ESPRINET GROUP

Interim management statement as at 31 March 2016

<u>**Approved by the Board of Directors on 13 May 2016**</u>

Parent Company:

Esprinet S.p.A.
VAT number: IT 02999990969
Monza and Brianza Companies' Register and Tax number: 05091320159 Repository of financial and administrative information (R.E.A.) number: 1158694
Registered Office and Administrative HQ: Via Energy Park, 20 - 20871 Vimercate (MB)
Subscribed and paid-in share capital as at 31/03/2016: Euro 7,860,651
www.esprinet.com - info@esprinet.com

Company Officers

Board of Directors:

(Mandate expiring with approval of accounts for the year ending 31 December 2017)

Chairman	Francesco Monti	(SC)
Deputy Chairman	Maurizio Rota	(SC)
Chief Executive Officer	Alessandro Cattani	(SC) (CSC)
Director	Valerio Casari	(CSC)
Director	Marco Monti	(SC)
Director	Tommaso Stefanelli	(SC) (CSC)
Director	Matteo Stefanelli	(SC) (CSC)
Director	Cristina Galbusera	(InD) (CRC) (RAC)
Director	Mario Massari	(InD) (CRC) (RAC)
Director	Chiara Mauri	(InD) (CRC) (RAC)
Director	Emanuela Prandelli	(InD)
Director	Andrea Cavaliere	
Secretary	Manfredi Vianini Tolomei Studio Chiomenti	

Notes:
(InD): Independent Director
(CRC): Control and Risk Committee
(RAC): Remuneration and Appointments Committee
(SC): Strategy Committee
(CSC): Competitiveness and Sustainability Committee

Board of Statutory Auditor:

(Mandate expiring with approval of accounts for the year ending 31 December 2017)

Chairman	Giorgio Razzoli
Permanent Auditor	Bettina Solimando
Permanent Auditor	Patrizia Paleologo Oriundi
Alternate Auditor	Antonella Koenig
Alternate Auditor	Bruno Ziosi

Independent Auditor:

(Mandate expiring with approval of accounts for the year ending 31 December 2018)

Reconta Ernst & Young S.p.A.

Waiver of the obligations to provide information on extraordinary transactions

Pursuant to article 70, section 8, and article 71, section 1-bis, of the Issuers' Regulations issued by Consob, on 21 December 2012 the Board of Directors of Esprinet S.p.A. resolved to make use of the right to waive the obligations to publish the information documents stipulated for significant transactions relating to mergers, demergers, increases in capital by the contribution of goods in kind, acquisitions and transfers.

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1. Notes on financial performance for the period

(euro/000)	notes	Q1 2016	%	Q1 2015	notes	%	% var. 16/15
Profit & Loss							
Sales		615,424	100.0%	617,550		100.0%	0%
Gross profit		33,671	5.5%	37,630		6.1%	-11%
EBITDA	(1)	7,195	1.2%	11,208		1.8%	-36%
Operating income (EBIT)		6,236	1.0%	10,134		1.6%	-38%
Profit before income tax		5,943	1.0%	8,552		1.4%	-31%
Net income		4,245	0.7%	6,264		1.0%	-32%
Financial data							
Cash flow	(2)	5,130		7,058			
Gross investments		932		2,018			
Net working capital	(3)	250,000		21,905	(4)		
Operating net working capital	(5)	263,301		34,512	(4)		
Fixed assets	(6)	100,677		101,083	(4)		
Net capital employed	(7)	338,918		111,692	(4)		
Net equity		302,003		297,605	(4)		
Tangible net equity	(8)	226,181		221,695	(4)		
Net financial debt	(9)	36,915		(185,913)	(4)		
Main indicators							
Net financial debt / Net equity		0.1		(0.6)	(4)		
Net financial debt / Tangible net equity		0.2		(0.8)	(4)		
EBIT / Finance costs - net		12.7		6.4			
EBITDA / Finance costs - net		14.7		7.1			
Net financial debt/ EBITDA		0.8		(3.7)	(4)		
Operational data							
N. of employees at end-period		1,024		978			
Avarage number of employees	(10)	1,020		974			
Earnings per share (euro)							
- Basic		0.08		0.13			-38%
- Diluted		0.08		0.12			-33%

(1) EBITDA is equal to the operating income (EBIT) gross of amortisation, depreciation and accruals for risks and charges.
(2) Sum of consolidated net profit and amortisations.
(3) Sum of current assets, non-current assets held for sale and current liabilities, gross of current net financial debts.
(5) Figures relative to 31 December 2015.
(5) Sum of trade receivables, inventory and trade payables.
(6) Equal to non-current assets net of non-current financial assets for derivatives.
(7) Equal to capital employed as of period end, calculated as the sum of net working capital plus fixed assets net of non-current non-financial liabilities.
(8) Equal to net equity less goodwill and intangible assets.
(9) Sum of financial debts, cash availability, assets/liabilities for financial derivatives and financial receivables from factoring.
(10) Calculated as the average of opening balance and closing balance of consolidated companies.

The economic and financial results and those of the relative period of comparison have been measured by applying International Financial Standards ('IFRSs'), adopted by the EU during the reference period.
In the chart above, in addition to the conventional economic and financial indicators laid down by IFRSs, some 'alternative performance indicators', although not defined by the IFRSs, are presented. These 'alternative performance indicators', consistently presented in previous periodic Group reports, are not intended to substitute IFRSs indicators; they are used internally by the Management for measuring and controlling the Group's profitability, performance, capital structure and financial position.
As required by CESR (Committee of European Securities Regulators) recommendation no. CESR/05 178b, the basis of calculation is provided in the end notes of the table.

2. Contents and format of the interim management statement

2.1 Consolidation policies, accounting principles and valuation criteria

Ordinary shares in Esprinet S.p.A. (ticker: PRT.MI) have been listed in the STAR segment of the MTA market of Borsa Italiana S.p.A., the Italian Stock Exchange since July 27, 2001.

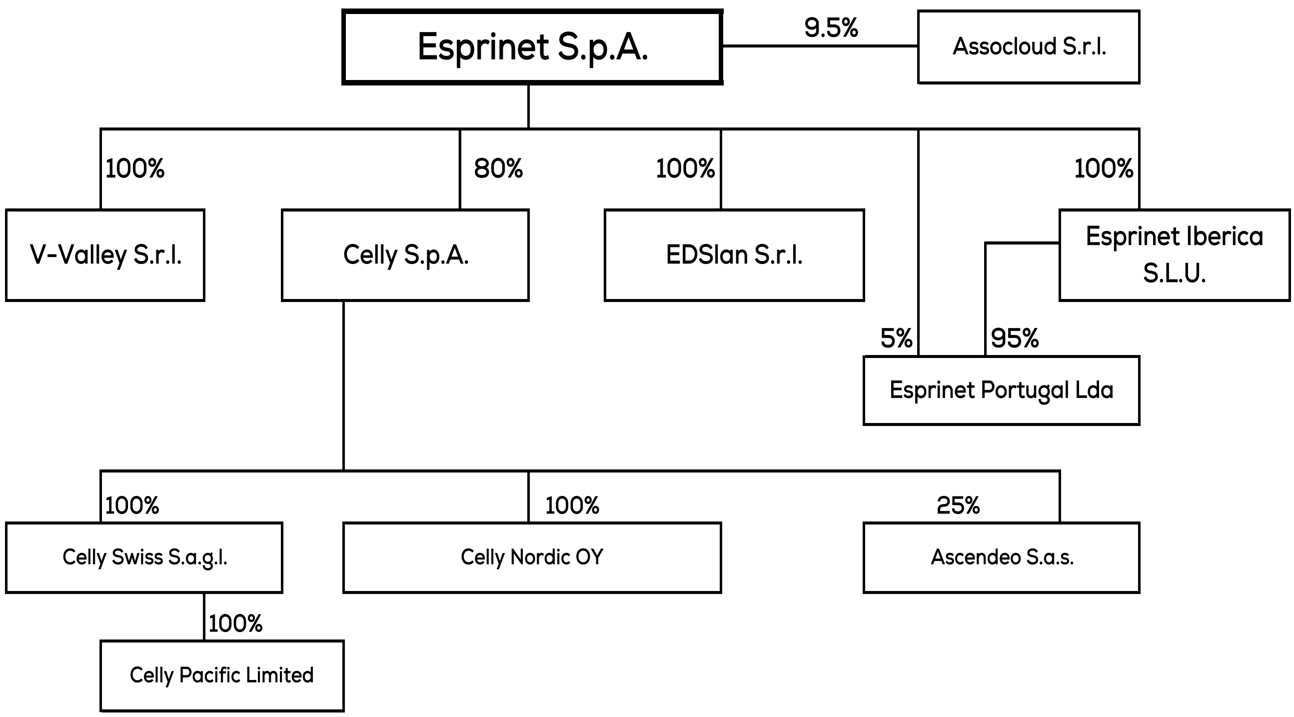
Due to this, the Esprinet Group consolidated interim management statement as at 31 March 2016, non-audited, has been drawn up as per Article 154-ter, paragraph 5 (Financial reports), of the Legislative Decree No. 58/1998 (T.U.F. - Finance Consolidation Act).

Financial data presented in this document result from the application of the same accounting principles (IFRSs - International Financial Reporting Standards), consolidation principles and methods, valuation criteria, conventional definitions and accounting estimates used in previous consolidated financial statements for interim and annual periods, unless otherwise indicated.

Pursuant to Consob Communication No. DEM/8041082 of 30 April 2008 ('Interim financial report of companies listed in Italy') the financial data in said report are comparable with that shown in previous reports and are in line with the financial statements published in the annual report as at 31 December 2015 to which reference should be made for all the explanatory notes to the annual report.

2.2 General information about the Esprinet Group

The chart below illustrates the structure of the Esprinet Group as at 31 March 2016:



Esprinet S.p.A. (hereafter 'Esprinet' or the 'parent company') and its subsidiaries (the 'Esprinet Group' or the 'Group') operate on the Italian, Spanish and Portuguese markets in the "business-to-business" (B2B) distribution of Information Technology (IT) and consumer electronics.

References to Subgroup Italy and Subgroup Iberica can be found in next comments and tables.

At period end, the 'Subgroup Italy' includes along with the parent company Esprinet S.p.A., V-Valley S.r.l., Celly S.p.A. and EDSlan S.r.l., all directly controlled companies. EDSlan S.r.l. was established on 24 march 2016 in view of future acquisition of the distribution business referring to the networking, cabling, Voip e UCC-Unified Communication & Collaboration sectors from EDSlan S.p.A. (transaction details are under 'Subsequent events' paragraph).
At period end, the 'Subgroup Italy' includes the associated company Assocloud S.r.l. as well, whose shares were disposed of on 28 April 2016 (for further details please refer to the 'Subsequent events' paragraph).

The subsidiary Celly S.p.A., a company operating in the 'business-to-business' (B2B) distribution of Information Technology (IT) and consumer electronics and more specifically in the wholesale distribution of accessories for mobile devices, includes also its wholly-owned subsidiaries:

- Celly Nordic OY, a Finnish-law company;
- Celly Swiss SAGL, a Helvetic-law company;
- Celly Pacific LTD, a Chinese-law company, completely owned by Celly Swiss SAGL;

all of which are operating in the same segment as the Holding Company, as well as Celly's 25% share in Ascendeo SAS, a French-law company.

At the same date, the Subgroup Iberica is made up of the subsidiary Esprinet Iberica S.L.U. as well as of Esprinet Portugal Lda, established on 29 April 2015 and operating since the beginning of June.
Esprinet S.p.A. has its registered and administrative offices in Italy in Vimercate (Monza e Brianza), while warehouses and logistics centers are located in Cambiago (Milan) and Cavenago (Monza e Brianza).
Esprinet S.p.A. uses Banca IMI S.p.A. as its specialist firm.

2.3 Consolidation area

The consolidated financial statement derives from the interim accounts of the parent company Esprinet S.p.A. and of its directly and/or indirectly subsidiaries or associated companies, approved by their respective Boards of Directors.[1]
Wherever necessary, the interim accounts of subsidiaries have been suitably adjusted to ensure consistency with the accounting principles used by the parent company.

The table below lists companies included in the consolidation perimeter as at 31 March 2016, all consolidated on a line-by-line basis except for the investments in Assocloud S.r.l. and Ascendeo SAS both accounted for using the equity method.

[1] Limited to companies under direct control

Company name	Head Office	Share capital (euro) *	Group interest	Shareholder	Interest held
Holding company:					
Esprinet S.p.A.	Vimercate (MB)	7.860.651			
Subsidiaries directly controlled:					
V-Valley S.r.l.	Vimercate (MB)	20.000	100,00%	Esprinet S.p.A.	100,00%
Celly S.p.A.	Vimercate (MB)	1.250.000	80,00%	Esprinet S.p.A.	80,00%
Esprinet Iberica S.L.U.	Saragoza (Spain)	55.203.010	100,00%	Esprinet S.p.A.	100,00%
EDSlan S.r.l.	Vimercate (MB)	100.000	100,00%	Esprinet S.p.A.	100,00%
Subsidiaries indirectly controlled:					
Esprinet Portugal Lda	Porto (Portugal)	1.000.000	100,00%	Esprinet Iberica S.L.U.	95,00%
				Esprinet S.p.A.	5,00%
Celly Nordic OY	Helsinki (Finland)	2.500	80,00%	Celly S.p.A.	100,00%
Celly Swiss SAGL	Lugano (Switzerland)	16.296	80,00%	Celly S.p.A.	100,00%
Celly Pacific LTD	Honk Kong (China)	935	80,00%	Celly Swiss SAGL	100,00%
Associated company					
Ascendeo SAS	La Courneuve (France)	37.000	20,0%	Celly S.p.A.	25,00%
Assocloud S.r.l.	Vimercate (MB)	72.000	9,52%	Esprinet S.p.A.	9,52%

(*) Share capital values, with reference to the companies publishing financial statements in a currency other than euro, are displayed at historical value.

As compared to 31 December 2015 we remark the entry into the consolidation area of EDSlan S.r.l., established on 29 March 2016 and non operating until 8 April 2016.
For further information please refer to the paragraphs 'Significant events occurred in the period' and 'Subsequent events'.

2.4 Principal assumptions, estimates and rounding

Within the scope of preparing these interim consolidated financial statements, several estimates and assumptions have been made on the values of revenue, costs, assets and liabilities in the financial statements and on the information relating to potential assets and liabilities at the date of the interim financial statements. These have been applied uniformly to all the financial years presented in this document, unless indicated otherwise.
If these estimates and assumptions, which are based on the best valuation by the management, should differ from actual circumstances in the future, they will be suitably amended during the period in which those circumstances arise. A detailed description of the assumptions and estimates adopted can be found in the Notes to the Consolidated Financial Statements of the Esprinet Group as at 31 December 2015, to which reference is made.
During the previous interim period, as permitted by IAS 34, income taxes have been calculated based on the best estimate of the tax burden expected for the entire financial year. On the contrary, in the annual consolidated financial statement, current taxes have been calculated specifically based on the tax rates in force at the closing date of the financial statement.
Prepaid and deferred taxes have been instead estimated based on the tax rates considered to be in force at the time of realization of the assets or settlement of the liabilities to which they refer.
Figures in this document are expressed in thousands of euro, unless otherwise indicated.
In some cases, rounding differences may occur in the tables since figures are shown in euro thousands.

2.5 Restatements of previous published financial statements

No reclassification or changes in the critical accounting estimates regarding previous periods, pursuant to IAS 8, have been made in this interim management statement.

3. Consolidated income statement and notes

3.1 Consolidated separate income statement

Below is the consolidated separate income statement, showing revenues by 'function' in accordance with the IFRS, complete with the additional information required under CONSOB decision number 15519 of 27 July 2006:

(euro/000)	Notes	Q1 2016	non - recurring	related parties*	Q1 2015	non - recurring	related parties*
Sales	33	615,424	-	1	617,550	-	4
Cost of sales		(581,753)	-	-	(579,920)	-	-
Gross profit	35	33,671	-		37,630	-	
Sales and marketing costs	37	(10,267)	-	-	(10,990)	-	-
Overheads and administrative costs	38	(17,168)	-	(938)	(16,506)	-	(842)
Operating income (EBIT)		6,236	-		10,134	-	
Finance costs - net	42	(293)	-	-	(1,578)	-	3
Other investments expenses/(incomes	43	-	-		(4)	-	
Profit before income tax		5,943	-		8,552	-	
Income tax expenses	45	(1,698)	-	-	(2,288)	-	-
Net income		4,245	-		6,264	-	
- of which attributable to non-controlling interests		39			(153)		
- of which attributable to Group		4,206	-		6,417	-	
Earnings per share - basic (euro)	46	0.08			0.13		
Earnings per share - diluted (euro)	46	0.08			0.12		

(*) Excludes fees paid to executives with strategic responsibilities.

3.2 Consolidated statement of comprehensive income

(euro/000)	Q1 2016	Q1 2015
Net income	4,245	6,264
Other comprehensive income:		
- Changes in 'cash flow hedge' equity reserve	(113)	(145)
- Taxes on changes in 'cash flow hedge' equity reserve	31	40
- Changes in translation adjustment reserve	3	9
Other comprehensive income not to be reclassified in the separate income statement		
- Changes in 'TFR' equity reserve	(200)	(109)
- Taxes on changes in 'TFR' equity reserve	55	30
Other comprehensive income	(224)	(175)
Total comprehensive income	4,021	6,089
- of which attributable to Group	3,983	6,236
- of which attributable to non-controlling interests	38	(147)

3.3 Notes on financial performance of the Group

A) Esprinet Group's financial highlights

The Group's main economic, financial and asset results as at 31 March 2016 are hereby summarised:

(euro/000)	Q1 2016	%	Q1 2015	%	Var.	Var. %
Sales	**615,424**	**100.00%**	**617,550**	**100.00%**	**(2,126)**	***0%***
Cost of sales	(581,753)	-94.53%	(579,920)	-93.91%	(1,833)	*0%*
Gross profit	**33,671**	**5.47%**	**37,630**	**6.09%**	**(3,959)**	***-11%***
Sales and marketing costs	(10,267)	-1.67%	(10,990)	-1.78%	723	*-7%*
Overheads and administrative costs	(17,168)	-2.79%	(16,506)	-2.67%	(662)	*4%*
Operating income (EBIT)	**6,236**	**1.01%**	**10,134**	**1.64%**	**(3,898)**	***-38%***
Finance costs - net	(293)	-0.05%	(1,578)	-0.26%	1,285	*-81%*
Other investments expenses / (incomes)	-	0.00%	(4)	0.00%	4	*-100%*
Profit before income taxes	**5,943**	**0.97%**	**8,552**	**1.38%**	**(2,609)**	***-31%***
Income tax expenses	(1,698)	-0.28%	(2,288)	-0.37%	590	*-26%*
Net income	**4,245**	**0.69%**	**6,264**	**1.01%**	**(2,019)**	***-32%***
Earnings per share - basic (euro)	0.08		0.13		(0.05)	-38%

Consolidated sales totalled 615.4 million euro, in line with 617.6 million euro of the first quarter 2015.

Consolidated gross profit, equal to 33.7 million euro, showed a decrease of -11% (-4.0 million euro) compared to the same period of 2015 as consequence of a decrease in the gross profit margin.

Consolidated operating income (EBIT) equal to 6.2 million euro, showed a reduction of -38% compared to the first quarter 2015. Ebit margin, equal to 1.01% showed a decrease compared to 1.64% of 2015 due to a lower consolidated gross profit being the operating costs weight substantially the same in the two periods (4.46% in 2016 vs 4.45% in 2015).

Consolidated profit before income taxes was equal to 5.9 million euro, showing a reduction of -31% compared to the first quarter 2015; the decrease was lower than the one registered in EBIT (-38%), thanks to a -1.3 million euro decrease in financial charges.

Consolidated net income was equal to 4.2 million euro, showing a decrease of -32% (-2.0 million euro) compared to the first quarter. 2015

Earnings per ordinary share as at 31 March 2016, equal to 0.08 euro, showed a reduction of -38% compared to the value of the first quarter 2015 (0.13 euro).

(euro/000)	31/03/2016	%	31/12/2015	%	Var.	*Var. %*
Fixed assets	100,677	29.71%	101,083	90.50%	(405)	*0%*
Operating net working capital	263,301	77.69%	34,512	30.90%	228,789	*663%*
Other current assets/liabilities	(13,301)	-3.92%	(12,607)	-11.29%	(695)	*6%*
Other non-current assets/liabilities	(11,759)	-3.47%	(11,296)	-10.11%	(463)	*4%*
Total uses	**338,918**	**100.00%**	**111,692**	**100.00%**	**227,226**	***203%***
Short-term financial liabilities	46,153	13.62%	29,314	26.25%	16,839	*57%*
Current financial (assets)/liabilities for derivatives	227	0.07%	195	0.17%	32	*16%*
Financial receivables from factoring companies	(8,562)	-2.53%	(2,714)	-2.43%	(5,848)	*215%*
Customers financial receivables	(423)	-0.12%	(507)	-0.45%	83	*-16%*
Cash and cash equivalents	(60,284)	-17.79%	(280,089)	-250.77%	219,805	*-78%*
Net current financial debt	(22,889)	-6.75%	(253,801)	-227.23%	230,911	*-91%*
Borrowings	56,654	16.72%	65,138	58.32%	(8,484)	*-13%*
Debts for investments in subsidiaries	5,177	1.53%	5,222	4.68%	(45)	*-1%*
Non-current financial (assets)/liab. for derivatives	265	0.08%	224	0.20%	41	*18%*
Customers financial receivables	(2,292)	-0.68%	(2,696)	-2.41%	405	*-15%*
Net financial debt (A)	36,915	10.89%	(185,913)	-166.45%	222,828	*-120%*
Net equity (B)	302,003	89.11%	297,605	266.45%	4,398	*1%*
Total sources of funds (C=A+B)	**338,918**	**100.00%**	**111,692**	**100.00%**	**227,226**	***203%***

Consolidated net working capital as at 31 March 2016 was equal to 263.3 million euro compared to 34.5 million euro as at 31 December 2015.

Consolidated net financial position as at 31 March 2016 was negative by 36.9 million euro, compared to a cash surplus of 185.9 million euro as at 31 December 2015.
The reduction of net cash surplus was connected to the increase of consolidated net working capital as of 31 March 2016 which in turn is influenced by technical events often not related to the average level of working capital and by the level of utilization of both 'without-recourse' factoring programs referring to the trade receivables and of the corresponding securitization program.

These programs are aimed to transferring risks and rewards to the buyer, thus receivables sold are eliminated from balance sheet according to IAS 39.

Taking into account other technical forms of cash advances other than 'without-recourse assignment', but showing the same effects – such as 'confirming' used in Spain –, the overall impact on financial debt was approx. 144 million euro as at 31 March 2016 (approx. 287 million euro as at 31 December 2015).

Consolidated net equity as at 31 March 2016 equal to 302.0 million euro, showed an increase of 4.4 million euro compared to 297.6 million euro as at 31 December 2015.

B) Financial highlights by geographical area

B.1) Subgroup Italy

The main economic, financial and asset results for the Italian subgroup (Esprinet, V-Valley, EDSlan and Celly Group) as at 31 March 2016 are hereby summarised:[2]

[2] Non-operating entity as at 31 March 2016.

(euro/000)	Q1 2016	%	Q1 2015	%	Var.	Var. %
Sales to third parties	462,313		483,217		(20,904)	*-4%*
Intercompany sales	10,866		10,289		577	*6%*
Sales	**473,179**		**493,506**		**(20,327)**	***-4%***
Cost of sales	(445,589)		(461,873)		16,284	*-4%*
Gross profit	**27,590**	**5.83%**	**31,633**	**6.41%**	**(4,043)**	***-13%***
Sales and marketing costs	(8,707)	-1.84%	(9,571)	-1.94%	864	*-9%*
Overheads and administrative costs	(13,941)	-2.95%	(13,542)	-2.74%	(399)	*3%*
Operating income (EBIT)	**4,942**	**1.04%**	**8,520**	**1.73%**	**(3,578)**	***-42%***

Sales totalled 473.2 million euro, showing a decrease of -4% compared to 493.5 million euro of the first quarter 2015.

Gross profit, equal to 27.6 million euro showed a decrease of -13% compared to 31.6 million euro of the first quarter 2015, due to the combined effect of a gross profit margin reduction (from 6.41% to 5.83%) and lower sales.

Operating income (EBIT) equal to 4.9 million euro showed a decrease of -42% compared to the same period of 2015 and an EBIT margin decreased from 1.73% to 1.04% notwithstanding a slight decrease of the operating cost value.

(euro/000)	31/03/2016	%	31/12/2015	%	Var.	*Var. %*
Fixed assets	109,696	41.91%	110,166	92.85%	(469)	*0%*
Operating net working capital	163,858	62.61%	18,333	15.45%	145,525	*794%*
Other current assets/liabilities	(2,865)	-1.09%	(1,055)	-0.89%	(1,811)	*172%*
Other non-current assets/liabilities	(8,976)	-3.43%	(8,801)	-7.42%	(175)	*2%*
Total uses	**261,713**	**100.00%**	**118,643**	**100.00%**	**143,070**	***121%***
Short-term financial liabilities	29,426	11.24%	29,038	24.48%	388	*1%*
Current financial (assets)/liabilities for derivatives	227	0.09%	195	0.16%	32	*16%*
Financial receivables from factoring companies	(8,562)	-3.27%	(2,714)	-2.29%	(5,848)	*215%*
Financial (assets)/liab. from/to Group companies	(53,500)	-20.44%	(50,000)	-42.14%	(3,500)	*7%*
Customers financial receivables	(423)	-0.16%	(507)	-0.43%	83	*-16%*
Cash and cash equivalents	(59,144)	-22.60%	(215,589)	-181.71%	156,445	*-73%*
Net current financial debt	(91,976)	-35.14%	(239,577)	-201.93%	147,600	*-62%*
Borrowings	56,654	21.65%	65,138	54.90%	(8,484)	*-13%*
Debts for investments in subsidiaries	5,177	1.98%	5,222	4.40%	(45)	*-1%*
Non-current financial (assets)/liab. for derivatives	265	0.10%	224	0.19%	41	*18%*
Customers financial receivables	(2,292)	-0.88%	(2,696)	-2.27%	405	*-15%*
Net Financial debt (A)	(32,172)	-12.29%	(171,689)	-144.71%	139,517	*-81%*
Net equity (B)	293,885	112.29%	290,332	244.71%	3,553	*1%*
Total sources of funds (C=A+B)	**261,713**	**100.00%**	**118,643**	**100.00%**	**143,070**	***121%***

Operating net working capital as at 31 March 2016 was equal to 163.9 million euro, compared to 18.3 million euro as at 31 December 2015.

Net financial position as at 31 March 2016 was positive by 32.2 million euro, compared to a cash surplus of 171.7 million euro as at 31 December 2015. The impact of both 'without-recourse' sale and securization of trade receivables as at 31 March 2016 was equal to approx. 53 million euro (approx. 147 million euro as at 31 December 2015).

B.2) Esprinet Iberica

The main economic, financial and asset results for the Iberica Subgroup (Esprinet Iberica and Esprinet Portugal) as at 31 March 2016 are hereby summarised:

(euro/000)	Q1 2016	%	Q1 2015	%	Var.	Var. %
Sales to third parties	153,111		134,332		18,779	*14%*
Intercompany sales	-		-		-	*0%*
Sales	**153,111**		**134,332**		18,779	***14%***
Cost of sales	(146,999)		(128,318)		(18,681)	*15%*
Gross profit	**6,112**	**3.99%**	**6,014**	**4.48%**	**98**	***2%***
Sales and marketing costs	(1,551)	-1.01%	(1,365)	-1.02%	(186)	*14%*
Overheads and administrative costs	(3,240)	-2.12%	(3,023)	-2.25%	(217)	*7%*
Operating income (EBIT)	**1,321**	**0.86%**	**1,626**	**1.21%**	**(305)**	***-19%***

Sales was equal to 153.1 million euro, showing an increase of +14% compared to 134.3 million euro of the first quarter 2015.

Gross profit as at 31 March 2016 totalled 6.1 million euro, showing an increase of +2% compared to 6.0 million euro of the same period of 2015 with a gross profit margin decrease from 4.48% to 3.99%.

Operating income (EBIT), equal to 1.3 million euro, decreased by -0.3 million euro compared to the first quarter 2015, with an EBIT margin decrease from 1.21% to 0.86%.

(euro/000)	31/03/2016	%	31/12/2015	%	Var.	*Var. %*
Fixed assets	65,642	43.17%	65,562	96.63%	80	*0%*
Operating net working capital	99,627	65.52%	16,336	24.08%	83,291	*510%*
Other current assets/liabilities	(10,438)	-6.86%	(11,554)	-17.03%	1,116	*-10%*
Other non-current assets/liabilities	(2,783)	-1.83%	(2,495)	-3.68%	(288)	*12%*
Total uses	**152,048**	**100.00%**	**67,849**	**100.00%**	**84,199**	***124%***
Short-term financial liabilities	16,728	11.00%	276	0.41%	16,452	*5961%*
Financial (assets)/liab. from/to Group companies	53,500	35.19%	50,000	73.69%	3,500	*7%*
Cash and cash equivalents	(1,140)	-0.75%	(64,500)	-95.06%	63,360	*-98%*
Net Financial debt (A)	69,088	45.44%	(14,224)	-20.96%	83,312	*-586%*
Net equity (B)	82,960	54.56%	82,073	120.96%	887	*1%*
Total sources of funds (C=A+B)	**152,048**	**100.00%**	**67,849**	**100.00%**	**84,199**	***124%***

Operating net working capital as at 31 March 2016 was equal to 99.6 million euro compared to 16.3 million euro as at 31 December 2015.
Net financial position as at 31 March 2016, was negative by 69.1 million euro compared to a cash surplus of 14.2 million euro as at 31 December 2015. The impact of 'without-recourse' sale of both trade receivables and advancing cash-in of credits was approx. 92 million euro (approx. 140 million euro as at 31 December 2015).

C) Separate income statement by legal entity

Find below the separate income statement showing the contribution of each legal entities as considered significant:[3]

(euro/000)	Q1 2016						
	Italy				Iberica		
	E.Spa + V-Valley + EDSlan	Celly*	Elim. and other	Total	E.Iberica + E.Portugal	Elim. and other	Group
Sales to third parties	457,338	4,975	-	462,313	153,111	-	615,424
Intersegment sales	10,994	351	(479)	10,866	-	(10,866)	-
Sales	**468,332**	**5,326**	**(479)**	**473,179**	**153,111**	**(10,866)**	**615,424**
Cost of sales	(443,358)	(2,850)	619	(445,589)	(146,999)	10,835	(581,753)
Gross profit	**24,974**	**2,476**	**140**	**27,590**	**6,112**	**(31)**	**33,671**
Sales and marketing costs	(7,184)	(1,527)	4	(8,707)	(1,551)	(9)	(10,267)
Overheads and admin. costs	(13,137)	(804)	-	(13,941)	(3,240)	13	(17,168)
Operating income (Ebit)	**4,653**	**145**	**144**	**4,942**	**1,321**	**(27)**	**6,236**
Finance costs - net							(293)
Share of profits of associates							-
Profit before income tax							**5,943**
Income tax expenses							(1,698)
Net income							**4,245**
- of which attributable to non-controlling interests							39
- of which attributable to Group							4,206

(euro/000)	Q1 2015						
	Italy				Iberica		
	E.Spa + V-Valley	Celly*	Elim. and other	Total	Iberica	Elim. and other	Group
Sales to third parties	477,391	5,826	-	483,217	134,332	-	617,550
Intersegment sales	10,853	-	(564)	10,289	-	(10,289)	-
Sales	**488,244**	**5,826**	**(564)**	**493,506**	**134,332**	**(10,289)**	**617,550**
Cost of sales	(459,485)	(2,909)	521	(461,873)	(128,318)	10,271	(579,920)
Gross profit	**28,759**	**2,917**	**(43)**	**31,633**	**6,014**	**(18)**	**37,630**
Sales and marketing costs	(7,007)	(2,574)	10	(9,571)	(1,365)	(54)	(10,990)
Overheads and admin. costs	(12,375)	(1,162)	(5)	(13,542)	(3,023)	59	(16,506)
Operating income (Ebit)	**9,377**	**(819)**	**(38)**	**8,520**	**1,626**	**(13)**	**10,134**
Finance costs - net							(1,578)
Share of profits of associates							(4)
Profit before income tax							**8,552**
Income tax expenses							(2,288)
Net income							**6,264**
- of which attributable to non-controlling interests							(153)
- of which attributable to Group							6,417

* Refers to the subgroup made up of Celly S.p.A., Celly Nordic OY, Celly Swiss S.a.g.l. and Celly Pacific Limited.

[3] The companies V-Valley S.r.l., being just a 'commission sales agent' for Esprinet S.p.A., EDSlan S.r.l. as it was dormant as of 31 March 2016, and Esprinet Portugal Lda, set up in June 2015 and not yet significant, are not shown separately.

3.4 Notes to consolidated income statement items

In this section the paragraph numbers refer to the corresponding 'Note' in the consolidated separate income statement.

33) Sales

The following provides a breakdown of the Group's sales performance during the period.

Sales by geographical segment

(euro/million)	Q1 2016	%	Q1 2015	%	Var.	% Var.
Italy	454.9	73.9%	478.5	77.5%	(23.6)	-5%
Spain	148.3	24.1%	127.5	20.6%	20.8	16%
Other EU countries	7.2	1.2%	10.2	1.7%	(3.0)	-30%
Extra EU countries	5.0	0.8%	1.4	0.2%	3.6	260%
Group sales	**615.4**	**100%**	**617.6**	**100.0%**	**(2.2)**	**0%**

Sales in other EU countries mainly refer to sales made by the Spanish and Portuguese subsidiaries to customers residing in Portugal. Sales to extra E.U. countries refer mainly to the sales to clients whose residence is in the Republic of San Marino.

Sales by products and services

(euro/million)	Q1 2016	%	Q1 2015	%		% Var.
Product sales	458.5	74.5%	481.2	77.9%	(22.7)	*-5%*
Services sales	3.8	0.6%	2.0	0.3%	1.8	*90%*
Sales - Subgroup Italy	**462.3**	75.1%	**483.2**	**78.2%**	**(20.9)**	***-4%***
Product sales	152.9	24.8%	134.4	21.8%	18.5	*14%*
Services sales	0.2	0.0%	-	0.0%	0.2	*0%*
Sales - Subgroup Spain	**153.1**	24.9%	**134.4**	**21.8%**	**18.7**	***14%***
Group sales	**615.4**	100.0%	**617.6**	**100.0%**	**(2.2)**	***0%***

Sales by product family and customer type

(euro/million)	Q1 2016	%	Q1 2015	%	Var.	% Var.
Dealers	178.5	29.0%	188.9	30.6%	(10.4)	*-6%*
GDO/GDS	143.4	23.3%	134.3	21.7%	9.1	*7%*
Vars	114.0	18.5%	118.3	19.2%	(4.3)	*-4%*
Office/Consumables dealers	92.2	15.0%	103.1	16.7%	(10.9)	*-11%*
Shop on-line	51.0	8.3%	41.5	6.7%	9.5	*23%*
Sub-distributors	36.3	5.9%	31.5	5.1%	4.8	*15%*
Group sales	**615.4**	**100.0%**	**617.6**	**100.0%**	**8.2**	***0%***

(euro/million)	Q1 2016	%	Q1 2015	%	Var.	% Var.
PCs - notebooks	134.3	21.8%	122.0	19.8%	12.3	*10%*
TLC	102.1	16.6%	115.0	18.6%	(12.9)	*-11%*
PCs - desktops and monitors	70.5	11.5%	65.0	10.5%	5.5	*8%*
Consumables	57.3	9.3%	66.2	10.7%	(8.9)	*-13%*
Consumer electronics	58.3	9.5%	56.2	9.1%	2.1	*4%*
PCs - tablets	39.0	6.3%	45.5	7.4%	(6.5)	*-14%*
Storage	30.5	5.0%	31.1	5.0%	(0.6)	*-2%*
Peripheral devices	30.5	5.0%	30.9	5.0%	(0.4)	*-1%*
Software	29.4	4.8%	26.8	4.3%	2.6	*10%*
Networking	14.4	2.3%	10.6	1.7%	3.8	*36%*
Servers	13.6	2.2%	11.3	1.8%	2.3	*20%*
Services	6.5	1.1%	5.0	0.8%	1.5	*30%*
Other	29.0	4.7%	32.0	5.2%	(3.0)	*-9%*
Group sales	**615.4**	**100%**	**617.6**	**100%**	**(2.2)**	***0%***

The sales analysis by customer type shows an improvement compared to the first quarter 2015, mainly in the 'Shop on-line' (+23%) and 'GDO/GDS' channels (+7%), completely offset by the decline occurred in 'Dealers' (-6%) and in 'Office/consumables dealers' channels (-11%).

The analysis by product highlights a worsening in the 'TLC' segment (-11%), which recorded significant growth rates throughout 2015, and in the 'Consumables' segment (-13%). The abovementioned trend was completely offset by the good performance in certain segments, including in particular 'PCs - notebooks' (+10%) and 'PCs - desktops and monitors' (+8%).

35) Gross profit

(euro/000)	Q1 2016	%	Q1 2015	%	Var.	% Var.	FY 2015	%
Sales	615,424	100.00%	617,550	100.00%	(2,126)	*0%*	2,694,054	100.00%
Cost of sales	581,753	94.53%	579,920	93.91%	1,833	*0%*	2,537,190	94.18%
Gross profit	**33,671**	**5.47%**	**37,630**	**6.09%**	**(3,959)**	***-11%***	**156,864**	**5.82%**

Consolidated gross profit, equal to 33.7 million euro, showed a decrease of -11% (-4.0 million euro) compared to the same period of 2015 as consequence of a decrease in the gross profit margin.

37-38) Operating costs

(euro/000)	Q1 2016	%	Q1 2015	%	Var.	% Var.	FY 2015	%
Sales	**615,424**		**617,550**		(2,126)	***0%***	**2,694,054**	
Sales and marketing costs	10,267	1.67%	10,990	1.78%	(723)	*-7%*	43,974	1.63%
Overheads and administrative costs	17,168	2.79%	16,506	2.67%	662	*4%*	66,391	2.46%
Operating costs	**27,435**	**4.46%**	**27,496**	**4.45%**	**(61)**	***0%***	**110,365**	4.10%
- of which non recurring	-	0.00%	-	0.00%	-	*0%*	657	0.02%
'Recurring' operating costs	**27,435**	**4.46%**	**27,496**	**4.45%**	**(61)**	***0%***	**109,708**	4.07%

As of 31 March 2016, operating costs, amounting to 27.4 million euro, are perfectly aligned with the first quarter 2015 (27.5 million euro), with an operating cost margin equal to 4.46% compared to 4.45% in 2015.

Reclassification by nature of some categories of operating costs

For the purposes of providing more information, some categories of operating costs allocated by 'function' have been reclassified by 'nature'.

Labour costs and number of employees

(euro/000)	Q1 2016	%	Q1 2015	%	Var.	*% Var.*
Sales	**615,424**		**617,550**		**(2,126)**	***0%***
Wages and salaries	9,015	1.46%	8,742	1.42%	273	*3%*
Social contributions	2,596	0.42%	2,566	0.42%	30	*1%*
Pension obligations	506	0.08%	473	0.08%	33	*7%*
Other personnel costs	226	0.04%	210	0.03%	16	*8%*
Employee termination incentives (1)	1	0.00%	5	0.00%	(4)	*-80%*
Share incentive plans	154	0.03%	55	0.01%	99	*180%*
Total labour costs (2)	**12,498**	**2.03%**	**12,051**	**1.95%**	**447**	***4%***

(1) Balance related solely to the Spanish subgroup.
(2) Cost of temporary workers excluded.

At 31 March 2016 labour costs amounted to 12.5 million euro, up +4% compared to the same period of 2015, in line with the average headcount increase in this quarter.
The 'Share incentive plans' figures refer to the costs of the respective 'Long Term Incentive Plan' in force in each different period. Thus in 2016 it refers to the Plan approved in April 2015 and expiring in April 2018, while in 2015 it refers to the 2012-2014 plan which expired in April 2015.

The employees number of the Group as at 31 March 2016 - split by qualification - is shown in the table below:[4]

[4] Interns and temporary workers excluded.

	Executives	Clerks and middle manager	Workers	Total	Average*
Esprinet S.p.A.	18	644	2	664	
Celly S.p.A.	1	37	-	38	
V-Valley S.r.l.	-	-	-	-	
Celly Pacific LTD	-	4	-	4	
Celly Swiss SAGL	-	-	-	-	
Celly Nordic OY	-	3	-	3	
Subgroup Italy	**19**	**688**	**2**	**709**	**706**
Esprinet Iberica S.L.U.	-	258	51	309	
Esprinet Portugal Lda	-	6	-	6	
Subgroup Spain	**-**	**264**	**51**	**315**	**314**
Group as at 31 March 2016	**19**	**952**	**53**	**1,024**	**1,020**
Group as at 31 December 2015	**19**	**945**	**52**	**1,016**	**993**
Var 31/03/2016 - 31/12/2015	-	7	1	8	27
Var %	0%	1%	2%	1%	3%
Group as at 31 March 2015	**19**	**911**	**48**	**978**	**974**
Var 31/03/2016 - 31/03/2015	-	41	5	46	46
Var %	0%	5%	10%	5%	5%

(*) Average of the balance at period-beginning and period-end.

The number of employees increased by 8 units, from 1,016 to 1,024, compared to 31 December 2015, while the employees average number in the first quarter 2016 increased by 46 units compared to the same period of the previous year.

Amortisation, depreciation, write-downs and accruals for risks

(euro/000)	Q1 2016	%	Q1 2015	%		% *Var.*
Sales	**615,424**		**617,550**		**(2,126)**	***0%***
Depreciation of tangible assets	771	0.13%	628	0.10%	143	*23%*
Amortisation of intangible assets	114	0.02%	166	0.03%	(52)	*-31%*
Amort . & depreciation	**885**	**0.14%**	**794**	**0.13%**	**91**	***11%***
Write-downs of fixed assets	-	0.00%	-	0.00%	-	0%
Amort. & depr., write-downs (A)	**885**	**0.14%**	**794**	**0.13%**	**91**	***11%***
Accruals for risks and charges (B)	74	0.01%	280	0.05%	(206)	*-74%*
Amort. & depr., write-downs, accruals for risks (C=A+E	**959**	**0.16%**	**1,074**	**0.17%**	**(116)**	***-11%***

42) Finance costs – net

(euro/000)	Q1 2016	%	Q1 2015	%	Var.	% Var.	FY 2015	%
Sales	**615,424**		**617,550**		**(2,126)**	***0%***	**2,694,054**	
Interest expenses on borrowings	502	0.08%	455	0.07%	47	*10%*	1,950	0.07%
Interest expenses to banks	51	0.01%	65	0.01%	(14)	*-22%*	527	0.02%
Other interest expenses	3	0.00%	-	0.00%	3	*NA*	21	0.00%
Upfront fees amortisation	98	0.02%	101	0.02%	(3)	*-3%*	410	0.02%
Interest on shareholdings acquired	-	0.00%	18	0.00%	(18)	*NA*	343	0.01%
IAS 19 expenses/losses	20	0.00%	28	0.00%	(8)	*-29%*	66	0.00%
IFRS financial lease interest expenses	-	0.00%	-	0.00%	-	*NA*	1	0.00%
Total financial expenses (A)	**674**	**0.11%**	**667**	**0.11%**	**7**	***1%***	**3,317**	**0.12%**
Interest income from banks	(36)	-0.01%	(148)	-0.02%	112	*-76%*	(336)	-0.01%
Interest income from others	(34)	-0.01%	(25)	0.00%	(9)	*36%*	(156)	-0.01%
Changes in debts from investments in subsidiarie	(46)	-0.01%	-	0.00%	(46)	*NA*	-	0.00%
Total financial income(B)	**(116)**	**-0.02%**	**(173)**	**-0.03%**	**57**	***-33%***	**(492)**	**-0.02%**
Net financial exp. (C=A+B)	**558**	**0.09%**	**494**	**0.08%**	**65**	***13%***	**2,825**	**0.10%**
Foreign exchange gains	(428)	-0.07%	(458)	-0.07%	30	*-7%*	(884)	-0.03%
Foreign exchange losses	163	0.03%	1,542	0.25%	(1,379)	*-89%*	2,302	0.09%
Net foreign exch. (profit)/losses (D)	**(265)**	**-0.04%**	**1,084**	**0.18%**	**(1,349)**	***<-100%***	**1,418**	**0.05%**
Net financial (income)/costs (E=C+D)	**293**	**0.05%**	**1,578**	**0.26%**	**(1,285)**	***-81%***	**4,243**	**0.16%**

The negative balance of 0.3 million euro between financial income and charges shows an improvement (+1.3 million euro) compared to the same period of previous year.

The abovementioned trend was mainly due to the positive impact of the foreign exchange management (+1.3 million euro), which recorded a profit of 0.3 million euro in the first quarter 2016 as compared to a loss of 1.1 million euro in the same period 2015.

Net interest to banks is essentially unchanged (-0.5 million euro) as a consequence of a substantial stability in average debt levels to banks in a context of a further decline in rates as compared to the first quarter of previous year.

45) Income tax expenses

(euro/000)	Q1 2016	%	Q1 2015	%	% Var.	FY 2015	%
Sales	**615,424**		**617,550**		***0%***	**2,694,054**	
Current income taxes	1,323	0.21%	3,102	0.50%	***-57%***	10,702	0.40%
Deferred income taxes	375	0.06%	(814)	-0.13%	***-146%***	1,504	0.06%
Taxes	**1,698**	0.28%	**2,288**	0.37%	***-26%***	**12,206**	0.45%
Profit before taxes	**5,943**		**8,552**			**42,247**	
Tax rate	***29%***		***27%***			***29%***	

Income tax expenses, equal to 1.7 million euro, decreased by -26% compared to 31 March 2015 due to a lower taxable income.

46) Net income and earnings per share

(euro/000)	Q1 2016	Q1 2015	Var.	% Var.
Net income	**4,245**	**6,264**	**(2,019)**	***-32%***
Weighed average no. of shares in circulation: basic	51,757,451	51,222,940		
Weighed average no. of shares in circulation: diluted	51,978,841	52,362,683		
Earnings per share in euro: basic	**0.08**	**0.13**	**(0.05)**	***-38%***
Earnings per share in euro: diluted	**0.08**	**0.12**	**(0.04)**	***-33%***

No own shares held in portfolio were used to calculate the 'basic' earnings per share.
The potential shares involved in the stock grant plan approved on 30 April 2015 by the Esprinet S.p.A. Shareholders' meeting, resulting in the free assignment of 646,889 rights to receive Esprinet S.p.A. ordinary shares, were used in the calculation of the 'diluted' profit per share.

4. Consolidated statement of financial position and notes

4.1 Consolidated statement of financial position

The table below shows the consolidated statement of financial position drawn up according to IFRS principles, together with the information required pursuant to Consob Resolution No. 15519 of 27 July 2006:

(euro/000)	31/03/2016	related parties	31/12/2015	related parties
ASSETS				
Non-current assets				
Property, plant and equipment	12,237		12,130	
Goodwill	75,246		75,246	
Intangible assets	575		664	
Investments in associates	46		47	
Deferred income tax assets	8,338		8,347	
Derivative financial assets	-		-	
Receivables and other non-current assets	6,527	1,284	7,345	1,285
	102,969	**1,284**	**103,779**	**1,285**
Current assets				
Inventory	352,032		305,455	
Trade receivables	248,077	6	251,493	13
Income tax assets	2,991		3,490	
Other assets	24,696	-	17,509	-
Cash and cash equivalents	60,284		280,089	
	688,080	**6**	**858,036**	**13**
Disposal groups assets	-		-	
Total assets	**791,049**	**1,290**	**961,815**	**1,298**
EQUITY				
Share capital	7,861		7,861	
Reserves	289,102		258,626	
Group net income	4,206		30,321	
Group net equity	**301,169**		**296,808**	
Non-controlling interests	834		797	
Total equity	**302,003**		**297,605**	
LIABILITIES				
Non-current liabilities				
Borrowings	56,654		65,138	
Derivative financial liabilities	265		224	
Deferred income tax liabilities	4,962		4,757	
Retirement benefit obligations	4,271		4,044	
Debts for investments in subsidiaries	5,177		5,222	
Provisions and other liabilities	2,526		2,495	
	73,855		**81,880**	
Current liabilities				
Trade payables	336,808	-	522,436	-
Short-term financial liabilities	46,153		29,314	
Income tax liabilities	1,598		751	
Derivative financial liabilities	227		195	
Provisions and other liabilities	30,405	-	29,634	-
	415,191	**-**	**582,330**	**-**
Disposal groups liabilities	-		-	
Total liabilities	**489,046**	**-**	**664,210**	**-**
Total equity and liabilities	**791,049**	**-**	**961,815**	**-**

(*) For further details on operations with related parties, see the related section in the 'Interim Management Statement'.

4.2 Notes to the most significant statement of financial position items

4.2.1 Gross investments

(euro/000)	31/03/2016			31/12/2015
	Esprinet Group	Subgroup Italy	Subgroup Iberica	Esprinet Group
Plant and machinery	2	-	2	1,230
Ind. And comm. Equipment & Other assets	164	146	18	3,505
Assets under construction and advances	742	542	200	549
Total Property, plant and equipment	**908**	**688**	**220**	**5,285**
Start-up and expansion costs	-	-	-	-
Industrial patents and intellectual rights	9	9	-	447
Licences, concessions, brand names and similar rights	-	-	-	-
Assets under construction and advances	14	14	-	-
Total intangible asstes	**24**	**24**	**-**	**447**
Total gross investments	**932**	**712**	**220**	**5,731**

At 31 March 2016 investments in assets mainly refer to electronic machines and servers in use or shown in 'Assets under construction and advances' item.

4.2.2 Net financial position and covenants

(euro/000)	31/03/2016	31/12/2015	Var.	31/03/2015	Var.
Short-term financial liabilities	46,153	29,314	16,839	25,067	21,086
Customer financial receivables	(423)	(507)	83	(527)	104
Current financial (assets)/liabilities for derivatives	227	195	32	142	85
Financial receivables from factoring companies	(8,562)	(2,714)	(5,848)	(2,091)	(6,471)
Cash and cash equivalents	(60,284)	(280,089)	219,805	(70,068)	9,784
Net current financial debt	**(22,889)**	**(253,801)**	**230,911**	**(47,477)**	**24,484**
Borrowings	56,654	65,138	(8,484)	68,537	(11,883)
Debts for investments in subsidiaries	5,177	5,222	(45)	9,709	(4,532)
Non-current financial (assets)/liabilities for derivatives	265	224	41	205	60
Customer financial receivables	(2,292)	(2,696)	405	(3,085)	793
Net financial debt	**36,915**	**(185,913)**	**222,828**	**27,889**	**9,026**

For the definition of financial payables please see the paragraph 'Principal accounting definitions and estimates' in the consolidated accounts as at 31 December 2015.

The Group's net financial position, negative in the amount of 36.9 million euro, corresponds to a net balance of gross financial debts of 102.8 million euro, 'Customer financial receivables' equal to 2.7 million euro, 'Financial receivables from factoring companies' totalling 8.6 million euro, ‘Debts for investments in subsidiaries’ equal to 5.2 million euro, 'Cash and cash equivalents' equal to 60.3 million euro and ‘Current financial liabilities for derivatives' of 0.5 million euro.

The liquid assets mainly consist of free and unrestricted bank deposits of a transitional nature as they are formed temporarily at the end of the month as a result of the Group's distinctive financial cycle.

A feature of this cycle is the high concentration of funds received from customers and factoring companies – the latter in the form of net income from the non-recourse assignment of trade receivables – normally received at the end of each calendar month, while payments to suppliers, also tending to be concentrated at the end of the period, are usually spread more equally throughout the month. For this reason, the spot figure at the end of a period does not represent the net financial borrowings or the average treasury resources for the same period.

The without-recourse sale of account receivables revolving programme focusing on selected customer segments continued during 2016 both in Italy and in Spain as part of the processes aimed at the structural optimisation of the management of working capital. In addition, in July 2015 a securitization program of other trade receivables was started in Italy.

This program is aimed at transferring risks and rewards to the buyer thus receivables sold are eliminated from balance sheet according to IAS 39. The overall effect on the levels of financial debt as at 31 March 2016 is approx. 144 million euro (approx. 287 million euro as at 31 December 2015).

4.2.3 Goodwill

Goodwill amounts to 75.2 million euro with no changes compared to 31 December 2015.

The annual impairment test, required by IAS 36, was carried out in reference to the financial statements as at 31 December 2015 and no impairment loss emerged with reference to the CGUs existing at that date.

IAS 36 also requires the goodwill impairment test to be effected more frequently whenever 'triggering events' occur (i.e. indications of loss of value). However, as no such indicators appeared in the period between the annual impairment test in March 2016 and the date of this financial report, no other impairment tests were conducted as at 31 March 2016.
In the light of above, the goodwill values booked as at 31 December 2015 and still outstanding in this financial report are confirmed.

Further information regarding 'Goodwill' and the impairment test methods used can be found in the notes to the consolidated financial statements of 31 December 2015.

5. Consolidated statement of changes in net equity

(euro/000)	Share capital	Reserves	Own shares	Profit for the period	Total net equity	Minority interest	Group net equity
Balance at 31 December 2014	7,861	253,268	(13,070)	26,813	274,872	2,193	272,679
Total comprehensive income/(loss)	-	(175)	-	6,264	6,089	(147)	6,236
Allocation of last year net income/(loss)	-	26,813	-	(26,813)	-	-	-
Transactions with owners	-	26,813	-	(26,813)	-	-	-
Increase/(decrease) in 'stock grant' plan reser	-	228	-	-	228	-	228
Variation in Celly IAS / FTA reserve	-	(176)	-	-	(176)	(71)	(105)
Other variations	-	3	-	-	3	(27)	30
Balance at 31 March 2015	7,861	279,961	(13,070)	6,264	281,016	1,948	279,068
Balance at 31 December 2015	7,861	264,848	(5,145)	30,041	297,605	797	296,808
Total comprehensive income/(loss)	-	(224)	-	4,245	4,021	38	3,983
Allocation of last year net income/(loss)	-	30,041	-	(30,041)	-	-	-
Transactions with owners	-	30,041	-	(30,041)	-	-	-
Change in 'stock grant' plan reserve	-	386	-	-	386	-	386
Other variations	-	(9)	-	-	(9)	(1)	(8)
Balance at 31 March 2016	7,861	295,042	(5,145)	4,245	302,003	834	301,169

6. Consolidated statement of cash flows[5]

(euro/000)	Q1 2016	Q1 2015
Cash flow provided by (used in) operating activities (D=A+B+C)	**(221,811)**	**(155,045)**
Cash flow generated from operations (A)	**7,545**	**11,080**
Operating income (EBIT)	6,236	10,134
Depreciation, amortisation and other fixed assets write-downs	885	794
Net changes in provisions for risks and charges	31	143
Net changes in retirement benefit obligations	7	(219)
Stock option/grant costs	386	228
Cash flow provided by (used in) changes in working capital (B)	**(229,263)**	**(165,584)**
Inventory	(46,577)	(55,087)
Trade receivables	3,416	29,739
Other current assets	(924)	(4,056)
Trade payables	(185,430)	(135,222)
Other current liabilities	252	(958)
Other cash flow provided by (used in) operating activities (C)	**(93)**	**(541)**
Interests paid, net	(161)	347
Foreign exchange (losses)/gains	67	(888)
Net results from associated companies	1	-
Cash flow provided by (used in) investing activities (E)	**(595)**	**(1,965)**
Net investments in property, plant and equipment	(878)	(1,661)
Net investments in intangible assets	(25)	(356)
Changes in other non current assets and liabilities	308	52
Cash flow provided by (used in) financing activities (F)	**2,601**	**1,904**
Repayment/renegotiation of medium/long-term borrowings	(8,680)	(592)
Net change in financial liabilities	16,613	4,151
Net change in financial assets and derivative instruments	(5,287)	(1,256)
Deferred price Celly acquisition	-	(49)
Increase/(decrease) in 'cash flow edge' equity reserve	(82)	(105)
Changes in third parties net equity	37	(245)
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(219,805)**	**(155,106)**
Cash and cash equivalents at year-beginning	**280,089**	**225,174**
Net increase/(decrease) in cash and cash equivalents	**(219,805)**	**(155,106)**
Cash and cash equivalents at year-end	**60,284**	**70,068**

The table below shows the changes during the period and the reconciliation with the final situation at the end of that period:

[5] Effects of relationships with related parties are omitted as non significant.

(euro/000)	Q1 2016	Q1 2015
Net financial debt at start of the year	**(185,913)**	**(130,284)**
Cash flow provided by (used in) operating activities	(221,811)	(155,045)
Cash flow provided by (used in) investing activities	(595)	(1,965)
Cash flow provided by (used in) changes in net equity	(45)	(350)
Total cash flow	**(222,451)**	**(157,360)**
Unpaid interests	(378)	(813)
Net financial position at end of year	**36,915**	**27,889**
Short-term financial liabilities	46,153	25,067
Customers financial receivables	(423)	(527)
Current financial (assets)/liabilities for derivatives	227	142
Financial receivables from factoring companies	(8,562)	(2,091)
Cash and cash equivalents	(60,284)	(70,068)
Net current financial debt	**(22,889)**	**(47,477)**
Borrowings	56,654	68,537
Debts for investments in subsidiaries	5,177	9,709
Non-current financial (assets)/liab. for derivatives	265	205
Customers financial receivables	(2,292)	(3,085)
Net financial debt at start of the year	**36,915**	**27,889**

7. Relationship with related parties

Group operations with related parties have been defined as per IAS 24 and were effected in compliance with current laws and according to mutual economic advantage.
Any products sold to individuals were done so under the same conditions as those usually applied to employees.
Operations among the parent company Esprinet S.p.A. and its subsidiaries included in the consolidation area were excluded from the interim consolidated financial statements and therefore they are not quoted in this section.

During the first nine months, relationships with related parties consisted essentially in the sales of products and services at market conditions between Group's entities and associates or companies where the key management personnel of Esprinet S.p.A. play important roles.
Relationships with key managers result from the recognition of the payments for services rendered by the same.
Achieved sales are related to the sales of consumer electronics products to business and private customers at market condition.

Services received mainly refer to leasing agreements entered into at market conditions in previous years with the real estate companies, Immobiliare Selene S.r.l. in the case of the Cambiago (MI) logistics site and M.B. Immobiliare S.r.l. in the case of the Cavenago (MB) logistics site, respectively.

As shown in the previous table, the total value of the aforementioned transactions is not material compared to the total volume of the Company's activities, however.

8. Segment information

8.1 Introduction

The Esprinet Group is organised in the geographical business areas of Italy and the Iberian Peninsula (operating segments) where it performs the business-to-business (B2B) distribution of Information Technology (IT) and consumer electronics.

A 'geographical segment' is involved in investments and transactions aimed at providing products or services within a particular economic environment that is subject to risks and returns that are different from those achievable in other geographical segments.

A 'business segment' is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Although the organisation by geographical segments is the main way of managing and analysing the Group's results, the next tables also provide a fuller picture of the operating results and assets balances of the business segments where the Group has operated in Italy.

8.2 Segment results

The separate income statement, statement of financial position and other significant information regarding each of the Esprinet Group's operating segments are as follows:

Separate income statement and other significant information by operating segment

(euro/000)	Q1 2016							
	Italy				Iberica			
	Distr. IT & CE B2B	Elim. and other	Total	%	Distr. It & CE B2B	%	Elim. and other	Group
Sales to third parties	462,313	-	462,313		153,111		-	615,424
Intersegment sales	10,866	-	10,866		-		(10,866)	-
Sales	**473,179**	**-**	**473,179**		**153,111**		**(10,866)**	**615,424**
Cost of sales	(445,734)	145	(445,589)		(146,999)		10,835	(581,753)
Gross profit	**27,445**	**145**	**27,590**	*5.97%*	**6,112**	*3.99%*	**(31)**	**33,671**
Sales and marketing costs	(8,707)	-	(8,707)	*-1.88%*	(1,551)	*-1.01%*	(9)	(10,267)
Overheads and admin. costs	(13,941)	-	(13,941)	*-3.02%*	(3,240)	*-2.12%*	13	(17,168)
Operating income (Ebit)	**4,797**	**145**	**4,942**	*1.07%*	**1,321**	*0.86%*	**(27)**	**6,236**
Finance costs - net								(293)
Share of profits of associates								-
Profit before income tax								**5,943**
Income tax expenses								(1,698)
Net income								**4,245**
- of which attributable to non-controlling interests								39
- of which attributable to Group								4,206
Depreciation and amortisation	711	-	**711**		**112**		61	**885**
Other non-cash items	934	-	**934**		**61**		-	**995**
Investments			**712**		**220**		-	**932**
Total assets			**700,678**		**223,260**		(132,889)	**791,049**

(euro/000)	Q1 2015							
					Iberica			
	Distr. IT & CE B2B	Elim. and other	Total	%	Distr. It & CE B2B	%	Elim. and other	Group
Sales to third parties	483,217	-	483,217		134,332		-	617,550
Intersegment sales	10,289	-	10,289		-		(10,289)	-
Sales	**493,506**	**-**	**493,506**		**134,332**		**(10,289)**	**617,550**
Cost of sales	(461,835)	(38)	(461,873)		(128,318)		10,271	(579,920)
Gross profit	**31,671**	**(38)**	**31,633**	***6.55%***	**6,014**	***4.48%***	**(18)**	**37,630**
Sales and marketing costs	(9,571)	-	(9,571)	*-1.98%*	(1,365)	*-1.02%*	(54)	(10,990)
Overheads and admin. costs	(13,542)	-	(13,542)	*-2.80%*	(3,023)	*-2.25%*	59	(16,506)
Operating income (Ebit)	**8,558**	**(38)**	**8,520**	***1.76%***	**1,626**	***1.21%***	**(13)**	**10,134**
Finance costs - net								(1,578)
Share of profits of associates								(4)
Profit before income tax								**8,552**
Income tax expenses								(2,288)
Net income								**6,264**
- of which attributable to non-controlling interests								(153)
- of which attributable to Group								6,417
Depreciation and amortisation	675	-	**675**		**62**		57	**794**
Other non-cash items	997	-	**997**		**24**		-	**1,021**
Investments			**1,492**		**526**		-	**2,018**
Total assets			**667,731**		**197,158**		(119,795)	**745,094**

Statement of financial position by operating segments

(euro/000)	31/03/2016					
	Italy			Iberica		
	Distr. IT & CE B2B	Elim. and other	Total Italy	Distr. IT & CE B2B	Elim. and other	Group
ASSETS						
Non-current assets						
Property, plant and equipment	10,483	-	10,483	1,754	-	12,237
Goodwill	10,626	5,020	15,646	58,561	1,039	75,246
Intangible assets	540	-	540	35	-	575
Investments in associates	46	-	46	-	-	46
Investments in others	85,811	(10,054)	75,757	-	(75,757)	-
Deferred income tax assets	3,085	103	3,188	5,093	57	8,338
Derivative financial assets	369	(369)	-	-	-	-
Receivables and other non-current assets	6,328	-	6,328	199	-	6,527
	117,288	(5,300)	111,988	65,642	(74,661)	102,969
Current assets						
Inventory	247,020	(64)	246,956	105,260	(184)	352,032
Trade receivables	197,451	-	197,451	50,626	-	248,077
Income tax assets	2,890	101	2,991	-	-	2,991
Other assets	82,148	-	82,148	592	(58,044)	24,696
Cash and cash equivalents	59,144	-	59,144	1,140	-	60,284
	588,653	37	588,690	157,618	(58,228)	688,080
Disposal groups assets	-	-	-	-	-	-
Total assets	705,941	(5,263)	700,678	223,260	(132,889)	791,049
EQUITY						
Share capital	9,231	(1,370)	7,861	54,693	(54,693)	7,861
Reserves	291,840	(10,027)	281,813	27,369	(20,080)	289,102
Group net income	3,254	103	3,357	868	(19)	4,206
Group net equity	304,325	(11,294)	293,031	82,930	(74,792)	301,169
Non-controlling interests	-	854	854	30	(50)	834
Total equity	304,325	(10,440)	293,885	82,960	(74,842)	302,003
LIABILITIES						
Non-current liabilities						
Borrowings	56,654	-	56,654	-	-	56,654
Derivative financial liabilities	265	-	265	-	-	265
Deferred income tax liabilities	2,518	-	2,518	2,444	-	4,962
Retirement benefit obligations	4,271	-	4,271	-	-	4,271
Debts for investments in subsidiaries	-	5,177	5,177	-	-	5,177
Provisions and other liabilities	2,187	-	2,187	339	-	2,526
	65,895	5,177	71,072	2,783	-	73,855
Current liabilities						
Trade payables	280,549	-	280,549	56,259	-	336,808
Short-term financial liabilities	29,426	-	29,426	70,228	(53,501)	46,153
Income tax liabilities	898	-	898	700	-	1,598
Derivative financial liabilities	227	-	227	-	-	227
Provisions and other liabilities	24,621	-	24,621	10,330	(4,546)	30,405
	335,721	-	335,721	137,517	(58,047)	415,191
Disposal groups liabilities	-	-	-	-	-	-
Total liabilities	401,616	5,177	406,793	140,300	(58,047)	489,046
Total equity and liabilities	705,941	(5,263)	700,678	223,260	(132,889)	791,049

(euro/000)	31/12/2015					
	Italy			Iberica		
	Distr. IT & CE B2B	Elim. and other	Total Italy	Distr. IT & CE B2B	Elim. and other	Group
ASSETS						
Non-current assets						
Property, plant and equipment	10,494	-	10,494	1,636	-	12,130
Goodwill	10,626	5,020	15,646	58,561	1,039	75,246
Intangible assets	620	-	620	44	-	664
Investments in associates	47	-	47	-	-	47
Investments in others	85,688	(9,955)	75,733	-	(75,733)	-
Deferred income tax assets	3,027	148	3,175	5,123	49	8,347
Derivative financial assets	369	(369)	-	-	-	-
Receivables and other non-current assets	7,147	-	7,147	198	-	7,345
	118,018	**(5,156)**	**112,862**	**65,562**	**(74,645)**	**103,779**
Current assets						
Inventory	218,526	(210)	218,316	87,296	(157)	305,455
Trade receivables	192,271	-	192,271	59,222	-	251,493
Income tax assets	3,388	102	3,490	-	-	3,490
Other assets	69,817	-	69,817	437	(52,745)	17,509
Cash and cash equivalents	215,589	-	215,589	64,500	-	280,089
	699,591	**(108)**	**699,483**	**211,455**	**(52,902)**	**858,036**
Disposal groups assets	-	-	-	-	-	-
Total assets	**817,609**	**(5,264)**	**812,345**	**277,017**	**(127,547)**	**961,815**
EQUITY						
Share capital	9,131	(1,270)	7,861	54,693	(54,693)	7,861
Reserves	269,558	(10,046)	259,855	18,798	(20,027)	258,626
Group net income	22,129	16	21,802	8,547	(28)	30,321
Group net equity	**300,818**	**(11,300)**	**289,518**	**82,038**	**(74,748)**	**296,808**
Non-controlling interests	-	814	814	35	(52)	797
Total equity	**300,818**	**(10,486)**	**290,332**	**82,073**	**(74,800)**	**297,605**
LIABILITIES						
Non-current liabilities						
Borrowings	65,138	-	65,138	-	-	65,138
Derivative financial liabilities	224	-	224	-	-	224
Deferred income tax liabilities	2,517	-	2,517	2,240	-	4,757
Retirement benefit obligations	4,044	-	4,044	-	-	4,044
Debts for investments in subsidiaries	-	5,222	5,222	-	-	5,222
Provisions and other liabilities	2,240	-	2,240	255	-	2,495
	74,163	**5,222**	**79,385**	**2,495**	**-**	**81,880**
Current liabilities						
Trade payables	392,254	-	392,254	130,182	-	522,436
Short-term financial liabilities	29,038	-	29,038	50,276	(50,000)	29,314
Income tax liabilities	111	-	111	640	-	751
Derivative financial liabilities	195	-	195	-	-	195
Provisions and other liabilities	21,030	-	21,030	11,351	(2,747)	29,634
	442,628	**-**	**442,628**	**192,449**	**(52,747)**	**582,330**
Disposal groups liabilities	-	-	-	-	-	-
Total liabilities	**516,791**	**5,222**	**522,013**	**194,944**	**(52,747)**	**664,210**
Total equity and liabilities	**817,609**	**(5,264)**	**812,345**	**277,017**	**(127,547)**	**961,815**

9. Atypical and/or unusual operations

No atypical and/or unusual events or operations according to the definition as per Consob communication No. DEM 6064293 of 28 July 2006 occurred during the period.

10. Non-recurring significant events and operations

No significant non-recurring event occurred during the first quarter 2016 or in the period referred to in the interim management report as at 31 March 2015.

11. Significant events occurred in the period

The significant events occurred during the period are hereby described:

Shareholders' agreement signed

On 23 February 2016 Messrs Francesco Monti, Paolo Stefanelli, Tommaso Stefanelli, Matteo Stefanelli, Maurizio Rota and Alessandro Cattani, informs that have entered into a shareholders' voting and blocking agreement (the 'Agreement'), in relation to no. 16.819.135 ordinary shares of Esprinet S.p.A. ('Esprinet' or the 'Company'), constituting a total of 32,095% of the shares representing the entire share capital of the Company.
The abovementioned agreement, in its integral version, has been communicated to Consob and filed with the Companies' Register of Monza and Brianza on 24 February 2016.

12. Subsequent events

Relevant events occurred after 31 March 2016 are briefly described below:

Purchase of EDSLan

On 24 March 2016, Esprinet S.p.A. created a new company, EDSlan S.r.l., which completed the acquisition of EDSLan S.p.A. on 8 April 2016.
EDSLan, the 11th largest Italian distributor in 2015[6], was founded in 1988, headquartered in Vimercate (Italy) with another 8 branch offices, 94 employees plus around twenty sales agents and consultants, is well-known as a leading distributor within the networking, cabling, Voip and UCC-Unified Communication & Collaboration segments.
Its main suppliers include Hewlett Packard Enterprise Networking, Aruba Networks, Huawei Enterprise, Brocade Networks, Alcatel-Lucent Enterprise, Watchguard, Allied Telesis Panduit, CommScope, Audiocodes and Panasonic.

In 2015 the business to be acquired served more than 2,900 customers such as 'VAR-Value Added Resellers', system integrators, telco resellers and TelCos, as well as installers and technicians, the latter two clusters historically not well covered by the Esprinet Group.
Preliminary 2015 sales of the purchased activities were about € 72.1 million, with EBITDA[7] of € 2.2 million and invested capital[8] of € 17.4 million as of December 31st 2015.
The equity value of the operation is equal to € 6.44 million.

The deal gives a boost to the Esprinet Group strategy of focus on the 'complex technologies' market (also known as 'value' wholesale distribution); such strategy began in 2011 with the establishment of a separate business unit in V-Valley.

[6] Source: Sirmi, January 2016

[7] Source: management estimates on preliminary 2015 data, net of the trading activities of the 'merchandising' division, which are not included in the deal.

[8] Source: management estimates on preliminary 2015 of the business (including trading activities).

The acquisition of EDSLan represents a further step in the focalization strategy adopted by the Esprinet Group, which enables both the reinforcement of the already existing networking and UCC_EDI business as well as the entrance into new 'analogic' markets such as cabling, phone control units, video-conference systems and measuring instruments. After this investment and with reference to 'complex technologies' distribution, Esprinet will boast a sales team in excess of 150 people and a pro-forma turnover in 2015 of around € 300 million.[9]

Disposal of shares in Assocloud S.r.l.

On 28 April 2016, Esprinet S.p.A. sold its shares (equal to 9.52% of the total share capital) in the associated company Assocloud S.r.l., operating in the 'cloud computing' business, to the company SME UP S.p.A.. At the same date, the latter also acquired the shares from 8 of the 9 remaining shareholders. The disposal value was equal to the equity value as reported in the latest financial statements approved as at 31 December 2015.

Esprinet S.p.A. Annual Shareholders Meeting

On 4 May 2016 Esprinet Shareholders' meeting approved the separated financial statements for the fiscal year ended at 31 December 2015 and the distribution of a dividend of 0.150 euro per ordinary share, corresponding to a pay-out ratio of 26%.[10]
The dividend shall be paid out from 11 May 2016, ex-coupon no. 11 on 9 May 2016 and record date on 10 May 2016.

Shareholders' Meeting also approved the first section of the report on remuneration pursuant to paragraph 6 art. 123-ter decree law 58/1998.

The Shareholders' Meeting finally resolved to authorise, subject to prior revocation of former authorization resolved on the Shareholder's Meeting of 30 April 2015, the acquisition and disposal of own shares, within 18 months since the resolution, provided that any such purchase does not exceed the maximum of 5,240,434 ordinary Esprinet shares (10% of the Company's share capital).

Esprinet purchases 100% of Vinzeo Technologies and becomes the first ICT distributor in Spain.

On 6 May 2016 Esprinet S.p.A. signed a binding agreement with Corporación IBV S.A. ('IBV') for the acquisition of the entire capital of Vinzeo Technologies S.A.U. ('Vinzeo'), a leading Spanish distributor of IT and mobile telecommunications devices.
Vinzeo is the fourth largest[11] ICT wholesaler in Spain, distributing more than 20,000 products through its logistic facilities in Daganzo (Madrid).

Vinzeo was founded in 2000 as a result of the merger of various Spanish distributors of accessories and mobile phones, and increased its scale and scope of activities by both organic growth and M&A. Currently, it operates many important distribution contracts both in the ICT 'volume' market (i.e. HP, Samsung, Acer, Asus, Toshiba, Lenovo) and in the 'value' one (mainly Hewlett-Packard Enterprise). Since 2009 Vinzeo has been a key distributor of Apple products, including iPhones (started in 2014) and Apple Watch (2015).

The headquarter is in Madrid, while branch offices are located in Barcelona and Bilbao, with ~170 employees positively directed by a seasoned management team.

2015 revenue breakdown shows PC, notebook and tablet accounting for 48% of sales, TLCs 36% and the remaining 16% composed by peripherals, servers and accessories.

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[9] Source: management estimates
[10] Based on Esprinet Group's consolidated net profit
[11] Source: management, Channel Partner 2016 (www.channelpartner.es)

The transaction perimeter only includes the wholesale distribution activities. Based on such perimeter, 2015 pro-forma accounts of the acquired perimeter showed sales of € ~584.4 million (+19% vs 2014) and EBITDA reported of € 7.5 million.[12]
Thanks to the transaction, Esprinet will become the market leader in the Spanish distribution market, strengthen its smartphone's products and customers portfolio and acquire new valueadded IT business, like Hewlett-Packard Enterprises distribution contract and 'data-center' product distribution contracts to complement Esprinet's current Spanish business.

In addition, Esprinet expects to generate significant synergies by increasing by a factor of 1,8 the scale of its Spanish operations. From the commercial point of view, the combination also means a better experience for customers who will benefit from an integrated one-stop procurement platform, ranging from 'data center' equipment to smartphone's accessories.
In order to guarantee an optimal level of service to existing customers and suppliers, and leverage on Vinzeo's management well-known experience and franchise, Vinzeo will be owned by Esprinet Iberica (which will become the holding company of the Spanish distribution activities), but managed as a separate entity by the existing management team of Vinzeo.

The acquisition is subject to mandatory antitrust approval and is expected to be completed around mid-year 2016.
The total consideration agreed by the parties was € 74.1 million for the entire Vinzeo corporate capital based on last 12 months average working capital and a positive net financial position as at 31/3/2016, implying an enterprise value of € 57.6 million.

Esprinet was advised by Banca IMI as financial advisor, Gómez-Acebo & Pombo as legal counsel, PWC Italy for financial due diligence and Landwell-PWC Spain for tax due diligence.

13. Outlook

The growth of the Eurozone economy in the first quarter of 2016 (+0.5% compared to the first quarter of 2015, source: Eurostat, April 2016) was still weakened by the situation of the banking system and the inflation back to a negative trend.

Signs of both improvement in certain countries, like Spain, and the weakness of others, as Germany, are partially visible in ICT distributors' trend, which was featured by soft sales and stressed gross margin, as expected by Group's management.

European distributors' revenue decreased by -1% in the first quarter compared to the same period of 2015. Spain was the best performer (+2% year-over-year), Germany flat, United Kingdom lightly growing (+1.3%).

France was the worst country among the 'top' ones (-4% year over year) and, with the exemption of Switzerland and Finland, almost all the other countries were negative (i.e. Poland, Netherlands, Denmark, Portugal and Norway).

In such an environment the Italian market was almost stable (-0.1%). Smartphones and PC were among the weakest product categories. The first one situation was mostly due to the delay of the launch of some brand-new top products by key vendors, initially forecasted for the first part of the current year. Such a delay was linked to the spending slowdown of already existing products, the latter causing a sales reduction and generating stress on product margin due to channel competition also aimed at destocking while waiting for the news upcoming models. On PC's side – desktop and notebook – sales didn't reach suppliers' targets thus generating 'overstocking' and consequently a price pressure, mainly in the retailers' segment.

Confirming what abovementioned, in Italy, where Esprinet is the largest player in the market, distributors was negatively affected by the slowdown of both smartphone (-6.5%) and desktop (-6.6%).

[12] Source: management

The market share of the Group was not at the same record-level of the last part of 2015 but was still in line with the average of the latest two years, reducing by -1 percentage point.

In Spain the overall market grow was +2% pushed by software (+11%) and the 'data-center' segment (+48%) which has eventually strengthened. Smartphone, net of Apple, was negative recording a -9.8% year-over-year. Esprinet Iberica reached its highest level of share in the first quarter, growing by +3.5 percentage points compared to the same period of 2015 in both retailers' and SMB segments.

The expected difficulties of the market couldn't relieve the trend of a Group leader in Italy and among the top three players in Spain. The pressure on product margin happened in the first quarter was partially expected in the smartphone segment (mainly Samsung) and in the consumable space, the latter back to a normal level of profitability after the extra-margin obtained in the first quarter of 2015 due to the progressive pricing inflation decided by certain vendors following the euro-dollar fluctuation.

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It is worth noting that the subsidiary Celly came back to operating profitability in the first quarter compared to the same period of 2015, demonstrating the positive strategies in place since the second part of 2015. . It is now expected an on-going improvement in the upcoming quarters.

Net of the effects of the acquisitions of EDSLan and Vinzeo, the Group expects soft sales' growth. Profitability was negatively affected by a particularly remarkable margin erosion of the first quarter hence not yet allowing to confidently confirm the full achievement of the initially budgeted growth target.

The strategic initiatives of the Group, based on the importance of the relative market share, materialized in both the completed acquisition of the Italian 'value' distributor EDSlan and the announced purchase of Vinzeo in Spain (pending anti-trust approval). The latter operation will allow Esprinet to be the largest distribution group in Spain.

The new corporate profile and the growth targets, the synergies arising from the Spanish acquisition and the main character role in the consolidation scenario of the European market will be the arguments of a strategic plan to be published in the second part of the year.

Vimercate, 13 May 2016

Of behalf of the Board of Directors
The Chairman
Francesco Monti

14. Declaration of the officer responsible for financial reports

Declaration under article 154-bis, par. 2 of the Financial Consolidation Act.

SUBJECT: Interim management statement as at 31 March 2016

The undersigned Pietro Aglianò, the manager responsible for preparing the accounting documents of

ESPRINET S.p.A.

in accordance with the provisions of in article 154 bis, par. 2 of the Finance Consolidation Act

HEREBY DECLARES

that the Interim management statement as at 31 March 2016 agrees with the accounting documents, books and records.

Vimercate, 13 May 2016

The Officer in charge of drawing up
financial reports

(Pietro Aglianò)