Press release in accordance with Consob Regulation no. 11971/99

Esprinet: interim management statement as at 30 September 2018 approved

First nine months of 2018:

Consolidated sales: € 2,309.8 million (+9% vs € 2,127.6 million in the first 9M 2017)
Gross profit: € 111.1 million (-4% vs € 115.4 million)
Operating income (EBIT): € 15.1 million (+3% vs € 14.6 million)
Net income: € 8.3 million (-7% vs € 8.9 million)

Net financial position as at 30 September 2018 negative by € 120.8 million (vs Net financial position as at 31 December 2017 positive by € 123.1 million and vs Net financial position as at 30 September 2017 negative by € 141.9 million)

Third quarter 2018:

Consolidated sales: € 771.6 million (+12% vs € 690.8 million in the 3Q 2017)
Gross profit: € 34.2 million (-4% vs € 35.7 million)
Operating income (EBIT): € 4.1 million (-15% vs € 4.8 million)
Net income: € 2.1 million (-19% vs € 2.7 million)

Vimercate (Monza Brianza), 13 November 2018 - The Board of Directors of Esprinet S.p.A. (Italian Stock Exchange: PRT) met today under the chairmanship of Maurizio Rota to examine and approve the Group's Interim Management Statement as at 30 September 2018, prepared in accordance with IFRS standards.

The European wholesale distribution market (source: context, November 2018) grew +7% in the third quarter of 2018, better than the first half trend (+5%), reaching a +6% in the first nine months of the current year.
In Italy, the market increased +10% in the first nine months of 2018 and +14% in the third quarter (source: management elaboration on Context data[1]).
Every product category grew double digit but PC (desktop and monitor),basically flat (+4% in the third quarter) and priting (printers and consumables), +3% in the first nine months and +2% in the third quarter. The trigger was the mobile phone segment again (+54% in the first nine months and +68% in the third quarter).
In such an environment Esprinet grew its market share in the Italian market +1 point since the beginning of the year thanks to the good performance of all business sectors while the smartphone sales grew below the market average.
The growth of the Italian market was boosted mainly by the retailers' customer segment (+14% while business resellers +8%).
In the third quarter the two segments grew +19% and +11% respectively.
Esprinet overperformed the market in both customer segments in the first nine months while in the third quarter it defended its market share in the retailers one and gained +1 point in the business one.

The Spanish market grew +9% in the first nine months of the year and Esprinet lost slightly less than -1 point of share, while it was stable in the third quarter.
All the main product categories grew 'mid-single digit' with the exemptions of PC (-1%) and mobile phones (a brilliant +26%). In the third quarter all the categories grew but accessories (-2%). PC grew +2% and mobile phones confirmed their remarkable growth trend (24%).
Esprinet's share in the business resellers' segment during the first nine months of the current year was basically flat and grew +0.4 points in the third quarter.

[1] The categorization of customers as "professional/business" and "consumer/retail" used in this section is the Context one and, as such, is not completely homogeneous with the categorization used internally by the Group

Much more vital was the performance of the retailers' segment (+16% in the first nine months and +20% in the third quarter), where Esprinet, despite a significant growth, decided to skip certain low margin sales reducing its share by -3 points in the first nine months and -1 point in the third quarter.

As happened in the first half, in the third quarter the grow profit margin continued to be under strong pressure in a macroeconomic and market environment which is showing signs of worries.
Even in a competitive environment with a reduced level of pressure compared to last months, mainly in the mobile phone segments, and even not considering not recurring events of the period, the gross margin decreased percentagewise due to a product mix which moved towards less profitable product and customer segments. Furthermore, the gross margin was negatively impacted by the actions aimed at optimizing the level of working capital, to both reduce the inventory and get better payment conditions from certain suppliers.
Both the absolute value and the percentage on sales of operating costs decreased in the first nine months of the year, showing an even more strong trend in the third quarter due to the activities launched in this area in the preceding months, which benefitted the cost of personnel, occupancy and marketing.
In October 2018 sales grew +20% compared to same period of 2017 (€ +70 million in absolute value) while the backlog of orders to sustain 'Black Friday' and Christmas' sales is currently strong and this should outgrow the budget of sales for the current quarter, partially counterbalancing a gross profit margin currently below Group's expectations.
Taking into consideration the above and the forecasts for the current fiscal year the Groups confirms the full year EBIT adjusted for non recurring unfavorable items, aligned to the low range of the target of € 39-41 million previously communicated to the market.

A) Esprinet Group's financial highlights

The Group's main earnings, financial and net assets position as at 30 September 2018 are hereby summarised:

(euro/000)	9 months 2018	%	9 months 2017	%	Var.	Var. %
Sales	**2,309,801**	**100.00%**	**2,127,597**	**100.00%**	**182,204**	***9%***
Cost of sales	(2,198,667)	-95.19%	(2,012,167)	-94.57%	(186,500)	*9%*
Gross profit	**111,134**	**4.81%**	**115,430**	**5.43%**	**(4,296)**	***-4%***
Sales and marketing costs	(39,238)	-1.70%	(41,196)	-1.94%	1,958	*-5%*
Overheads and administrative costs	(56,842)	-2.46%	(59,587)	-2.80%	2,745	*-5%*
Operating income (EBIT)	**15,054**	**0.65%**	**14,647**	**0.69%**	**407**	***3%***
Finance costs - net	(3,648)	-0.16%	(3,016)	-0.14%	(632)	*21%*
Other investments expenses / (incomes)	-	0.00%	36	0.00%	(36)	*-100%*
Profit before income taxes	**11,406**	**0.49%**	**11,667**	**0.55%**	**(261)**	***-2%***
Income tax expenses	(3,068)	-0.13%	(2,743)	-0.13%	(325)	*12%*
Net income	**8,338**	**0.36%**	**8,924**	**0.42%**	**(586)**	***-7%***
Earnings per share - basic (euro)	0.16		0.17		(0.01)	*-6%*

(euro/000)	Q3 2018	%	Q3 2017	%	Var.	Var. %
Sales	**771,642**	**100.00%**	**690,755**	**100.00%**	**80,887**	***12%***
Cost of sales	(737,460)	-95.57%	(655,084)	-94.84%	(82,376)	*13%*
Gross profit	**34,182**	**4.43%**	**35,671**	**5.16%**	**(1,489)**	***-4%***
Sales and marketing costs	(12,434)	-1.61%	(12,711)	-1.84%	277	*-2%*
Overheads and administrative costs	(17,631)	-2.28%	(18,143)	-2.63%	512	*-3%*
Operating income (EBIT)	**4,117**	**0.53%**	**4,817**	**0.70%**	**(700)**	***-15%***
Finance costs - net	(1,245)	-0.16%	(1,149)	-0.17%	(96)	*8%*
Other investments expenses / (incomes)	-	0.00%	52	0.01%	(52)	*-100%*
Profit before income taxes	**2,872**	**0.37%**	**3,720**	**0.54%**	**(848)**	***-23%***
Income tax expenses	(725)	-0.09%	(1,063)	-0.15%	338	*-32%*
Net income	**2,147**	**0.28%**	**2,657**	**0.38%**	**(510)**	***-19%***
Earnings per share - basic (euro)	0.04		0.05		(0.01)	*-20%*

- **Consolidated sales**, equal to € 2,309.8 million showed an increase of +9% (€ +182.2 million) compared with € 2,127.6 million of the first nine months 2017. In the third quarter, consolidated sales increased by +12% compared with the same period of the previous year (from € 690.8 million to € 771.6 million);

- **Consolidated gross profit**, equal to € 111.1 million, showed a decrease of -4% (€ -4.3 million) compared with the same period of 2017 as a consequence of a worsening in the gross profit margin from 5.43% to 4.81% (4.86% if excluding non-recurring cost items) not completely offset by the sales growth. Non-recurring negative items, equal to € 1.1 million, result from the lower estimated value of Group's receivables from suppliers. In the third quarter, Gross profit, equal to € 34.2 million, decreased by -4% compared with the same period of previous year (or -1% excluding above-mentioned non-recurring items);

- **Consolidated operating income (EBIT)** of the first nine months 2018, equal to € 15.1 million, showed an increase of +3% compared with the first nine months 2017 (€ 14.6 million), more than offsetting the decrease in gross profit, due to a significant operating costs cutting (€ -4.7 million). Net of non-recurring cost of good items, the increase in EBIT is equal to +10%, with an EBIT margin equal to 0.70%, and thus in line with the corresponding period f the previous year. In the third quarter, consolidated EBIT, equal to € 4.1 million, decreased by -15% (€ -0.7 million) compared with the third quarter 2017 (+8% if excluding the above-mentioned non-recurring costs items), with an EBIT margin decreased from 0.70% to 0.53% (0.68% net of non-recurring cost items);

- **Consolidated profit before income taxes**, equal to € 11.4 million, showed a reduction of -2% compared with the first nine months of 2017 (or +7% if excluding non-recurring cost items), mainly due to a negative change in foreign exchange management with, conversely, an improvement in net interest payable to banks. In the third quarter, profit before income taxes decreased by -23% at € 2.9 million (or +7% if excluding non-recurring cost items);

- **Consolidated Net income**, equal to € 8.3 million, showed a drop of -7% (€ -0.6 million) compared with the first nine months of 2017 (+2% net of non-recurring cost items). In the third quarter 2018, consolidated net income amounted to € 2.1 million compared with € 2.7 million of the same period 2017, showing a drop of -19% (+11% if excluding the above-mentioned non-recurring cost items);

- **Basic earnings per ordinary share** as at 30 September 2018, equal to € 0.16 euro, showed a reduction of -6% compared with the value of first nine months 2017 (€ 0.17). In the third quarter basic earnings per ordinary share was € 0.04 compared with € 0.05 of the corresponding quarter in 2017 (-20%).

(euro/000)	30/09/2018	%	31/12/2017	%	Var.	*Var. %*
Fixed assets	119,269	26.03%	122,403	56.90%	(3,134)	*-3%*
Operating net working capital	363,919	79.42%	104,175	48.42%	259,744	*249%*
Other current assets/liabilities	(10,393)	-2.27%	2,958	1.38%	(13,351)	*-451%*
Other non-current assets/liabilities	(14,571)	-3.18%	(14,406)	-6.70%	(165)	*1%*
Total uses	**458,224**	**100.00%**	**215,130**	**100.00%**	**243,094**	***113%***
Short-term financial liabilities	193,676	42.27%	155,960	72.50%	37,716	*24%*
Current financial (assets)/liabilities for derivatives	350	0.08%	663	0.31%	(313)	*-47%*
Financial receivables from factoring companies	(6,553)	-1.43%	(1,534)	-0.71%	(5,019)	*327%*
Current debts for investments in subsidiaries	1,306	0.29%	-	0.00%	1,306	*N.S.*
Other current financial receivables	(9,844)	-2.15%	(510)	-0.24%	(9,334)	*1832%*
Cash and cash equivalents	(143,662)	-31.35%	(296,969)	-138.04%	153,307	*-52%*
Net current financial debt	35,273	7.70%	(142,390)	-66.19%	177,663	*-125%*
Borrowings	86,853	18.95%	19,927	9.26%	66,926	*336%*
Non - current debts for investments in subsidiaries	-	0.00%	1,311	0.61%	(1,311)	*-100%*
Non-current financial (assets)/liab. for derivatives	45	0.01%	(36)	-0.02%	81	*-225%*
Other non - current financial receivables	(1,411)	-0.31%	(1,870)	-0.87%	459	*-25%*
Net financial debt (A)	120,760	26.35%	(123,058)	-57.20%	243,818	*-198%*
Net equity (B)	337,464	73.65%	338,188	157.20%	(724)	*0%*
Total sources of funds (C=A+B)	**458,224**	**100.00%**	**215,130**	**100.00%**	**243,094**	***113%***

- **Operating net working capital** as at 30 September 2018 was equal to € 363.9 million compared with € 104.2 million as at 31 December 2017;

- **Consolidated net financial position** as at 30 September 2018, was negative by € 120.8 million, compared with a cash surplus of € 123.1 million as at 31 December 2017.
  The worsening of the spot net financial position as at period end was mainly due to the performance of consolidated net working capital as at 30 September 2018 which in turn was influenced by technical events often not related to the average level of working capital and by the level of utilisation of 'without – recourse' factoring programs referring to the trade receivables and as well as the corresponding securitization programme.

  This program is aimed at transferring risks and rewards to the buyer, thus receivables sold are eliminated from balance sheet according to IFRS 9.

  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 30 September 2018 was approx. € 343 million (approx. € 424 million as at 31 December 2017);

- **Consolidated net equity** as at 30 September 2018, equal to € 337.5 million, showed a decrease of € -0.7 million compared with € 338.2 million as at 31 December 2017.

B) Financial highlights by geographical area

B.1) Subgroup Italy

The main earnings, financial and net assets position for Subgroup Italy (Esprinet, V-Valley, EDSlan, Mosaico, Nilox Deutschland and Celly Group) as at 30 September 2018 are summarised below:

(euro/000)	9 months 2018	%	9 months 2017	%	Var.	Var. %
Sales to third parties	1,483,742		1,345,929		137,813	*10%*
Intercompany sales	38,815		33,260		5,555	*17%*
Sales	**1,522,557**		**1,379,189**		**143,368**	***10%***
Cost of sales	(1,441,238)	-94.66%	(1,293,423)	-93.78%	(147,815)	*11%*
Gross profit	**81,319**	**5.34%**	**85,766**	**6.22%**	**(4,447)**	***-5%***
Sales and marketing costs	(30,676)	-2.01%	(32,819)	-2.38%	2,143	*-7%*
Overheads and administrative costs	(42,551)	-2.79%	(43,803)	-3.18%	1,252	*-3%*
Operating income (EBIT)	**8,092**	**0.53%**	**9,144**	**0.66%**	**(1,052)**	***-12%***

(euro/000)	Q3 2018	%	Q3 2017	%	Var.	Var. %
Sales to third parties	476,101		415,514		60,587	*15%*
Intercompany sales	12,682		9,489		3,193	*34%*
Sales	**488,783**		**425,003**		**63,780**	***15%***
Cost of sales	(464,212)	-94.97%	(398,660)	-93.80%	(65,552)	*16%*
Gross profit	**24,571**	**5.03%**	**26,343**	**6.20%**	**(1,772)**	***-7%***
Sales and marketing costs	(9,803)	-2.01%	(10,069)	-2.37%	266	*-3%*
Overheads and administrative costs	(13,081)	-2.68%	(13,281)	-3.12%	200	*-2%*
Operating income (EBIT)	**1,687**	**0.35%**	**2,993**	**0.70%**	**(1,306)**	***-44%***

- **Sales** totalled € 1,522.6 million and showed an increase of +10% compared with € 1,379.2 million of the first nine months 2017. In the third quarter 2018, sales showed an increase of +15% compared with the third quarter 2017;

- **Gross profit**, equal to € 81.3 million, showed a decrease of -5% (-4% if excluding non-recurring cost items resulting from the lower estimated value of receivables from some suppliers) compared with € 85.8 million of the first nine months 2017, with a gross profit margin at 5.34% (5.41% net of non-recurring items) compared with 6.22% as at 30 September 2017. In the third quarter 2018, gross profit, equal to € 24.6 million, decreased by -7% compared with the third quarter 2017 (-3% if excluding the above-mentioned non-recurring cost items);

- **Operating income (EBIT)**, equal to € 8.1 million, showed a decrease of -12% compared with the same period of 2017 (+1% if excluding the non-recurring cost items), with an EBIT margin down from 0.66% to 0.53% (0.60% net of non-recurring cost items). In the third quarter 2018, EBIT showed a decrease of -44% (-7% if excluding the above-mentioned non-recurring cost items) at € 1.7 million compared with € 3.0 million of 2017, with an EBIT margin of 0.35% (0.57% net of non-recurring cost items) compared with 0.70% of the same period of 2017;

(euro/000)	30/09/2018	%	31/12/2017	%	Var.	Var. %
Fixed assets	114,106	32.79%	117,075	64.89%	(2,969)	-3%
Operating net working capital	253,553	72.87%	55,494	30.76%	198,059	357%
Other current assets/liabilities	(10,195)	-2.93%	17,699	9.81%	(27,894)	-158%
Other non-current assets/liabilities	(9,507)	-2.73%	(9,857)	-5.46%	350	-4%
Total uses	**347,957**	**100.00%**	**180,411**	**100.00%**	**167,546**	**93%**
Short-term financial liabilities	189,770	52.14%	150,364	83.35%	39,406	26%
Current financial (assets)/liabilities for derivatives	348	0.10%	644	0.36%	(296)	-46%
Financial receivables from factoring companies	(6,553)	-1.80%	(1,534)	-0.85%	(5,019)	327%
Financial (assets)/liab. from/to Group companies	(102,738)	-28.23%	(112,500)	-62.36%	9,762	-9%
Other financial receivables	(9,844)	-2.70%	(510)	-0.28%	(9,334)	1832%
Cash and cash equivalents	(98,872)	-27.17%	(184,912)	-102.49%	86,040	-47%
Net current financial debt	(26,583)	-7.30%	(148,448)	-82.28%	121,865	-82%
Borrowings	85,968	23.62%	18,163	10.07%	67,805	373%
Non - current debts for investments in subsidiaries	-	0.00%	1,311	0.73%	(1,311)	-100%
Non-current financial (assets)/liab. for derivatives	54	0.01%	-	0.00%	54	N.S.
Other financial receivables	(1,411)	-0.39%	(1,870)	-1.04%	459	-25%
Net Financial debt (A)	58,028	15.94%	(130,844)	-72.53%	188,872	-144%
Net equity (B)	305,929	84.06%	311,255	172.53%	(5,326)	-2%
Total sources of funds (C=A+B)	**363,957**	**100.00%**	**180,411**	**100.00%**	**183,546**	**102%**

- **Operating net working capital** as at 30 September 2018 was equal to € 253.6 million compared with € 55.5 million as at 31 December 2017;

- **Net financial position** as at 30 September 2018, was negative by € 58.0 million, compared with a cash surplus equal to € 130.8 million as at 31 December 2017. The impact of both 'without-recourse' sale and securization programmes of trade receivables as at 30 September 2018 was € 190 million (approx. € 184 million as at 31 December 2017).

B.2) Subgroup Iberica

The main earnings, financial and net assets position for the Subgroup Iberica (Esprinet Iberica, Esprinet Portugal, Tape, Vinzeo Technologies and V-Valley Iberian) as at 30 September 2018 are summarised below:

(euro/000)	9 months 2018	%	9 months 2017	%	Var.	Var. %
Sales to third parties	826,059		781,668		44,391	6%
Intercompany sales	-		-		-	0%
Sales	**826,059**		**781,668**		44,391	**6%**
Cost of sales	(796,283)	-96.40%	(751,875)	-96.19%	(44,408)	6%
Gross profit	**29,776**	**3.60%**	**29,793**	**3.81%**	**(17)**	**0%**
Sales and marketing costs	(8,562)	-1.04%	(8,322)	-1.06%	(240)	3%
Overheads and administrative costs	(14,303)	-1.73%	(15,848)	-2.03%	1,545	-10%
Operating income (EBIT)	**6,911**	**0.84%**	**5,623**	**0.72%**	**1,288**	**23%**

(euro/000)	Q3 2018	%	Q3 2017	%	Var.	Var. %
Sales to third parties	295,540		275,241		20,299	*7%*
Intercompany sales	-		-		-	*0%*
Sales	**295,540**		**275,241**		**20,299**	***7%***
Cost of sales	(285,882)	-96.73%	(265,795)	-96.57%	(20,087)	*8%*
Gross profit	**9,658**	**3.27%**	**9,446**	**3.43%**	**212**	***2%***
Sales and marketing costs	(2,631)	-0.89%	(2,632)	-0.96%	1	*0%*
Overheads and administrative costs	(4,550)	-1.54%	(4,874)	-1.77%	324	*-7%*
Operating income (EBIT)	**2,477**	**0.84%**	**1,940**	**0.70%**	**537**	***28%***

- **Sales**, equal to € 826.1 million, showed an increase of +6% compared with € 781.7 million of the first nine months of 2017. In the third quarter, sales showed an increase +7% (equal to € 20.3 million) compared with the same period of the previous year;

- **Gross profit** as at 30 September 2018 totalled € 29.8 million, reaching the result of the same period of 2017, conversely, with a gross profit margin decreased from 3.81% to 3.60%. In the third quarter, gross profit showed an increase of +2% compared with the same period of the previous year, with a gross profit margin down to 3.27% from 3.43%.

- **Operating income (EBIT)**, equal to € 6.9 million, showed an increase of +23% (€ 1.3 million) compared with the value of first nine months of 2017, with an EBIT margin increased from 0.72% to 0.84%. In the third quarter 2018, EBIT was equal to € 2.5 million, compared with € 1.9 million in the third quarter 2017, with an EBIT margin increased from 0.70% to 0.84%.

(euro/000)	30/09/2018	%	31/12/2017	%	Var.	*Var. %*
Fixed assets	79,718	46.84%	80,051	72.87%	(333)	*0%*
Operating net working capital	110,734	65.06%	49,102	44.69%	61,632	*126%*
Other current assets/liabilities	(15,196)	-8.93%	(14,742)	-13.42%	(454)	*3%*
Other non-current assets/liabilities	(5,064)	-2.98%	(4,549)	-4.14%	(515)	*11%*
Total uses	**170,192**	**100.00%**	**109,862**	**100.00%**	**60,330**	***55%***
Short-term financial liabilities	3,906	2.30%	5,596	5.09%	(1,690)	*-30%*
Current financial (assets)/liabilities for derivatives	2	0.00%	19	0.02%	(17)	*-89%*
Financial (assets)/liab. from/to Group companies	103,738	60.95%	112,500	102.40%	(8,762)	*-8%*
Cash and cash equivalents	(44,790)	-26.32%	(112,057)	-102.00%	67,267	*-60%*
Net current financial debt	62,856	36.93%	6,058	5.51%	56,798	*938%*
Borrowings	885	0.52%	1,764	1.61%	(879)	*-50%*
Non-current financial (assets)/liab. for derivatives	(9)	-0.01%	(36)	-0.03%	27	*-75%*
Net Financial debt (A)	63,732	37.45%	7,786	7.09%	55,946	*719%*
Net equity (B)	106,460	62.55%	102,076	92.91%	4,384	*4%*
Total sources of funds (C=A+B)	**170,192**	**100.00%**	**109,862**	**100.00%**	**60,330**	***55%***

- **Operating net working capital** as at 30 September 2018 was equal to € 110.7 million compared with € 49.1 million as at 31 December 2017;

- **Net financial position** as at 30 September 2018, was negative by € 63.7 million, compared with a negative financial position of € 7.8 million as at 31 December 2017. The impact of both 'without-recourse' sale and receivable financing programmes was approx. € 153 million (approx. € 240 million as at 31 December 2017).

C) Separate income statement by legal entity

Please find below the separate income statement showing the contribution of the individual group companies regarded as significant:[2]

9 months 2018

(euro/000)	Italy						Iberian Peninsula							
	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**	**Elim. and other**	**Group**
Sales to third parties	1,451,901	9,534	17,556	4,751	-	1,483,742	457,723	19,221	5,880	343,235	-	826,059	-	2,309,801
Intersegment sales	39,012	2,193	1,748	8,108	(12,246)	38,815	12,912	1	210	1,938	(15,061)	-	(38,815)	-
Sales	**1,490,913**	**11,727**	**19,304**	**12,859**	**(12,246)**	**1,522,557**	**470,635**	**19,222**	**6,090**	**345,173**	**(15,061)**	**826,059**	**(38,815)**	**2,309,801**
Cost of sales	(1,420,334)	(10,793)	(10,551)	(11,818)	12,258	(1,441,238)	(454,071)	(18,736)	(5,514)	(332,977)	15,014	(796,283)	38,854	(2,198,667)
Gross profit	**70,579**	**934**	**8,753**	**1,041**	**12**	**81,319**	**16,564**	**486**	**576**	**12,196**	**(47)**	**29,776**	**39**	**111,134**
Gross Profit %	*4.73%*	*7.96%*	*45.34%*	*8.10%*	*-0.10%*	*5.34%*	*3.52%*	*2.53%*	*9.46%*	*3.53%*		*3.60%*		*4.81%*
Sales and marketing costs	(24,335)	(419)	(5,622)	(306)	6	(30,676)	(4,106)	(271)	(1,094)	(3,121)	29	(8,562)	-	(39,238)
Overheads and admin. costs	(40,331)	(1)	(2,124)	(92)	(3)	(42,551)	(9,359)	(547)	(196)	(4,219)	18	(14,303)	12	(56,842)
Operating income (Ebit)	**5,913**	**514**	**1,007**	**643**	**15**	**8,092**	**3,099**	**(332)**	**(714)**	**4,856**	**-**	**6,911**	**51**	**15,054**
EBIT %	*0.40%*	*4.38%*	*5.22%*	*5.00%*	*-0.12%*	*0.53%*	*0.66%*	*-1.73%*	*-11.72%*	*1.41%*		*0.84%*		*0.65%*
Finance costs - net														(3,648)
Share of profits of associates														-
Profit before income tax														**11,406**
Income tax expenses														(3,068)
Net income														**8,338**
- of which attributable to non-controlling interests														153
- of which attributable to Group														8,185

9 months 2017

(euro/000)	Italy						Iberian Peninsula							
	E.Spa + V-Valley	**Mosaico**	**Celly***	**EDSlan**	**Elim. and other**	**Total**	**Esprinet Iberica**	**Esprinet Portugal**	**V-Valley Iberian**	**Vinzeo + Tape**	**Elim. and other**	**Total**	**Elim. and other**	**Group**
Sales to third parties	1,251,571	34,073	19,066	41,219	-	1,345,929	416,398	20,419	5,096	339,755	-	781,668	-	2,127,597
Intersegment sales	44,710	945	471	1,203	(14,069)	33,260	14,749	11	-	2,649	(17,409)	-	(33,260)	-
Sales	**1,296,281**	**35,018**	**19,537**	**42,422**	**(14,069)**	**1,379,189**	**431,147**	**20,430**	**5,096**	**342,404**	**(17,409)**	**781,668**	**(33,260)**	**2,127,597**
Cost of sales	(1,227,353)	(31,796)	(11,012)	(37,345)	14,083	(1,293,423)	(413,946)	(19,877)	(4,630)	(330,830)	17,407	(751,875)	33,131	(2,012,167)
Gross profit	**68,928**	**3,222**	**8,525**	**5,077**	**14**	**85,766**	**17,201**	**553**	**466**	**11,574**	**(2)**	**29,793**	**(129)**	**115,430**
Gross Profit %	*5.32%*	*9.20%*	*43.64%*	*11.97%*	*-0.10%*	*6.22%*	*3.99%*	*2.71%*	*9.14%*	*3.38%*		*3.81%*		*5.43%*
Sales and marketing costs	(21,908)	(1,070)	(6,543)	(3,308)	10	(32,819)	(4,651)	(261)	(716)	(2,700)	5	(8,322)	(55)	(41,196)
Overheads and admin. costs	(38,411)	(652)	(2,270)	(2,473)	3	(43,803)	(9,997)	(392)	(202)	(5,254)	(3)	(15,848)	64	(59,587)
Operating income (Ebit)	**8,609**	**1,500**	**(288)**	**(704)**	**27**	**9,144**	**2,553**	**(100)**	**(452)**	**3,620**	**-**	**5,623**	**(120)**	**14,647**
EBIT %	*0.66%*	*4.28%*	*-1.47%*	*-1.66%*	*-0.19%*	*0.66%*	*0.59%*	*-0.49%*	*-8.87%*	*1.06%*		*0.72%*		*0.69%*
Finance costs - net														(3,016)
Share of profits of associates														36
Profit before income tax														**11,667**
Income tax expenses														(2,743)
Net income														**8,924**
- of which attributable to non-controlling interests														(42)
- of which attributable to Group														8,966

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

D) Reclassified income statement

Please find below the consolidated income statement showing the reclassification of charges attributable to the without-recourse revolving factoring in the period under the item finance costs (both factoring and securitisazion):

[2] V-Valley S.r.l. (since is a mere 'commission sales agent' of Esprinet S.p.A.), Tape S.L.U. and Nilox Deutschland GmbH (since both not significant) are not shown separately.

(euro/000)	9 months 2018	%	9 months 2018 reclassified	%	Var.	Var. %
Sales	**2,309,801**	**100.00%**	**2,309,801**	**100.00%**	**-**	***0%***
Cost of Sales	(2,198,667)	-95.19%	(2,195,290)	-95.04%	(3,377)	*0%*
Gross Profit	**111,134**	**4.81%**	**114,511**	**4.96%**	**(3,377)**	***-3%***
Sales and marketing costs	(39,238)	-1.70%	(39,238)	-1.70%	-	*0%*
Overheads and administrative costs	(56,842)	-2.46%	(56,842)	-2.46%	-	*0%*
Operating income (EBIT)	**15,054**	**0.65%**	**18,431**	**0.80%**	**(3,377)**	***-18%***
Finance costs - net	(3,648)	-0.16%	(7,025)	-0.30%	3,377	*-48%*
Profit before income taxes	**11,406**	**0.49%**	**11,406**	**0.49%**	**-**	***0%***
Income tax expenses	(3,068)	-0.13%	(3,068)	-0.13%	-	*0%*
Net Income	**8,338**	**0.36%**	**8,338**	**0.36%**	**-**	***0%***

(euro/000)	Q3 2018	%	Q3 2018 reclassified	%	Var.	Var. %
Sales	**771,642**	**100.00%**	**771,642**	**100.00%**	**-**	***0%***
Cost of Sales	(737,460)	-95.57%	(736,633)	-95.46%	(827)	*0%*
Gross Profit	**34,182**	**4.43%**	**35,009**	**4.54%**	**(827)**	***-2%***
Sales and marketing costs	(12,434)	-1.61%	(12,434)	-1.61%	-	*0%*
Overheads and administrative costs	(17,631)	-2.28%	(17,631)	-2.28%	-	*0%*
Operating income (EBIT)	**4,117**	**0.53%**	**4,944**	**0.64%**	**(827)**	***-17%***
Finance costs - net	(1,245)	-0.16%	(2,072)	-0.27%	827	*-40%*
Profit before income taxes	**2,872**	**0.37%**	**2,872**	**0.37%**	**-**	***0%***
Income tax expenses	(725)	-0.09%	(725)	-0.09%	-	*0%*
Net Income	**2,147**	**0.28%**	**2,147**	**0.28%**	**-**	***0%***

E) Significant events occurring in the period

The significant events that occurred during the period are briefly described as follows:

Signing of business lease agreements with the subsidiaries EDSlan S.r.l. and Mosaico S.r.l.

Esprinet S.p.A. signed two different business lease agreements, on 26 January with EDSlan S.r.l. and on 26 March with Mosaico S.r.l., with a view to the subsequent merger of the above-mentioned subsidiaries.
Under these agreements, since 1 February 2018 and 1 April 2018 respectively, Esprinet S.p.A. has managed these businesses as lessee having replaced the lessors in all legal relationships existing with customers and suppliers, except for receivables and payables outstanding at the signing date of the lease agreements, that shall be retained by the subsidiaries until the merger date.

Grant of waiver and renegotiation of covenant of the 5-year senior loan

The Group financing structure includes a medium/long-term senior loan granted to Esprinet S.p.A. in February 2017 by a pool of banks, consisting of a 5-year amortised facility in the original amount of 145.0 million euro and a 5-year revolving facility for 65.0 million euro, both including covenants.
As at 31 December 2017, 3 out of 4 covenants were met while the remaining one was breached.
Thus, pursuant to the accounting standards in force, the entire outstanding amount of the amortised facility - as well as the liability from the 'fair value' of 'IRS-Interest Rate Swap' contracts signed to hedge the loan interest rate risk - were booked under the current financial liabilities.

On 30 April 2018, Esprinet S.p.A. reached an agreement with the pool of lending banks to get a waiver in relation to the breached covenant, under which the banks waived to exercise their rights arising from said breach.
Later, on 2 May 2018 an agreement was reached to renegotiate the design of these covenants, that now provide for higher thresholds till 2021, in order to give the Group more flexibility to reach its development targets.

Esprinet S.p.A. Annual Shareholders Meeting

On 4 May 2018, Esprinet Shareholders' Meeting approved the separate financial statements for the fiscal year ended at 31 December 2017 and the distribution of a dividend of € 0.135 per ordinary share, corresponding to a pay-out ratio of 27%.[3]
The dividend payment was scheduled from 16 May 2018, with issue of coupon no.13 on 14 May 2018 and record date on 15 May 2018.

Following the expiry of previous term of office, the Shareholder's Meeting appointed the new Board of Directors and the Board of Statutory Auditors which will remain in office until approval of the financial statements for the 2020 fiscal year.
The new Board is made up as follows: Maurizio Rota (Chairman), Alessandro Cattani, Valerio Casari, Marco Monti, Tommaso Stefanelli, Matteo Stefanelli, Mario Massari, Renata Maria Ricotti, Cristina Galbusera, Chiara Mauri, Emanuela Prandelli and Ariela Caglio.
The new Board of Statutory Auditors is made up as follows: Bettina Solimando (Chairman), Patrizia Paleologo Oriundi (standing statutory auditor), Franco Aldo Abbate (standing statutory auditor), Antonella Koenig (alternate statutory auditor) and Mario Conti (alternate statutory auditor).

The Annual Shareholders' Meeting has also:

- approved the first section of the Report on Remuneration under Art.123-ter, paragraph 6 of the Legislative Decree 58/1998;
- resolved to authorize the acquisition and disposal of own shares, within 18 months from the resolution date, up to 2,620,217 ordinary shares (5% of the Company's share capital), simultaneously revoking the former authorization resolved by the Shareholder's Meeting on 4 May 2017 with respect to the unused portion;
- approved 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 grant') to beneficiaries designated by the Board of Directors, up to a maximum of 1,150,000 Company's shares.
- authorized the Company to update the financial conditions of the statutory auditors engagement granted to EY S.p.A. within the measure of (i) 32,110 euro for the financial years 2017 and 2018 each, for recurring additional activities concerning the consolidated financial statements and of (ii) 22,500 euro only for the financial year 2017 for activities relating to the first-time adoption of the new accounting standard IFRS 15.

Approval of the draft terms of merger of EDSlan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A..

On 14 May 2018 the draft terms of merger of the subsidiaries EDSlan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A. were approved:
The merger is to be effected by year end, with retrospective accounting and tax effects from 1st January 2018, being a transaction among subsidiaries wholly-controlled by the Parent company.
This transaction forms part of process aimed at maximising synergies from the acquisition transactions carried out in 2016 through the above-mentioned subsidiaries, from distribution activities in the market

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

segments of networking, cabling, VoIP and UCC-Unified Communication as regards EDSlan S.r.l., and ICT Security, Enterprise Software, Virtualisation and OpenSource/Linux solutions as regards Mosaico S.r.l.

Granting of shares to beneficiaries pursuant to the 2015-2017 Long Term Incentive Plan

On 12 June 2018, following the presentation and approval of the Group consolidated financial statements as at 31 December 2017 at the AGM of 4 May 2018, and taking into account also the successful achievement of targets set for the fiscal years 2015-2017, the free stock grants of Esprinet. S.p.A. ordinary shares referring to the Long Term Incentive Plan approved by the AGM of 30 April 2015 became exercisable.

Consequently, 535,134 rights were granted to the members of the Company's Board of Directors and Company executives, using shares already owned by Esprinet S.p.A..

20% of the shares granted to the beneficiaries is subject to a lock-up period of one year from the grant date.

As a consequence of this transaction, own shares on hand decreased to 111,755, equal to 0.21% of the share capital

Share buy-back program

Pursuant to the Esprinet AGM resolution of 4 May 2018, the Company purchased a total of 860,000 ordinary shares of Esprinet S.p.A. (corresponding to 1.64% of total share capital) along the period between 14 June 2018 and 2 August 2018, with an average purchase price of euro 3.80 per share, net of fees.
As a consequence of the above-mentioned purchases, the Company owned 971,755 own shares (equal to 1.85% of share capital) as of 30 September 2018.

New 2018-2020 Long term incentive plan: grant of free share rights

On 25 June 2018, pursuant to the AGM resolution of 4 May 2018 concerning the new Long Term Incentive Plan in favour of Board Members of Esprinet S.p.A. and Group executives, 1,150,000 rights (equal to the number of rights resolved by the AGM) were freely granted.
The exercise of the stock plan is conditional upon the achievement of some financial targets for the period 2018-20 and the beneficiary being still employed by the Group at the date of presentation of the 2020 Consolidated Financial Statement.

Renewal of an agreement for securitization of trade receivables for a maximum amount of 100.0 million euro

On 18 July 2018, Esprinet S.p.A. and its wholly owned subsidiary V-Valley S.r.l. renewed a securitization transaction involving the transfer of their trade receivables started in July 2015 as originators.

The transaction, which has been structured by UniCredit Bank AG as arranger, involves the assignment on a 'non recourse' revolving basis of trade receivables to a 'special purpose vehicle' under L. n. 130/99 named Vatec S.r.l., over an additional period 3 years.
The total amount of the program was increased to 100.0 million euro from the original 80.0 million euro.

The purchase of trade receivables by Vatec S.r.l. is being funded through the issue of different classes of notes: class A notes (senior), subscribed by a conduit sponsored by UniCredit Group, class B notes (mezzanine) and class C notes (junior) subscribed by specialised investors.

This transaction complements the unsecured senior loan of 181.0 million euro maturing in February 2022 - consisting of an amortising Term Loan facility for 116 million euro and a revolving facility for 65,0 million euro - whose covenant structure was reviewed in May by setting higher thresholds, thus allowing the Group to extend considerably the average duration of its financial indebtedness.

Closing and de-registering of the subsidiary Celly Swiss SAGL in liquidation

On 16 July 2018, the competent office of the commercial register of Canton Ticino announced the closing and de-registering of the company Celly Swiss SAGL, wholly controlled by Celly S.p.A. which had been in liquidation from 30 June 2018.

Developments in tax disputes

Esprinet S.p.A. has some tax disputes concerning indirect taxes claimed from the Company, with a total amount of 7.0 million euro, plus penalties and interest, with respect to transactions occurred between 2010 and 2013. Since some customers had filed declarations of intent but, subsequent to a tax audit, failed to fulfil the requirements needed to qualify as a frequent exporter, the tax authority is now claiming VAT from the Company on those sales transactions.
The main events occurred since 1 January 2018 till the date of this interim report are as follows:

- On 10 January 2018 the Provincial Tax Commission issued an unfavourable first instance decision for the year 2011 in relation to a tax dispute where the Company had to pay tax advances amounting to 1.9 million euro, of which 1.5 million euro were paid on 23 February 2018;
- On 23 March 2018 the Regional Tax Commission issued a favourable appeal judgement for the year 2010, in relation to a tax dispute where the Company had paid tax advances for 4.5 million euro as of 31 December 2017;
- On 18 May 2018, the hearing relating to the year 2012 was held before the Provincial Tax Commission, issuing a favourable judgement at first step as at 9 October 2018.
- On 31 July 2018 the Company was served a notice relating to an assessment for the year 2013, against which was lodged an appeal.

Some Italian subsidiaries of Esprinet S.p.A. have ongoing court and out-of-court disputes with Tax Authorities, relating to the amount of register tax to be paid on some extraordinary transactions effected in prior years.
The main events occurred from the 1 January 2018 till the date of this financial report are as follows:

- On 12 January 2018, Celly S.p.A. paid additional 4 thousand euro for registration fees, claimed on the transfer deed of the business unit Rosso Garibaldi, in lieu of its counterparty that went bankrupt;
- On 15 May 2018, Mosaico S.r.l. appealed against a correction and settlement notice of higher registration fees, equal to 48 thousand euro, relating to the 2016 acquisition agreement of a business unit from ITWAY S.p.A.. On 4 September 2018, the Tax Authority put forward a mediation proposal, accepted by the selling company Itway S.p.A., thus settling the dispute with a payment of 20 thousand euro;
- On 19 June 2018, the hearing relating to the correction and settlement notice of higher registration fees, equal to 182 thousand euro, relating to the 2016 acquisition agreement of a business unit from EDSlan S.p.A. (now I-Trading S.r.l.) was held in the Provincial Tax Commission. On 18 September 2018 the Commission issued a favourable judgement upholding the company's appeal.

On 25 May 2018, tax assessment notices relating to direct and indirect taxes against V-Valley S.r.l. for the tax period 2011 of 74 thousand euro (plus penalties and interest) were settled with legal conciliation.

On 20 July 2018 the Regional Tax Commission upheld the appeal filed by the Tax Authority against the first instance judgement issued in favour of Monclick S.r.l. with reference to tax year 2012 (when this company was still part of the Esprinet Group) in relation to direct tax claims amounting to 82 thousand euro, plus penalties and interest.

As regards all proceedings, the Group is assessing the appropriate course of action (with the help of its advisors) or has filed appeal or is awaiting a decision.

F) Subsequent events

Relevant events occurred after period end are briefly described below:

Share buy-back program

Under the ongoing share buy-back program, which was resolved by the Esprinet S.p.A. AGM of 4 May 2018, the Company purchased a total of 178,245 ordinary shares of Esprinet S.p.A. (corresponding to 0.34% of total share capital), along the period between 1 and 11 October 2018, with an average purchase price of euro 3.73 per share, net of fees.

Following these purchases, Esprinet S.p.A. owns 1,150,000 own shares (or 2.19% of share capital) at the date of this Esprinet S.p.A. interim report.

Execution of the deed of merger by incorporation of EDslan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A..

On 24 October 2018, the deed of merger by incorporation of the subsidiaries EDslan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A. was signed.

Since this is a 'simplified' merger by incorporation of wholly-owned companies, the resolution was adopted by the Board of Directors, by means of a public deed, not by the Shareholders' Meeting.

The merger are effective from 1 November 2018 under a legal perspective, with accounting and tax effects backdated starting from 1 January 2018.

Upon completion of the merger, Esprinet S.p.A. thus took over all the legal relationships of EDSlan S.r.l. and Mosaico S.r.l., taking on all relevant rights and obligations in place prior to the merger.

<u>DECLARATION EX ART. 154- DECLARATION EX ART. 154-bis, paragraph 2 Legislative Decree n.58/1998 (T.U 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 as at September 2018.

<u>For further information:</u>

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Esprinet S.p.A. – IR and Communications Director
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Summary of main Group's result

(euro/000)		9 months						Q3					
	notes	2018	%	2017 *	notes	%	*% var. 18/17*	2018	%	2017 *	notes	%	*% var. 18/17*
Profit & Loss													
Sales		2,309,801	100.0%	2,127,597		100.0%	9%	771,642	100.0%	690,755		100.0%	12%
Gross profit		111,134	4.8%	115,430		5.4%	-4%	34,182	4.4%	35,671		5.2%	-4%
EBITDA	(1)	18,679	0.8%	18,244	(1)	0.9%	2%	5,327	0.7%	5,909		0.9%	-10%
Operating income (EBIT)		15,054	0.7%	14,647		0.7%	3%	4,117	0.5%	4,817		0.7%	-15%
Profit before income tax		11,406	0.5%	11,667		0.5%	-2%	2,872	0.4%	3,720		0.5%	-23%
Net income		8,338	0.4%	8,924		0.4%	-7%	2,147	0.3%	2,657		0.4%	-19%
Financial data													
Cash flow	(2)	11,860		12,423	(2)								
Gross investments		2,567		3,620									
Net working capital	(3)	353,526		107,133	(3)								
Operating net working capital	(4)	363,919		104,175	(4)								
Fixed assets	(5)	119,269		122,403	(5)								
Net capital employed	(6)	458,226		215,128	(6)								
Net equity		337,464		338,188									
Tangible net equity	(7)	246,067		246,522	(7)								
Net financial debt	(8)	120,760		(123,058)	(8)								
Main indicators													
Net financial debt / Net equity		0.4		(0.4)									
Net financial debt / Tangible net equity		0.5		(0.5)									
EBIT / Finance costs - net		4.1		4.9									
EBITDA / Finance costs - net		5.1		6.1									
Net financial debt/ EBITDA		6.5		(3.1)									
Operational data													
N. of employees at end-period		1,250		1,302									
Avarage number of employees	(9)	1,249		1,315	(9)								
Earnings per share (euro)													
- Basic		0.16		0.17			-6%	0.04		0.05			-20%
- Diluted		0.16		0.17			-6%	0.04		0.05			-20%

(*) Financial indicators have been calculated on 31 December 2017 figures.

(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) Sum of trade receivables, inventory and trade payables.
(5) Equal to non-current assets net of non-current financial assets for derivatives.
(6) 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..
(7) Equal to net equity less goodwill and intangible assets.
(8) Sum of financial debts, cash availability, assets/liabilities for financial derivatives and financial receivables from factoring.
(9) 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)	30/09/2018	related parties	31/12/2017	related parties
ASSETS				
Non-current assets				
Property, plant and equipment	13,938		14,634	
Goodwill	90,595		90,595	
Intangible assets	802		1,070	
Investments in associates	-		-	
Deferred income tax assets	11,946		11,262	
Derivative financial assets	9		36	
Receivables and other non-current assets	3,399	1,554	6,712	1,553
	120,689	**1,554**	**124,309**	**1,553**
Current assets				
Inventory	465,744		481,551	
Trade receivables	325,315	7	313,073	11
Income tax assets	2,189		3,116	
Other assets	45,101	1,122	27,778	10
Cash and cash equivalents	143,662		296,969	
	982,011	**1,129**	**1,122,487**	**21**
Disposal groups assets	-		-	
Total assets	**1,102,700**	**2,683**	**1,246,796**	**1,574**
EQUITY				
Share capital	7,861		7,861	
Reserves	320,209		303,046	
Group net income	8,185		26,235	
Group net equity	**336,255**		**337,142**	
Non-controlling interests	1,209		1,046	
Total equity	**337,464**		**338,188**	
LIABILITIES				
Non-current liabilities				
Borrowings	86,853		19,927	
Derivative financial liabilities	54		-	
Deferred income tax liabilities	7,964		7,088	
Retirement benefit obligations	4,487		4,814	
Debts for investments in subsidiaries	-		1,311	
Provisions and other liabilities	2,120		2,504	
	101,478		**35,644**	
Current liabilities				
Trade payables	427,140	-	690,449	-
Short-term financial liabilities	193,676		155,960	
Income tax liabilities	1,291		693	
Derivative financial liabilities	350		663	
Debts for investments in subsidiaries	1,306		-	
Provisions and other liabilities	39,995	925	25,199	1,510
	663,758	**925**	**872,964**	**1,510**
Disposal groups liabilities	-		-	
Total liabilities	**765,236**	**925**	**908,608**	**1,510**
Total equity and liabilities	**1,102,700**	**925**	**1,246,796**	**1,510**

Consolidated separate income statement

(euro/000)	9 months 2018	non-recurring	related parties*	9 months 2017	non-recurring	related parties*
Sales	**2,309,801**	**-**	7	**2,127,597**	**-**	7
Cost of sales	(2,198,667)	(1,099)	-	(2,012,167)	-	-
Gross profit	**111,134**	**(1,099)**		**115,430**	**-**	
Sales and marketing costs	(39,238)	-	-	(41,196)	-	-
Overheads and administrative costs	(56,842)	-	(3,675)	(59,587)	(1,369)	(3,646)
Operating income (EBIT)	**15,054**	**(1,099)**		**14,647**	**(1,369)**	
Finance costs - net	(3,648)	-	4	(3,016)	-	2
Other investments expenses / (incomes)	-	-		36	-	
Profit before income taxes	**11,406**	**(1,099)**		**11,667**	**(1,369)**	
Income tax expenses	(3,068)	264	-	(2,743)	356	-
Net income	**8,338**	**(835)**		**8,924**	**(1,013)**	
- of which attributable to non-controlling interests	153			(42)		
- of which attributable to Group	8,185	(835)		8,966	(1,013)	
Earnings per share - basic (euro)	0.16			0.17		
Earnings per share - diluted (euro)	0.16			0.17		

(euro/000)	Q3 2018	non-recurring	related parties	Q3 2017	non-recurring	related parties
Sales	**771,642**	**-**	2	**690,755**	**-**	(11)
Cost of sales	(737,460)	(1,099)	-	(655,084)	-	-
Gross profit	**34,182**	**(1,099)**		**35,671**	**-**	
Other income	-	-		-	-	
Sales and marketing costs	(12,434)	-	-	(12,711)	-	-
Overheads and administrative costs	(17,631)	-	(1,228)	(18,143)	(236)	(1,221)
Operating income (EBIT)	**4,117**	**(1,099)**		**4,817**	**(236)**	
Finance costs - net	(1,245)	-	2	(1,149)	-	2
Other investments expenses / (incomes)	-	-		52	-	
Profit before income taxes	**2,872**	**(1,099)**		**3,720**	**(236)**	
Income tax expenses	(725)	264	-	(1,063)	212	-
Net income	**2,147**	**(835)**		**2,657**	**(24)**	
- of which attributable to non-controlling interests	88			71		
- of which attributable to Group	2,059	(835)		2,586	(24)	
Earnings per share - basic (euro)	0.04			0.05		
Earnings per share - diluted (euro)	0.04			0.05		

(*) Emoluments to key managers excluded

Consolidated statement of comprehensive income

(euro/000)	9 months 2018	9 months 2017	Q3 2018	Q3 2017
Net income	**8,338**	**8,924**	**2,147**	**2,657**
Other comprehensive income:				
- Changes in 'cash flow hedge' equity reserve	166	(267)	171	(20)
- Taxes on changes in 'cash flow hedge' equity reserve	(44)	103	(40)	32
- Changes in translation adjustment reserve	6	2	1	-
Other comprehensive income not to be reclassified in the separate income statement				
- Changes in 'TFR' equity reserve	160	113	24	(23)
- Taxes on changes in 'TFR' equity reserve	(35)	(25)	(5)	5
Other comprehensive income	**252**	**(74)**	**151**	**(6)**
Total comprehensive income	**8,590**	**8,850**	**2,298**	**2,651**
- of which attributable to Group	8,427	8,889	2,210	2,579
- of which attributable to non-controlling interests	163	(39)	88	72

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 2016	**7,861**	**288,371**	**(5,145)**	**26,870**	**317,957**	**999**	**316,958**
Total comprehensive income/(loss)	**-**	**(74)**	**-**	**8,924**	**8,850**	**(39)**	**8,889**
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)**
Currently active Share plans	-	1,088	-	-	**1,088**	-	**1,088**
Other variations	-	3	-	-	**3**	1	**2**
Balance at 30 September 2017	**7,861**	**309,271**	**(5,145)**	**8,924**	**320,911**	**961**	**319,950**
Balance at 31 December 2017	**7,861**	**309,192**	**(5,145)**	**26,280**	**338,188**	**1,046**	**337,142**
Total comprehensive income/(loss)	**-**	**252**	**-**	**8,338**	**8,590**	**163**	**8,427**
Allocation of last year net income/(loss)	-	19,293	-	(19,293)	**-**	-	**-**
Dividend payment	-	-	-	(6,987)	**(6,987)**	-	**(6,987)**
Purchases of own shares	-	-	(3,265)	-	**(3,265)**	-	**(3,265)**
Transactions with owners	**-**	**19,293**	**(3,265)**	**(26,280)**	**(10,252)**	**-**	**(10,252)**
Grant of share under share plans	-	(3,815)	4,274	-	**459**	-	**459**
Equity plans in progress	-	323	-	-	**323**	-	**323**
FTA New accounting standards IFRS	-	133	-	-	**133**	-	**133**
Other variations	-	23	-	-	23	-	**23**
Balance at 30 September 2018	**7,861**	**325,401**	**(4,136)**	**8,338**	**337,464**	**1,209**	**336,255**

Consolidated net financial position

(euro/000)	30/09/2018	31/12/2017	Var.	30/09/2017	Var.
Short-term financial liabilities	193,676	155,960	37,716	61,439	132,237
Current debts for investments in subsidiaries	1,306	-	1,306	5,086	(3,780)
Current financial (assets)/liabilities for derivatives	350	663	(313)	488	(138)
Financial receivables from factoring companies	(6,553)	(1,534)	(5,019)	(7,813)	1,260
Other financial receivables	(9,843)	(510)	(9,333)	(486)	(9,357)
Cash and cash equivalents	(143,662)	(296,969)	153,307	(44,353)	(99,309)
Net current financial debt	**35,274**	**(142,390)**	**177,663**	**14,361**	**20,913**
Borrowings	86,853	19,927	66,926	125,344	(38,491)
Non - current debts for investments in subsidiaries	-	1,311	(1,311)	3,939	(3,939)
Non-current financial (assets)/liabilities for derivatives	45	(36)	81	111	(66)
Other financial receivables	(1,411)	(1,870)	459	(1,870)	459
Net financial debt	**120,760**	**(123,058)**	**243,818**	**141,885**	**(21,124)**

Consolidated statement of cash flows

(euro/000)	9 months 2018	9 months 2017
Cash flow provided by (used in) operating activities (D=A+B+C)	**(234,027)**	**(236,209)**
Cash flow generated from operations (A)	**18,779**	**18,462**
Operating income (EBIT)	15,054	14,647
Depreciation, amortisation and other fixed assets write-downs	3,522	3,499
Net changes in provisions for risks and charges	(384)	(400)
Net changes in retirement benefit obligations	(195)	(372)
Stock option/grant costs	782	1,088
Cash flow provided by (used in) changes in working capital (B)	**(249,125)**	**(251,872)**
Inventory	15,807	(130,478)
Trade receivables	(12,242)	92,837
Other current assets	(2,297)	5,949
Trade payables	(263,491)	(218,140)
Other current liabilities	13,098	(2,040)
Other cash flow provided by (used in) operating activities (C)	**(3,681)**	**(2,799)**
Interests paid, net	(2,058)	(2,544)
Foreign exchange (losses)/gains	(502)	565
Net results from associated companies	-	75
Income taxes paid	(1,121)	(895)
Cash flow provided by (used in) investing activities (E)	**(2,662)**	**(3,044)**
Net investments in property, plant and equipment	(2,382)	(3,282)
Net investments in intangible assets	(176)	(256)
Changes in other non current assets and liabilities	3,160	494
Own shares acquisition	(3,264)	-
Cash flow provided by (used in) financing activities (F)	**83,382**	**(2,327)**
Medium/long term borrowing	-	165,000
Repayment/renegotiation of medium/long-term borrowings	(35,032)	(104,647)
Net change in financial liabilities	138,810	(55,144)
Net change in financial assets and derivative instruments	(14,133)	(700)
Deferred price Celly acquisition	1	(17)
Deferred price Vinzeo acquisition	-	367
Dividend payments	(6,987)	(6,987)
Increase/(decrease) in 'cash flow edge' equity reserve	122	(164)
Changes in third parties net equity	172	(35)
Other movements	429	-
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(153,307)**	**(241,580)**
Cash and cash equivalents at year-beginning	**296,969**	**285,933**
Net increase/(decrease) in cash and cash equivalents	**(153,307)**	**(241,580)**
Cash and cash equivalents at year-end	**143,662**	**44,353**