38,392,028
Palazzari & Turries Limited	90,000	225,000							225,000						225,000
Tip-Pre Ipo S.p.A.	697,956	8,000,000							8,000,000	8,285,667					16,285,667
Totale		69,165,451	0	0	41,924,346	(6,475,000)	12,218,481	0	133,429,737	10,685,667	0	0	0	(2,791,601)	141,323,803

Report of the Board of Statutory Auditors to the Shareholders'
Meeting of Tamburi Investment Partners S.p.A
on the Financial Statements as at December 31, 2016

(in accordance with Article 153 of Legislative Decree 58/98 and Article 2429 of the
Civil Code)

Dear Shareholders,

during the year ended December 31, 2016, the Board of Statutory Auditors performed the supervisory activities pursuant to Article 149 of Legislative Decree No. 58/98, in accordance with the conduct principles for the Board of Statutory Auditors issued by the Italian accounting profession (Consiglio Nazionale dei Dottori Commercialisti ed esperti contabili) and the recommendations and communications issued by Consob.

The present report also considered the communications of Consob No. 1025564 of April 6, 2001, No. 3021582 of April 4, 2003 and No. 6031329 of April 7, 2006.

1. Principal economic, financial and equity transactions carried out by the company and their compliance with law and the company by-laws:
 - in January 2016, TIP received 367,422 Ferrari shares following the spin-off of Ferrari from the FCA Group; these operations, in accordance with IFRS, gave rise to a gain in the income statement of approx. Euro 16 million and charges of approx. Euro 9 million.
 - during the year shares were sold in Bolzoni s.p.a. and Noemalife s.p.a., both through tender offers launched by industrial partners, generating total gains of Euro 10.3 million;
 - in July 2016, Asset Italia S.p.A. was set up with the contribution, in addition to TIP with a stake of 20%, of approx. 30 family offices, for an endowment capital of Euro 550 million. Asset Italia and TIP will combine within five years. In relation to this project the

TIP Shareholders' Meeting mandated the Board of Directors powers to increase the share capital for a maximum amount of Euro 1,500,000.00 through payment in kind of Asset Italia shares; the Shareholders' Meeting also approved the elimination of the nominal value of TIP shares;

- during the year, following the withdrawal from Ruffini Partecipazioni, shares were assigned in Moncler to the subsidiary Clubsette srl. This operation resulted in a capital gain of approx. Euro 78 million for Clubsette.

Clubsette was then placed in liquidation and the Moncler shares assigned to the shareholders;

- on September 30, 2016, TIP formalised the underwriting of a convertible loan of Euro 15 million issued by Furla S.p.A. that will automatically convert into Furla shares at the time of listing or, alternatively, at September 30, 2019;
- in January, the investee TIPO S.p.A. acquired, together with the company Centokappa S.r.l., full ownership in the Beta Utensili S.p.A. Group;
- also with reference to the investee TIPO S.p.A., in June shares were acquired - within a club deal with members of the Guzzini family - amounting to 17.32% in the holding of the Guzzini Group (Fimag S.p.a.), thus increasing the shareholding in the iGuzzini Group.

The advisory activity generated revenues of approx. Euro 12 million.

During the year the company continued the policy to purchase and sell treasury shares in accordance with law and the resolutions passed.

The Board of Statutory Auditors considers that the operations undertaken are in accordance with law and the incorporating deeds, in the interests of the company, were not imprudent or risky, contrary to the resolutions made by the Shareholders'

Meeting or such as to compromise the integrity of the company assets.

An “impairment test” was undertaken on the value of goodwill in accordance with IAS 36, with the conclusion that the value attributed is appropriate and recoverable.

In relation to the valuation of the investees, the relative criteria is described in detail in the Explanatory Notes to the Financial Statements.

The Board of Directors of TIP approved, on July 27, 2016, the following procedures updating those already existing:

- Review of the regulation of the Control and Risks and Related Parties Committee and the procedures with related parties;
- Review of the code of conduct in relation to corporate information to the market;
- Review of the procedure for the management of “persons with access to price sensitive information”.
- Review of the code of conduct of TIP for the management, handling and communication of information relating to operations on TIP shares or on related financial instruments undertaken by covered persons and connected persons (Internal Dealing Code).

2. Transactions with related parties

The Board of Directors of TIP, as already illustrated, on July 27, 2016 approved the updated “Procedure for transactions with related parties”, already adopted in accordance the Regulation approved by Consob motion No. 17221 of March 12, 2010 and subsequent amendments.

The Board of Statutory Auditors did not note the existence of atypical or unusual transactions with third parties.

During the year transactions were undertaken with related parties of TIP concerning the

provision of services and loans at market conditions.

The inter-company transactions with related parties were adequately reported and described in Explanatory Note No. 33 of the Consolidated Financial Statements.

3. The Audit firm PriceWaterhouse Coopers issued the Auditors' Report on the Financial Statements pursuant to Article 14 of Legislative Decree No. 39 January 27, 2010 on March 30, 2017 without any issues.
4. There were no notices received as per Article 2408 of the Civil Code.
5. No petitions were presented to the board.
6. Further assignments awarded to the audit firm and/or its network: the audit firm PWC and its network were not awarded further assignments other than the audit of the financial statements.
7. During the year the Board of Statutory Auditors issued favourable opinions on the following:
 - Opinion on the proposal to the Shareholders' Meeting for the acquisition of treasury shares
 - Opinion on the remuneration of the Directors pursuant to Article 2389 No. 3 of the Civil Code
 - Opinion on the appointment of the Executive Officer
 - Opinion on the "2014/2021 TIP Incentive Plan" Regulation and on the assignment plan of the stock options
8. During the year the Board of Statutory Auditors held 7 meetings and the Board of Directors held 8 meetings.

The Board of Statutory Auditors participated at all of these meetings.

Meetings were also held of the Control and Risks and Related Parties Committee (6

meetings) and the Remuneration Committee (2 meetings).

The Board or at least one of its members attended all of these meetings.

9. The Board of Statutory Auditors also acquired information and provided oversight, in relation to its responsibilities, on compliance with correct administration principles, through direct observations, from the information received from department managers, participation at the meetings of the Board of Directors, meetings with the head of internal control and with the executive officer for financial reporting.

The Board of Statutory Auditors considers the governance instruments adopted by the Company, taking into account its size, are appropriate to ensure compliance with the principles of correct administration.

Based on the provisions of Article 19 of Legislative Decree No. 39 of January 27, 2010, the Board of Statutory Auditors provided oversight on:

- the financial disclosure process;
- the audit of the annual accounts;
- the independence of the audit firm, in particular relating to the provision of non-audit services to the Issuer.

No issues arose on which to report.

10. The Board of Statutory Auditors also reviewed and provided oversight, in relation to its responsibilities, on the adequacy of the organisational structure of the company and there were are no issues to report.
11. The Board of Statutory Auditors provided oversight on the adequacy of the internal control system and the administrative/accounting system, in addition to the reliability of this latter to correctly represent operating events.

From the activities undertaken no anomalies arose and the Board considers that the

administration/accounting system to be adequate and reliable for the correct representation of the operating events.

The Company correctly appointed the Executive Officer for the preparation of the corporate accounting documents, pursuant to Article 154-bis of the CFA. The Board of Statutory Auditors also reviewed the periodic and annual reports issued by the internal audit department and during the meetings no significant information warranting disclosure became evident.

Within the verification of the adequacy of the internal control system in accordance with Legislative Decree No. 231/2001, which governs the responsibility of entities for illicit administrative offenses, the Board of Statutory Auditors reports that TIP adopted an Organisational Model with the purpose to prevent such offenses leading to the responsibility of the Company. The Organisation Model is reviewed periodically to take into account operating experience and in accordance with changes in regulations which include penal offenses

A specific board (Supervisory Board) undertakes oversight on the functioning and compliance with the Organisational Model. The Supervisory Board met 3 times; one member of the Board is a member of the Supervisory Board.

12. The Board of Statutory Auditors provides oversight on the adequacy of the instructions by the Company to the subsidiaries in accordance with Article 114, paragraph 2 of Legislative Decree No 58/98, in order to ensure the information necessary to fulfil the communication obligations established by law, without noting any exceptions.

13. The Board of Statutory Auditors periodically held meetings with the independent audit firm, exchanging information in accordance with Article 150, paragraph 3 of the CFA.

During these meetings the independent auditors did not communicate any facts,

anomalies, critical issues or omissions which would require reporting by the Board of Statutory Auditors.

14. With reference to Corporate Governance and the implementation of the corporate governance rules pursuant to the last version of the Self-Governance Code issued by Borsa Italiana, the manner for compliance by the company are described in detail in the specific report presented to the Shareholders' Meeting and approved by the Board of Statutory Auditors.

In the financial statements and the remuneration report (pursuant to Article 123-ter CFA and Article 84-quater of the Issuers' Regulation) the company provided information on the remuneration requested by Consob.

The company verified the criteria established by the Self-Governance Code of Borsa Italiana for the qualification as "independent" of the Directors. The Board of Directors, on the basis of the information available to the company and provided by the Directors, assessed the independence of its members. This assessment was also undertaken by the Board of Statutory Auditors, which undertook their own assessment, verifying the correct application of the criteria and procedures.

An independent director undertakes the function of Lead Independent Director and one meeting of the independent directors was held in 2016.

The Board of Directors also undertook a self-assessment process in 2016; the Directors positively assessed the size, composition and functioning of the Board, as well as the governance structure of the Group.

15. Pursuant to Article 144 quinquiesdecies of the Issuers' Regulation, approved by Consob with motion No. 11971/99 and subsequent modifications and amendments, the corporate offices held by members of the Board of Statutory Auditors in companies

pursuant to Section V, Book V, Chapter V, VI and VII of the Civil Code, at the date of the present report are published by Consob and available on the internet site of Consob in accordance with the provisions of Article 144 quaterdecies of the Issuers' Regulation.

The Board of Statutory Auditors assessed their own independence, in accordance with Article 148, third paragraph of Legislative Decree No. 58 of 1998 and paragraph 8.C.1 of the Self-Governance Code.

- 16.** The Board of Statutory Auditors, within their supervisory and control activities undertaken during 2016, as described above, did not note any omissions, censurable matters, imprudent operations or irregularities.

No further matters require mention in the present report pursuant to Article 153, paragraph 1 of the CFA.

- 17.** Proposals to the Shareholders' Meeting

The Board of Statutory Auditors do not have any proposals to be presented to the Shareholders' Meeting, pursuant to Article 153, paragraph 2 of the CFA.

In accordance with our findings the Board of Statutory Auditors have no reason to oppose the approval of the financial statements as at December 31, 2016, which reports a profit of Euro 41,072,198 and the proposal made by the Board of Directors in relation to the allocation of the net profit.

Milan,

The Board of Statutory Auditors

The Chairman of the Board of Statutory Auditors – Mr. Emanuele Cottino

The Statutory Auditor – Ms. Paola Galbiati

The Statutory Auditor – Mr. Andrea Mariani



**INDEPENDENT AUDITORS' REPORT IN ACCORDANCE
WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE
No. 39 OF 27 JANUARY 2010**

To the shareholders of
Tamburi Investment Partners SpA

Report on the financial statements

We have audited the accompanying financial statements of Tamburi Investment Partners SpA, which comprise the statement of financial position as of 31 December 2016, income statement, statement of comprehensive income, statement of changes in Shareholders' equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of Tamburi Investment Partners SpA are responsible for the preparation of financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11 of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 6.890.000,00 Euro i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40122 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wührer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0331285039 - **Verona** 37122 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

www.pwc.com/it



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Tamburi Investment Partners SpA as of 31 December 2016 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Report on compliance with other laws and regulations

Opinion on the consistency with the financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, which are the responsibility of the directors of Tamburi Investment Partners SpA, with the financial statements of Tamburi Investment Partners SpA. as of 31 December 2016. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Tamburi Investment Partners SpA as of 31 December 2016.

Milan, 30 March 2017

PricewaterhouseCoopers SpA

Signed by

Massimo Rota
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers