

GEOX

INTERIM REPORT
FIRST QUARTER OF 2015



CONTENTS

Geox S.p.A.

Registered Offices in Italy - Via Feltrina Centro 16, Biadene di Montebelluna (Treviso)

Share Capital - Euro 25,920,733.1 fully paid

Tax Code and Treviso Companies Register No. 03348440268

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Company officers

Board of Directors

Name	Position and independent status (where applicable)
Mario Moretti Pologato ⁽¹⁾	Chairman and Executive Director
Enrico Moretti Pologato ⁽¹⁾	Vice Chairman and Executive Director
Giorgio Presca ⁽¹⁾	CEO and Executive Director ^(*)
Roland Berger ^{(2) (4)}	Independent Director
Fabrizio Colombo ^{(2) (3) (4)}	Independent Director
Lara Livolsi ⁽³⁾	Independent Director
Duncan L. Niederauer	Independent Director
Claudia Baggio	Director
Alessandro Antonio Giusti ^{(2) (3) (4)}	Director

⁽¹⁾ Member of the Executives Committee

⁽²⁾ Member of the Audit and Risk Committee

⁽³⁾ Member of the Compensation Committee

⁽⁴⁾ Member of the Nomination Committee

^(*) Powers and responsibilities for ordinary and extraordinary administration, within the limits indicated by law and the Articles of Association, in compliance with the powers of the Shareholders' Meeting, the Board of Directors and the Executive Committee, in accordance with the Board of Directors' resolution of April 17, 2013.

Board of Statutory Auditors

Name	Position
Francesco Gianni	Chairman
Valeria Mangano	Statutory Auditor
Francesca Meneghel	Statutory Auditor
Giulia Massari	Alternate Auditor
Andrea Luca Rosati	Alternate Auditor

Independent Auditors

Deloitte & Touche S.p.A.

Directors' report

Introduction

The market in which the Geox Group operates is characterized by seasonal phenomena, typical of the sector, leading to differences in the flow of costs and revenues in the various months of the year. In particular, the invoicing of products in the first six months, corresponding to the Spring/Summer sales period, is characterized by a concentration in the months of January, February and March, while the operating costs showed a more linear trend throughout the first six months.

It is important to remember, therefore, that the Income Statement relating to the First Quarter cannot be considered as a proportionate part of the whole financial period and the quarterly results of the period ending on March 31 are not comparable with those as of June 30 and December 31.

From a financial point of view, the quarterly figures are also affected by the same seasonal phenomena. The figures as of March 31, in fact, compared to the figures as of June 30 and December 31 highlight a significantly higher net working capital.

The Group's economic performance

Economic results summary

The main results are outlined below:

- Net sales of Euro 281.0 million, with an increase of 4.7% (2.5% constant exchange rates) compared to Euro 268.5 million in the first quarter of 2014;
- EBITDA of Euro 30.7 million, compared to Euro 27.8 million in the first quarter of 2014, with a 10.9% on sales;
- EBIT of Euro 20.9 million, compared to Euro 17.4 milioni in the first quarter of 2014, with a 7.4% on sales;
- Net income of Euro 12.5 million, compared to Euro 10.0 million in the same period of 2014, with a 4.5% on sales.

In the following table a comparison is made between the consolidated income statement of the first quarter of 2015 and 2014:

(Thousands of Euro)	I Quarter 2015		I Quarter 2014		2014	
		%		%		%
Net sales	281,012	100.0%	268,469	100.0%	824,243	100.0%
Cost of sales	(149,325)	(53.1%)	(146,612)	(54.6%)	(420,451)	(51.0%)
Gross profit	131,687	46.9%	121,857	45.4%	403,792	49.0%
Selling and distribution costs	(16,083)	(5.7%)	(15,663)	(5.8%)	(48,519)	(5.9%)
General and administrative expenses	(83,770)	(29.8%)	(77,771)	(29.0%)	(308,257)	(37.4%)
Advertising and promotion	(10,952)	(3.9%)	(11,032)	(4.1%)	(42,126)	(5.1%)
EBIT	20,882	7.4%	17,391	6.5%	4,890	0.6%
Net interest	(2,339)	(0.8%)	(1,526)	(0.6%)	(6,335)	(0.8%)
PBT	18,543	6.6%	15,865	5.9%	(1,445)	(0.2%)
Income tax	(6,026)	(2.1%)	(5,818)	(2.2%)	(1,496)	(0.2%)
Tax rate	32%		37%		-104%	
Net result	12,517	4.5%	10,047	3.7%	(2,941)	(0.4%)
EPS (Earnings per shares)	0.05		0.04		(0.01)	
EBITDA	30,718	10.9%	27,803	10.4%	42,643	5.2%

EBITDA: is the EBIT plus depreciation, amortization and can be directly calculated from the financial statements as integrated by the notes.

Disclaimer

This Report, and in particular the section entitled "Outlook for operation and significant subsequent events", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), and many other factors, most of which are outside of the Group's control.

Sales

First quarter 2015 consolidated net sales increased by 4.7% (2.5% at constant exchange rates) to Euro 281.0 million. Footwear sales, which accounted for about 90% of consolidated sales, amounting to Euro 252.8 million, increased 9.0% compared to first quarter of 2014. Apparel sales, which represented 10% of consolidated sales, equal to Euro 28.2 million, compared to Euro 36.5 million of the first quarter 2014.

(Thousands of Euro)	I Quarter 2015	%	I Quarter 2014	%	Var. %
Footwear	252,777	90.0%	231,993	86.4%	9.0%
Apparel	28,235	10.0%	36,476	13.6%	(22.6%)
Net sales	281,012	100.0%	268,469	100.0%	4.7%

Sales in Italy, the Group's main market, which accounted for 36% of sales, in line with the first quarter 2014, amounted to Euro 100.5 million showing a 3.2% increase compared with the same period of the previous year.

Sales in Europe, which accounted for 43% of sales increased by 3.2% to Euro 119.7 million, compared with Euro 116.0 million in the first quarter of 2014.

North American sales amounted to Euro 14.2 million, showing an increase of 15.8% (+1.9% at constant exchange rates). Sales in Other Countries increased by 8.8% compared to the first quarter of 2014 (+1.1% at constant exchange rates).

(Thousands of Euro)	I Quarter 2015	%	I Quarter 2014	%	Var. %
Italy	100,475	35.8%	97,372	36.3%	3.2%
Europe (*)	119,713	42.6%	115,987	43.2%	3.2%
North America	14,205	5.1%	12,271	4.6%	15.8%
Other countries	46,619	16.6%	42,839	16.0%	8.8%
Net sales	281,012	100.0%	268,469	100.0%	4.7%

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

Sales of the DOS channel, which represent 30% of Group revenues, grew 10.9% to Euro 85.6 million compared to the first quarter of 2014. The improvement is mainly driven by new openings and by comparable store sales growth recorded on DOS channel (+4.8%).

Sales of the franchising channel, which account for 20% of Group revenues, amount to Euro 56.3 million, with a decrease of 3.9%. This trend is due to the effect of closing of shops not in line with the expected profitability standards which has been partially offset by the positive trend in comparable store sales at locations that have been open for at least 12 months (+7.7%).

Multibrand stores representing 50% of Group revenues (49% in the first quarter of 2014) amount to Euro 139.1 million, with an increase of 4.8%.

(Thousands of Euro)	I Quarter 2015	%	I Quarter 2014	%	Var. %
Multibrand	139,087	49.5%	132,733	49.4%	4.8%
Franchising	56,277	20.0%	58,536	21.8%	(3.9%)
DOS*	85,648	30.5%	77,200	28.8%	10.9%
Geox Shops	141,925	50.5%	135,736	50.6%	4.6%
Net sales	281,012	100.0%	268,469	100.0%	4.7%

* Directly Operated Store

As of March 31, 2015, the overall number of Geox Shops was 1,166 of which 440 DOS. During the first quarter of 2015, 16 new Geox Shops were opened and 75 have been closed, in line with the rationalization plan of the DOS network.

	03-31-2015		12-31-2014		2015		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	366	131	421	173	(55)	3	(58)
Europe (*)	345	169	350	167	(5)	2	(7)
North America	45	45	44	44	1	2	(1)
Other countries (**)	410	95	410	93	-	9	(9)
Total	1,166	440	1,225	477	(59)	16	(75)

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

(**) Includes Under License Agreement Shops (163 as of March 31, 2015, 161 as of December 31, 2014). Sales from these shops are not included in the franchising channel.

Cost of sales and Gross Profit

Cost of sales, as a percentage of sales, was 53.1% compared to 54.6% of the first quarter 2014, producing a gross margin of 46.9% (45.4% in the first quarter 2014).

The increase in gross profit, in line with management expectations, is explained by the increased profitability in sales and the steps taken in terms of product mix, channels, prices.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales were 5.7% (5.8% in the first quarter of 2014).

General and administrative expenses were equal to Euro 83.8 million, compared with Euro 77.8 million of the first quarter 2014. General and administrative expenses, as a percentage of sales, were 29.8%.

The increase is mainly due to costs of opening and running of new directly operated stores (DOS) including the conversion to directly operated stores of stores previously managed by some franchisees.

Advertising and promotions expenses were equal to 3.9% of sales, 4.1% in the first quarter of 2014.

The operating result (EBIT) is equal to Euro 20.9 million (7.4% on sales) compared with Euro 17.4 million of the first quarter 2014.

EBITDA

EBITDA was Euro 30.7 million, 10.9% of sales, compared to Euro 27.8 million (10.4% on sales) of the first quarter of 2014.

Income taxes and tax rate

Income taxes were equal to Euro 6.0 million, compared to Euro 5.8 million of the first quarter 2014.

The Group's financial performance

The following table summarizes the reclassified consolidated balance sheet:

(Thousands of Euro)	March 31, 2015	Dec. 31, 2014	March 31, 2014
Intangible assets	58,829	60,150	61,596
Property, plant and equipment	64,661	64,497	62,343
Other non-current assets - net	44,781	54,802	65,068
Total non-current assets	168,271	179,449	189,007
Net operating working capital	282,159	226,651	284,087
Other current assets (liabilities), net	(29,001)	(10,625)	(22,402)
Net invested capital	421,429	395,475	450,692
Equity	404,451	373,680	365,207
Provisions for severance indemnities, liabilities and charges	8,925	8,813	8,315
Net financial position	8,053	12,982	77,170
Net invested capital	421,429	395,475	450,692

The Group balance sheet shows a negative financial position of Euro 8.1 million.

The following table shows the mix and changes in net operating working capital and other current assets (liabilities):

(Thousands of Euro)	March 31, 2015	Dec. 31, 2014	March 31, 2014
Inventories	214,522	287,732	206,795
Accounts receivable	197,075	106,517	182,404
Accounts payable	(129,438)	(167,598)	(105,112)
Net operating working capital	282,159	226,651	284,087
% of sales for the last 12 months	33.7%	27.5%	37.4%
Taxes payable	(13,089)	(6,439)	(13,991)
Other non-financial current assets	32,122	40,958	34,066
Other non-financial current liabilities	(48,034)	(45,144)	(42,477)
Other current assets (liabilities), net	(29,001)	(10,625)	(22,402)

The ratio of net working capital on sales comes to 33.7% compared with 37.4% of the first quarter 2014.

This improvement is mainly due to the management of suppliers' payment terms, which more than offset the increase in account receivables, in line with the trends of the last six months sales of wholesale and franchising channels and the increase in inventory.

The following table gives a reclassified consolidated cash flow statement:

(Thousands of Euro)	I Quarter 2015	I Quarter 2014	2014
Net result	12,517	10,047	(2,941)
Depreciation, amortization and impairment	9,836	10,412	37,753
Other non-cash items	28,169	2,691	(1,483)
	50,522	23,150	33,329
Change in net working capital	(59,178)	(75,703)	(15,434)
Change in other current assets/liabilities	12,743	4,693	(6,842)
Cash flow from operations	4,087	(47,860)	11,053
Capital expenditure	(7,832)	(5,415)	(35,754)
Disposals	266	210	2,912
Net capital expenditure	(7,566)	(5,205)	(32,842)
Free cash flow	(3,479)	(53,065)	(21,789)
Change in net financial position	(3,479)	(53,065)	(21,789)
Initial net financial position - prior to fair value adjustment of derivatives	(41,012)	(18,339)	(18,339)
Change in net financial position	(3,479)	(53,065)	(21,789)
Translation differences	(1,239)	(379)	(884)
Final net financial position - prior to fair value adjustment of derivatives	(45,730)	(71,783)	(41,012)
Fair value adjustment of derivatives	37,677	(5,387)	28,030
Final net financial position	(8,053)	(77,170)	(12,982)

In the first quarter of 2015, net capital expenditure were equal to Euro 7.6 million (Euro 5.2 million in the first quarter of 2014), of which Euro 2.8 million for new Geox Shop openings and refurbishment.

The following table gives a breakdown of the net financial position:

(Thousands of Euro)	March 31, 2015	Dec. 31, 2014	March 31, 2014
Cash and cash equivalents	33,753	53,355	35,420
Current financial assets - excluding derivatives	317	206	174
Bank borrowings and current portion of long-term loans	(67,506)	(95,673)	(108,825)
Current financial liabilities - excluding derivatives	(412)	(233)	(102)
Net financial position - current portion	(33,848)	(42,345)	(73,333)
Non-current financial assets	1,513	1,586	1,612
Long-term loans	(13,395)	(253)	(62)
Net financial position - non-current portion	(11,882)	1,333	1,550
Net financial position - prior to fair value adjustment of derivatives	(45,730)	(41,012)	(71,783)
Fair value adjustment of derivatives	37,677	28,030	(5,387)
Net financial position	(8,053)	(12,982)	(77,170)

Before the fair value adjustment of derivatives, net financial position was Euro -45.7 million, compared to Euro -41.0 million at the end of 2014. After fair value adjustment of derivatives, which positively affected 2015 first quarter for Euro 37.7 million (Euro 28.0 as of December 31, 2014), net financial position was equal to Euro -8.1 million (Euro -13.0 million at the end of 2014).

Outlook for operations and significant subsequent events

The key elements of the 2014-2016 business plan presented to the financial community in late 2013 were as follows:

- focus on the core business and product innovation;
- simplify the business to dramatically reduce complexity and costs;
- rationalise the mono-brand store network by closing underperforming locations;
- apply strict profitability criteria as a condition of opening new locations;
- establish commercial partnerships in regions with attractive growth characteristics where the Group's physical presence is still limited.

As we approach the midpoint of the three year plan, our results to date suggest that we are making good progress toward accomplishing what the plan envisioned. Following a successful 2014, the first quarter of 2015 saw the Group maintain this momentum. These results, along with clarity around how the second quarter is shaping up, and the visibility we now have into forward ordering trends, position us to offer some guidance for the balance of 2015.

While global growth remains challenged, signs of modest improvement are evident, and we remain optimistic that the Group's revenues and profitability will continue to grow in 2015. Our strategy is working, revenue growth in our core markets is strong, expenses continue to trend in the right direction as we rationalise our store network and gross margins are expanding.

As explained in the financial statements at 31 December 2014, it is also worth making a specific reference to China. The Group's strategy in that country provides for direct management in the cities of Shanghai and Beijing with the opening of around 100 direct points of sale during the time horizon of the Business Plan, in order to have full control over brand and product positioning. The inaugurations of directly operated stores are in line with the plan; 50 have already been opened and another 20 are expected to be opened this year. Comparable sales performances in 1Q15 are extremely positive (+41%).

The other provinces of China will be developed by means of distribution contracts for which negotiations are currently underway with major Chinese and international partners. In this regard, management would like to point out that a first distribution agreement was signed recently with one of the largest multi-brand chains in the country, specialized in children's footwear. Distribution is not exclusive as Geox has reserved for itself the availability of the single-brand channel, both as stores and as "corners" or "shop in shop" within department stores. The initial results are very encouraging, though management is assuming that 9-12 months will be needed to settle the arbitration with the current partner, which in any case is irrelevant for future business development, and to redefine strategy and commercial presence in this important market; so China will not make the contribution that was expected in 2015, but it still offers huge growth potential for Geox.

As regards the entire year, market expectations are very challenging and largely in line with the Business Plan presented. Profitability forecasts at EBITDA level average around 68-70 million euro. In this regard, management is confident that the trend of solid growth achieved in the main markets, such as Italy, France, Spain, Germany and other European countries and the positive developments in other geographical areas will allow the Group to achieve a good rate of growth in turnover. In addition, based on confirmation of the growth trend in gross margin and the rationalisation measures already introduced, the significant improvement in cash flows, the strict control over working capital, management presumes that operating profitability and net income will also increase to levels in line with market expectations.


These positive expectations are confirmed by:

- (i) the order backlog for the multi-brand channel for the Spring/Summer season that has grown in total by 5%; the order backlog for the multi-brand channel for the Fall/Winter season that has grown in total by 8%; and thus the performance in the EMEA region has more than compensated for the weakness in Asia in the wholesale channel;
- (ii) the fact that these orders already obtained confirm growth in gross margin in line with expectations;
- (iii) comparable sales, as of today, of both directly operated stores and franchised stores have grown in comparison to prior year and are in line with management's expectations.

The Management is also implementing plans for the opening of mono-brand stores, expanding franchisees and improving comparable sales of both direct stores and franchisees, as these are necessary measures to achieve the above results.

Biadene di Montebelluna, May 14, 2015

for the Board of Directors
The Chairman
Mr. Mario Moretti Polegato



CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Consolidated income statement

(Thousands of Euro)	I Quarter 2015	I Quarter 2014	2014
Net sales	281,012	268,469	824,243
Cost of sales	(149,325)	(146,612)	(420,451)
Gross profit	131,687	121,857	403,792
Selling and distribution costs	(16,083)	(15,663)	(48,519)
General and administrative expenses	(83,770)	(77,771)	(308,257)
Advertising and promotion	(10,952)	(11,032)	(42,126)
EBIT	20,882	17,391	4,890
Net interest	(2,339)	(1,526)	(6,335)
PBT	18,543	15,865	(1,445)
Income tax	(6,026)	(5,818)	(1,496)
Net result	12,517	10,047	(2,941)
Earnings per share [Euro]	0.05	0.04	(0.01)
Diluted earnings per share [Euro]	0.05	0.04	(0.01)

Consolidated statement of comprehensive income

(Thousands of Euro)	I Quarter 2015	I Quarter 2014	2014
Net income	12,517	10,047	(2,941)
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
- Net gain (loss) on actuarial defined-benefit plans	-	-	(391)
Other comprehensive income that may be reclassified subsequently to profit or loss:			
- Net gain (loss) on Cash Flow Hedge, net of tax	18,836	111	23,078
- Currency translation	(778)	(380)	(1,560)
Net comprehensive income	30,575	9,778	18,186

Consolidated statement of financial position

(Thousands of Euro)	March 31, 2015	Dec. 31, 2014	March 31, 2014
ASSETS:			
Intangible assets	58,829	60,150	61,596
Property, plant and equipment	64,661	64,497	62,343
Deferred tax assets	30,048	39,514	49,696
Non-current financial assets	1,513	1,586	1,612
Other non-current assets	17,462	17,379	17,321
Total non-current assets	172,513	183,126	192,568
Inventories	214,522	287,732	206,795
Accounts receivable	197,075	106,517	182,404
Other non-financial current assets	32,122	40,958	34,066
Current financial assets	43,026	30,002	1,682
Cash and cash equivalents	33,753	53,355	35,420
Current assets	520,498	518,564	460,367
Total assets	693,011	701,690	652,935
LIABILITIES AND EQUITY:			
Share capital	25,921	25,921	25,921
Reserves	366,013	350,700	329,239
Net income	12,517	- 2,941	10,047
Equity	404,451	373,680	365,207
Employee severance indemnities	2,768	2,756	2,382
Provisions for liabilities and charges	6,157	6,057	5,933
Long-term loans	13,395	253	62
Other long-term payables	2,729	2,091	1,949
Total non-current liabilities	25,049	11,157	10,326
Accounts payable	129,438	167,598	105,112
Other non-financial current liabilities	48,034	45,144	42,477
Taxes payable	13,089	6,439	13,991
Current financial liabilities	5,444	1,999	6,997
Bank borrowings and current portion of long-term loans	67,506	95,673	108,825
Current liabilities	263,511	316,853	277,402
Total liabilities and equity	693,011	701,690	652,935

Consolidated statement of cash flows

(Thousands of Euro)	I Quarter 2014	I Quarter 2013	2013
CASH FLOW FROM OPERATING ACTIVITIES:			
Net result	12,517	10,047	(2,941)
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation and amortization and impairment	9,836	10,412	37,753
Increase in (use of) deferred taxes and other provisions	12,059	6,965	4,812
Provision for employee severance indemnities, net	(8)	2	(11)
Other non-cash items	16,118	(4,276)	(6,285)
	38,005	13,103	36,269
Change in assets/liabilities:			
Accounts receivable	(100,053)	(86,843)	(9,408)
Other assets	4,597	(288)	(9,599)
Inventories	80,915	75,122	(2,696)
Accounts payable	(40,040)	(63,982)	(3,330)
Other liabilities	1,552	(606)	4,807
Taxes payable	6,594	5,587	(2,049)
	(46,435)	(71,010)	(22,275)
Operating cash flow	4,087	(47,860)	11,053
CASH FLOW USED IN INVESTING ACTIVITIES:			
Capital expenditure on intangible assets	(1,510)	(1,086)	(9,099)
Capital expenditure on property, plant and equipment	(6,323)	(4,329)	(26,655)
	(7,833)	(5,415)	(35,754)
Disposals	266	210	2,913
(Increase) decrease in financial assets	(27)	(63)	(68)
Cash flow used in investing activities	(7,594)	(5,268)	(32,909)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank borrowings, net	9,086	(13,252)	(21,615)
Loans:			
- Proceeds	20,114	55,158	48,413
- Repayments	(47,409)	0	0
Cash flow used in financing activities	(18,209)	41,906	26,798
Increase (decrease) in cash and cash equivalents	(21,716)	(11,222)	4,942
Cash and cash equivalents, beginning of the period	53,355	46,991	46,991
Effect of translation differences on cash and cash equivalents	2,114	(349)	1,422
Cash and cash equivalents, end of the period	33,753	35,420	53,355
Supplementary information to the cash flow statement:			
- Interest paid during the period	767	544	3,239
- Interest received during the period	106	144	487
- Taxes paid during the period	391	1,255	6,571

Consolidated statements of changes in equity

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	Stock option reserve	Retained earnings	Net income	Group equity
Balance at December 31, 2013	25,921	5,184	37,678	983	(4,670)	1,176	318,906	(29,749)	355,429
Allocation of 2013 result	-	-	-	-	-	-	(29,749)	29,749	-
Recognition of cost stock option plans	-	-	-	-	-	(687)	752	-	65
Net comprehensive result	-	-	-	(1,560)	23,078	-	(391)	(2,941)	18,186
Balance at December 31, 2014	25,921	5,184	37,678	(577)	18,408	489	289,518	(2,941)	373,680
Allocation of 2014 result	-	-	-	-	-	-	(2,941)	2,941	-
Recognition of cost stock option plans	-	-	-	-	-	196	-	-	196
Net comprehensive result	-	-	-	(778)	18,836	-	-	12,517	30,575
Balance at March 31, 2015	25,921	5,184	37,678	(1,355)	37,244	685	286,577	12,517	404,451

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	Stock option reserve	Retained earnings	Net income	Group equity
Balance at December 31, 2013	25,921	5,184	37,678	983	(4,670)	1,176	318,906	(29,749)	355,429
Allocation of 2013 result	-	-	-	-	-	-	(29,749)	29,749	-
Distribution of dividends	-	-	-	-	-	-	-	-	-
Recognition of cost stock option plans	-	-	-	-	-	-	-	-	-
Net comprehensive result	-	-	-	(380)	111	-	-	10,047	9,778
Balance at March 31, 2014	25,921	5,184	37,678	603	(4,559)	1,176	289,157	10,047	365,207

Explanatory Notes

The economic/financial results of the Group as at March 31, 2015 and for the periods of comparison were prepared on the basis of Annex 3D to the Issuers' Regulations no. 11971 of May 14, 1999, and subsequent amendments and additions.

The quarterly statement as at March 31, 2015, which is not subject to auditing by the Auditing firm, was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the relative standards of interpretation (IFRIC) in force at the time the Statement was drawn up.

The accounting standards and valuation criteria adopted are the same as those used for the preparation of the annual consolidated financial statements.

Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for preparing the Company's financial reports, Mr. Livio Libralesso, declares, in accordance with paragraph 2 article 154 bis of the Testo Unico della Finanza, that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the company.