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

Esprinet's results as at 30 September 2017 approved by the Board

First nine months 2017 results:

Consolidated sales: € 2,127.6 million (+10% vs € 1,925.8 million of the first nine months 2016)
Gross profit: € 115.4 million (+8% vs € 106.6 million)
Operating income (EBIT): € 14.6 million (-14% vs € 17.0 million)
Net income: € 8.9 million (-24% vs € 11.8 million)

Net financial position as at 30 September 2017 negative by € 141.9 million
(vs Net financial position positive by € 105.4 million as at 31 December 2016 and negative by € 101.2 million as at 30 September 2016)

Third quarter 2017 results:

Consolidated sales: € 690.8 million (+1% vs € 680.8 million of the third quarter 2016)
Gross profit: € 35.7 million (-1% vs € 35.9 million)
Operating income (EBIT): € 4.8 million (+79% vs € 2.7 million)
Net income: € 2.7 million (+86% vs € 1.4 million)

Vimercate (Monza Brianza), 13 November 2017 - The Board of Directors of Esprinet S.p.A. (Italian Stock Exchange: PRT) met today under the chairmanship of Francesco Monti to examine and approve Group's financial results for the nine-month period ending 30 September 2017, prepared in accordance to IFRS.

According to the European distribution market data as of September 30th 2017 (provided by Context, October 2017), third quarter sales were up +4%, substantially in line with the first six months.
Italy grew less than the European average despite its +3% of the third quarter being sequentially an improvement versus the zero growth of the first half of the current year. Spain is broadly above the average with +9% in the third quarter, a further sequential improvement compared to the +8% of the first half.
In the Italian market the best performers were smartphone (+12%), SSD (+37%), TV and security software; the worst categories were desktop (-14%), tablet (-18%) and notebook (-3%). In the Spanish market as well smartphones (+31%), notebooks (+4%) and desktops (+10%) registered a significant growth whereas consumables and servers were negative respectively -7% and -11%.

For current year the management confirms targets of sales of € 3.2/3.3 billion and EBIT of € 34-36 million, excluding any extraordinary non-recurring item.

Looking at the financial targets set out in the strategic plan published in October 2016, the management recognizes a stronger than expected difficulty in achieving profitable sales of PCs and smartphones in the consumer segment (so called 'fulfilment consumer'). As a matter of fact, current market competitive dynamics are driving unsatisfactory return on capital employed in some of the deals pertaining to that area which the Group has decided to skip accordingly.
Said the above the cost structure of this area has already been furtherly rationalised while the management will continue to monitor the achievable profitability in the area.
There will be an increased focus on the sales re-mix on higher margin combinations of product/customer, mainly in the segments of datacenter solutions ('IT Value'), accessories and certain specific product categories in peripherals and consumer electronics segments.
Similarly the Group will put more efforts in own-brand sales - namely Nilox and Celly - as well as in the development of services and enabling tools dedicated to the 'business' customer segment.

Furthermore, the Group plans to keep on pushing on the cost structure reduction so as to better exploit growth in gross margins.

In 2018 the Group expects a low-single digit revenue growth thanks to the contribution coming from Italian activities whereas sales in Spain are expected to decrease due to volume reduction in 'fulfilment consumer' area which will be partially compensated by increased sales in other business segments.
EBIT is expected to stand in a range of € 39-41 million.
For the upcoming years, the Group foresees a constant improvement in profitability due to the business remix towards more profitable combinations of product/customer at the expense of 'fulfilment consumer' business unless market competitive dynamics, as well as the on-going process of adjusting operating costs, drive sales recovery also in this segment.

A) <u>Esprinet Group's financial highlights</u>

The Group's main economic, financial and asset results as 30 September 2017 are hereby summarised:

(euro/000)	9 months 2017	%	9 months 2016	%	Var.	Var. %
Sales	**2,127,597**	**100.00%**	**1,925,811**	**100.00%**	**201,786**	***10%***
Cost of sales	(2,012,167)	-94.57%	(1,819,184)	-94.46%	(192,983)	*11%*
Gross profit	**115,430**	**5.43%**	**106,627**	**5.54%**	**8,803**	***8%***
Other income	-	0.00%	2,677	0.14%	(2,677)	*-100%*
Sales and marketing costs	(41,196)	-1.94%	(35,680)	-1.85%	(5,516)	*15%*
Overheads and administrative costs	(59,587)	-2.80%	(56,623)	-2.94%	(2,964)	*5%*
Operating income (EBIT)	**14,647**	**0.69%**	**17,001**	**0.88%**	**(2,354)**	***-14%***
Finance costs - net	(3,016)	-0.14%	(2,144)	-0.11%	(872)	*41%*
Other investments expenses / (incomes)	36	0.00%	1	0.00%	35	*3500%*
Profit before income taxes	**11,667**	**0.55%**	**14,858**	**0.77%**	**(3,191)**	***-21%***
Income tax expenses	(2,743)	-0.13%	(3,073)	-0.16%	330	*-11%*
Net income	**8,924**	**0.42%**	**11,785**	**0.61%**	**(2,861)**	***-24%***
Earnings per share - basic (euro)	0.17		0.23		(0.06)	*-26%*

(euro/000)	Q3 2017	%	Q3 2016	%	Var.	Var. %
Sales	**690,755**	**100.00%**	**680,836**	**100.00%**	**9,919**	***1%***
Cost of sales	(655,084)	-94.84%	(644,971)	-94.73%	(10,113)	*2%*
Gross profit	**35,671**	**5.16%**	**35,865**	**5.27%**	**(194)**	***-1%***
Sales and marketing costs	(12,711)	-1.84%	(12,816)	-1.88%	105	*-1%*
Overheads and administrative costs	(18,143)	-2.63%	(20,359)	-2.99%	2,216	*-11%*
Operating income (EBIT)	**4,817**	**0.70%**	**2,690**	**0.40%**	**2,127**	***79%***
Finance costs - net	(1,149)	-0.17%	(1,043)	-0.15%	(106)	*10%*
Other investments expenses / (incomes)	52	0.01%	-	0.00%	52	*100%*
Profit before income taxes	**3,720**	**0.54%**	**1,647**	**0.24%**	**2,073**	***126%***
Income tax expenses	(1,063)	-0.15%	(220)	-0.03%	(843)	*383%*
Net income	**2,657**	**0.38%**	**1,427**	**0.21%**	**1,230**	***86%***
Earnings per share - basic (euro)	0.05		0.03		0.02	*67%*

- **Consolidated Sales,** equal to € 2,127.6 million, showed an increase of +10% (€ 201.8 million) compared to € 1,925.8 million of the first nine months 2016. The third quarter highlighted an increase of +1% compared to the same period of the previous year (from € 680.8 million to € 690.8 million). With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, consolidated sales of the first nine months 2017 would have been equal to € 1,721.7 million (€ 1,775.4 million in the same period of 2016);

- **Consolidated Gross profit,** equal to € 115.4 million, showed an increase of +8% (€ 8.8 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. In the third quarter, gross profit, equal to € 35.7 million, decreased by -1% compared to the same period of the previous year. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, consolidated gross profit of the first nine months 2017 would have been equal to € 95.1 million, decreased by -3% compared to the same period of 2016 (€ 98.2 million);

- **Other income**, recorded only in the first nine months of 2016, amounted to € 2.7 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)** in the first nine months of 2017, equal to € 14.6 million, showed a change of -14% compared to the first nine months 2016, with an EBIT margin decreased to 0.69% from 0.88%, mainly due to a reduction in the gross profit margin. In the third quarter EBIT, equal to € 4.8 million, increased by +79% (€ 2.1 million) compared to the third quarter 2016, with an EBIT margin increase from 0.40% to 0.70%. Even net of non-recurring income items, EBIT for the quarter shows an improvement of +12% from 0.66% to 0.73%. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, EBIT of the first nine months 2017 would have been equal to € 10.7 million compared to € 13.1 million in the same period of 2016;

- **Consolidated Profit before income taxes,** equal to € 11.7 million, showed a reduction of -21% compared to the first nine months of 2016, more pronounced than the EBIT reduction due to greater financial charges as a consequence of the higher level of medium/long term indebtedness as a result of the new loan obtained by the Parent Company on 28 February 2017 and of on-going loans in the subsidiary Vinzeo Technologies S.A.U. acquired on 1° July 2016. In the third quarter profit before income taxes showed a decrease equal to € 2.1 million reaching the amount of € 3.7 million;

- **Consolidated Net income,** equal to € 8.9 million, showed a reduction of -24% (€ -2.9 million) compared to the first nine months of 2016. In the third quarter 2017 consolidated net income amounted to € 2.7 million compared with € 1.4 million of the first nine months of 2016 (+86%);

- **Basic earnings per ordinary share** as at 30 September 2017, equal to € 0.17, showed a decrease of -26% compared to the first nine months of 2016 (€ 0.23). In the third quarter basic earnings per ordinary share was equal to € 0.05, compared with € 0.03 of the corresponding quarter of 2016 (+67%).

(euro/000)	30/09/2017	%	31/12/2016	%	Var.	Var. %
Fixed assets	124,146	26.83%	124,516	58.59%	(370)	*0%*
Operating net working capital	357,708	77.29%	102,046	48.01%	255,662	*251%*
Other current assets/liabilities	(4,347)	-0.94%	276	0.13%	(4,622)	*-1676%*
Other non-current assets/liabilities	(14,711)	-3.18%	(14,305)	-6.73%	(406)	*3%*
Total uses	**462,796**	**100.00%**	**212,533**	**100.00%**	**250,263**	***118%***
Short-term financial liabilities	61,439	13.28%	151,885	71.46%	(90,446)	*-60%*
Current financial (assets)/liabilities for derivatives	488	0.11%	483	0.23%	5	*1%*
Financial receivables from factoring companies	(7,813)	-1.69%	(1,492)	-0.70%	(6,321)	*424%*
Current debts for investments in subsidiaries	5,086	1.10%	4,719	2.22%	367	*8%*
Other current financial receivables	(486)	-0.10%	(5,596)	-2.63%	5,111	*-91%*
Cash and cash equivalents	(44,353)	-9.58%	(285,933)	-134.54%	241,580	*-84%*
Net current financial debt	14,361	3.10%	(135,934)	-63.96%	150,296	*-111%*
Borrowings	125,344	27.08%	28,833	13.57%	96,511	*335%*
Non - current debts for investments in subsidiaries	3,939	0.85%	3,941	1.85%	(2)	*0%*
Non-current financial (assets)/liab. for derivatives	111	0.02%	28	0.01%	83	*296%*
Other non - current financial receivables	(1,870)	-0.40%	(2,292)	-1.08%	422	*-18%*
Net financial debt (A)	141,885	30.66%	(105,424)	-49.60%	247,309	*-235%*
Net equity (B)	320,911	69.34%	317,957	149.60%	2,954	*1%*
Total sources of funds (C=A+B)	**462,796**	**100.00%**	**212,533**	**100.00%**	**250,263**	***118%***

- **Consolidated net working capital** as at 30 September 2017 was equal to € 357.7 million compared with € 102.0 million at 31 December 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution from the results as at 30 September 2017, consolidated net working capital as at 30 September 2017 would have been equal to € 239.2 million;

- **Net financial position** as at 30 September 2017, negative by € 141.9 million, compared with a cash surplus equal to € 105.4 million at 31 December 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution from the results as at 30 September 2017, net financial position as at 30 September 2017 would have been equal to € 20.5 million.
  Reduction of net cash surplus was due to the performance of consolidated net working capital as at 30 September 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 30 September 2017 was approx. € 189 million (approx. € 400 million as at 31 December 2016);

- **Consolidated net equity** as at 30 September 2017, equal to € 320.9 million, showed an increase of € 3.0 million compared to € 318.0 million as at 31 December 2016.

B) Financial highlights by geographical area

B.1) Subgroup Italy

The main economic financial and asset results for the Italian subgroup (Esprinet, V-Valley, EDSlan[1], Mosaico[2] e Celly Group) as at 30 September 2017 are hereby summarised:

(euro/000)	9 months 2017	%	9 months 2016	%	Var.	Var. %
Sales to third parties	1,345,929		1,326,138		19,791	*1%*
Intercompany sales	33,260		33,132		128	*0%*
Sales	**1,379,189**		**1,359,270**		**19,919**	***1%***
Cost of sales	(1,293,423)	-93.78%	(1,274,670)	-92.42%	(18,753)	*1%*
Gross profit	**85,766**	**6.22%**	**84,600**	**6.22%**	**1,166**	***1%***
Other income	-	0.00%	2,677	0.20%	(2,677)	*-100%*
Sales and marketing costs	(32,819)	-2.38%	(30,175)	-2.22%	(2,644)	*9%*
Overheads and administrative costs	(43,803)	-3.18%	(45,343)	-3.34%	1,540	*-3%*
Operating income (EBIT)	**9,144**	**0.66%**	**11,759**	**0.87%**	**(2,615)**	***-22%***

(euro/000)	Q3 2017	%	Q3 2016	%	Var.	Var. %
Sales to third parties	415,514		398,672		16,842	*4%*
Intercompany sales	9,489		8,925		564	*6%*
Sales	**425,003**		**407,597**		**17,406**	***4%***
Cost of sales	(398,660)	-93.80%	(381,367)	-93.56%	(17,293)	*5%*
Gross profit	**26,343**	**6.20%**	**26,230**	**6.44%**	**113**	***0%***
Sales and marketing costs	(10,069)	-2.37%	(10,518)	-2.58%	449	*-4%*
Overheads and administrative costs	(13,281)	-3.12%	(15,588)	-3.82%	2,307	*-15%*
Operating income (EBIT)	**2,993**	**0.70%**	**124**	**0.03%**	**2,869**	***2314%***

- **Sales,** equal to € 1,379.2 million, showed an increase of + 1% compared with € 1,359.3 million of the first nine months of 2016. In the third quarter 2017, sales showed an increase of + 4% compared to the third quarter 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, sales would have been equal to € 1,282.2 million in the first nine months (€ 1,295.1 million in the same period of 2016);

- **Gross profit**, equal to € 85.8 million, showed an increase of +1% compared to € 84.6 million in the first nine months of 2016, with a gross profit margin unchanged compared with the same period of the previous year, as occurred in the third quarter Gross profit, substantially unchanged and equal to € 26.3 million in both the fiscal years. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, gross profit would have been equal to € 77.5 million in the first nine months, showing a decrease of -3% compared to the same period of the previous year (€ 79.9 million);

- **Other income**, recorded only in the first nine months of 2016, amounted to € 2.7 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..

[1] Company active since 9 April 2016.

[2] Company active since 1 December 2016.

- **Operating income (EBIT)** equal to € 9.1 million in the first nine months of 2017, showed a decrease compared to the same period of 2016 (-22%) with an EBIT margin reduction from 0.87% to 0.66%. The reduction is due to both the 2016 non-recurring income abovementioned, and to an increase in the operating costs. In the third quarter 2017, EBIT, totalling € 2.9 million, is itself equal to the increase vs the third quarter 2016 as a consequence of higher performance in 2017, as well as € 1.7 million non-recurring costs due to acquisitions and to the new logistic hub in the same period of 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution in both the fiscal years, EBIT in the first nine months of 2017 would have been equal to € 8.3 million compared to € 9.2 million in the same period of 2016.

(euro/000)	30/09/2017	%	31/12/2016	%	Var.	*Var. %*
Fixed assets	118,162	34.24%	119,337	54.32%	(1,175)	*-1%*
Operating net working capital	228,641	66.25%	94,709	43.11%	133,932	*141%*
Other current assets/liabilities	8,508	2.47%	16,261	7.40%	(7,753)	*-48%*
Other non-current assets/liabilities	(10,170)	-2.95%	(10,612)	-4.83%	442	*-4%*
Total uses	**345,141**	**100.00%**	**219,695**	**100.00%**	**125,446**	***57%***
Short-term financial liabilities	51,934	15.05%	122,466	55.74%	(70,532)	*-58%*
Current debts for investments in subsidiaries	3,984	1.15%	3,959	1.80%	25	*1%*
Current financial (assets)/liabilities for derivatives	464	0.13%	428	0.19%	36	*8%*
Financial receivables from factoring companies	(7,813)	-2.26%	(1,492)	-0.68%	(6,321)	*424%*
Financial (assets)/liab. from/to Group companies	(112,500)	-32.60%	(126,500)	-57.58%	14,000	*-11%*
Other financial receivables	(486)	-0.14%	(509)	-0.23%	23	*-5%*
Cash and cash equivalents	(14,514)	-4.21%	(88,651)	-40.35%	74,137	*-84%*
Net current financial debt	(78,931)	-22.87%	(90,299)	-41.10%	11,368	*-13%*
Borrowings	120,297	34.85%	5,849	2.66%	114,448	*1957%*
Non - current debts for investments in subsidiaries	3,940	1.14%	3,942	1.79%	(2)	*0%*
Non-current financial (assets)/liab. for derivatives	151	0.04%	-	0.00%	151	*N.S.*
Other financial receivables	(1,870)	-0.54%	(2,292)	-1.04%	422	*-18%*
Net Financial debt (A)	43,587	12.63%	(82,800)	-37.69%	126,387	*-153%*
Net equity (B)	301,554	87.37%	302,495	137.69%	(941)	*0%*
Total sources of funds (C=A+B)	**345,141**	**100.00%**	**219,695**	**100.00%**	**125,446**	***57%***

- **Operating net working capital** as at 30 September 2017 was equal to € 228.6 million, compared with € 94.7 million at 31 December 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution from the results as at 30 September 2017, operating net working capital as at 30 September 2017 would have been equal to € 180.0 million;

- **Net financial position** as at 30 September 2017, negative by € 43.6 million, compared with a cash surplus equal to € 82.8 million at 31 December 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution from the results as at 30 September 2017, net financial position as at 30 September 2017 would have been positive and equal to € 4.3 million. The impact of both 'without-recourse' sale and securitization programs of trade receivables as at 30 September 2017 was approx. € 82 million (approx. € 133 million as at 31 December 2016).

B.2) Subgroup Iberica

The main economic, financial and asset results for the Iberica Subgroup (Esprinet Iberica, Esprinet Portugal, Tapes[3], Vinzeo Technologies[4] e V-Valley Iberian[5]) as at 30 September 2017 are hereby summarised:

[3] Company not active as at 31 December 2016.
[4] Company acquired and active since 1 July 2016.
[5] Company active from 1 December 2016.

(euro/000)	9 months 2017	%	9 months 2016	%	Var.	Var. %
Sales to third parties	781,668		599,673		181,995	*30%*
Intercompany sales	-		-		-	*100%*
Sales	**781,668**		**599,673**		181,995	***30%***
Cost of sales	(751,875)	-96.19%	(577,569)	-96.31%	(174,306)	*30%*
Gross profit	**29,793**	**3.81%**	**22,104**	**3.69%**	**7,689**	***35%***
Sales and marketing costs	(8,322)	-1.06%	(5,487)	-0.91%	(2,835)	*52%*
Overheads and administrative costs	(15,848)	-2.03%	(11,303)	-1.88%	(4,545)	*40%*
Operating income (EBIT)	**5,623**	**0.72%**	**5,314**	**0.89%**	**309**	***6%***

(euro/000)	Q3 2017	%	Q3 2016	%	Var.	Var. %
Sales to third parties	275,241		282,164		(6,923)	*-2%*
Intercompany sales	-		-		-	*100%*
Sales	**275,241**		**282,164**		**(6,923)**	***-2%***
Cost of sales	(265,795)	-96.57%	(272,742)	-96.66%	6,947	*-3%*
Gross profit	**9,446**	**3.43%**	**9,422**	**3.34%**	**24**	***0%***
Sales and marketing costs	(2,632)	-0.96%	(2,297)	-0.81%	(335)	*15%*
Overheads and administrative costs	(4,874)	-1.77%	(4,773)	-1.69%	(101)	*2%*
Operating income (EBIT)	**1,940**	**0.70%**	**2,352**	**0.83%**	**(412)**	***-18%***

- **Sales** equal to € 781.7 million, showed an increase of +30% compared to € 599.7 million of the first nine months of 2016. In the third quarter 2017, sales showed a decrease of-2% (equal to € -6.9 million) compared to the same period of the previous year. With the same consolidation scope, i.e. excluding 2016 acquired companies contribution in both the fiscal years, sales would have been equal to € 439.5 million in the first nine months (€ 480.3 million compared to the same period of 2016), although the figure is affected by a reorganisation of both market and customer segments managed by the Iberian companies after the business combinations occurred;

- **Gross profit** as at 30 September 2017 totalled € 29.8 million, showing an increase of +35% compared to € 22.1 million of the same period of 2016 with a gross profit margin increased from 3.69% to 3.81%. In the third quarter Gross profit is substantially in line compared with the same period of the previous year, with an EBIT margin improvement from 3.34% to 3.43%. With the same consolidation scope, i.e. excluding 2016 acquired companies contribution in both the fiscal years, gross profit margin would have been equal to € 17.8 million in the first nine months, showing a decrease of -3% compared to the same period of the previous year (€ 18.4 million);

- **Operating income (EBIT)** equal to € 5.6 million, lightly grew (+€ 0.3 million) compared to the first nine months of 2016, with an EBIT margin decreased to 0.72% from 0.89%. EBIT in the third quarter 2017 equal to € 1.9 million compared to € 2.4 million in the third quarter 2016 an EBIT margin decreased from 0.83% to 0.70%. With the same consolidation scope, i.e. excluding 2016 acquired companies contribution in both the fiscal years, EBIT for the first nine months 2017 would have been equal to € 2.5 million compared with € 3.9 million in the same period of 2016, still considering that the figure is affected by a reorganisation of both market and customer segments managed by the Iberian companies after the business combinations occurred.

(euro/000)	30/09/2017	%	31/12/2016	%	Var.	Var. %
Fixed assets	80,707	41.86%	79,866	117.72%	841	*1%*
Operating net working capital	129,507	67.17%	7,656	11.28%	121,851	*1592%*
Other current assets/liabilities	(12,855)	-6.67%	(15,986)	-23.56%	3,131	*-20%*
Other non-current assets/liabilities	(4,541)	-2.36%	(3,693)	-5.44%	(848)	*23%*
Total uses	**192,818**	**100.00%**	**67,843**	**100.00%**	**124,975**	***184%***
Short-term financial liabilities	9,505	4.93%	29,419	43.36%	(19,914)	*-68%*
Current financial (assets)/liabilities for derivatives	24	0.01%	55	0.08%	(31)	*-56%*
Current debts for investments in subsidiaries	1,101	0.57%	759	1.12%	342	*45%*
Financial (assets)/liab. from/to Group companies	112,500	58.35%	126,500	186.46%	(14,000)	*-11%*
Other financial receivables	(0)	0.00%	(5,087)	-7.50%	5,087	*-100%*
Cash and cash equivalents	(29,839)	-15.48%	(197,282)	-290.79%	167,443	*-85%*
Net current financial debt	93,291	48.38%	(45,636)	-67.27%	138,927	*-304%*
Borrowings	5,047	2.62%	22,984	33.88%	(17,937)	*-78%*
Non-current financial (assets)/liab. for derivatives	(40)	-0.02%	28	0.04%	(68)	*-243%*
Net Financial debt (A)	98,298	50.98%	(22,624)	-33.35%	120,922	*-534%*
Net equity (B)	94,520	49.02%	90,467	133.35%	4,053	*4%*
Total sources of funds (C=A+B)	**192,818**	**100.00%**	**67,843**	**100.00%**	**124,975**	***184%***

- **Operating net working capital** as at 30 September 2017 was equal to € 129.5 million, compared with € 7.7 million at 31 December 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution from the results as at 30 September 2017, operating net working capital as at 30 September 2017 would have been equal to € 59.6 million;

- **Net financial position** as at 30 September 2017, negative by € 98.3 million, compared with a cash surplus equal to € 22.6 million as at 31 December 2016. With the same consolidation scope, i.e. excluding the 2016 acquired companies contribution from the results as at 30 September 2017, net financial position as at 30 September 2017 would have been equal to € 24.8 million. The impact of both 'without-recourse' sale and securization programs of trade receivables as at 30 September 2017 was approx. € 107 million (approx. € 268 million as at 31 December 2016).

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[6]. 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.:

[6] 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)	9 months 2017													
	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	1,251,571	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

(euro/000)	9 months 2016											
	Italy					Iberian Peninsula						
	E.Spa + V-Valley	Celly*	EDSlan	Elim. and other	Total	Esprinet Iberica	Esprinet Portugal	Vinzeo + Tape	Elim. and other	Total	Elim. and other	Group
Sales to third parties	1,275,024	19,423	31,691	-	1,326,138	464,824	14,861	119,988	-	599,673	-	1,925,811
Intersegment sales	34,241	1,170	817	(3,096)	33,132	11,615	10	238	(11,863)	-	(33,132)	-
Sales	**1,309,265**	**20,593**	**32,508**	**(3,096)**	**1,359,270**	**476,439**	**14,871**	**120,226**	**(11,863)**	**599,673**	**(33,132)**	**1,925,811**
Cost of sales	(1,238,853)	(11,206)	(27,763)	3,152	(1,274,670)	(458,318)	(14,602)	(116,512)	11,863	(577,569)	33,055	(1,819,184)
Gross profit	**70,412**	**9,387**	**4,745**	**56**	**84,600**	**18,121**	**269**	**3,714**	**-**	**22,104**	**(77)**	**106,627**
Gross Profit %	*5.38%*	*45.58%*	*14.60%*	*-1.81%*	*6.22%*	*3.80%*	*1.81%*	*3.09%*		*3.69%*		*5.54%*
Other incomes	-	-	2,677	-	2,677	-	-	-	-	-	-	2,677
Sales and marketing costs	(21,532)	(6,031)	(2,617)	5	(30,175)	(4,399)	(253)	(835)	-	(5,487)	(18)	(35,680)
Overheads and admin. costs	(40,474)	(2,651)	(2,218)	-	(45,343)	(9,393)	(355)	(1,554)	-	(11,303)	23	(56,623)
Operating income (Ebit)	**8,406**	**705**	**2,587**	**61**	**11,759**	**4,329**	**(339)**	**1,325**	**-**	**5,314**	**(72)**	**17,001**
EBIT %	*0.64%*	*3.42%*	*7.96%*	*-1.97%*	*0.87%*	*0.91%*	*-2.28%*	*1.10%*		*0.89%*		*0.88%*
Finance costs - net												(2,144)
Share of profits of associates												1
Profit before income tax												**14,858**
Income tax expenses												(3,073)
Net income												**11,785**
- of which attributable to non-controlling interests												94
- of which attributable to Group												11,691

* 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 next 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%.[7]
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.

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

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..

E) Subsequent events

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

Development of the tax disputes

On 2 October 2017, Esprinet S.p.A. was served a notice equal to 3.1 million euro (plus penalties and interests) 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.

Esprinet will appeal against the notice of assessment.

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

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

Annex: Summary of economic and financial results as at June 2017.

For further information:

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Summary of main Group's results

(euro/000)	9 months							Q3					
	notes	2017	%	2016	notes	%	% var. 17/16	2017	%	2016	notes	%	% var. 17/16
Profit & Loss													
Sales		2,127,597	100.0%	1,925,811		100.0%	10%	690,755	100.0%	680,836		100.0%	1%
Gross profit		115,430	5.4%	106,627		5.5%	8%	35,671	5.2%	35,865		5.3%	-1%
EBITDA	(1)	18,244	0.9%	20,518		1.1%	-11%	5,909	0.9%	4,060		0.6%	46%
Operating income (EBIT)		14,647	0.7%	17,001		0.9%	-14%	4,817	0.7%	2,690		0.4%	79%
Profit before income tax		11,669	0.5%	14,858		0.8%	-21%	3,722	0.5%	1,647		0.2%	126%
Net income		8,926	0.4%	11,785		0.6%	-24%	2,659	0.4%	1,427		0.2%	86%
Financial data													
Cash flow	(2)	12,425		14,664									
Gross investments		3,620		4,552									
Net working capital	(3)	353,361		102,322	(4)								
Operating net working capital	(5)	357,708		102,046	(4)								
Fixed assets	(6)	124,146		124,516	(4)								
Net capital employed	(7)	462,798		212,535	(4)								
Net equity		320,911		317,957	(4)								
Tangible net equity	(8)	228,501		225,299	(4)								
Net financial debt	(9)	141,884		(105,424)	(4)								
Main indicators													
Net financial debt / Net equity		0.4		(0.3)									
Net financial debt / Tangible net equity		0.6		(0.5)									
EBIT / Finance costs - net		4.9		7.9									
EBITDA / Finance costs - net		6.1		9.6									
Net financial debt/ EBITDA		7.8		(2.4)	(4)								
Operational data													
N. of employees at end-period		1,302		1,304									
Avarage number of employees	(10)	1,315		1,160									
Earnings per share (euro)													
- Basic		0.17		0.23			-26%	0.05		0.03			67%
- Diluted		0.17		0.22			-23%	0.05		0.03			67%

(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)	30/09/2017	related parties	31/12/2016	related parties
ASSETS				
Non-current assets				
Property, plant and equipment	15,571		15,284	
Goodwill	91,189		91,189	
Intangible assets	1,221		1,469	
Investments in associates	-		39	
Deferred income tax assets	12,030		11,931	
Derivative financial assets	40		38	
Receivables and other non-current assets	6,005	1,552	6,896	1,286
	126,056	**1,552**	**126,846**	**1,286**
Current assets				
Inventory	459,364		328,886	
Trade receivables	295,835	9	388,672	9
Income tax assets	5,483		6,175	
Other assets	28,044	1,117	32,091	-
Cash and cash equivalents	44,353		285,933	
	833,079	**9**	**1,041,757**	**9**
Disposal groups assets	-		-	
Total assets	**959,135**	**1,561**	**1,168,603**	**1,295**
EQUITY				
Share capital	7,861		7,861	
Reserves	303,123		282,430	
Group net income	8,966		26,667	
Group net equity	**319,950**		**316,958**	
Non-controlling interests	961		999	
Total equity	**320,911**		**317,957**	
LIABILITIES				
Non-current liabilities				
Borrowings	125,344		28,833	
Derivative financial liabilities	151		66	
Deferred income tax liabilities	7,353		6,100	
Retirement benefit obligations	4,738		5,185	
Debts for investments in subsidiaries	3,940		3,942	
Provisions and other liabilities	2,620		3,020	
	144,146		**47,146**	
Current liabilities				
Trade payables	397,491	-	615,512	12
Short-term financial liabilities	61,439		151,885	
Income tax liabilities	583		740	
Derivative financial liabilities	488		483	
Debts for investments in subsidiaries	5,085		4,718	
Provisions and other liabilities	28,992	1,373	30,162	-
	494,078	**1,373**	**803,500**	**12**
Disposal groups liabilities	-		-	
Total liabilities	**638,224**	**1,373**	**850,646**	**12**
Total equity and liabilities	**959,135**	**1,373**	**1,168,603**	**12**

Consolidated separate income statement

(euro/000)	9 months 2017	non-recurring	related parties*	9 months 2016	non-recurring	related parties*
Sales	**2,127,597**	**-**	7	**1,925,811**	**-**	7
Cost of sales	(2,012,167)	-	-	(1,819,184)	-	-
Gross profit	**115,430**	**-**		**106,627**	**-**	
Other income	-	-		2,677	2,677	
Sales and marketing costs	(41,196)	-	-	(35,680)	-	-
Overheads and administrative costs	(59,587)	(1,369)	(3,646)	(56,623)	(3,056)	(2,832)
Operating income (EBIT)	**14,647**	**(1,369)**		**17,001**	**(379)**	
Finance costs - net	(3,016)	-	2	(2,144)	-	2
Other investments expenses / (incomes)	36	-		1	-	
Profit before income taxes	**11,667**	**(1,369)**		**14,858**	**(379)**	
Income tax expenses	(2,743)	356	-	(3,073)	941	-
Net income	**8,924**	**(1,013)**		**11,785**	**563**	
- of which attributable to non-controlling interests	(42)			94		
- of which attributable to Group	8,966	(1,013)		11,691	563	
Earnings per share - basic (euro)	0.17			0.23		
Earnings per share - diluted (euro)	0.17			0.22		

(euro/000)	Q3 2017	non-recurring	related parties	Q3 2016	non-recurring	related parties
Sales	**690,755**	**-**	(11)	**680,836**	**-**	3
Cost of sales	(655,084)	-	-	(644,971)	-	-
Gross profit	**35,671**	**-**		**35,865**	**-**	
Other income	-	-		-	-	
Sales and marketing costs	(12,711)	-	-	(12,816)	-	-
Overheads and administrative costs	(18,143)	(236)	(1,221)	(20,359)	(1,801)	(939)
Operating income (EBIT)	**4,817**	**(236)**		**2,690**	**(1,801)**	
Finance costs - net	(1,149)	-	2	(1,043)	-	-
Other investments expenses / (incomes)	52	-		-	-	
Profit before income taxes	**3,720**	**(236)**		**1,647**	**(1,801)**	
Income tax expenses	(1,063)	212	-	(220)	1,199	-
Net income	**2,657**	**(24)**		**1,427**	**(601)**	
- of which attributable to non-controlling interests	71			5		
- of which attributable to Group	2,586	(24)		1,422	(601)	
Earnings per share - basic (euro)	0.05			0.03		
Earnings per share - diluted (euro)	0.05			0.03		

Consolidated statement of comprehensive income

(euro/000)	9 months 2017	9 months 2016	Q3 2017	Q3 2016
Net income	**8,924**	**11,785**	**2,657**	**1,427**
Other comprehensive income:				
- Changes in 'cash flow hedge' equity reserve	(267)	(312)	(20)	(192)
- Taxes on changes in 'cash flow hedge' equity reserve	103	19	32	(14)
- Changes in translation adjustment reserve	2	1	-	(1)
Other comprehensive income not to be reclassified in the separate income statement				
- Changes in 'TFR' equity reserve	113	(427)	(23)	(182)
- Taxes on changes in 'TFR' equity reserve	(25)	93	5	46
Other comprehensive income	**(74)**	**(626)**	**(6)**	**(343)**
Total comprehensive income	**8,850**	**11,159**	**2,651**	**1,084**
- of which attributable to Group	8,889	11,076	2,579	1,086
- of which attributable to non-controlling interests	(39)	83	72	(2)

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)	**-**	**(626)**	**-**	**11,786**	**11,160**	**83**	**11,077**
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	-	1,157	-	-	**1,157**	-	**1,157**
Other variations	-	(9)	-	-	**(9)**	(2)	**(7)**
Balance at 30 September 2016	**7,861**	**287,647**	**(5,145)**	**11,786**	**302,149**	**878**	**301,271**
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)**
Change in 'stock grant' plan reserve	-	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**

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Consolidated net financial position

(euro/000)	30/09/2017	31/12/2016	Var.	30/09/2016	Var.
					Var.
Short-term financial liabilities	61,439	151,885	(90,446)	137,901	(76,462)
Current debts for investments in subsidiaries	5,086	4,719	367	1,321	3,765
Current financial (assets)/liabilities for derivatives	488	483	5	389	99
Financial receivables from factoring companies	(7,813)	(1,492)	(6,321)	(3,400)	(4,413)
Other financial receivables	(486)	(5,596)	5,111	(25,539)	25,054
Cash and cash equivalents	(44,353)	(285,933)	241,580	(81,671)	37,318
Net current financial debt	**14,361**	**(135,934)**	**150,295**	**29,000**	**(14,639)**
Borrowings	125,344	28,833	96,511	69,053	56,291
Non - current debts for investments in subsidiaries	3,939	3,941	(2)	5,113	(1,174)
Non-current financial (assets)/liabilities for derivatives	111	28	83	331	(220)
Other financial receivables	(1,870)	(2,292)	422	(2,292)	422
Net financial debt	**141,885**	**(105,424)**	**247,309**	**101,206**	**40,679**

Consolidated statement of cash flows

(euro/000)	9 months 2017	9 months 2016
Cash flow provided by (used in) operating activities (D=A+B+C)	**(236,209)**	**(174,069)**
Cash flow generated from operations (A)	**18,462**	**18,425**
Operating income (EBIT)	14,647	17,001
Income from business combinations	-	(2,677)
Depreciation, amortisation and other fixed assets write-downs	3,499	2,879
Net changes in provisions for risks and charges	(400)	225
Net changes in retirement benefit obligations	(372)	(160)
Stock option/grant costs	1,088	1,157
Cash flow provided by (used in) changes in working capital (B)	**(251,872)**	**(189,303)**
Inventory	(130,478)	7,244
Trade receivables	92,837	56,087
Other current assets	5,949	(4,213)
Trade payables	(218,140)	(245,634)
Other current liabilities	(2,040)	(2,787)
Other cash flow provided by (used in) operating activities (C)	**(2,799)**	**(3,191)**
Interests paid, net	(2,544)	(1,086)
Foreign exchange (losses)/gains	565	(29)
Net results from associated companies	75	9
Income taxes paid	(895)	(2,085)
Cash flow provided by (used in) investing activities (E)	**(3,044)**	**(104,167)**
Net investments in property, plant and equipment	(3,282)	(3,945)
Net investments in intangible assets	(256)	(519)
Changes in other non current assets and liabilities	494	1,003
EDSlan business combination	-	(17,065)
Vinzeo business combination	-	(83,641)
Cash flow provided by (used in) financing activities (F)	**(2,327)**	**79,818**
Medium/long term borrowing	165,000	-
Repayment/renegotiation of medium/long-term borrowings	(104,647)	(21,060)
Net change in financial liabilities	(55,144)	132,535
Net change in financial assets and derivative instruments	(700)	(25,013)
Deferred price Celly acquisition	(17)	-
Deferred price Vinzeo acquisition	367	1,321
Dividend payments	(6,987)	(7,764)
Increase/(decrease) in 'cash flow edge' equity reserve	(164)	(293)
Changes in third parties net equity	(35)	92
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(241,580)**	**(198,418)**
Cash and cash equivalents at year-beginning	**285,933**	**280,089**
Net increase/(decrease) in cash and cash equivalents	**(241,580)**	**(198,418)**
Cash and cash equivalents at year-end	**44,353**	**81,671**