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

Esprinet 2017 results approved by the Board

Proposed dividend of € 0.135 per share

2017 full year results:

Consolidated sales: € 3,217.2 million (+6% vs € 3,042.3 million as at 31 December 2016)
Gross profit: € 167.8 million (+2% vs € 163.9 million)
Operating income (EBIT): € 34.3 million -11% vs € 38.6 million)
Net income: € 26.3 million (-2% vs € 26.9 million)

Net financial position as at 31 December 2017 positive by € 123.1 million
(vs Net financial position as at 31 December 2016 positive by 105.4 million)

Vimercate (Monza Brianza), 21 March 2018 - The Board of Directors of Esprinet S.p.A. (Italian Stock Exchange: PRT) met today under the chairmanship of Mr. Francesco Monti to examine and approve the draft of the separated and the consolidated financial statements for the fiscal year ended at 31 December 2017, both prepared in accordance with IFRSs requirements.
The net income for the full year 2017 was respectively € 26.3 million and € 12,8 million, while basic earnings per share was € 0.51.
Based on these results, the Board of Directors will propose to the Annual Shareholders' Meeting the distribution of a dividend of € 0.135 per ordinary share[1] , corresponding to a pay-out ratio of 27%[2].

The statement for the period ending at 31 December 2017 is still under the revision of Independent Auditor and it is at disposal of the Board of Statutory Auditor.
By 12 April 2018 it will be available by the company headquarter (Vimercate, via Energy Park 20), on the company internet site www.esprinet.com ('Investor Relation', section 'Financial Data') and with further publication pursuant to the applicable law, as well as the Report of Statutory Auditor and the Report of Independent Auditor.

The Board of Director also approved the Corporate Governance Report and the Report on Remuneration, both prepared in accordance with the art. 123-bis of the TUF.

These documents will be sent to Borsa Italiana and will be available by the company headquarter (Vimercate, via Energy Park 20), on the company internet site www.esprinet.com ('Investor Relation') and with further publication pursuant to the applicable law at the time of the publication of this statement.

A) Esprinet Group's financial highlights

The Group's main economic, financial and asset results as at 31 December 2017 are hereby summarised:

[1] Corresponding to a dividend yield of 3.28% (based on Esprinet share closing price of € 4.12 as at 20 March 2018).
[2] Based on consolidated net profit of the Esprinet Group.

(euro/000)	2017	%	2016	%	Var.	Var. %
Sales	**3,217,172**	**100.00%**	**3,042,330**	**100.00%**	**174,842**	***6%***
Cost of sales	(3,049,409)	-94.79%	(2,878,435)	-94.61%	(170,974)	*6%*
Gross profit	**167,763**	**5.21%**	**163,895**	**5.39%**	**3,868**	***2%***
Other income	-	0.00%	2,838	0.09%	(2,838)	*-100%*
Sales and marketing costs	(53,800)	-1.67%	(49,871)	-1.64%	(3,929)	*8%*
Overheads and administrative costs	(79,616)	-2.47%	(78,296)	-2.57%	(1,320)	*2%*
Operating income (EBIT)	**34,347**	**1.07%**	**38,566**	**1.27%**	**(4,219)**	***-11%***
Finance costs - net	(749)	-0.02%	(2,847)	-0.09%	2,098	*-74%*
Other investments expenses / (incomes)	36	0.00%	1	0.00%	35	*3500%*
Profit before income taxes	**33,634**	**1.05%**	**35,720**	**1.17%**	**(2,086)**	***-6%***
Income tax expenses	(7,355)	-0.23%	(8,850)	-0.29%	1,495	*-17%*
Net income	**26,279**	**0.82%**	**26,870**	**0.88%**	**(591)**	***-2%***
Earnings per share - basic (euro)	0.51		0.52		(0.01)	-2%

- **Consolidated sales** equal to € 3,217.2 million showed an increase of +6% (€ 174.8 million) compared to € 3,042.3 million as at 31 December 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, consolidated sales would have been equal to € 2,566 million (€ 2,654 million in the same period of 2016);

- **Consolidated Gross profit** equal to € 167.8 million showed an increase of +2% (€ 3.9 million) compared to the same period of 2016 as a consequence of higher sales only partially offset by a decrease in the gross profit margin. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, consolidated gross profit would have been equal to € 136.5 million, decreased by -6% compared to the same period of 2016 (€ 145.0 million);

- **Other income**, recorded only at 31 December 2016, amounted to € 2.8 million and referred 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 communication sectors, from the former EDSlan S.p.A.;

- **Operating Income (EBIT)** as at 31 December 2017, equal to € 34.3 million, showed a reduction of -11% compared to 31 December 2016 (€ 38.6 million) with an EBIT margin decreased to 1.07% from 1.27% mainly due to a reduction in the gross profit margin. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, EBIT would have been equal to € 24.0 million compared to € 29.3 million in the same period of 2016;

- **Consolidated Profit before income taxes** equal to € 33.6 million, (-6% compared to 31 December 2016), showed a reduction less pronounced than the EBIT reduction mainly as consequence of higher financial income due to lower estimate of contractual consideration to be paid for the remaining Celly S.p.A. shares (20%) purchase;

- **Consolidated Net income** equal to € 26.3 million, showed a reduction of -2% (€ -0.6 million) compared to 31 December 2016;

- **Basic earnings per ordinary share** as at 31 December 2017, equal to € 0.51, showed a reduction of -2% compared of 31 December 2016 (€ 0.52).

(euro/000)	31/12/2017	%	31/12/2016	%	Var.	Var. %
Fixed assets	122,403	56.90%	124,516	58.59%	(2,113)	-2%
Operating net working capital	104,175	48.42%	102,046	48.01%	2,129	2%
Other current assets/liabilities	2,958	1.38%	276	0.13%	2,683	972%
Other non-current assets/liabilities	(14,406)	-6.70%	(14,305)	-6.73%	(101)	1%
Total uses	**215,130**	**100.00%**	**212,533**	**100.00%**	**2,597**	**1%**
Short-term financial liabilities	155,960	72.50%	151,885	71.46%	4,075	3%
Current financial (assets)/liabilities for derivatives	663	0.31%	483	0.23%	180	37%
Financial receivables from factoring companies	(1,534)	-0.71%	(1,492)	-0.70%	(42)	3%
Current debts for investments in subsidiaries	-	0.00%	4,719	2.22%	(4,719)	-100%
Other current financial receivables	(510)	-0.24%	(5,596)	-2.63%	5,087	-91%
Cash and cash equivalents	(296,969)	-138.04%	(285,933)	-134.54%	(11,036)	4%
Net current financial debt	(142,390)	-66.19%	(135,934)	-63.96%	(6,455)	5%
Borrowings	19,927	9.26%	28,833	13.57%	(8,906)	-31%
Non - current debts for investments in subsidiaries	1,311	0.61%	3,941	1.85%	(2,630)	-67%
Non-current financial (assets)/liab. for derivatives	(36)	-0.02%	28	0.01%	(64)	-229%
Other non - current financial receivables	(1,870)	-0.87%	(2,292)	-1.08%	422	-18%
Net financial debt (A)	(123,058)	-57.20%	(105,424)	-49.60%	(17,634)	17%
Net equity (B)	338,188	157.20%	317,957	149.60%	20,231	6%
Total sources of funds (C=A+B)	**215,130**	**100.00%**	**212,533**	**100.00%**	**2,597**	**1%**

- **Consolidated net working capital** as at 31 December 2017 equal to € 104.2 million compared with € 102.0 million as at 31 December 2016;

- **Net financial position** as at 31 December 2017, positive by € 123.1 million, compared with a cash surplus equal to € 105.4 million as at 31 December 2016.
  Increase of net cash surplus was due to the performance of consolidated net working capital as at 31 December 2017 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 securization program.

  This program is aimed at 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 at 31 December 2017 was approx. € 424 million (approx. € 400 million as at 31 December 2016);

- **Consolidated net equity** as at 31 December 2017 equal to € 338.2 million, showed an increase of € 20.2 million compared to € 318.0 million as at 31 December 2016.

B) Esprinet S.p.A. financial highlights

The main economic, financial, asset result of Esprinet S.p.A. are hereby summarized:

(euro/000)	2017	%	2016	%	Var.	Var. %
Sales	**1,917,559**	100.00%	**1,951,845**	100.00%	**(34,286)**	*-2%*
Cost of sales	(1,819,846)	-94.90%	(1,848,573)	-94.71%	28,727	*-2%*
Gross profit	**97,713**	**5.10%**	**103,272**	**5.29%**	**(5,559)**	***-5%***
Sales and marketing costs	(30,181)	-1.57%	(30,204)	-1.55%	23	*0%*
Overheads and administrative costs	(51,136)	-2.67%	(53,556)	-2.74%	2,420	*-5%*
Operating income (EBIT)	**16,396**	**0.86%**	**19,512**	**1.00%**	**(3,116)**	***-16%***
Finance costs - net	(1,880)	-0.10%	(1,909)	-0.10%	29	*-2%*
Profit before income taxes	**14,516**	**0.76%**	**17,603**	**0.90%**	**(3,087)**	***-18%***
Income tax expenses	(3,906)	-0.20%	(4,865)	-0.25%	959	*-20%*
Net income	**10,610**	**0.55%**	**12,738**	**0.65%**	**(2,128)**	***-17%***

- **Net Sales** equal to € 1,917.6 million, decreased by -2% compared to € 1,951.8 million as at 31 December 2016;

- **Gross profit** equal to € 97.7 million showed a decrease of -5% compared to € 103.3 million of the previous year due to a contraction both in sales and margin;

- **Operating Income (EBIT)** equal to € 16.4 million, showed a decrease of -16% compared to 2016 with an EBIT margin dropped to 0.86% from 1.00% mainly as a consequence of the reduction in net sales having operating costs shrinked by € -2.4 million, thus halving the gross profit reduction;

- **Profit before income taxes** equal to € 14.5 million, decreased by -18% (€ 3.1 million) compared to 31 December 2016;

- **Net Income** equal to € 10.6 million, showed a decrease of -17% (€ 2.1 million) compared to 31 December 2016;

(euro/000)	31/12/2017	%	31/12/2016	%	Var.	*Var. %*
Fixed assets	121,233	82.51%	121,958	65.31%	(725)	*-1%*
Operating net working capital	(13,417)	-9.13%	16,801	9.00%	(30,218)	*-180%*
Other current assets/liabilities	46,654	31.75%	55,702	29.83%	(9,048)	*-16%*
Other non-current assets/liabilities	(7,548)	-5.14%	(7,721)	-4.13%	173	*-2%*
Total uses	**146,922**	**100.00%**	**186,740**	**100.00%**	**(39,818)**	***-21%***
Short-term financial liabilities	149,263	101.59%	118,779	63.61%	30,484	*26%*
Current financial (assets)/liabilities for derivatives	644	0.44%	428	0.23%	216	*50%*
Financial receivables from factoring companies	(1,202)	-0.82%	(1,176)	-0.63%	(26)	*2%*
Financial (assets)/liab. From/to Group companies	(157,500)	-107.20%	(151,500)	-81.13%	(6,000)	*4%*
Customers financial receivables	(510)	-0.35%	(509)	-0.27%	(1)	*0%*
Cash and cash equivalents	(165,368)	-112.55%	(80,109)	-42.90%	(85,259)	*106%*
Net current financial debt	(174,673)	-118.89%	(114,087)	-61.09%	(60,586)	*53%*
Borrowings	18,163	12.36%	2,252	1.21%	15,911	*707%*
Non-current financial (assets)/liab. for derivatives	(377)	-0.26%	(377)	-0.20%	0	*0%*
Customers financial receivables	(1,870)	-1.27%	(2,292)	-1.23%	422	*-18%*
Net Financial debt (A)	(158,757)	-108.06%	(114,504)	-61.32%	(44,253)	*39%*
Net equity (B)	305,679	208.06%	301,244	161.32%	4,435	*1%*
Total sources of funds (C=A+B)	**146,922**	**100.00%**	**186,740**	**100.00%**	**(39,818)**	***-21%***

- **Consolidated net working capital** as at 31 December 2017 was equal to € -13.4 million compared to € 16.8 million as at 31 December 2016;

- **Net financial position** as at 31 December 2017, was positive by € 158.8 million, compared with a cash surplus equal to € 114.5 million as at 31 December 2016. The impact of 'without-recourse' factoring programmes referring to the trade receivables as at 31 December 2017 was equal to € 169 million (approx. € 123 million as at 31 December 2016);

- **Net Equity** as at 31 December 2017 was equal to € 305.7 million.

C) <u>Separate income statement by legal entity</u>

Find below the separate income statement showing the contribution of each legal entities as considered significant[3]. Should be highlighted that business combination effects started from 9 April 2016 with respect to EDSlan S.r.l., from 1 July 2016 with respect to Vinzeo Technologies S.A.U., from 1 December 2016 with respect to Mosaico S.r.l. and V-Valley Iberian S.L.U.:

(euro/000)	2017													
	Italy						Iberian Peninsula						Elim. and other	Group
	E.Spa + V-Valley + Nilox GmbH	Mosaico	Celly*	EDSlan	Elim. and other	Total	Esprinet Iberian	Esprinet Portugal	V-Valley Iberian	Vinzeo + Tape	Elim. and other	Total		
Sales to third parties	1,854,572	53,556	27,911	55,485	-	1,991,524	633,015	28,258	6,195	558,180	-	1,225,648	-	3,217,172
Intersegment sales	62,961	1,129	1,107	1,846	(20,993)	46,050	20,837	12	-	3,447	(24,296)	-	(46,050)	-
Sales	**1,917,533**	**54,685**	**29,018**	**57,331**	**(20,993)**	**2,037,574**	**653,852**	**28,270**	**6,195**	**561,627**	**(24,296)**	**1,225,648**	**(46,050)**	**3,217,172**
Cost of sales	(1,820,245)	(49,689)	(17,218)	(50,745)	20,989	(1,916,908)	(627,090)	(27,452)	(5,614)	(542,504)	24,221	(1,178,439)	45,938	(3,049,409)
Gross profit	**97,288**	**4,996**	**11,800**	**6,586**	**(4)**	**120,666**	**26,762**	**818**	**581**	**19,123**	**(75)**	**47,209**	**(112)**	**167,763**
Gross Profit %	*5.07%*	*9.14%*	*40.66%*	*11.49%*	*0.02%*	*5.92%*	*4.09%*	*2.89%*	*9.38%*	*3.40%*		*3.85%*		*5.21%*
Sales and marketing costs	(28,781)	(1,417)	(8,544)	(4,180)	51	(42,871)	(6,171)	(333)	(855)	(3,599)	85	(10,872)	(57)	(53,800)
Overheads and admin. costs	(52,075)	(864)	(3,070)	(2,990)	14	(58,985)	(13,116)	(543)	(255)	(6,776)	(10)	(20,699)	68	(79,616)
Operating income (Ebit)	**16,432**	**2,715**	**186**	**(584)**	**61**	**18,810**	**7,475**	**(58)**	**(529)**	**8,748**	**-**	**15,638**	**(101)**	**34,347**
EBIT %	*0.86%*	*4.96%*	*0.64%*	*-1.02%*	*-0.29%*	*0.92%*	*1.14%*	*-0.21%*	*-8.54%*	*1.56%*		*1.28%*		*1.07%*
Finance costs - net														(749)
Share of profits of associates														36
Profit before income tax														**33,634**
Income tax expenses														(7,355)
Net income														**26,279**
- of which attributable to non-controlling interests														45
- of which attributable to Group														26,234

[3] V-Valley S.r.l., Tape S.L.U. and Nilox Deutschland are not showed separately as just a 'commission sales agent' of Esprinet S.p.A., not yet significant and not active respectively.

(euro/000)	2016													
	Italy						Iberian Peninsula						Elim. and other	Group
	E.Spa + V-Valley	Mosaico	Celly*	EDSlan	Elim. and other	Total	Esprinet Iberica	Esprinet Portugal	V-Valley Iberian	Vinzeo + Tape	Elim. and other	Total		
Sales to third parties	1,900,972	11,042	30,415	53,212	(1)	1,995,640	690,275	26,785	741	328,889	-	1,046,689	-	3,042,330
Intersegment sales	50,849	-	1,911	1,678	(7,932)	46,506	20,845	25	-	1,269	(22,139)	-	(46,506)	-
Sales	**1,951,821**	**11,042**	**32,326**	**54,890**	**(7,933)**	**2,042,146**	**711,120**	**26,810**	**741**	**330,158**	**(22,139)**	**1,046,689**	**(46,506)**	**3,042,330**
Cost of sales	(1,848,942)	(10,128)	(18,071)	(47,172)	7,948	(1,916,365)	(683,589)	(26,320)	(673)	(319,961)	22,138	(1,008,404)	46,334	(2,878,435)
Gross profit	**102,879**	**914**	**14,255**	**7,718**	**15**	**125,781**	**27,531**	**490**	**68**	**10,197**	**(1)**	**38,285**	**(172)**	**163,895**
Gross Profit %	*5.27%*	*8.28%*	*44.10%*	*14.06%*	*-0.19%*	*6.16%*	*3.87%*	*1.83%*	*9.18%*	*3.09%*		*3.66%*		*5.39%*
Other incomes	-	-	-	2,838	-	2,838	-	-	-	-	-	-	-	2,838
Sales and marketing costs	(28,706)	(130)	(8,882)	(4,193)	(2)	(41,913)	(5,916)	(310)	(60)	(1,654)	-	(7,940)	(18)	(49,871)
Overheads and admin. costs	(54,463)	(122)	(3,640)	(2,816)	74	(60,967)	(13,355)	(515)	(50)	(3,438)	-	(17,357)	28	(78,296)
Operating income (Ebit)	**19,710**	**662**	**1,733**	**3,547**	**87**	**25,739**	**8,260**	**(335)**	**(42)**	**5,105**	**(1)**	**12,988**	**(162)**	**38,566**
EBIT %	*1.01%*	*6.00%*	*5.36%*	*6.46%*	*-1.10%*	*1.26%*	*1.16%*	*-1.25%*	*-5.67%*	*1.55%*		*1.24%*		*1.27%*
Finance costs - net														(2,847)
Share of profits of associates														1
Profit before income tax														**35,720**
Income tax expenses														(8,850)
Net income														**26,870**
- of which attributable to non-controlling interests														203
- of which attributable to Group														26,667

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

D) Significant events occurred in the period

The significant events occurred during the period are hereby described:

Syndicated loan of € 210.0 million

On 28 February 2017, Esprinet S.p.A. signed an unsecured amortising facility agreement with a pool of Italian and Spanish banks for an amount up to € 210.0 million, consisting of a Term Loan Facility of up € 145.0 million and a Revolving Facility of € 65.0 million. This loan has a term of 5 years and is supported by a set of ordinary financial covenants.
The minimum amount for the successful completion of the syndication was set at € 175.0 million. Although the total amount of participation requests was more than the maximum amount of € 210.0 million, final amount was fixed at the maximum level.

Main purpose of the facility is to re-finance existing outstanding debt in relation to the existing syndicated loan signed on 31 July 2014 - € 40.6 million of Term Loan facility and € 65.0 million of Revolving Facility - and to further consolidate financial structure by lengthening the average maturity of financial debt.

Following the signing of the new syndicated facility agreement, Esprinet S.p.A. initiated negotiations with the lending banks having the purpose of executing a number of bilateral 'IRS - Interest Rate Swap' contracts in order to hedge the interest rate risk on the Term Loan Facility. On 7 April 2017, aforementioned negotiations led to the subscription of such IRS contracts with 6 out of the 8 lending banks on a pro-rata basis for a total notional value of € 105.6 million effective from the date of the second instalment, i.e. 31 August 2017. Simultaneously, in March IRS contracts covering the terminated term loan facility agreement were extinguished. The aforementioned repayment was effected at fair value at the termination date for € 0.3 million.

Renounce by Giuseppe Calì and Stefania Caterina Calì to the challenge of some 2015 resolutions of the Shareholders' Meeting and the Board of Directors of Esprinet S.p.A..

Mr. Giuseppe Calì and Mrs. Stefania Caterina Calì, which had challenged certain resolutions of the Shareholders' Meeting of the Company taken on 30 April 2015, as well as the Board member Andrea Cavaliere, appointed by the abovementioned minority shareholders, who had challenged certain Board resolutions taken on 4 May 2015 and on 14 May 2015, agreed to renounce the challenge brought.

The abovementioned shareholders and Board member took said decision after having examined with the Company, in the context of the judicial proceeding, the respective positions on a juridical ground. Thereafter, these shareholders and the Board member acknowledged the fairness of the said resolutions taken by the Shareholders' Meeting and by the Board of Directors of the Company.

At the same time, Mr. Cavaliere resigned from the Esprinet S.p.A. Board of Directors. Thus, Esprinet S.p.A. Board of Director submitted to the Shareholders' Meeting any subsequent decisions.

Esprinet S.p.A. Annual Shareholders Meeting

On 4 May 2017 Esprinet Shareholders' meeting, held in second call, approved the separate financial statements for the fiscal year ended at 31 December 2016 and the distribution of a dividend of 0.135 euro per ordinary share, corresponding to a pay-out ratio of 26%.[4]
The dividend payment was scheduled from 10 May 2017, clipping of coupon no. 12 on 8 May 2017 and record date on 9 May 2017.

The Annual Shareholders' Meeting has also:

- approved the first section of the Report on Remuneration art.123 – ter, Par.6 of the Legislative Decree no. 58/1998;
- resolved upon the integration of the number of directors of Esprinet S.p.A. determined in the number of twelve by the Shareholders' Meeting held on 30 April, 2015, appointing Prof. Ariela Caglio as new director in substitution of Mr. Andrea Cavaliere who resigned from his office on 20 February 2017;
- resolved to authorize the acquisition and disposal of own shares, within 18 months since the resolution, provided that any such purchase does not exceed the maximum of 2,620,217 ordinary shares of Esprinet (5% of the Company's share capital), simultaneously revoking, with respect to the unused portion of it, the former authorization resolved by the Shareholder's Meeting of 4 May 2016;
- authorized the Company to update the economic conditions of the statutory auditing mandate, assigned to EY S.p.A. to the extent of € 12,000 thousand for the financial years 2016, 2017 and 2018 each, for recurrent additional activities concerning the consolidated financial statements following the perimeter expansion and of € 5,000 thousand for the auditory activity concerning the PPA (Purchase Price Allocation) to be executed only with reference to the financial statement as of 31 December 2016.

The Shareholders' Meeting passed special resolution amending articles 4, 5, 8, 11, 13, 16, 19 of Esprinet S.p.A. By-Laws.

Nilox Deutschland GmbH established

On 11 July 2017 the new legal entity Nilox Deutschland GmbH with operating office in Düsseldorf, was established, in order to expand selling and distribution activities of Nilox products (brand owned by Esprinet S.p.A.) in Germany.

The Company having share capital equal to € 100,000 thousand, entirely paid-up as at establishment date, is 100% owned by Esprinet S.p.A..
At the date of this financial report approval the company was still non-operating.

Disposal of Ascendeo S.A.S. shareholding

On 2 August 2017, Celly S.p.A. completed the disposal share in the associate company Ascendeo S.A.S..

The shareholding, consisting of 9,250 shares at nominal value of 1 euro representing 25% share capital of associate who aims to promote and manage Muvit brand products, was transferred to a price equal to € 75,000 thousand to the major shareholder Ascendeo France S.A.S..

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

Breach of financial covenants on Facility Agreement

The Group's financial structure includes a 'Senior' medium-long term loan granted to Esprinet S.p.A. on February 2017 from a pool of banks and consists of a 5-year 'amortising' Term loan facility with an original amount of 145.00 million euro and a 5-year 'amortising' Revolving facility of 65.00 million euro. At 31 of December 2017 the Term loan facility amounted to 130.5 million, while the Revolving facility line was not used.
The above mentioned loan is without guarantees therefore, as is common practice, is supported by a set of n.4 ordinary financial covenants which non-compliance will cause the withdrawal of advantageous term of payment and the lending banks right to request early repayment.

At 31 December 2017, although compliance with the above-mentioned covenants has to be verified on the annual consolidated financial statement certified by Auditors based on Group's quarterly financial results, it is estimated that of the n.4 planned covenants only n.3 have been respected while the remaining has not been fulfilled.
For this reason, in accordance with applicable accounting standards, the total 'amortising' line amount – as well as the liability representing the 'fair value' of the 'IRS-Interest Rate Swap' contracts finalised on interest rate risk hedging on the loan- was reclassified as current financial payable.
In relation to the above, the Group has already started negotiation with a pool of banks finalised to obtain waiver to exercise their right of early repayment.

Changes in tax disputes

On 10 July 2017, the Provincial Tax Commission issued a judgement that upheld the Esprinet appeal, against the assessment notice of 82 thousand euro (plus penalties and interests) related to IRAP and direct taxation, issued by the Italian Revenue Office against Monclick S.r.l. relating to tax period 2012 (a year in which the company was still part of the Esprinet Group).
On 17 October 2017 the Italian Revenue Office issued an appeal against the first instance judgement and Esprinet S.p.A. presented its counter-arguments entering an appearance.

On 11 December 2017 the Italian Revenue Office closed a tax audit relating to IRES, IRAP and VAT of the subsidiary Celly S.p.A. for the fiscal year 2014 (on 12 May of the same year Celly entered in the Esprinet Group) serving a tax notice.
From the tax audit report some breaches have arisen resulting in a disallowance of costs. Waiting for the assessment, Celly S.p.A. is evaluating the better defensive strategy together with its advisories.

Acquisition from Itway Group of the business unit 'VAD-Value Added Distribution' purchase price adjustment

On 30 November 2017 the contractual terms, provided for the quantification of the differed consideration expected in relation to the acquisition made by Esprinet Group a year earlier through the two subsidiaries Mosaico S.r.l. and V-Valley Iberian S.L.U of the business units "VAD-Value Added Distribution" from Itway Group, expired,

The differed consideration was definitively quantified to 5.2 million compared with an initial estimate of 5,8 million, since was based on the achievement of agreed financial targets;
Goodwill value initially recorded was consequently adjusted to 10.2 million euro.
The differed price is fully settled as at 31 December 2017.

E) Subsequent events

Relevant events occurred after the period-end are briefly described below:

Changes in tax disputes

On 4 December 2017, the Regional Tax Commission, where Esprinet S.p.A. appealed against the judgement issued in 2016 by the Provincial Tax Commission relating to indirect taxation, required the deposit of certain

additional documents and adjourned the hearing which was held on 19 March 2018. This judgement issued the recovery of VAT, equal to 2.8 million euro (plus penalties and interests), referring to taxable transactions entered into in 2010 with a customer company whose purchases benefited from tax exemption by virtue of a declaration issued by the same company, which eventually did not qualify as a frequent exporter.
On 31 December 2017, pursuant to the administrative procedure, advances equal to 4.5 million euro were paid and were booked under 'Other tax assets'.

On 10 January 2018 the Provincial Tax Commission filed a judgement referring to Esprinet S.p.A. indirect taxes relating to an assessment claiming VAT of 1.0 million euro, plus penalties and interests. The tax authority claims that some transactions in 2011 are taxable in respect of which a customer had previously filed a declaration of intent, but later failed to fulfil the requirements needed to qualify as a frequent exporter.
Pursuant to the administrative procedure, on 31 December 2017 advances equal to 0.4 million euro were paid and then booked under 'Other tax assets' and on 23 February 2018 was paid another advance equal to 1.5 million euro booked in 'Other tax assets' also.

On 4 September 2017, Celly S.p.A. was served a correction and settlement notice relating to the registration fees due with reference to the form of the business unit disposal from Celly (selling party) to the company Rosso Garibaldi S.p.A..
Since, pursuant to law, Celly S.p.A. was jointly committed to the payment of the amount requested by the Tax Office and the purchaser was declared bankrupt in December, on 12 January 2018 the higher registration fee and interests totalling 4 thousand euro were paid.

On 4 July 2017 Edslan S.r.l. was served a correction and settlement notice, equal to approx. 180 thousand euro, relating to the reassessment of the business unit acquired on 8 June 2016 from Edslan S.p.A. (now I-Trading S.r.l.).
On 24 January 2018, an appeal was filed by Edslan S.r.l..

On 16 June 2017 the Revenue Office issued the invitation to appear to initiate adversarial proceedings and any assessment relating to the agreement (signed on 13 December 2016) referring to the business unit acquisition from ItWay S.p.A.
During the meeting with the Tax Office, the Company pointed out that a definitive price had not been set since price adjustments by the first months of 2018 are expected.
On 26 January 2018, a summary agreement was signed on the company sold price, pending the Revenue Office judgements.

On 30 November 2017, Esprinet S.p.A. issued an appeal body with the Provincial Tax Commission against the advance payments request, as per administrative procedure, with reference to an assessment notice received on 2 October 2017 asking for 3.1 million euro (plus penalties and interests) of VAT recovery relating to an assessment claiming VAT on 2012 taxable transactions entered into with three customers whose purchases benefited from tax exemption as frequent exporters which eventually proved to be false.
On 19 December 2017, the President of the Commission, recognising not only the 'fumus' and 'periculum' but also the lack of urgency, temporarily suspended the contested act until the collegial judgement on the assessment from the court assigned. On 23 February 2018 the Provincial Tax Commission confirmed the contested act suspension.

F) Outlook

The European distribution market grew by +4% in 2017 compared to the previous year (source: Context, February 2018), whilst the fourth quarter was +3% compared to the same period of 2016.

Italy was substantially stable year-over-year, whilst the fourth quarter decreased by -1% vs the same period of 2016. Spain posted a strong growth of +9% with the fourth quarter's trend in line with the yearly one.

The distribution market has started 2018 with a +8% growth in Italy and +10% in Spain (source: Context, February 2018), boosted by the excellent performance of smartphones in both countries.

The rationalization of the cost structure, which began in 2017 with the primary goal of guaranteeing a significantly lower break-even point, will continue in 2018 as a logical outcome of the renewed focus on reducing fixed costs.
The continuous fine-tune of both the operating process and the level of service are resulting in a higher customer satisfaction, as demonstrated by both the good feedbacks received by customers and suppliers as well as by some new business opportunities that we believe might positively contribute to the economics of the Group.
The competitive landscape should gradually show a lower pressure compared to the previous year, as demonstrated by the sales trend in the first weeks of the current year.

The management confirms 2018 sales to grow 'low-single digit' due to the positive effect of the Italian operations and the expected reduction of sales in Spain, arising from the eroded revenue in the 'retailers' fulfillment sector, only partially counterbalanced by other business units.
With respect to profitability, EBIT should be comprised between € 39-41 million, net of non-recurring items.

G) Dividend proposal

The Board of Directors will submit to the approval of the Shareholders Meeting the distribution of a dividend of € 0.135 for each ordinary share. The dividend shall be paid out from 16 May 2018 (ex-coupon no. 13 on 14 May 2018 and record date on 15 May 2018).

H) 2018 Shareholders' meeting Call

The Ordinary Meeting will be held at the Cosmo Hotel, Via Torri Bianche n. 4, Vimercate (MB), at 11:00 a.m. on 4 May 2018 (single call), to discuss the following:

Agenda:

1. Financial Statement of Esprinet S.p.A. as at December 2017:
   1.1 Approval of 2017 Financial Statement; Directors' Report on Operations, Statutory Auditors' Report, Independent Auditors' Report, presentation of the Consolidated Financial Statement of Esprinet Group as at 31 December 2017.
   1.2 Allocation of income of the year.

2. Board of Directors Appointments for fiscal years 2018/2020.
   2.1 Definition of the number of the Board of Directors.
   2.2 Directors' Appointments.
   2.3 Appointment of the Chairman of the Board of Directors.
   2.4 Definition of the remuneration.

3. Board of Statutory Auditors Appointments for fiscal years 2018/2020.
   3.1 Members Appointments.
   3.2 Chairman Appointment.
   3.3 Definition of the remuneration.

4. Report on Remuneration. Resolutions on the first section of the Report on Remuneration pursuant to par. 6 of the art. 123-ter of the legislative decree 58/1998.

5. Proposal for authorization of a 18 months a buy-back plan of owned shares, for the maximum number of shares legally allowed; correlated repeal of the authorization for the plan, or the unused portion of it, resolved during the Shareholders' Meeting of 4 May 2017.

6. Proposal for the approval of a Long Term Incentive Plan, in relation to remuneration policies and in accordance with article 114-bis of legislative decree 58/1998, for the members of the Company's Board of Directors and other executives for the period 2018/2019/2020. The object of the plan is the free allocation of ordinary shares in the Company ("performance stock grants") to beneficiaries

designated by the Board of Directors, up to a maximum of 1,150,000 shares in the Company in portfolio.

7. Integration of fees for the legal accounting support of the Esprinet S.p.A. consolidated financial statement.

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

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 (Group/Esprinet S.p.A.).

<u>For further information:</u>

Michele Bertacco
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Esprinet (based in Vimercate Italy; Borsa Italiana: PRT), is the holding of a Group engaged in the "B2B" distribution of technology products at the top of the market in Italy and Spain. The 2017 turnover of € 3.2 billion places Esprinet among the top 50 Italian industrial groups and the top 10 distributors worldwide. Thanks to a business model based on the coexistence of different sales channels tailored to the specific characteristics of 36.000 reseller clients, Esprinet markets about 700 brands and over 57,000 products available in 130,000 square meters of managed warehouses. Through the V-Valley division, Esprinet is able to distribute value-added products, services and IT solutions. The Group's activities also cover Portugal, and the production and sales of the named brands "Celly" (smartphones accessories) and "Nilox" (outdoor technology).

Summary of main Group's results

(euro/000)	notes	2017	%	2016	notes	%	% var. 17/16	2015	notes	%
Profit & Loss										
Sales		3,217,172	100.0%	3,042,330		100.0%	6%	2,694,054		100.0%
Gross profit		167,763	5.2%	163,895		5.4%	2%	156,864		5.8%
EBITDA	(1)	39,475	1.2%	43,117		1.4%	-8%	50,558		1.9%
Operating income (EBIT)		34,347	1.1%	38,566		1.3%	-11%	46,499		1.7%
Profit before income tax		33,634	1.0%	35,720		1.2%	-6%	42,247		1.6%
Net income		26,279	0.8%	26,870		0.9%	-2%	30,041		1.1%
Financial data										
Cash flow	(2)	31,033		30,820				33,378		
Gross investments		3,843		11,710				5,731		
Net working capital	(3)	107,133		102,322	(4)			21,905		
Operating net working capital	(5)	104,175		102,046	(4)			34,512		
Fixed assets	(6)	122,403		124,516	(4)			101,083		
Net capital employed	(7)	215,128		212,535	(4)			111,692		
Net equity		338,188		317,957	(4)			297,605		
Tangible net equity	(8)	246,522		225,299	(4)			221,695		
Net financial debt	(9)	(123,058)		(105,424)	(4)			(185,913)		
Main indicators										
Net financial debt / Net equity		(0.4)		(0.3)	(4)			(0.6)		
Net financial debt / Tangible net equity		(0.5)		(0.5)	(4)			(0.8)		
EBIT / Finance costs - net		45.9		13.5				11.0		
EBITDA / Finance costs - net		52.7		15.1				11.9		
Net financial debt/ EBITDA		(3.1)		(2.4)	(4)			(3.7)		
Operational data										
N. of employees at end-period		1,247		1,327				1,016		
Avarage number of employees	(10)	1,288		1,172				993		
Earnings per share (euro)										
- Basic		0.51		0.52			-2%	0.59		
- Diluted		0.50		0.51			-2%	0.58		

(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.
(4) Figures relative to 31 December 2016.
(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 of this period and of the relative period of comparison have been measured by applying the International Financial Reporting Standards ('IFRSs'), adopted by the EU in force in 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 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)	31/12/2017	related parties	31/12/2016	related parties
ASSETS				
Non-current assets				
Property, plant and equipment	14,634		15,284	
Goodwill	90,595		91,189	
Intangible assets	1,070		1,469	
Investments in associates	-		39	
Deferred income tax assets	11,262		11,931	
Derivative financial assets	36		38	
Receivables and other non-current assets	6,712	1,553	6,896	1,286
	124,309	**1,553**	**126,846**	**1,286**
Current assets				
Inventory	481,551		328,886	
Trade receivables	313,073	11	388,672	9
Income tax assets	3,116		6,175	
Other assets	27,778	10	32,091	-
Cash and cash equivalents	296,969		285,933	
	1,122,487	**21**	**1,041,757**	**9**
Disposal groups assets	-		-	
Total assets	**1,246,796**	**1,574**	**1,168,603**	**1,295**
EQUITY				
Share capital	7,861		7,861	
Reserves	303,046		282,430	
Group net income	26,235		26,667	
Group net equity	**337,142**		**316,958**	
Non-controlling interests	1,046		999	
Total equity	**338,188**		**317,957**	
LIABILITIES				
Non-current liabilities				
Borrowings	19,927		28,833	
Derivative financial liabilities	-		66	
Deferred income tax liabilities	7,088		6,100	
Retirement benefit obligations	4,814		5,185	
Debts for investments in subsidiaries	1,311		3,942	
Provisions and other liabilities	2,504		3,020	
	35,644		**47,146**	
Current liabilities				
Trade payables	690,449	-	615,512	12
Short-term financial liabilities	155,960		151,885	
Income tax liabilities	693		740	
Derivative financial liabilities	663		483	
Debts for investments in subsidiaries	-		4,718	
Provisions and other liabilities	25,199	1,510	30,162	-
	872,964	**1,510**	**803,500**	**12**
Disposal groups liabilities	-		-	
Total liabilities	**908,608**	**1,510**	**850,646**	**12**
Total equity and liabilities	**1,246,796**	**1,510**	**1,168,603**	**12**

Consolidated separate income statement

(euro/000)	2017	non-recurring	related parties*	2016	non-recurring	related parties*
Sales	**3,217,172**	**-**	16	**3,042,330**	**-**	15
Cost of sales	(3,049,409)	-	-	(2,878,435)	-	-
Gross profit	**167,763**	**-**		**163,895**	**-**	
Other income	-	-		2,838	2,838	
Sales and marketing costs	(53,800)	-	-	(49,871)	-	-
Overheads and administrative costs	(79,616)	(1,839)	(4,882)	(78,296)	(4,754)	(3,782)
Operating income (EBIT)	**34,347**	**(1,839)**		**38,566**	**(1,916)**	
Finance costs - net	(749)	-	2	(2,847)	-	2
Other investments expenses / (incomes)	36	-		1	-	
Profit before income taxes	**33,634**	**(1,839)**		**35,720**	**(1,916)**	
Income tax expenses	(7,355)	478	-	(8,850)	1,411	-
Net income	**26,279**	**(1,361)**		**26,870**	**(505)**	
- of which attributable to non-controlling interests	45			203		
- of which attributable to Group	26,234	(1,361)		26,667	(505)	
Earnings per share - basic (euro)	0.51			0.52		
Earnings per share - diluted (euro)	0.50			0.51		

* Emoluments to key managers excluded.

Consolidated statement of comprehensive income

(euro/000)	2017	2016
Net income	**26,279**	**26,870**
Other comprehensive income:		
- Changes in 'cash flow hedge' equity reserve	(194)	(79)
- Taxes on changes in 'cash flow hedge' equity reserve	68	17
- Changes in translation adjustment reserve	(1)	(1)
Other comprehensive income not to be reclassified in the separate income statement		
- Changes in 'TFR' equity reserve	45	(139)
- Taxes on changes in 'TFR' equity reserve	(10)	30
Other comprehensive income	**(92)**	**(172)**
Total comprehensive income	**26,187**	**26,698**
- of which attributable to Group	26,141	26,499
- of which attributable to non-controlling interests	46	199

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 2015	**7,861**	**264,848**	**(5,145)**	**30,041**	**297,605**	**797**	**296,808**
Total comprehensive income/(loss)	**-**	**(172)**	**-**	**26,870**	**26,697**	**199**	**26,498**
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)**
Increase/(decrease) in 'stock grant' plan reserve	-	1,404	-	-	**1,404**	-	**1,404**
Other variations	-	15	-	-	**15**	3	**12**
Balance at 31 December 2016	**7,861**	**288,372**	**(5,145)**	**26,870**	**317,957**	**999**	**316,958**
Balance at 31 December 2016	**7,861**	**288,372**	**(5,145)**	**26,870**	**317,957**	**999**	**316,958**
Total comprehensive income/(loss)	**-**	**(92)**	**-**	**26,280**	**26,188**	**46**	**26,142**
Allocation of last year net income/(loss)	-	19,883	-	(19,883)	**-**	-	**-**
Dividend payment	-	-	-	(6,987)	**(6,987)**	-	**(6,987)**
Transactions with owners	**-**	**19,883**	**-**	**(26,870)**	**(6,987)**	**-**	**(6,987)**
Change in 'stock grant' plan reserve	-	1,026	-	-	**1,026**	-	**1,026**
Other variations	-	4	-	-	4	1	**3**
Balance at 31 December 2017	**7,861**	**309,193**	**(5,145)**	**26,280**	**338,188**	**1,046**	**337,142**

Consolidated net financial position

(euro/000)	31/12/2017	31/12/2016	Var.
Short-term financial liabilities	155,960	151,885	4,075
Current debts for investments in subsidiaries	-	4,719	(4,719)
Current financial (assets)/liabilities for derivatives	663	483	180
Financial receivables from factoring companies	(1,534)	(1,492)	(42)
Other financial receivables	(510)	(5,596)	5,087
Cash and cash equivalents	(296,969)	(285,933)	(11,036)
Net current financial debt	**(142,390)**	**(135,934)**	**(6,455)**
Borrowings	19,927	28,833	(8,906)
Non - current debts for investments in subsidiaries	1,311	3,941	(2,630)
Non-current financial (assets)/liabilities for derivatives	(36)	28	(64)
Other financial receivables	(1,870)	(2,292)	422
Net financial debt	**(123,058)**	**(105,424)**	**(17,634)**

Consolidated statement of cash flows

(euro/000)	2017	2016
Cash flow provided by (used in) operating activities (D=A+B+C)	**25,994**	**34,413**
Cash flow generated from operations (A)	**39,225**	**40,986**
Operating income (EBIT)	34,347	38,566
Income from business combinations	-	(2,838)
Depreciation, amortisation and other fixed assets write-downs	4,754	3,954
Net changes in provisions for risks and charges	(516)	171
Net changes in retirement benefit obligations	(386)	(271)
Stock option/grant costs	1,026	1,404
Cash flow provided by (used in) changes in working capital (B)	**(7,922)**	**3,447**
Inventory	(152,665)	37,760
Trade receivables	75,599	(38,454)
Other current assets	2,328	(12,321)
Trade payables	75,074	18,354
Other current liabilities	(8,258)	(1,892)
Other cash flow provided by (used in) operating activities (C)	**(5,309)**	**(10,020)**
Interests paid, net	(2,272)	(644)
Foreign exchange (losses)/gains	393	(760)
Net results from associated companies	75	9
Income taxes paid	(3,505)	(8,625)
Cash flow provided by (used in) investing activities (E)	**(2,263)**	**(105,981)**
Net investments in property, plant and equipment	(3,425)	(6,010)
Net investments in intangible assets	(280)	(1,098)
Changes in other non current assets and liabilities	848	73
EDSlan business combination	-	(17,065)
Itway business combination	594	(8,731)
Vinzeo business combination	-	(73,150)
Cash flow provided by (used in) financing activities (F)	**(12,695)**	**77,412**
Medium/long term borrowing	165,000	-
Repayment/renegotiation of medium/long-term borrowings	(112,162)	(23,078)
Net change in financial liabilities	(59,224)	106,763
Net change in financial assets and derivative instruments	5,562	(3,371)
Deferred price Itway acquisition	(4,718)	4,718
Dividend payments	(6,987)	(7,764)
Increase/(decrease) in 'cash flow edge' equity reserve	(214)	(61)
Changes in third parties net equity	48	205
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**11,036**	**5,844**
Cash and cash equivalents at year-beginning	**285,933**	**280,089**
Net increase/(decrease) in cash and cash equivalents	**11,036**	**5,844**
Cash and cash equivalents at year-end	**296,969**	**285,933**

Esprinet S.p.A. statement of financial position

(euro/000)	31/12/2017	related parties	31/12/2016	related parties
ASSETS				
Non-current assets				
Property, plant and equipment	10,450		11,464	
Goodwill	10,626		10,626	
Intangible assets	913		1,252	
Investments in associates	-		-	
Investments in others	92,585		92,420	
Deferred income tax assets	2,134		1,975	
Derivative financial assets	377		377	
Receivables and other non-current assets	6,396	1,550	6,513	1,286
	123,481	**1,550**	**124,627**	**1,286**
Current assets				
Inventory	310,451		207,876	
Trade receivables	141,244	11	190,146	9
Income tax assets	2,891		4,543	
Other assets	215,361	193,015	216,952	194,372
Cash and cash equivalents	165,368		80,109	
	835,315	**193,026**	**699,626**	**194,381**
Non-current assets held for sale	-			
Total assets	**958,796**	**194,576**	**824,253**	**195,667**
EQUITY				
Share capital	7,861		7,861	
Reserves	287,208		280,645	
Net income for the period	10,610		12,738	
	305,679		**301,244**	
Total equity	**305,679**		**301,244**	
LIABILITIES				
Non-current liabilities				
Borrowings	18,163		2,252	
Derivative financial liabilities	-		-	
Deferred income tax liabilities	2,481		2,354	
Retirement benefit obligations	3,474		3,682	
Provisions and other liabilities	1,594		1,685	
	25,712		**9,973**	
Current liabilities				
Trade payables	465,112	-	381,221	-
Short-term financial liabilities	149,263		118,779	
Income tax liabilities	-		-	
Derivative financial liabilities	644		428	
Provisions and other liabilities	12,386	1,558	12,608	1,244
	627,405	**1,558**	**513,036**	**1,244**
Total liabilities	**653,117**	**1,558**	**523,009**	**1,244**
Total equity and liabilities	**958,796**	**1,558**	**824,253**	**1,244**

Esprinet S.p.A. separate income statement

(euro/000)	2017	non-recurring	related parties*	2016	non-recurring	related parties*
Sales	**1,917,559**	-	62,532	**1,951,845**	-	50,520
Cost of sales	(1,819,846)	-	(3,767)	(1,848,573)	-	(2,585)
Gross profit	**97,713**	**-**		**103,272**	**-**	
Sales and marketing costs	(30,181)	-	(1,335)	(30,204)	-	(1,438)
Overheads and administrative costs	(51,136)	(235)	(1,656)	(53,556)	(3,447)	(1,722)
Operating income (EBIT)	**16,396**	**(235)**		**19,512**	**(3,447)**	
Finance costs - net	(1,880)	-	1,050	(1,909)	-	1,144
Other investments expenses/(incomes)	-	-	-	-	-	-
Profit before income tax	**14,516**	**(235)**		**17,603**	**(3,447)**	
Income tax expenses	(3,906)	65	-	(4,865)	1,064	-
Net income	**10,610**	**(170)**		**12,738**	**(2,383)**	
- of which attributable to non-controlling interests	-			-		
- of which attributable to Group	10,610	(170)		12,738	(2,383)	

* Emoluments to key managers excluded.

Esprinet S.p.A. statement of comprehensive income

(euro/000)	2017	2016
Net income	**10,610**	**12,738**
Other comprehensive income:		
- Changes in 'cash flow hedge' equity reserve	(282)	(13)
- Taxes on changes in 'cash flow hedge' equity reserve	68	17
Other comprehensive income not to be reclassified in the separate income statement		
- Changes in 'TFR' equity reserve	1	(136)
- Taxes on changes in 'TFR' equity reserve	(0)	30
Other comprehensive income	**(214)**	**(102)**
Total comprehensive income	**10,396**	**12,636**
- of which attributable to Group	10,396	12,636
- of which, attributable to non-controlling interests	-	-

Esprinet S.p.A. statement of changes in equity

(euro/000)	Share capital	Reserves	Own shares	Profit for the period	Total net equity
Balance at 31 December 2015	**7,861**	**269,309**	**(5,145)**	**22,943**	**294,968**
Total comprehensive income/(loss)	**-**	**(102)**	**-**	**12,738**	**12,636**
Allocation of last year net income/(loss)	-	15,179	-	(15,179)	-
Dividend payment	-	-	-	(7,764)	**(7,764)**
Transactions with owners	-	15,179	-	**(22,943)**	**(7,764)**
Changes in 'stock grant' plan reserve	-	1,404	-	-	**1,404**
Balance at 31 December 2016	**7,861**	**285,790**	**(5,145)**	**12,738**	**301,244**
Total comprehensive income/(loss)	**-**	**(214)**	**-**	**10,610**	**10,396**
Allocation of last year net income/(loss)	-	5,751	-	(5,751)	-
Dividend payment	-	-	-	(6,987)	**(6,987)**
Transactions with owners	-	5,751	-	**(12,738)**	**(6,987)**
Changes in 'stock grant' plan reserve	-	1,026	-	-	**1,026**
Balance at 31 December 2017	**7,861**	**292,353**	**(5,145)**	**10,610**	**305,679**

Esprinet S.p.A. net financial position

(euro/000)	**31/12/2017**	**31/12/2016**	**Var.**
Short-term financial liabilities	149,263	118,779	30,484
Customer financial receivables	(510)	(509)	(1)
Current financial (assets)/liabilities for derivatives	644	428	216
Financial receivables from factoring companies	(1,202)	(1,176)	(26)
Financial (assets)/liab. From/to Group companies	(157,500)	(151,500)	(6,000)
Cash and cash equivalents	(165,368)	(80,109)	(85,259)
Net current financial debt	**(174,673)**	**(114,087)**	**(60,586)**
Borrowings	18,163	2,252	15,911
Non-current financial (assets)/liabilities for derivatives	(377)	(377)	-
Customer financial receivables	(1,870)	(2,292)	422
Net financial debt	**(158,757)**	**(114,504)**	**(44,253)**

Esprinet S.p.A. statement of cash flows

(euro/000)	2017	2016
Cash flow provided by (used in) operating activities (D=A+B+C)	**55,146**	**(43,324)**
Cash flow generated from operations (A)	**20,177**	**23,645**
Operating income (EBIT)	16,396	19,512
Depreciation, amortisation and other fixed assets write-downs	3,163	2,709
Net changes in provisions for risks and charges	(91)	(60)
Net changes in retirement benefit obligations	(252)	172
Stock option/grant costs	961	1,312
Cash flow provided by (used in) changes in working capital (B)	**37,190**	**(60,049)**
Inventory	(102,575)	3,744
Trade receivables	48,902	(27,528)
Other current assets	9,270	(26,430)
Trade payables	84,021	(6,492)
Other current liabilities	(2,428)	(3,343)
Other cash flow provided by (used in) operating activities (C)	**(2,221)**	**(6,920)**
Interests paid, net	(746)	(434)
Foreign exchange (losses)/gains	191	(468)
Income taxes paid	(1,666)	(6,018)
Cash flow provided by (used in) investing activities (E)	**(2,347)**	**(11,429)**
Net investments in property, plant and equipment	(1,767)	(3,912)
Net investments in intangible assets	(43)	(945)
Changes in other non current assets and liabilities	(372)	151
EDSlanl establishment	-	(6,540)
Mosaico establishment	-	(100)
Nilox Deutschland establishment	(100)	-
Investment increase from 'stock grant' to subsidiaries	(65)	(92)
Investments in controlled subsidiaries	-	9
Cash flow provided by (used in) financing activities (F)	**32,460**	**(71,131)**
Medium/long term borrowing	165,000	-
Repayment/renegotiation of medium/long-term borrowings	(73,655)	(16,638)
Net change in financial liabilities	(46,360)	49,361
Borrowed due within 12 months granted	(6,000)	(96,500)
Net change in financial assets and derivative instruments	611	379
Dividend payments	(6,987)	(7,764)
Increase/(decrease) in 'cash flow edge' equity reserve	(214)	(61)
Increase in 'stock grant' plan reserve to subsidiaries	65	92
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**85,259**	**(125,884)**
Cash and cash equivalents at year-beginning	**80,109**	**205,993**
Net increase/(decrease) in cash and cash equivalents	**85,259**	**(125,884)**
Cash and cash equivalents at year-end	**165,368**	**80,109**