Press release in accordance with Consob Regulation n. 11971/99

# Esprinet to approve first half-consolidated results as at 30 June 2016

## 2016 first half:

**Consolidated sales: € 1,245.0 million (+1% vs € 1,236.4 million of the first half 2015)**
**Gross profit: € 70.8 million (-7% vs € 75.9 million)**
**Operating income (EBIT): € 14.3 million (-32% vs € 20.9 million)**
**Net income: € 10.4 million (-22% vs € 13.2 million)**

**Net financial position as at 30 June 2016 negative by € 12.9 million**
**(vs Net financial position as at 31 December 2015 positive by € 185.9 million)**

## 2016 second quarter:

**Consolidated sales: € 629.6 million (+2% vs € 618.8 million of the second quarter 2015)**
**Gross profit: € 37.1 million (-3% vs € 38.2 million)**
**Operating income (EBIT): € 8.1 million (-25% vs € 10.8 million)**
**Net income: € 6.1 million (-12% vs € 7.0 million)**

**Vimercate (Monza Brianza), 15 September 2016 -** The Board of Directors of Esprinet S.p.A. (Italian Stock Exchange: PRT) met today under the chairmanship of Francesco Monti to examine and approve Group's financial results for the six-month period ending 30 June 2016 prepared in accordance to IFRS.

### A) *Esprinet Group's financial highlights*

The Group's main economic, financial and asset results as at 30 June 2016 are hereby summarised:

| (euro/000) | H1 2016 | % | H1 2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| **Sales** | **1,244,975** | **100.00%** | **1,236,389** | **100.00%** | **8,586** | ***1%*** |
| Cost of sales | (1,174,213) | -94.32% | (1,160,524) | -93.86% | (13,689) | *1%* |
| **Gross profit** | **70,762** | **5.68%** | **75,865** | **6.14%** | **(5,103)** | ***-7%*** |
| Other income | 2,677 | 0.22% | - | 0.00% | 2,677 | *100%* |
| Sales and marketing costs | (22,864) | -1.84% | (21,968) | -1.78% | (896) | *4%* |
| Overheads and administrative costs | (36,264) | -2.91% | (32,988) | -2.67% | (3,276) | *10%* |
| **Operating income (EBIT)** | **14,311** | **1.15%** | **20,909** | **1.69%** | **(6,598)** | ***-32%*** |
| Finance costs - net | (1,101) | -0.09% | (2,135) | -0.17% | 1,034 | *-48%* |
| Other investments expenses / (incomes) | 1 | 0.00% | (4) | 0.00% | 5 | *-125%* |
| **Profit before income taxes** | **13,211** | **1.06%** | **18,770** | **1.52%** | **(5,559)** | ***-30%*** |
| Income tax expenses | (2,853) | -0.23% | (5,527) | -0.45% | 2,674 | *-48%* |
| **Net income** | **10,358** | **0.83%** | **13,243** | **1.07%** | **(2,885)** | ***-22%*** |
| Earnings per share - basic (euro) | 0.20 | | 0.26 | | (0.06) | *-23%* |

| (euro/000) | Q2 2016 | % | Q2 2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| **Sales** | **629,551** | **100.00%** | **618,839** | **100.00%** | **10,712** | ***2%*** |
| Cost of sales | (592,460) | -94.11% | (580,604) | -93.82% | (11,856) | *2%* |
| **Gross profit** | **37,091** | **5.89%** | **38,235** | **6.18%** | **(1,144)** | ***-3%*** |
| Other income | 2,677 | 0.43% | - | 0.00% | 2,677 | *100%* |
| Sales and marketing costs | (12,597) | -2.00% | (10,978) | -1.77% | (1,619) | *15%* |
| Overheads and administrative costs | (19,096) | -3.03% | (16,482) | -2.66% | (2,614) | *16%* |
| **Operating income (EBIT)** | **8,075** | **1.28%** | **10,775** | **1.74%** | **(2,700)** | ***-25%*** |
| Finance costs - net | (808) | -0.13% | (557) | -0.09% | (251) | *45%* |
| Other investments expenses / (incomes) | 1 | 0.00% | - | 0.00% | 1 | *100%* |
| **Profit before income taxes** | **7,268** | **1.15%** | **10,218** | **1.65%** | **(2,950)** | ***-29%*** |
| Income tax expenses | (1,155) | -0.18% | (3,239) | -0.52% | 2,084 | *-64%* |
| **Net income** | **6,113** | **0.97%** | **6,979** | **1.13%** | **(866)** | ***-12%*** |
| Earnings per share - basic (euro) | 0.12 | | 0.13 | | (0.01) | *-8%* |

- **Consolidated sales,** equal to € 1,245.0 million showed an increase of +1% (€ 8.6 million) compared to € 1,236.4 million of the first half 2015. In the second quarter consolidated sales increased by +2% compared to the same period of the previous year (from € 618.8 million to € 629.6 million);

- **Consolidated Gross profit** equal to € 70.8 million, showed a decrease of -7% (€ -5.1 million) compared to the same period of 2015 as consequence of a decrease in the gross profit margin. In the second quarter Gross profit, equal to € 37.1 million, decreased by -3% compared to same period of previous year;

- **Other income**, amounting to € 2.7 million, refers entirely to the gain realized from the newly established company, EDSlan S.r.l., for the business unit acquisition relating to distribution activities in networking, cabling, VoIP and UCC- unified communications sectors;

- **Consolidated operating income (EBIT)** of the first half 2016, equal to € 14.3 million, showed a reduction of -32% compared to the first half 2015 (€ 20.9 million), with an EBIT margin decreased to 1.15% from 1.69%, due both to a lower consolidated gross profit margin and higher operating costs (-4.75% in 2016 vs -4.44% in 2015). In the second quarter consolidated EBIT equal to € 8.1 million, decreased by -25% (€ -2.7 million) compared to the second quarter 2015, with an EBIT margin decreased from 1.74% to 1.28%;

- **Consolidated profit before income taxes** was equal to € 13.2 million, showing a reduction of -30% compared to the first half 2015, the decrease was lower than the one registered in EBIT (-32%), thanks to a € -1.0 million decrease in financial charges. In the second quarter profit before income taxes decrease by -29% (€ -3.0 million) reaching the value of € 7.3 million;

- **Consolidated net income** was equal to € 10.4 million, showing a decrease of -22% (€ -2.9 million) compared to the first half 2015. In the second quarter 2016 consolidated net income amounted to € 6.1 million compared with € 7.0 million of the second quarter 2015 (-12%);

- **Basic earnings per ordinary share** as at 30 June 2016, equal to € 0.20, showed a reduction of -23% compared to the value of first half 2015 (€ 0.26). In the second quarter basic earnings per ordinary share was equal to € 0.12 compared to € 0.13 of the corresponding quarter in 2015 (-8%).

| (euro/000) | 30/06/2016 | % | 31/12/2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| Fixed assets | 102,492 | 32.68% | 101,083 | 90.50% | 1,410 | 1% |
| Operating net working capital | 235,998 | 75.25% | 34,512 | 30.90% | 201,486 | 584% |
| Other current assets/liabilities | (11,792) | -3.76% | (12,607) | -11.29% | 815 | -6% |
| Other non-current assets/liabilities | (13,088) | -4.17% | (11,296) | -10.11% | (1,792) | 16% |
| **Total uses** | **313,610** | **100.00%** | **111,692** | **100.00%** | **201,919** | **181%** |
| Short-term financial liabilities | 72,783 | 23.21% | 29,314 | 26.25% | 43,469 | 148% |
| Current financial (assets)/liabilities for derivatives | 246 | 0.08% | 195 | 0.17% | 51 | 26% |
| Financial receivables from factoring companies | (4,838) | -1.54% | (2,714) | -2.43% | (2,124) | 78% |
| Customers financial receivables | (452) | -0.14% | (507) | -0.45% | 55 | -11% |
| Cash and cash equivalents | (115,138) | -36.71% | (280,089) | -250.77% | 164,951 | -59% |
| Net current financial debt | (47,399) | -15.11% | (253,801) | -227.23% | 206,402 | -81% |
| Borrowings | 57,216 | 18.24% | 65,138 | 58.32% | (7,922) | -12% |
| Debts for investments in subsidiaries | 5,091 | 1.62% | 5,222 | 4.68% | (131) | -3% |
| Non-current financial (assets)/liab. for derivatives | 315 | 0.10% | 224 | 0.20% | 91 | 41% |
| Customers financial receivables | (2,292) | -0.73% | (2,696) | -2.41% | 405 | -15% |
| Net financial debt (A) | 12,931 | 4.12% | (185,913) | -166.45% | 198,845 | -107% |
| Net equity (B) | 300,679 | 95.88% | 297,605 | 266.45% | 3,074 | 1% |
| **Total sources of funds (C=A+B)** | **313,610** | **100.00%** | **111,692** | **100.00%** | **201,919** | **181%** |

- **Consolidated net working capital** as at 30 June 2016 is equal to € 236.0 million compared to € 34.5 million at 31 December 2015;

- **Consolidated net financial position** as at 30 June 2016, was negative by € 12.9 million, compared with a cash surplus of € 185.9 million as at 31 December 2015.
  The reduction of net cash surplus was connected to the increase of consolidated net working capital as of 30 June 2016 which in turn is influenced by technical events often not related to the average level of working capital and by the level of utilisation 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. € 200 million as at 30 June 2016 (approx. € 287 million as at 31 December 2015);

- **Consolidated net equity** as at 30 June 2016 equal to € 300.7 million, showed an increase of € 3.1 million compared to € 297.6 million as at 31 December 2015.

## *B) <u>Financial highlights by geographical area</u>*

### *B.1) Subgroup Italy*

The main economic, financial and asset results for the Italian subgroup (Esprinet, V-Valley, EDSlan and Celly Group) as at 30 June 2016 are hereby summarised:

| (euro/000) | H1 2016 | % | H1 2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| Sales to third parties | 927,466 | | 951,492 | | (24,026) | -3% |
| Intercompany sales | 24,207 | | 21,776 | | 2,431 | 11% |
| **Sales** | **951,673** | | **973,268** | | **(21,595)** | **-2%** |
| Cost of sales | (893,303) | | (910,784) | | 17,481 | -2% |
| **Gross profit** | **58,370** | **6.13%** | **62,484** | **6.42%** | **(4,114)** | **-7%** |
| Other income | 2,677 | 0.28% | - | 0.00% | 2,677 | 100% |
| Sales and marketing costs | (19,657) | -2.07% | (18,941) | -1.95% | (716) | 4% |
| Overheads and administrative costs | (29,755) | -3.13% | (27,094) | -2.78% | (2,661) | 10% |
| **Operating income (EBIT)** | **11,635** | **1.22%** | **16,449** | **1.69%** | **(4,814)** | **-29%** |

| (euro/000) | Q2 2016 | % | Q2 2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| Sales to third parties | 465,153 | | 468,275 | | (3,122) | -1% |
| Intercompany sales | 13,341 | | 11,487 | | 1,854 | 16% |
| **Sales** | **478,494** | | **479,762** | | **(1,268)** | **0%** |
| Cost of sales | (447,714) | | (448,911) | | 1,197 | 0% |
| **Gross profit** | **30,780** | **6.43%** | **30,851** | **6.43%** | **(71)** | **0%** |
| Other income | 2,677 | 0.56% | 0 | 0.00% | 2,677 | 100% |
| Sales and marketing costs | (10,950) | -2.29% | (9,370) | -1.95% | (1,580) | 17% |
| Overheads and administrative costs | (15,814) | -3.30% | (13,552) | -2.82% | (2,262) | 17% |
| **Operating income (EBIT)** | **6,693** | **1.40%** | **7,929** | **1.65%** | **(1,236)** | **-16%** |

- **Sales** totalled € 951.7 million, showing a decrease of -2% compared to € 973.3 million of the first half 2015. In the second quarter 2016, in terms of percentage change, sales were in line compared to the value of 2015;

- **Gross profit**, equal to € 58.4 million showed a decrease of -7% compared to € 62.5 million of the first half 2015, due to the combined effect of a gross profit margin reduction (from 6.42% to 6.13%) and lower sales. In the second quarter 2016 gross profit, equal to € 30.8 million, was in line compared to the second quarter 2015;

- **Other income**, amounting to € 2.7 million, refers entirely to the gain realized from the newly established company, EDSlan S.r.l., for the business unit acquisition relating to distribution activities in networking, cabling, VoIP and UCC- unified communications sectors;

- **Operating income (EBIT)** equal to € 11.6 million showed a decrease of -29% compared to the same period of 2015 with an EBIT margin decreased from 1.69% to 1.22% also as a result of the reduction in the gross profit margin and higher operating costs. EBIT in the second quarter 2016 registered a decrease of -16% reaching € 6.7 million compared to € 7.9 million of 2015 with an EBIT margin of 1.40% compared to 1.65% of the same period of 2015.

| (euro/000) | 30/06/2016 | % | 31/12/2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| Fixed assets | 110,750 | 40.81% | 110,166 | 92.85% | 585 | *1%* |
| Operating net working capital | 169,818 | 62.57% | 18,333 | 15.45% | 151,485 | *826%* |
| Other current assets/liabilities | 930 | 0.34% | (1,055) | -0.89% | 1,985 | *-188%* |
| Other non-current assets/liabilities | (10,097) | -3.72% | (8,801) | -7.42% | (1,296) | *15%* |
| **Total uses** | **271,401** | **100.00%** | **118,643** | **100.00%** | **152,759** | ***129%*** |
| Short-term financial liabilities | 72,598 | 26.75% | 29,038 | 24.48% | 43,560 | *150%* |
| Current financial (assets)/liabilities for derivatives | 246 | 0.09% | 195 | 0.16% | 51 | *26%* |
| Financial receivables from factoring companies | (4,838) | -1.78% | (2,714) | -2.29% | (2,124) | *78%* |
| Financial (assets)/liab. from/to Group companies | (130,000) | -47.90% | (50,000) | -42.14% | (80,000) | *160%* |
| Customers financial receivables | (452) | -0.17% | (507) | -0.43% | 55 | *-11%* |
| Cash and cash equivalents | (18,226) | -6.72% | (215,589) | -181.71% | 197,363 | *-92%* |
| Net current financial debt | (80,672) | -29.72% | (239,577) | -201.93% | 158,905 | *-66%* |
| Borrowings | 57,216 | 21.08% | 65,138 | 54.90% | (7,922) | *-12%* |
| Debts for investments in subsidiaries | 5,091 | 1.88% | 5,222 | 4.40% | (131) | *-3%* |
| Non-current financial (assets)/liab. for derivatives | 315 | 0.12% | 224 | 0.19% | 91 | *41%* |
| Customers financial receivables | (2,292) | -0.84% | (2,696) | -2.27% | 405 | *-15%* |
| Net Financial debt (A) | (20,342) | -7.50% | (171,689) | -144.71% | 151,348 | *-88%* |
| Net equity (B) | 291,743 | 107.50% | 290,332 | 244.71% | 1,411 | *0%* |
| **Total sources of funds (C=A+B)** | **271,401** | **100.00%** | **118,643** | **100.00%** | **152,759** | ***129%*** |

- **Operating net working capital** as at 30 June 2016 was equal to € 169.8 million, compared to € 18.3 million as at 31 December 2015;

- **Net financial position** as at 30 June 2016 was positive by € 20.3 million, compared to a cash surplus of € 171.7 million as at 31 December 2015. The impact of both 'without-recourse' sale and securization program of trade receivables as at 30 June 2016 was approx. € 99 million (approx. € 147 million as at 31 December 2015).

### *B.2) Subgroup Iberica*

The main economic, financial and asset results for the Iberica Subgroup (Esprinet Iberica and Esprinet Portugal) as at 30 June 2016 are hereby summarised:

| (euro/000) | H1 2016 | % | H1 2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| Sales to third parties | 317,509 | | 284,896 | | 32,613 | *11%* |
| Intercompany sales | - | | - | | - | *100%* |
| **Sales** | **317,509** | | **284,896** | | 32,613 | ***11%*** |
| Cost of sales | (304,827) | | (271,475) | | (33,352) | *12%* |
| **Gross profit** | **12,682** | **3.99%** | **13,421** | **4.71%** | **(739)** | ***-6%*** |
| Sales and marketing costs | (3,190) | -1.00% | (2,936) | -1.03% | (254) | *9%* |
| Overheads and administrative costs | (6,530) | -2.06% | (5,993) | -2.10% | (537) | *9%* |
| **Operating income (EBIT)** | **2,962** | **0.93%** | **4,492** | **1.58%** | **(1,530)** | ***-34%*** |

| (euro/000) | Q2 2016 | % | Q2 2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| Sales to third parties | 164,398 | | 150,564 | | 13,834 | 9% |
| Intercompany sales | - | | - | | - | 100% |
| **Sales** | **164,398** | | **150,564** | | **13,834** | **9%** |
| Cost of sales | (157,828) | | (143,157) | | (14,671) | 10% |
| **Gross profit** | **6,570** | **4.00%** | **7,407** | **4.92%** | **(837)** | **-11%** |
| Sales and marketing costs | (1,639) | -1.00% | (1,571) | -1.04% | (68) | 4% |
| Overheads and administrative costs | (3,290) | -2.00% | (2,970) | -1.97% | (320) | 11% |
| **Operating income (EBIT)** | **1,641** | **1.00%** | **2,866** | **1.90%** | **(1,225)** | **-43%** |

- **Sales** was equal to € 317.5 million, showing an increase of +11% compared to € 284.9 million of the first half 2015. In the second quarter sales registered an increase of + 9% (equal to € 13.8 million) compared to the same period of 2015;

- **Gross profit** as at 30 June 2016 totalled € 12.7 million, showing a decrease of -6% compared to € 13.4 million of the same period of 2015 with a gross profit margin decreased from 4.71% to 3.99%. In the second quarter Gross profit decreased by -11% compared to the previous period, with a gross profit margin decrease from 4.92% to 4.00%;

- **Operating income (EBIT),** equal to € 3.0 million decreased by € -1.5 million compared to the first half of 2015, with an EBIT margin decrease to 0.93% from 1.58%. In the second quarter of 2016, Operating income (EBIT) totalled € 1.6 million compared to € 2.9 million of the second quarter 2015, showing an EBIT margin decreased from 1.90% to 1.00%.

| (euro/000) | 30/06/2016 | % | 31/12/2015 | % | Var. | Var. % |
|---|---|---|---|---|---|---|
| Fixed assets | 66,343 | 56.58% | 65,562 | 96.63% | 781 | 1% |
| Operating net working capital | 66,623 | 56.82% | 16,336 | 24.08% | 50,287 | 308% |
| Other current assets/liabilities | (12,722) | -10.85% | (11,554) | -17.03% | (1,168) | 10% |
| Other non-current assets/liabilities | (2,991) | -2.55% | (2,495) | -3.68% | (496) | 20% |
| **Total uses** | **117,253** | **100.00%** | **67,849** | **100.00%** | **49,404** | **73%** |
| Short-term financial liabilities | 185 | 0.16% | 276 | 0.41% | (91) | -33% |
| Financial (assets)/liab. from/to Group companies | 130,000 | 110.87% | 50,000 | 73.69% | 80,000 | 160% |
| Cash and cash equivalents | (96,912) | -82.65% | (64,500) | -95.06% | (32,412) | 50% |
| Net Financial debt (A) | 33,273 | 28.38% | (14,224) | -20.96% | 47,497 | -334% |
| Net equity (B) | 83,980 | 71.62% | 82,073 | 120.96% | 1,907 | 2% |
| **Total sources of funds (C=A+B)** | **117,253** | **100.00%** | **67,849** | **100.00%** | **49,404** | **73%** |

- **Operating net working capital** as at 30 June 2016 was equal to € 66.6 million compared to € 16.3 million as at 31 December 2015;

- **Net financial position** as at 30 June 2016, was negative by € 33.3 million, compared to a cash surplus of € 14.2 million as at 31 December 2015. The impact of 'without-recourse' sale of both trade receivables and advancing cash-in of credits was approx. € 101 million (approx. € 140 million 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[1]:

[1] The companies V-Valley S.r.l., as just an Esprinet S.p.A. 'commission sales agent' and Esprinet Portugal Lda because set up in June 2015 and not yet significant, are not showed separately.

| (euro/000) | H1 2016 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Italy | | | | | Iberica Pen. | | |
| | E.Spa + V-Valley | Celly* | EDSlan | Elim. and other | Total | E.Iberica + E.Portugal | Elim. and other | Group |
| Sales to third parties | 901,124 | 11,944 | 14,398 | - | 927,466 | 317,509 | - | 1,244,975 |
| Intersegment sales | 24,784 | 764 | 319 | (1,660) | 24,207 | - | (24,207) | - |
| **Sales** | **925,908** | **12,708** | **14,717** | **(1,660)** | **951,673** | **317,509** | **(24,207)** | **1,244,975** |
| Cost of sales | (875,715) | (6,760) | (12,545) | 1,717 | (893,303) | (304,827) | 23,917 | (1,174,213) |
| **Gross profit** | **50,193** | **5,948** | **2,172** | **57** | **58,370** | **12,682** | **(290)** | **70,762** |
| *Gross Profit %* | *5.42%* | *46.81%* | *14.76%* | | *6.13%* | *3.99%* | | *5.68%* |
| Other incomes | - | - | 2,677 | - | 2,677 | - | - | 2,677 |
| Sales and marketing costs | (14,674) | (3,634) | (1,354) | 5 | (19,657) | (3,190) | (17) | (22,864) |
| Overheads and admin. costs | (26,985) | (1,770) | (1,001) | 1 | (29,755) | (6,530) | 21 | (36,264) |
| **Operating income (Ebit)** | **8,534** | **544** | **2,494** | **63** | **11,635** | **2,962** | **(286)** | **14,311** |
| *EBIT %* | *0.92%* | *4.28%* | *16.95%* | | *1.22%* | *0.93%* | | *1.15%* |
| Finance costs - net | | | | | | | | (1,101) |
| Share of profits of associates | | | | | | | | 1 |
| **Profit before income tax** | | | | | | | | **13,211** |
| Income tax expenses | | | | | | | | (2,853) |
| **Net income** | | | | | | | | **10,358** |
| - of which attributable to non-controlling interests | | | | | | | | 89 |
| - of which attributable to Group | | | | | | | | 10,269 |

| (euro/000) | H1 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Italy | | | | Iberica Pen. | | |
| | E.Spa + V-Valley | Celly* | Elim. and other | Total | E. Iberica + E. Portugal | Elim. and other | Group |
| Sales to third parties | 939,662 | 11,830 | - | 951,492 | 284,896 | - | 1,236,389 |
| Intersegment sales | 22,443 | - | (667) | 21,776 | - | (21,776) | - |
| **Sales** | **962,105** | **11,830** | **(667)** | **973,268** | **284,896** | **(21,776)** | **1,236,389** |
| Cost of sales | (905,550) | (5,860) | 626 | (910,784) | (271,475) | 21,735 | (1,160,524) |
| **Gross profit** | **56,555** | **5,970** | **(41)** | **62,484** | **13,421** | **(41)** | **75,865** |
| *Gross margin %* | *5.88%* | *50.46%* | | *6.42%* | *4.71%* | | *6.14%* |
| Sales and marketing costs | (14,186) | (4,781) | 26 | (18,941) | (2,936) | (91) | (21,968) |
| Overheads and admin. costs | (24,714) | (2,371) | (9) | (27,094) | (5,993) | 99 | (32,988) |
| **Operating income (Ebit)** | **17,655** | **(1,182)** | **(24)** | **16,449** | **4,492** | **(33)** | **20,909** |
| *EBIT %* | *1.84%* | *-9.99%* | | *1.69%* | *1.58%* | | *1.69%* |
| Finance costs - net | | | | | | | (2,135) |
| Share of profits of associates | | | | | | | (4) |
| **Profit before income tax** | | | | | | | **18,770** |
| Income tax expenses | | | | | | | (5,527) |
| **Net income** | | | | | | | **13,243** |
| - of which attributable to non-controlling interests | | | | | | | (337) |
| - of which attributable to Group | | | | | | | 13,580 |

* Consisting of Celly S.p.A., Celly Nordic OY, Celly Swiss S.a.g.l. and Celly Pacific Limited.

*D) Significant events occurred in the period*

**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.

**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[2], 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 about 3,000 customers such as 'VAR-Value Added Resellers', system integrators, telco resellers and TelCos, as well as installers and technicians.
The deal gives a boost to the Esprinet Group strategy of focus on the 'complex technologies' market (also known as 'value' wholesale distribution) managed through V-Valley S.r.l., reinforcing 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.
In 2015 sales of the purchased activities were about € 72.1 million, with EBITDA[3] of € 2.2 million.

The price paid amounted to € 7.8 million, has highlighted an income of € 2.7 million.

**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%[4]. 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).

*E) Subsequent events*

**Esprinet to complete the acquisition of Vinzeo Technologies becoming the #1 ICT wholesale distributor in Spain too**

---

[2] Source: Sirmi, January 2016

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

[4] Based on Esprinet Group's consolidated net profit

On 1 July 2016 Esprinet S.p.A., through its fully owned subsidiary Esprinet Iberica, completed the purchase of the entire capital of Vinzeo Technologies S.A.U., the fourth[5] largest ICT wholesaler in Spain.
Vinzeo 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 (since 2014) and Apple Watch (since 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.
The transaction perimeter only includes the wholesale distribution activities. Based on this perimeter, 2015 pro-forma accounts[6] of the acquired perimeter showed sales of € ~584.4 million (+19% compared to 2014) and EBITDA reported of € 7.5 million.

Thanks to the transaction, Esprinet will become the leader in the Spanish distribution market, strengthen its smartphone's products and customers portfolio. Esprinet expects to generate significant synergies from the transaction mostly due to the doubling of scale of its Spanish operations.

Esprinet, that has recently entered the Portuguese market, is now the biggest distributor in Southern Europe bringing to completion a strategy fully focused on pure 'business-to-business' ICT distribution, specifically addressed to achieve the leadership in each country where the Group operates.

The total consideration agreed by the parties was € 74.1 million for the entire Vinzeo corporate capital based on an enterprise value of € 57.6 million and on the last 12-month average working capital. The value could be adjusted based on the net financial position as at 30 June 2016.

**Esprinet to obtain 'waiver' on € 130.0 million Pool Loan**

As a result of the agreed terms for the Vinzeo acquisition, in particular referring to the level of implied enterprise value that was higher than the annual threshold-value of € 40.0 million, the acquisition itself was an operation contractually subject to the preemptive approval to be given by a qualified majority equal to at least two thirds of the lending banks. For this purpose, before Vinzeo acquisition's signing date, that was dated 6 May 2016, a "comfort letter" from a leading bank was obtained.

The letter contained a commitment from the bank to grant a loan in such amount sufficient to allow the company to replace the existing pool loan and intended to neutralize the risk to fail in obtaining the required 'waiver' from the existing lending banks.
On July 22, 2016 the communication regarding the granting of consent to the operation by the unanimity of the lending banks was finally received by the company.

***F) Outlook***

The distribution industry, measured by the English research company Context (July 2016) through a distributors panel broadly representative of the general trend, developed in the first half 2016 revenues of approximately € 29.31 billion, slightly up (+ 0.7%) compared to € 29.11 billion in the first half of 2015. In particular, while the year-over-year comparison was negative (-0.9%) in the first quarter, it improved in the second one (+2.3%), mainly due to the results achieved in the UK. The largest positive contribution to the result was, indeed, attributable to the United Kingdom (the first market by size in Europe), increasing by +7% (€ 6.35 billion), while German distribution (second by size) was stable at € 6,13 billion. France reported a negative result (-4% year-over-year), as well as Italy, Poland and the Scandinavian Peninsula, whose results were negative compared with the first six months in 2015.

In the first half of 2016 the Italian distribution market (source: Context, July 2016) decreased by -0.5% compared to the same period in 2015. Analyzing the trends sequentially, a worsening between the first and second quarter can be noticed, from -0.1% in the first quarter to -1% in the second one, both compared to the same periods of the previous year. The industry was negative influenced by the TLC sector (second largest category over distributors' sales), which decreased by -18% (€ -94 million) compared to the first half of 2015. Notebook, the category with the greatest share in distributors' turnover (21%, compared to 20% in first half 2015) grew by +4% (€ 24 million), mainly due to the result achieved in June (+11 million), while Desktop remained stable as well as the Software segment. On the contrary, Printers and Components decreased respectively by -2% and -7%.

[5] Source: management, Channel Partner 2016 (www.channelpartner.es)
[6] Source: management's estimates.

During the first six months of 2016, the Spanish distribution market (source: Context, July 2016) grew by +4% compared to the same period in 2015. Analyzing the trends sequentially, an improvement can be noticed between the first quarter and the second, from + 1.9% to + 6%, both compared to the same periods of the previous year. TLC reported a negative result also in Spain (reversing from third to fourth position by share in the distributors' turnover), decreasing by -9% (€ 13 million) compared to the first half of 2015. Notebook, the category with the largest share in distributors' sales, increased by + 2% (€ +10 million), as well as Software +14% (€ +29 million) ranking second, followed by consumables (+4%). Storage and desktop decreased by -5% and -2% respectively. Among the less important categories by revenues, wireless networking and audio video systems reported a substantial growth. Even in the second half, Esprinet Iberica increased its market share, achieving about +3 points in the first quarter and +0.5 point in the second one. Considering the completion of the acquisition of the distributor Vinzeo Technologies, Esprinet Group reached the first position in the Spanish distribution market too.

In the second quarter of 2016, net of the acquisitions completed by the Esprinet Group in April-June period (EDSlan in Italy and Vinzeo in Spain), revenues suffered a further reduction compared to the second quarter of 2015. The slowdown was mainly concentrated in Italy particularly in the mobile phone segment, which on the contrary recorded high volumes in 2015. For the second half of the year, in absence of further deterioration of the economic situation and of unpredictable events, the management expect an improvement in revenue trend, expecting FY 2016 organic sales basically in line with the previous year. Considering the effects of the consolidation of the acquisitions, management foresees total revenue around € 3 billion.

As per profitability, the strong pressure on product margin percentages continues, mainly in Italy, due both to the current "de-stocking" process, especially focused in the mobile phone segment much more than in the notebook one, and to the strong "price-competition" of some competitors preferring to defend their market share in the short term rather than to achieve satisfying level of profitability. A more specific effect of the margin reduction is evident on the segment of Consumables (toner and ink), that, mainly in Italy, has been facing with the high levels of 2015 as a result of the strong appreciation of the dollar in the first part of 2015.

The upward dynamics of costs was mainly influenced by the "one-off" expenses related to both acquisitions and investments in production capacity to support future growth plans, which will be described in the Group business plan to be presented to the financial community in the upcoming weeks.

**DECLARATION EX ART. 154-bis, paragraph 2 Legislative Decree n.58/1998 (T.U.F.)**

The officer charged with the drawing up of the accounting documents of the company, Pietro Aglianò, declares that, in compliance with the provisions of paragraph 2 of Article 154 bis of Legislative Decree n.58/1998 (T.U.F.), the financial data shown in this press release corresponds to the findings resulting from accounting documents, books and accounting records.

*Annex: Summary of economic and financial results as at 30 June 2016.*

For further information:

**Michele Bertacco**
Esprinet S.p.A. – IR and Communications Director
Tel. +39 02 40496.1 - michele.bertacco@esprinet.com

## Summary of main Group's results

| (euro/000) | 6 months | | | | | | | Q2 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | notes | 2016 | % | 2015 | notes | % | % var. 16/15 | 2016 | % | 2015 | notes | % | % var. 16/15 |
| **Profit & Loss** | | | | | | | | | | | | | |
| Sales | | 1,244,975 | 100.0% | 1,236,389 | | 100.0% | 1% | 629,551 | 100.0% | 618,839 | | 100.0% | 2% |
| Gross profit | | 70,762 | 5.7% | 75,865 | | 6.1% | -7% | 37,091 | 5.9% | 38,235 | | 6.2% | -3% |
| EBITDA | (1) | 16,458 | 1.3% | 22,833 | | 1.8% | -28% | 9,264 | 1.5% | 11,624 | | 1.9% | -20% |
| Operating income (EBIT) | | 14,311 | 1.1% | 20,909 | | 1.7% | -32% | 8,075 | 1.3% | 10,775 | | 1.7% | -25% |
| Profit before income tax | | 13,211 | 1.1% | 18,770 | | 1.5% | -30% | 7,268 | 1.2% | 10,218 | | 1.7% | -29% |
| Net income | | 10,358 | 0.8% | 13,243 | | 1.1% | -22% | 6,113 | 1.0% | 6,979 | | 1.1% | -12% |
| **Financial data** | | | | | | | | | | | | | |
| Cash flow | (2) | 12,194 | | 14,843 | | | | | | | | | |
| Gross investments | | 3,190 | | 3,109 | | | | | | | | | |
| Net working capital | (3) | 224,206 | | 21,905 | (4) | | | | | | | | |
| Operating net working capital | (5) | 235,998 | | 34,512 | (4) | | | | | | | | |
| Fixed assets | (6) | 102,492 | | 101,083 | (4) | | | | | | | | |
| Net capital employed | (7) | 313,610 | | 111,692 | (4) | | | | | | | | |
| Net equity | | 300,679 | | 297,606 | (4) | | | | | | | | |
| Tangible net equity | (8) | 224,676 | | 221,695 | (4) | | | | | | | | |
| Net financial debt | (9) | 12,931 | | (185,913) | (4) | | | | | | | | |
| **Main indicators** | | | | | | | | | | | | | |
| Net financial debt / Net equity | | 0.0 | | (0.6) | (4) | | | | | | | | |
| Net financial debt / Tangible net equity | | 0.1 | | (0.8) | (4) | | | | | | | | |
| EBIT / Finance costs - net | | 13.0 | | 9.8 | | | | | | | | | |
| EBITDA / Finance costs - net | | 14.9 | | 10.7 | | | | | | | | | |
| Net financial debt/ EBITDA | | 0.8 | | (3.7) | (4) | | | | | | | | |
| **Operational data** | | | | | | | | | | | | | |
| N. of employees at end-period | | 1,131 | | 1,014 | | | | | | | | | |
| Avarage number of employees | (10) | 1,074 | | 992 | | | | | | | | | |
| **Earnings per share (euro)** | | | | | | | | | | | | | |
| - Basic | | 0.20 | | 0.26 | | | -23% | 0.12 | | 0.13 | | | -8% |
| - Diluted | | 0.20 | | 0.26 | | | -23% | 0.12 | | 0.14 | | | -14% |

(1) EBITDA is equal to the operating income (EBIT) gross of amortisation and depreciation and accruals for risks and charges.
(2) Sum of consolidated net profit before minority interests and amortisation and depreciation.
(3) Sum of current assets, non-current assets held for sale and current liabilities, gross of short-term net financial position.
(4) Data/indicator referring as at 31 December 2015.
(5) Sum of trade receivables, inventory and trade payables.
(6) Non-current assets net of non-current financial assets.
(7) Equal to the sum of the net working capital plus fixed assets net of non-current liabilities except of financial liabilities.
(8) Equal to net equity less goodwill and intangible assets.
(9) Sum of borrowings and short term financial liabilities net of cash and cash equivalents, assets/liabilities for financial derivatives and financial receivables.
(10) Average of the balance at period beginning and end of companies consolidated.

The 2016 economic and financial results and those of the relative periods of comparison have been measured by applying International Financial Standards ('IFRSs').
In the next table, in combination with IFRSs' defined measures, some 'alternative performance measures', not defined from IFRSs, are presented. These 'alternative performance measures', consistently presented in previous reports and not intended as substitute of IFRSs defined measures, are internally used by the management for measuring and controlling the Group's profitability, performance and financial position.
As required by the Guidelines ESMA / 2015/1415 ESMA (European Securities and Market Authority) issued under Article 16 of the ESMA Regulation, updating the previous recommendation CESR / 05-178b of CESR (Committee of European Securities Regulators) and adopted by Consob with Communication no. 0092543 of 12/03/2015, basis of calculation adopted are defined below the table.

## Consolidated statement of financial position

| (euro/000) | 30/06/2016 | related parties | 31/12/2015 | related parties |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 13,715 | | 12,130 | |
| Goodwill | 75,246 | | 75,246 | |
| Intangible assets | 757 | | 664 | |
| Investments in associates | 39 | | 47 | |
| Deferred income tax assets | 8,551 | | 8,347 | |
| Receivables and other non-current assets | 6,476 | 1,286 | 7,345 | 1,285 |
| | **104,784** | **1,286** | **103,779** | **1,285** |
| **Current assets** | | | | |
| Inventory | 335,025 | | 305,455 | |
| Trade receivables | 259,901 | 6 | 251,493 | 13 |
| Income tax assets | 2,457 | | 3,490 | |
| Other assets | 22,141 | - | 17,509 | - |
| Cash and cash equivalents | 115,138 | | 280,089 | |
| | **734,662** | **6** | **858,036** | **13** |
| **Disposal groups assets** | - | | - | |
| **Total assets** | **839,446** | **1,292** | **961,815** | **1,298** |
| **EQUITY** | | | | |
| Share capital | 7,861 | | 7,861 | |
| Reserves | 281,669 | | 258,626 | |
| Group net income | 10,269 | | 30,321 | |
| **Group net equity** | **299,799** | | **296,808** | |
| **Non-controlling interests** | 880 | | 797 | |
| **Total equity** | **300,679** | | **297,605** | |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Borrowings | 57,216 | | 65,138 | |
| Derivative financial liabilities | 315 | | 224 | |
| Deferred income tax liabilities | 5,294 | | 4,757 | |
| Retirement benefit obligations | 4,922 | | 4,044 | |
| Debts for investments in subsidiaries | 5,091 | | 5,222 | |
| Provisions and other liabilities | 2,872 | | 2,495 | |
| | **75,710** | | **81,880** | |
| **Current liabilities** | | | | |
| Trade payables | 358,928 | - | 522,436 | - |
| Short-term financial liabilities | 72,783 | | 29,314 | |
| Income tax liabilities | 860 | | 751 | |
| Derivative financial liabilities | 246 | | 195 | |
| Provisions and other liabilities | 30,240 | - | 29,634 | - |
| | **463,057** | **-** | **582,330** | **-** |
| **Disposal groups liabilities** | - | | - | |
| **Total liabilities** | **538,767** | **-** | **664,210** | **-** |
| **Total equity and liabilities** | **839,446** | **-** | **961,815** | **-** |

## Consolidated separate income statement

| (euro/000) | H1 2016 | non-recurring | related parties* | H1 2015 | non-recurring | related parties* |
|---|---|---|---|---|---|---|
| **Sales** | **1,244,975** | **-** | 4 | **1,236,389** | **-** | 3 |
| Cost of sales | (1,174,213) | - | - | (1,160,524) | - | - |
| **Gross profit** | **70,762** | **-** | | **75,865** | **-** | |
| Other income | 2,677 | 2,677 | | - | - | |
| Sales and marketing costs | (22,864) | - | - | (21,968) | - | - |
| Overheads and administrative costs | (36,264) | (1,255) | (1,893) | (32,988) | (657) | (1,683) |
| **Operating income (EBIT)** | **14,311** | **1,422** | | **20,909** | **(657)** | |
| Finance costs - net | (1,101) | - | 2 | (2,135) | - | 6 |
| Other investments expenses/(incomes) | 1 | - | | (4) | - | |
| **Profit before income tax** | **13,211** | **1,422** | | **18,770** | **(657)** | |
| Income tax expenses | (2,853) | (258) | - | (5,527) | 228 | - |
| **Net income** | **10,358** | **1,164** | | **13,243** | **(429)** | |
| - of which attributable to non-controlling interests | 89 | | | (337) | | |
| - of which attributable to Group | 10,269 | 1,164 | | 13,580 | (429) | |
| Earnings per share - basic (euro) | 0.20 | | | 0.26 | | |
| Earnings per share - diluted (euro) | 0.20 | | | 0.26 | | |

| (euro/000) | Q2 2016 | non-recurring | related parties | Q2 2015 | non-recurring | related parties |
|---|---|---|---|---|---|---|
| **Sales** | **629,551** | **-** | 3 | **618,839** | **-** | (1) |
| Cost of sales | (592,460) | - | - | (580,604) | - | - |
| **Gross profit** | **37,091** | **-** | | **38,235** | **-** | |
| Other income | 2,677 | 2,677 | | - | - | |
| Sales and marketing costs | (12,597) | - | - | (10,978) | - | - |
| Overheads and administrative costs | (19,096) | (1,255) | (955) | (16,482) | (657) | (841) |
| **Operating income (EBIT)** | **8,075** | **1,422** | | **10,775** | **(657)** | |
| Finance costs - net | (808) | - | 2 | (557) | - | 3 |
| Other investments expenses/(incomes) | 1 | - | | - | - | |
| **Profit before income tax** | **7,268** | **1,422** | | **10,218** | **(657)** | |
| Income tax expenses | (1,155) | (258) | - | (3,239) | 228 | - |
| **Net income** | **6,113** | **1,164** | | **6,979** | **(429)** | |
| - of which attributable to non-controlling interests | 50 | | | (184) | | |
| - of which attributable to Group | 6,063 | 1,164 | | 7,163 | (429) | |
| Earnings per share - basic (euro) | 0.12 | | | 0.13 | | |
| Earnings per share - diluted (euro) | 0.12 | | | 0.14 | | |

## Consolidated statement of comprehensive income

| (euro/000) | H1 2016 | H1 2015 | Q2 2016 | Q2 2015 |
|---|---|---|---|---|
| **Net income** | **10,358** | **13,243** | **6,113** | **6,979** |
| *Other comprehensive income:* | | | | |
| - Changes in 'cash flow hedge' equity reserve | (120) | (14) | (7) | 131 |
| - Taxes on changes in 'cash flow hedge' equity reserve | 33 | 4 | 2 | (36) |
| - Changes in translation adjustment reserve | 2 | (10) | (1) | (19) |
| *Other comprehensive income not to be reclassified in the separate income statement* | | | | |
| - Changes in 'TFR' equity reserve | (245) | 215 | (45) | 324 |
| - Taxes on changes in 'TFR' equity reserve | 47 | (59) | (8) | (89) |
| **Other comprehensive income** | **(283)** | **135** | **(59)** | **310** |
| **Total comprehensive income** | **10,075** | **13,378** | **6,054** | **7,289** |
| - of which attributable to Group | 9,990 | 13,713 | 6,007 | 7,477 |
| - of which attributable to non-controlling interests | 85 | (335) | 47 | (188) |

## Consolidated statement of changes in 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)** | **-** | **135** | **-** | **13,243** | **13,378** | **(335)** | **13,713** |
| Allocation of last year net income/(loss) | - | 20,410 | - | (20,410) | - | - | - |
| Dividend payment | - | - | - | (6,403) | **(6,403)** | - | **(6,403)** |
| **Transactions with owners** | - | 20,410 | - | **(26,813)** | **(6,403)** | - | **(6,403)** |
| Increase/(decrease) in 'stock grant' plan reserve | - | 304 | - | - | **304** | - | **304** |
| Assegnazione azioni proprie | - | (12,723) | 12,723 | - | - | - | - |
| Other variations | - | 13 | - | - | **13** | (22) | **35** |
| **Balance at 30 June 2015** | **7,861** | **261,407** | **(347)** | **13,243** | **282,164** | **1,836** | **280,328** |
| **Balance at 31 December 2015** | **7,861** | **264,848** | **(5,145)** | **30,041** | **297,605** | **797** | **296,808** |
| **Total comprehensive income/(loss)** | **-** | **(283)** | **-** | **10,358** | **10,075** | **85** | **9,990** |
| Allocation of last year net income/(loss) | - | 22,277 | - | (22,277) | - | - | - |
| Dividend payment | - | - | - | (7,764) | **(7,764)** | - | **(7,764)** |
| **Transactions with owners** | **-** | **22,277** | **-** | **(30,041)** | **(7,764)** | **-** | **(7,764)** |
| Change in 'stock grant' plan reserve | - | 771 | - | - | **771** | - | **771** |
| Other variations | - | (8) | - | - | **(8)** | (2) | **(6)** |
| **Balance at 30 June 2016** | **7,861** | **287,605** | **(5,145)** | **10,358** | **300,679** | **880** | **299,799** |

## Consolidated net financial position

| (euro/000) | 30/06/2016 | 31/12/2015 | Var. | 30/06/2015 | Var. |
|---|---|---|---|---|---|
| Short-term financial liabilities | 72,783 | 29,314 | 43,469 | 24,156 | 48,627 |
| Customer financial receivables | (452) | (507) | 55 | (441) | (10) |
| Current financial (assets)/liabilities for derivatives | 246 | 195 | 51 | 164 | 82 |
| Financial receivables from factoring companies | (4,838) | (2,714) | (2,124) | (822) | (4,016) |
| Cash and cash equivalents | (115,138) | (280,089) | 164,951 | (60,386) | (54,752) |
| **Net current financial debt** | **(47,399)** | **(253,801)** | **206,402** | **(37,329)** | **(10,059)** |
| Borrowings | 57,216 | 65,138 | (7,922) | 59,160 | (1,944) |
| Debts for investments in subsidiaries | 5,091 | 5,222 | (131) | 9,697 | (4,606) |
| Non-current financial (assets)/liabilities for derivatives | 315 | 224 | 91 | 88 | 227 |
| Customer financial receivables | (2,292) | (2,696) | 405 | (2,697) | 405 |
| **Net financial debt** | **12,931** | **(185,913)** | **198,845** | **28,919** | **(15,987)** |

## Consolidated statement of cash flows

| (euro/000) | H1 2016 | H1 2015 |
|---|---|---|
| **Cash flow provided by (used in) operating activities (D=A+B+C)** | **(170,628)** | **(148,455)** |
| **Cash flow generated from operations (A)** | **14,150** | **22,285** |
| Operating income (EBIT) | 14,311 | 20,909 |
| Income from business combinations | (2,677) | - |
| Depreciation, amortisation and other fixed assets write-downs | 1,836 | 1,599 |
| Net changes in provisions for risks and charges | (36) | (281) |
| Net changes in retirement benefit obligations | (55) | (246) |
| Stock option/grant costs | 771 | 304 |
| **Cash flow provided by (used in) changes in working capital (B)** | **(183,151)** | **(164,287)** |
| Inventory | (22,902) | (74,664) |
| Trade receivables | 20,598 | 44,253 |
| Other current assets | (1,400) | (4,831) |
| Trade payables | (176,913) | (130,663) |
| Other current liabilities | (2,534) | 1,618 |
| **Other cash flow provided by (used in) operating activities (C)** | **(1,626)** | **(6,453)** |
| Interests paid, net | (378) | 142 |
| Foreign exchange (losses)/gains | 130 | (1,207) |
| Net results from associated companies | 9 | (1) |
| Income taxes paid | (1,387) | (5,387) |
| **Cash flow provided by (used in) investing activities (E)** | **(19,760)** | **(2,856)** |
| Net investments in property, plant and equipment | (3,034) | (2,553) |
| Net investments in intangible assets | (117) | (351) |
| Changes in other non current assets and liabilities | 456 | 48 |
| EDSlan business combination | (17,065) | - |
| **Cash flow provided by (used in) financing activities (F)** | **25,436** | **(13,477)** |
| Repayment/renegotiation of medium/long-term borrowings | (9,387) | (1,707) |
| Net change in financial liabilities | 44,110 | (5,406) |
| Net change in financial assets and derivative instruments | (1,523) | 393 |
| Deferred price Celly acquisition | - | (61) |
| Option on 40% Celly sharesd | - | 68 |
| Dividend payments | (7,764) | (6,403) |
| Increase/(decrease) in 'cash flow edge' equity reserve | (87) | (10) |
| Changes in third parties net equity | 87 | (351) |
| **Net increase/(decrease) in cash and cash equivalents (G=D+E+F)** | **(164,951)** | **(164,788)** |
| **Cash and cash equivalents at year-beginning** | **280,089** | **225,174** |
| **Net increase/(decrease) in cash and cash equivalents** | **(164,951)** | **(164,788)** |
| **Cash and cash equivalents at year-end** | **115,138** | **60,386** |