

DAMIANI S.p.A.

**Consolidated Interim Financial Report
as of June 30, 2015**

Drawn up pursuant to the IAS/IFRS
Not audited by the Independent Auditors

Damiani S.p.A.
1, Piazza Damiano Grassi Damiani – Valenza (AL)
Share Capital Euros 36,344,000
Tax and VAT Registration n. 01457570065

August 13, 2015

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CORPORATE BODIES Board of Directors ⁽¹⁾

Guido Grassi Damiani (Chairman)

Giorgio Grassi Damiani (CEO & Vice President)

Silvia Grassi Damiani (Vice President)

Roberta Benaglia (Director)

Stefano Graidì (Director)

Giancarlo Malerba (Director)

Elena Garavaglia (Director)

Board of Statutory Auditors ⁽²⁾

Gianluca Bolelli (President)

Simone Cavalli (Statutory Auditor)

Laura Braga (Statutory Auditor) ⁽³⁾

Paola Mignani (Alternate Auditor) ⁽³⁾

Fabio Massimo Micaludi (Alternate Auditor)

Indipendent Auditors

Reconta Ernst & Young S.p.A.

Audit, Risk, Remuneration and Transaction with related parties Committee

Elena Garavaglia (President)

Roberta Benaglia

Giancarlo Malerba

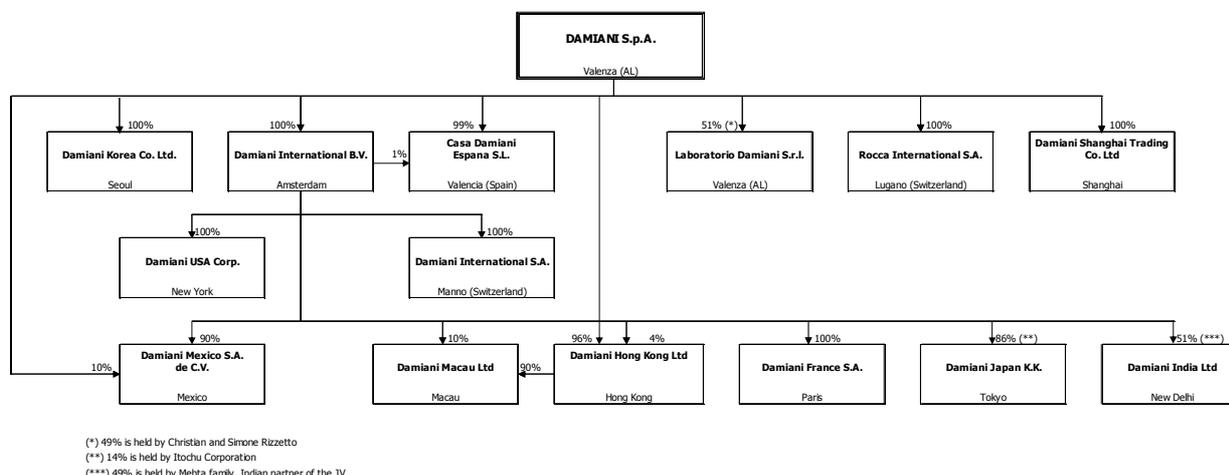
¹ Appointed by the Shareholders' Meeting of Damiani S.p.A. of July 23, 2015 and in office for the period 2015-2018, until the approval of the Financial statements for the year ended March 31, 2018.

² Appointed by the Shareholders' Meeting of Damiani S.p.A. of July 26, 2013 and in office for the period 2013-2016, until the approval of the Financial statements for the year ended March 31, 2016.

³ As of July 23, 2015 Mrs. Laura Braga replaced Mrs. Paola Mignani as Statutory Auditor.

REPORT ON OPERATIONS ⁽⁴⁾

Structure and business activities of Damiani Group



The Damiani Group (hereinafter also "Group") has been operating for 90 years in the jewelry industry, with a significant presence in Italy and in the major foreign markets that has emerged over time thanks to the quality and beauty of its products, recognized by customers around the world who appreciate the luxury Made in Italy.

The Group, leader in Italy, works abroad with direct commercial subsidiaries that oversee the major markets.

The parent company is Damiani S.p.A. (hereinafter also the "Company"), which in addition to directly carry out production and commercial activities, also covers the role of industrial and financial holding company, developing the strategic direction of the Group, managing and coordinating initiatives and providing technical, financial and administrative assistance, both for manufacturing operations and for commercial activities of the companies, directly or indirectly, controlled.

Since November 2007 Damiani S.p.A. has been listed on the Italian Stock Exchange electronic market.

In the first three months of 2015/2016 the corporate structure of the Group, graphically represented above, has not changed compared to the end of the previous year at March 31, 2015.

The Damiani Group offers wide coverage of the main market segments and thanks to its different brands provides customers with a large range of differently priced jewelry. The Group's portfolio is made up of five brands: Damiani, Salvini, Alfieri & St. John, Bliss and Calderoni.

Furthermore, through the fully owned network Rocca 1794, the Group distributes prestigious third party brands, mainly in the timepiece sectors.

The distribution of the Group products takes place through two different channels in Italy and abroad:

- the wholesale channel, consisting of independent multi-brands jewelers, department stores, franchisees and distributors;
- the retail channel consisting of the store directly managed by the Group.

As of June 30, 2015 the Point of Sales ("POS") in Italy and abroad directly managed were 55 and the franchisees were 18, with the geographical distribution shown in the table:

⁴ The Damiani Group closes its financial year at March 31, and therefore the period from April 1 to June 30, 2015 represents the first three months of the financial year that will end on March 31, 2016 (hereafter the financial year 2015/2016). For comparative purposes are shown data for the prior year period, first three months of the financial year 2014/2015.

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Boutiques and corners	Italy	Japan	Greater China (*)	Rest of the World	Total
Mono-brand Damiani	11	11	10	9	41
Multi-brand Rocca	13	-	-	1	14
Total DOS	24	11	10	10	55
Franchising	-	-	2	16	18

(*) Includes: Mainland China, Hong Kong, Taiwan and Macau

Criteria used and accounting standards

The consolidated financial statements at June 30, 2015 include the financial statements of the parent company Damiani S.p.A. and those of the companies which it controls, either directly or indirectly, as per article 2359 of the Italian Civil Code.

The Damiani Group prepared the Consolidated interim financial report at June 30, 2015, not audited by the independent auditors, in compliance with article 154 ter of the Italian law (T.U.F.) introduced by the Legislative Decree n. 195/2007 that carried out European Community Directive n. 2004/109/CE (so called Transparency Directive). The interim financial report has been prepared in compliance with the international accounting standards IAS/IFRS, in force the moment of its editing. For further details on accounting standards and criteria adopted by the Group in preparing the financial statements refer to the Annual consolidated financial statements as of and for the year ended March 31, 2015.

Board of Directors of Damiani S.p.A.

The new Board of Directors of Damiani S.p.A. currently in office (and reported on page 3 of this Interim Report) has been appointed by the Shareholders' Meeting on July 23, 2015 for the three years from 2015 to 2018, until the approval of the financial statements for the year ended March 31, 2018. The Board of Directors consists of seven members and respects the gender balance established by the current law.

The new Board of Directors of Damiani S.p.A. which met for the first time on July 23, 2015 appointed Guido Grassi Damiani as Chairman, Giorgio Grassi Damiani as CEO and Vice-President, Silvia Grassi Damiani as Vice-President, and Elena Garavaglia as Lead Independent Director.

Following the verification of the requirements of non-executive and independent directors, pursuant to article 148 of the Legislative Decree n. 58/1998 and article 3 of the Self-Regulation Code for Listed companies, the Directors Elena Garavaglia, Roberta Benaglia and Giancarlo Malerba were designated to form the Audit, Risk, Remuneration and Transaction with related parties Committee.

On July 23, 2015 the Board of Directors of Damiani S.p.A. appointed Giorgio Grassi Damiani as Director responsible for the internal control system and risk management.

The Board of Directors of July 23, 2015 also approved the remuneration for Directors with special powers, pursuant to article 2389, paragraph 3, of the Italian Civil Code.

Share buy-back program

The Shareholders' Meeting of July 23, 2015 renewed the authorization- subject to revocation, for the part non executed of the resolution adopted by the Shareholders' Meeting of July 24, 2014 – to the purchase and disposal of treasury shares under article 132 of the Legislative Decree n. 58/1998 and article 144 bis of Regulation adopted by Consob (Italian SEC) resolution n. 11971/99.

The authorization to purchase treasury shares is structured as follows:

- Damiani S.p.A. may purchase a maximum of ordinary shares whose nominal value does not exceed the limit of the law, up to a maximum of n. 16,520,000 ordinary shares, at a nominal value of 0.44 euro each, corresponding to the fifth part of the share capital.
- The authorization was granted for a period of 18 months starting from the Shareholders' Meeting date and lasting until the date of January 23, 2017.
- The purchase price of each share, including additional expenses of purchase, must be as a minimum not less than 20% and a maximum not more than 20% of the official price registered by the share in the trading session before each exchange transaction.

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- The price of the sale to third parties must be not less than 90% of the average price recorded on the Italian Stock Exchange market in the five days preceding the sale. This price limit can be exceeded in the context of the implementation of industrial and / or commercial projects of interest for the Issuer and in case of assignment and / or transferring, in return for payment or free of charge, of shares or options to the directors, employees, agents, consultants of the Damiani Group.

At June 30, 2015 Damiani S.p.A. holds 5,556,409 shares, equal to 6.73% of the share capital, and no treasury shares have been purchased or sold in the period April to June 2015.

Stock option

At the date of approval of this Interim financial report there are two ongoing compensation plans based on financial instruments pursuant to article 114-bis of the Legislative Decree n. 58/1998. In detail:

- Stock Option Plan 2009 approved by the Shareholders' Meeting of July 22, 2009 and implemented by the Board of Directors of September 24, 2009 and concerning the sale of options to the management of the Group, in one or more tranches, for the purchase of maximum n. 3,500,000 Damiani shares. The implementation cycle was subsequently amended by the Board of Directors of Damiani S.p.A. of July 26, 2012 and it is still valid.
- Stock Option Plan 2010, approved by the Shareholders' Meeting of July 21, 2010 and concerning the free allocation of options for the purchase of a maximum of n. 3,500,000 Damiani shares to directors, executives, managers, other employees, consultants and contributors, including agents, of the Damiani Group in one or more tranches within five years from the date of approval. The Plan was amended by the Shareholders' Meeting of July 27, 2011 and was the subject of three cycles of implementation so far declared by: i) the first cycle by the Board of Directors on April 21, 2011 (subsequently amended on February 10, 2012) and still valid; ii) the second and the third cycles by the Board of Directors on June 12, 2014.

In addition, the Shareholders' Meeting of July 24, 2014 approved the adoption of two further plans based on financial instruments pursuant to article 114-bis of the legislative Decree n. 58/1998, that have not been implemented so far:

- Stock Grant Plan 2014-2019 which provides for the free assignment of a maximum of n. 1,000,000 Damiani shares in favor of the beneficiaries to be identified by the Board of Directors of Damiani S.p.A., with the assistance of the Audit, Risk, Remuneration and Transaction with related parties Committee, between directors, employees and consultants of the Group companies.
- Stock Option Plan 2014-2019 which provides for the sale of options to purchase a maximum of n. 3,500,000 Damiani shares in favor of the beneficiaries to be identified by the Board of Directors of Damiani S.p.A., with the assistance of the Audit, Risk, Remuneration and Transaction with related parties Committee. The beneficiaries will be identified between the management of the Group companies.

Finally, the Shareholders' Meeting of July 23, 2015 approved a new compensation plan based on financial instruments, the Stock Option Plan 2015-2020, concerning the free allocation of a maximum n. 3,500,000 options to beneficiaries to be identified by the Board of Directors, with the assistance of the Audit, Risk, Remuneration and Transaction with related parties Committee, including executive directors, executives, managers, other employees, consultants and agents, of the Group. The Plan has not yet been implemented.

For more information, please refer to the Remuneration Report, prepared by the Board of Directors of Damiani S.p.A. pursuant to art. 123-ter of Legislative Decree n. 58/1998 and article 84-quater of Consob regulation n. 11971/1999 and available on the website www.damiani.com.

Main risks and uncertainties for the Damiani Group

The general economic environment in the period April-June 2015 was still marked by high volatility and uncertainty, with the Euro zone that is feeling the effects of the Greek crisis, some countries of the former Soviet Union still involved in internal conflicts that have repercussions in international relations and the risk of a speculative bubble in the Asian financial markets (especially in China), whose overall impacts are

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difficult to assess. In this context, Italy remains characterized by low growth and high unemployment, with government intervention not fully effective in terms of economic recovery so far. The Damiani Group operates in all major markets (Italy and abroad), so it is exposed to the turmoil which affects these markets, as more fully described in the annual financial statements as of March 31, 2015, to which we refer.

In the quarter April-June 2015 the Euro remained weak against other major currencies and gold prices stable at around 34 Euro / gram, as in the previous year. Therefore, in terms of price of the imported raw materials and foreign exchange risk, the context is unchanged compared to the figure recorded in the annual financial statements at March 31, 2015.

With regard to liquidity risk is however to be noted that on July 31, 2015, at the conclusion of the review with the lending banks, Damiani S.p.A. signed the act amending the contract of the financing in pool signed on November 6, 2013 (medium / long term credit line for a total of Euro 11,000 thousand, of which Euro 6,012 thousand already paid) ⁽⁵⁾. The review, which is altogether convenient for Damiani S.p.A., made the following main changes to the loan agreement: i) reduction of the spread applied on the amount paid out of the line from 6.05% per annum to 3.90% per annum; ii) reduction of the commitment fee from 2% on an annual basis to 1.30%; iii) review of the financial covenants, based on the objectives of the new three-year plan 2015-2018 of the Group, annually rather than quarterly as originally planned. The review also resulted in the commitment of Damiani S.p.A. to pay the lending banks a waiver fee of Euro 24 thousands, against acceptance of the changes. Moreover, the Damiani family has reduced its return on the non-convertible bond of Euro 5,000 thousands issued by Damiani S.p.A. in September 2013 and signed by major shareholders, the Damiani brothers (from 5.5% annually to 3.9% annually).

⁵ For more details, please refer to the Consolidated Financial Statements of the Damiani Group for the year ended March 31, 2015 (report on operations and explanatory note 39. Financial risk management).

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Key Data

Share Capital	June 30, 2015	March 31, 2015
Number of shares issued	82,600,000	82,600,000
Par value per share	0.44	0.44
Share capital (in euro)	36,344,000	36,344,000
Ownership	% on shares issued	% on shares issued
Leading Jewels S.A. (1)	58.83%	58.83%
Sparkling Investment S.A. (1)	0.03%	0.03%
Guido Grassi Damiani	5.99%	5.99%
Giorgio Grassi Damiani	6.11%	6.11%
Silvia Grassi Damiani	5.30%	5.30%
Damiani S.p.A. (treasury shares) (2)	6.73%	6.73%
Market	17.01%	17.01%

Shares held by the subjects indicated by art. 79 Legislative Decree n. 58/98

Individual	Office held	Number of shares
Guido Grassi Damiani (total n. 59,120,736) (3)	Director	4,943,850
Giorgio Grassi Damiani	Director	5,047,371
Silvia Grassi Damiani	Director	4,379,371
Strategic executives		12,000

(1) Companies traceable to Damiani Family.

(2) The Shareholders' Meeting of July 23, 2015 approved the authorization, for the part not executed of the resolution of the Shareholders' Meeting of July 24, 2014, for the purchase of treasury shares up to a maximum of n. 16,520,000 ordinary shares of Damiani S.p.A., within a period of 18 months from the date of the Shareholders' resolution. As of June 30, 2015 the treasury shares in portfolio were n. 5,556,409, equal to 6.73% of the share capital.

(3) As controlling shareholder to Mr. Guido Grassi Damiani are traceable the shares owned by Leading Jewels S.A., Sparkling Investment S.A. and the treasury shares of Damiani S.p.A.

<i>(in thousands of Euro)</i>	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015	Change	Change %
Revenues from sales and services	36,025	30,778	5,247	17.0%
Total revenues	36,032	30,788	5,244	17.0%
Cost of production	(18,607)	(29,499)	10,892	-36.9%
EBITDA (*)	17,425	1,289	16,136	n.m.
EBITDA %	48.4%	4.2%		
Amortization, depreciation and write-downs	(3,828)	(1,425)	(2,403)	n.m.
Operating income	13,597	(136)	13,733	n.m.
Operating income %	37.7%	-0.4%		
Net financial income (expenses)	(260)	(341)	81	-23.8%
Result before taxes	13,337	(477)	13,814	n.m.
Net result of the Group	8,683	(1,039)	9,722	n.m.
Basic Earnings (Losses) per Share	0.11	(0.01)		
Personnel cost	(6,516)	(6,230)	(286)	4.6%
Average number of employees (**)	593	589	4	0.7%

(*) EBITDA represents the operating result gross of depreciation, amortization and write downs. EBITDA thus defined is used by the Group's management to monitor and evaluate the Group's operational performance and is not an IFRS accounting measure, therefore it must not be considered as an alternative measure for evaluating Group's results. Since EBITDA is not regulated by the accounting standards adopted, the criteria used by the Group may not be the same as criteria used by other companies and therefore cannot be used for comparative purposes.

(**) Average number of employees in the two period compared.

Balance sheet data <i>(in thousands of Euro)</i>	June 30, 2015	March 31, 2015	change
Fixed Assets	42,290	46,213	(3,923)
Net working capital	73,815	76,298	(2,483)
Non current Liabilities	(7,986)	(7,413)	(573)
Net Capital Invested	108,119	115,098	(6,979)
Shareholders' Equity	71,918	64,166	7,752
Net Financial Position (*)	36,201	50,932	(14,731)
Sources of Financing	108,119	115,098	(6,979)

(*)The Net financial position is determined according to the indications of Consob (Italian SEC) communication DEM/6064293 of July 28, 2006.

Comments on the main economic and financial results of the Group

The activities of the Group, like other operators, is marked by a significant seasonality. Jewelry sales are mostly concentrated in the October-December quarter (and for the retail channel primarily in December), in connection with the Christmas campaign. Consequently, the economic performance of the different quarters are significantly influenced by seasonal revenues trends.

Total revenues of the Damiani Group in the first three months of 2015/2016 were up by 17.0% at current exchange rates (+ 15.0% at constant exchange rates), compared to those recorded in the same period of the previous financial year. Operating profit amounted to Euro 13,597 thousands, resulting in marked improvement over the previous financial year, when there was an operating loss of Euro 136 thousands. Operating performance was positively influenced by both the growth in the turnover and by a non-recurring net income accounted in the period and described below.

The net result for the Group in the first quarter of 2015/2016 amounted to Euro 8,683 thousands, compared to a net loss of Euro 1,039 thousands in the first quarter of the previous financial year. The performance benefits of both the increase in revenues and of the previously mentioned non-recurring net income.

Due to the liquidity generated by the non-recurring income, also the net financial position of the Group showed a significant improvement, from Euro 50,932 thousands at March 31, 2015 to Euro 36,201 thousands at June 30, 2015.

The following table shows the income statement of the first three months period of the financial year 2015/2016, compared to the statement of the corresponding period of the previous financial year, and then are commented the trends of the main economic items.

<i>(in thousands of Euro)</i>	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015	Change	Change %
Revenues from sales and services	36,025	30,778	5,247	17.0%
Other revenues	7	10	(3)	-30.0%
Total revenues	36,032	30,788	5,244	17.0%
Cost of production	(18,607)	(29,499)	10,892	-36.9%
EBITDA (**)	17,425	1,289	16,136	n.m.
EBITDA %	48.4%	4.2%		
Depreciation, amortization and write-downs	(3,828)	(1,425)	(2,403)	n.m.
Operating result	13,597	(136)	13,733	n.m.
Operating result %	37.7%	-0.4%		
Net financial incomes (expenses)	(260)	(341)	81	-23.8%
Result before taxes	13,337	(477)	13,814	n.m.
Result before taxes %	37.0%	-1.5%		
Taxes	(4,786)	(730)		
Net result	8,551	(1,207)	9,758	n.m.
Net result %	23.7%	-3.9%		
Non controlling interests	(132)	(168)		
Net result of the Group	8,683	(1,039)	9,722	n.m.
Net result of the Group %	24.1%	-3.4%		

(*) EBITDA represents the operating result gross of depreciation, amortization and write downs. EBITDA thus defined is used by the Group's management to monitor and evaluate the Group's operational performance and is not an IFRS accounting measure, therefore it must not be considered as an alternative measure for evaluating Group's results. Since EBITDA is not regulated by the accounting standards adopted, the criteria used by the Group may not be the same as criteria used by other companies and therefore cannot be used for comparative purposes.

REVENUES

Revenues from sales and services, which are not affected by non-recurring operations and are expressed at current exchange rates, in the first three months of the financial year 2015/2016 amounted to Euro 36,025 thousand, an increase of 17.0% compared to those recorded in the same period of the previous financial year. Revenues at constant exchange rates showed an increase of 15.0% compared to the same period of the previous financial year.

The following table shows the revenues breakdown by channels.

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Revenues by Sales Channel <i>(in thousands of Euro)</i>	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015	Change	Change %
Retail	17,263	12,421	4,842	39.0%
<i>Percentage on total revenues</i>	<i>47.9%</i>	<i>40.3%</i>		
Wholesale	18,762	18,357	404	2.2%
<i>Percentage on total revenues</i>	<i>52.1%</i>	<i>59.6%</i>		
Total revenues from sales and services	36,025	30,778	5,247	17.0%
<i>Percentage on total revenues</i>	<i>100.0%</i>	<i>100.0%</i>		
Other revenues	7	10	(3)	-30.0%
Total Revenues	36,032	30,788	5,244	17.0%

- In the retail channel the revenues amounted to Euro 17,263 thousands, an increase by 39.0% at current exchange rates and by 34.6% at constant exchange rates, compared to the first quarter of the previous financial year. The growth was mainly due to increased sales of the Damiani brand in the flagship stores and in the multi-brand stores, in Italy and abroad. This performance confirms the positive trend that has continued for over five years and supports the Group's strategy to invest in the development of its network of direct distribution, to get closer to the end customer. In the period, also sales of third party brands returned to grow, mainly watches within the multi-brand Rocca 1794 boutiques, after the decline in the previous financial year (+ 26.5% overall). As a result of these trends, the weight of the retail revenues on total comes to be almost 48%, with growth of about 7.5 percentage points compared to the first quarter of the previous financial year.
- In the wholesale channel the revenues amounted to Euro 18,762 thousands, up 2.2% at current exchange rates (+ 1.8% at constant exchange rates) compared to the same period of 2014/2015. Positive signs also came from the Italian market (even related to the minor brands of the Group), which in the recent past had been a very cautious approach to the purchase, given the continuing decline in domestic consumption.

Cost of production

Overall net production costs of the first three months of the financial year 2015/2016 amounted to Euro 18,607 thousands, a decrease of Euro 10,892 thousands compared to the corresponding period of the previous financial year (Euro 29,499 thousands).

In detail, the performance of the main cost items in the three months period ended June 30, 2015 is reported as below:

- Cost of raw materials and consumables, including cost of finished products, was equal to Euro 18,548 thousands, in increase by 17.4% compared to the same period of 2014/2015 (Euro 15,800 thousands). The change was related and proportional to the growth in revenues from sales.
- Cost of services was equal to Euro 10,240 thousands, +10.5% compared to the same period of the previous financial year (Euro 9,269 thousands). The increase was largely due to higher lease costs of directly operated stores.
- Personnel cost was equal to Euro 6,516 thousands, in increase by 4.6% compared to the same period of the previous financial year (Euro 6,230 thousands). The increase was related to the inclusion of some new professionals to support international expansion of the Group. The average staff for the period was of 593 units (+4 units compared to the first quarter of the previous financial year).
- Other net operating (charges) incomes showed in the first three months of the financial year 2015/2016 a net income of Euro 16,697 thousands, compared to a positive balance of Euro 1,800 thousands in the same period of 2014/2015. The balance of the current year includes the net income, non-recurring, for the sale to third parties of the availability of premises of a Damiani boutique not profitable for the Group. The balance of the past year included the income of Euro 1,894 thousands, arising from a similar real estate transaction.

EBITDA

EBITDA in the three months period ended June 30, 2015 was positive for Euro 17,425 thousands, an increase of Euro 16,136 thousands compared to EBITDA in the corresponding period of the previous financial year (Euro 1,289 thousands). The increase was positively influenced both by the increased turnover and by the non-recurring net income accounted in the period.

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Amortization, depreciation and write-downs

In the three months period ended June 30, 2015 the value of amortization, depreciation and write-downs amounted to Euro 3,828 thousands, an increase of Euro 2,403 thousands compared to the same period of the previous financial year (Euro 1,425 thousands).

Operating Result

The operating result of the three-months period ended June 30, 2015 was Euro 13,597 thousands, an improvement of Euro 13,733 thousands compared to the loss recorded in the same period of the previous financial year, amounting to Euro 136 thousands. The return to a positive operating result was the consequence of both the increase in revenues from sales and the non-recurring net income, previously described.

Net financial incomes/(expenses)

The net financial expenses in the first three months of the financial year 2015/2016 were Euro 260 thousands, an improvement of Euro 81 thousands compared to the negative balance of Euro 341 thousands in the corresponding period of 2014/2015. The change was due to higher net income from exchange recognized in the first quarter of the financial year, equal to Euro 137 thousands.

Result before taxes

The operations and financial position of the three months period ended June 30, 2015 resulted in a profit before taxes of Euro 13,337 thousands, compared to a loss of Euro 477 thousands in the same period of the previous financial year, resulting in an improvement of Euro 13,814 thousands.

Taxes

In the three months period ended June 30, 2015 taxes (current and prepaid) had a negative impact for Euro 4.786 thousands compared to a negative balance of Euro 730 thousands in the same period of the financial year 2014/2015.

Net Result

Consolidated net income of the Group for the first three months of the financial year 2015/2016 was Euro 8,683 thousands, a significant improvement compared to the same period of the last financial year, in which a loss of Euro 1,039 thousands was recorded. This economic performance was influenced both by the growth in business volume of the Group and by the net non-recurring income recorded in the quarter.

Balance sheet and financial position

The following table shows the reclassified consolidated balance sheet of the Damiani Group at June 30, 2015, compared to that at March 31, 2015, and then discussed the main changes.

Balance sheet data <i>(in thousands of Euro)</i>	June 30, 2015	March 31, 2015	change
Fixed Assets	42,290	46,213	(3,923)
Net working capital	73,815	76,298	(2,483)
Non current Liabilities	(7,986)	(7,413)	(573)
Net Capital Invested	108,119	115,098	(6,979)
Shareholders' Equity	71,918	64,166	7,752
Net Financial Position (*)	36,201	50,932	(14,731)
Sources of Financing	108,119	115,098	(6,979)

(*)The Net financial position is determined according to the indications of Consob (Italian SEC) communication DEM/6064293 of July 28, 2006.

Fixed assets

At June 30, 2015, the fixed assets of the Group amounted to Euro 42,290 thousands, a decrease of Euro 3,923 thousands compared to the value at March 31, 2015 (Euro 46,213 thousands). The increase in the period for industrial investments (Euro 1,471 thousands) was more than offset by depreciation,

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amortization and write-off (Euro 3,828 thousands), and by the partial absorption of deferred tax assets (reduction of Euro 956 thousands).

Net working capital

At June 30, 2015, net working capital amounted to Euro 73,815 thousands, reduced from March 31, 2015 by Euro 2,483 thousands. On this item impacted both the seasonal dynamics of the operational components (trade receivables and payables, inventories), which generated a net increase of Euro 3,503 thousands, and the increase in tax liabilities for current taxes calculated on the growing taxable income of the Group (higher liabilities for Euro 4,674 thousands).

Shareholders' Equity

As of June, 30 2015 the shareholders' equity amounted to Euro 71,918 thousands, an increase of Euro 7,752 thousands compared to March 31, 2015. The change was due to the profit for the period (Euro 8,551 thousands, including the portion attributable to the minorities), offset by decreases of exchange differences for Euro 835 thousands. The increase in the quarter of the stock option reserve for the valuation of share-based payments was equal to Euro 36 thousands.

In the first quarter of the current financial year no share buybacks were carried out.

Net financial position

The composition of the net financial position of the Group as of June 30, 2015 and its evolution from March 31, 2015 is given in the following table.

Net Financial Position (*) <i>(in thousands of Euro)</i>	June 30, 2015	March 31, 2015	Change
Current portion of loans and financing	1,628	2,705	(1,077)
Drawdown of credit lines, short term financing and others	27,505	35,009	(7,504)
Current portion of loans and financing with related parties	1,035	1,031	4
Current financial indebtedness	30,168	38,745	(8,577)
Non current portion of loans and financing	10,875	11,049	(174)
Non current portion of loans and financing with related parties	10,566	10,893	(327)
Non current financial indebtedness	21,441	21,941	(500)
Total gross financial indebtedness	51,609	60,686	(9,077)
Cash and cash equivalents	(15,408)	(9,754)	(5,654)
Net Financial Position (*)	36,201	50,932	(14,731)

(*) The Net financial position is determined according to the indications of Consob (Italian SEC) communication DEM/6064293 of July 28, 2006.

Compared to March 31, 2015, net financial position decreased by Euro 14,731 thousands, with a substantial reduction of the current liabilities (the short-term debt contracted for Euro 8,577 thousands), that, net of cash, are now lower than the non-current indebtedness. Consequently, the short term lines continue to be only partially used.

It is to be noted that at June 30, 2015 the net financial position also includes Euro 11,601 thousands of payables to related parties concerning both the real estate operations booked as sale and lease-back (this debt component amounted to Euro 6,601 thousands) and the non-convertible bonds signed in September 2013 by major shareholders, Guido, Giorgio and Silvia Grassi Damiani, amounting to Euro 5,000 thousands.

Key data by geographical areas

The Damiani Group operates in a single operating segment in which there aren't any significant differences that could be considered as a basis for constituting separate business units. Therefore, the geographical dimension, featuring by the segments described afterwards, is subject of periodic observation and revision by the Directors as well as within the operational responsibilities of Group management.

The sectors are thus formed:

- i) the Italy segment includes revenues and operating costs of the parent company Damiani S.p.A., related to the domestic market, and its subsidiary Laboratorio Damiani S.r.l., which operates as manufacturing company.
- ii) the Foreign countries segment that includes revenues and operating costs of Damiani S.p.A. attributable

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to foreign markets, and commercial subsidiaries with registered offices outside the national borders and which distribute the Group's products in their local markets.

The reorganization of the Damiani Group, implemented during the financial year 2014/2015 and the previous ones, resulted in the reallocation and the simplification of operational activities within the Italian and foreign companies. Therefore, the division between Italy and Foreign countries is the main dimension on which the Group proceeds to the analysis and evaluation of the business, both in term of revenues and operating profitability. To this end, to maintain comparability between periods in the information by geographic region are also used data taken from internal management systems of the Group, in order to properly allocate revenues and operating costs on the relevant areas.

In the following table are shown revenues by geographical sectors in the three months period ended June 30, 2015 and in the same period of the prior financial year.

Revenues by Geographical Area <i>(in thousands of euro)</i>	I Quarter Financial Year 2015/2016	% of total	I Quarter Financial Year 2014/2015	% of total	Change %
Italy	25,173	69.9%	21,461	69.7%	17.3%
- revenues from sales and services	25,166		21,455		
- other revenues	7		7		
Foreign countries	10,859	30.1%	9,327	30.3%	16.4%
- revenues from sales and services	10,859		9,323		
- other revenues	0		3		
Total revenues	36,032	100.0%	30,788	100.0%	17.0%

The revenues by geographical areas showed the following trends:

- Revenues in **Italy** increased by 17.3% compared to the same period of the last financial year.
- **Foreign countries** revenues grew by 16.4% at current exchange rates (+ 9.8% at constant exchange rates).

The following table shows the EBITDA by geographical areas in the first three months of the financial year 2015/2016 and in the corresponding period of the prior financial year.

EBITDA by Geographical Area * <i>(in thousands of Euro)</i>	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015	change	change %
Italy	3,029	1,930 [†]	1,099	56.9%
Foreign countries	14,396	(641)	15,037	n.m.
Consolidated EBITDA	17,425	1,289	16,136	n.m.
<i>% on Revenues</i>	<i>48.4%</i>	<i>4.2%</i>		

(*) EBITDA represents the operating result gross of depreciation, amortization and write downs. EBITDA thus defined is used by the Group's management to monitor and evaluate the Group's operational performance and is not an IFRS accounting measure, therefore it must not be considered as an alternative measure for evaluating Group's results. Since EBITDA is not regulated by the accounting standards adopted, the criteria used by the Group may not be the same as criteria used by other companies and therefore cannot be used for comparative purposes.

The increase in revenues resulted in an improvement in EBITDA in **Italy** compared to the same period of the previous financial year. In the **Foreign countries**, the result is strongly affected by the non-recurring transaction.

Transactions with related parties

The Damiani Group has with related parties mainly real estate relationship (property leasing for offices and shops) and financial relationship (bond signed by the executive directors and shareholders Damiani Brothers). Data concerning dealings of the Group with related parties in the quarter ended June 30, 2015 and in the same period of the previous financial year are displayed hereunder.

<i>(in thousands of Euro)</i>	I Quarter 2015/2016		Balance at June 30, 2015			
	Net operating costs	Financial expenses	Other current assets	Financial debt (including leasing)	Other current liabilities	Trade payables
Total with related parties	(244)	(231)	770	(11,601)	(138)	(2,063)
Total from financial statements	(22,435)	(725)	8,515	(51,609)	(7,003)	(46,792)
%age weight	1%	32%	9%	22%	2%	4%

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<i>(in thousands of Euro)</i>	I Quarter 2014/2015		Balance at June 30, 2014			
	Net operating costs	Financial expenses	Other current assets	Financial debt (including leasing)	Other current liabilities	Trade payables
Total with related parties	(255)	(256)	685	(12,865)	(207)	(4,433)
Total from financial statements	(30,924)	(649)	7,737	(49,927)	(6,027)	(45,890)
%age weight	1%	39%	9%	26%	3%	10%

Non-recurring, atypical and/or unusual operations

In the quarter there were no positions or transactions deriving from atypical and/or unusual operations as defined in the Consob ruling n.15519 as of July 27, 2006.

In the first quarter of the financial year 2015/2016 it should be noted as non-recurring operation:

- On May, 7 2015, the subsidiary Damiani France SA sold to third parties the lease on the Damiani boutique in Paris. The boutique was not profitable for the Group, then it went out of business in early June 2015. The income for the Group, net of the related costs and taxes, resulting from the transaction was approximately Euro 12 million, and it has recognized in the income statement.

Significant events of the quarter

On April 8, 2015 Silvia Damiani, Vice President of the Group, was named Businesswoman of the year 2015 by Femmes Chefs d'Entreprises Mondiales (FCEM) in the category Pioneers Award at the 63rd Annual World Congress of Women Entrepreneurs, held in the Kingdom of Bahrain, attended by over 500 women business leaders and entrepreneurs from around the world.

The FCEM is the leading association for business and entrepreneurship that unites women owners of businesses around the world. Established in France in 1945 at the end of World War II, the Association has rapidly spread to other European countries and, subsequently, to the five continents.

On April, 27 2015 Damiani received the "Leonardo Quality Italy" award, on the occasion of the "Day of Italian Quality", promoted by the Leonardo Committee and dedicated to companies that promote the image, style and excellence of Made in Italy and of Italy in the world. Guido Damiani, President of the Group, was honored in Rome at the Quirinal Palace by Italian President Sergio Mattarella.

The initiative, now in its 20th edition, is promoted by the Leonardo Committee and aims to promote and strengthen the image of excellence of Italy in the world. Members of the Leonardo Committee - Italian Quality Committee - are companies that enjoy an international indisputable reputation, in terms of product quality and their international projection. Among the members of the Committee, in addition to Damiani: Ferrari, Prada, Tod's, Ferrero, Loro Piana, Luxottica, and Marzotto.

In early May 2015 the new multi-brand Rocca 1794 boutique was inaugurated, completely renovated and modernized in the stands, in the central Piazza Duomo in Milan. Besides Damiani, it offers corners dedicated to some of the most famous international brands of Haute Horlogerie and jewelry world: Rolex, Cartier, Omega and Jaeger-LeCoultre.

On May 27, 2015 a new mono-brand Damiani store was inaugurated at the Beijing International Airport. The store, managed in franchising, is part of the expansion strategy of the Group in the travel retail segment that is steadily growing in the global luxury market.

On June 3, 2015 at the Belgian pavilion at the international Expo in Milan an agreement between Damiani and HRD Antwerp was signed. HRD Antwerp is a European authority, leader in the certification of diamonds and owner of Diamond Lab, in conformity with the rules of the IDC (International Diamond Council).

On June 9, 2015 Damiani received, from the Polytechnic of Milan, the Ambrogio Lorenzetti award for corporate governance, in relation to listed company category, awarded by the GC Governance Consulting.

On June 11, 2015 was inaugurated the exhibition "Valenza and the art of jewelry: Damiani and the jewelry tradition", in the presence of well-known art critic Vittorio Sgarbi, curator of the project. The exhibition, in which Damiani showed his masterpiece that have characterized the successes of over 90 years of history, is open to the public until August at the charming spaces of Art nouveau Scalcabarozzi Palace, in Valenza, the Piedmont town cradle of the best jewelry tradition, internationally recognized .

In late June, Damiani has opened a new boutique in Hong Kong, in the prestigious department store Landmark. The inauguration was also attended by the former footballer Hidetoshi Nakata, founder of the humanitarian *Take action* and promoter of the *Metropolitan Dream* collection by H. Nakata, developed by the Damiani brand and linked to charities in Africa.

Significant events after the end of the quarter

On the 7th and 8th of July, Damiani participated as a speaker at the Social Business Forum in Milan. The event, sponsored by Microsoft, IBM and SAP, is the European leader in technological innovation linked to the social world. Damiani was the only luxury brand invited to bring his witness to the forum, telling its strategy focused on knowledge of customer expectations to carry out targeted actions on its consumption profile.

In July a new multi-brand Rocca 1794 boutique was inaugurated at the International Airport Terminal 1 of Milan-Malpensa. The store hosts prestigious watch brands in addition to the jewelry of the Damiani Group.

On August 8 the new Damiani boutique in Tokyo was inaugurated, in the central and exclusive Chuo-dori in the Ginza district. The flagship store is located in a nine-floors building fully used by the Group that has moved there the headquarters of the Japanese subsidiary. Japan is the main export market of the Group. In Japan it already has 11 stores in the best department stores and local customers have appreciated for years our "made in Italy" products.

Business outlook

In the first quarter of the current year, the Group recorded a double-digit revenue growth, reflecting the strong performance of almost all of the different components, both in terms of distribution channels and markets and in terms of brands sold. The month of July has confirmed the trend, as well as the positive feedback that the commercial structure collects from the customers at the presentation of the new collections.

Economic performance is clearly influenced by the registration of the above mentioned non-recurring income. The Group has decided to implement the transaction, given the importance not only economic but also finance of this operation, which can support the development, with the cash flow generated, in the foreign markets with the highest potential. The strengthening of the capital structure which follows, together with the improvement of economic indicators, has also been recognized by the banking system that has guaranteed its support to the strategic plans of the Group, which has so positively closed the review of the conditions underlying the loan signed in November 2013.

In this scenario, in the coming months the Damiani Group will continue both its growth and the gradual recovery of a further more solid financial position.

Under article 3 of Consob Resolution n. 18079 of January 20, 2012 we inform you that Damiani S.p.A. uses the derogation provided for article 70, paragraph 8, and 71, paragraph 1-bis, of Consob Regulation n. 11971/99 and subsequent changes and additions.

Valenza, August 13 2015

For the Board of Directors
CEO
Giorgio Grassi Damiani

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2015 and at March 31, 2015.

<i>(in thousands of Euro)</i>	June 30, 2015	March 31, 2015
NON-CURRENT ASSETS		
Goodwill	4,723	4,723
Other Intangible Assets	2,049	4,324
Property, plant and equipment	15,763	16,048
Investments	167	167
Financial receivables and other non current assets	4,251	4,658
Deferred tax assets	15,337	16,293
TOTAL NON CURRENT ASSETS	42,290	46,213
CURRENT ASSETS		
Inventories	98,264	92,598
Trade receivables	27,016	34,198
Tax receivables	873	845
Other current assets	8,515	8,656
<i>of which towards related parties</i>	<i>770</i>	<i>608</i>
Cash and cash equivalents	15,408	9,754
TOTAL CURRENT ASSETS	150,076	146,051
TOTAL ASSETS	192,366	192,264
GROUP SHAREHOLDERS' EQUITY		
Share Capital	36,344	36,344
Reserves	24,629	28,851
Group net income (loss) for the period	8,683	(3,454)
TOTAL GROUP SHAREHOLDERS' EQUITY	69,656	61,741
NON CONTROLLING INTEREST		
Non controlling interest share capital and reserves	2,394	2,570
Non controlling interest net income (loss) for the period	(132)	(145)
TOTAL NON CONTROLLING INTEREST	2,262	2,425
TOTAL SHAREHOLDERS' EQUITY	71,918	64,166
NON CURRENT LIABILITIES		
Non current portion of long term financial debts	21,441	21,941
<i>of which towards related parties</i>	<i>10,566</i>	<i>10,893</i>
Employees' Termination Indemnities	4,742	5,013
Deferred tax liabilities	949	1,133
Provision for risks and charges	1,813	764
Other non current liabilities	482	503
TOTAL NON CURRENT LIABILITIES	29,427	29,354
CURRENT LIABILITIES		
Current portion of long term financial debts	2,663	3,736
<i>of which towards related parties</i>	<i>1,035</i>	<i>1,031</i>
Trade payables	46,792	51,811
<i>of which towards related parties</i>	<i>2,063</i>	<i>1,658</i>
Short term borrowings	27,505	35,009
Tax payables	7,058	2,384
Other current liabilities	7,003	5,804
<i>of which towards related parties</i>	<i>138</i>	<i>69</i>
TOTAL CURRENT LIABILITIES	91,021	98,744
TOTAL LIABILITIES	120,448	128,098
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	192,366	192,264

CONSOLIDATED INCOME STATEMENT

For the three months period ended June 30, 2015 and June 30, 2014.

<i>(in thousands of Euro)</i>	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015
Revenues from sales and services	36,025	30,778
Other revenues	7	10
TOTAL REVENUES	36,032	30,788
Cost of raw materials and consumables	(18,548)	(15,800)
Cost of services	(10,240)	(9,269)
<i>of which towards related parties</i>	<i>(244)</i>	<i>(255)</i>
<i>of which not recurring services costs</i>	<i>(328)</i>	<i>-</i>
Personnel cost	(6,516)	(6,230)
Other net operating (charges) incomes	16,697	1,800
<i>of which not recurring incomes</i>	<i>19,000</i>	<i>1,894</i>
Amortization, depreciation and write downs	(3,828)	(1,425)
<i>of which not recurring write-downs</i>	<i>(2,611)</i>	<i>(498)</i>
TOTAL OPERATING EXPENSES	(22,435)	(30,924)
OPERATING INCOME (LOSS)	13,597	(136)
Financial Expenses	(725)	(649)
<i>of which towards related parties</i>	<i>(231)</i>	<i>(256)</i>
Financial Incomes	465	308
INCOME (LOSS) BEFORE INCOME TAXES	13,337	(477)
Income Taxes	(4,786)	(730)
NET INCOME (LOSS) FOR THE PERIOD	8,551	(1,207)
Attributable to:		
Equity holders of the parent	8,683	(1,039)
Non controlling interests	(132)	(168)
Basic Earning (Losses) per Share(*)	0.11	(0.01)
Diluted Earning (Losses) per Share(*)	0.11	(0.01)

(*) The earnings (losses) per share are calculated by dividing the net result for the period belonging to the ordinary shareholders of the Issuer Damiani S.p.A. by the weighted average number of the shares in circulation during the period.

Basic Earnings (Losses) per Share	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015
Number of ordinary shares at the beginning of the period	82,600,000	82,600,000
Number of ordinary shares at the end of the period	82,600,000	82,600,000
Weighted average number of ordinary shares for computation of basic earnings per share	77,461,084	77,527,869
Basic Earnings(Losses) per Share (in Euro)	0.11	(0.01)

Diluted Earnings (Losses) per Share	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015
Number of ordinary shares at the beginning and at the end of the period	82,600,000	82,600,000
Weighted average number of ordinary shares for computation of diluted earnings per share	77,461,084	77,527,869
Weighted average number of ordinary shares for computation of diluted earnings per share	77,461,084	77,527,869
Diluted Earnings(Losses) per Share (in Euro)	0.11	(0.01)

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

For the three months period ended June 30, 2015 and June 30, 2014.

<i>(in thousands of Euro)</i>	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015
Net income (Loss) for the period	8,551	(1,207)
<i>Other gains (losses) that will be reclassified to net income for the period:</i>		
Gain (Losses) on exchange differences on translating foreign operations	(813)	62
Fiscal Effect	(22)	(114)
<i>Other gains (losses) that will not be reclassified to net income for the period:</i>	0	0
Total Comprehensive Income (loss) for the period	7,716	(1,259)
Equity holders of the parent	7,879	(1,112)
Non controlling interests	(163)	(148)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three months period ended June 30, 2015 and June 30, 2014.

<i>(in thousands of Euro)</i>	Share Capital	Share Premium Reserve	Legal Reserve	Shareholders payment reserve	Stock option reserve	Treasury Shares	Other reserves	IAS 19 reserve	Net income (Loss) for the period	Group shareholders' equity	Non controlling interest	Total shareholders' equity
Balances at March 31, 2014	36,344	67,789	2,434	8,618	577	(8,134)	(36,844)	(355)	(8,557)	63,941	2,454	66,395
Allocation of the result for the period		(2,033)					(6,524)		8,557			
Other comprehensive income(loss)							(73)		(1,039)	(1,112)	(148)	(1,259)
Stock option					9					9		9
Balances at June 30, 2014	36,344	65,756	2,434	8,618	586	(8,134)	(43,441)	(355)	(1,039)	62,838	2,306	65,144
<i>(in thousands of Euro)</i>												
Balances at March 31, 2015	36,344	65,756	2,434	8,618	791	(8,134)	(40,078)	(535)	(3,454)	61,741	2,425	64,166
Allocation of the result for the period			131				(3,585)		3,454			
Other comprehensive income(loss)							(804)		8,683	7,879	(163)	7,716
Stock option					36					36		36
Balances at June 30, 2015	36,344	65,756	2,565	8,618	827	(8,134)	(44,467)	(535)	8,683	69,656	2,262	71,918

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended June 30, 2015 and June 30, 2014.

<i>(in thousand of Euro)</i>	I Quarter Financial Year 2015/2016	I Quarter Financial Year 2014/2015
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Net income (loss) for the period	8,551	(1,207)
<i>Adjustments to reconcile the income (loss) for the period to the cash flow generated (absorbed) by operations:</i>		
Amortization, depreciation and write downs	3,828	1,425
Costs/(revenues) for stock option	36	9
(Gains)/Losses from sale of non current assets	-	2
Accrual (releases) of allowance for doubtful accounts	(206)	170
Accrual (releases) of provision for risks and charges	1,140	150
Changes in the fair value of financial instruments	51	(32)
Accrual to employees' termination indemnity	(271)	(104)
Changes in the deferred tax assets and liabilities	772	369
	13,901	781
<i>Changes on operating assets and liabilities</i>		
Trade receivables	7,388	7,571
Inventories	(5,666)	(4,896)
Trade payables	(5,019)	(3,293)
Tax receivables	(28)	(119)
Tax payables	4,674	199
Provisions for risks and charges	(92)	(67)
Other current assets and current and non current liabilities	1,268	(494)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	16,426	(318)
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Disposal of intangible assets and property, plant and equipment	-	85
Purchase of property, plant and equipment	(1,096)	(273)
Purchase of intangible assets	(375)	-
Net change in the other non current assets	407	(21)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(1,064)	(209)
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Repayment of long term loans	(1,992)	(1,964)
Issuance of long-term debt	419	205
Net change in short-term financial liabilities	(7,504)	452
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES (C)	(9,077)	(1,307)
TOTAL CASH FLOW (D=A+B+C)	6,285	(1,834)
Effect of exchange rates on cash and cash equivalents (E)	(631)	(145)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR (F)	9,754	10,464
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD (G=D+E+F)	15,408	8,485

Declaration under article 154bis, paragraph 2, of T.U.F.

The Executive in charge of preparing the Company's financial reports declares, in compliance with paragraph 2 of article 154 bis of the Italian law "Testo Unico della Finanza" (T.U.F.) that on the basis of his knowledge the accounting information contained in the Consolidated Interim Financial Report as of June 30, 2015 corresponds to the documental results, books and accounting records.

The Executive in charge of drawing up the accounting documents
Mr. Gilberto Frola