

**MARCOLIN**  
EYEWEAR

# MARCOLIN GROUP

## 3<sup>rd</sup> QUARTER REPORT

September 30, 2015

Registered Office, Executive Management and Business Offices  
Longarone (BL) – Z.I. Villanova, 4  
Issued capital euro 32,312,475.00 fully paid in  
R.E.A. n. 64334  
Tax code and Companies Register n. BL 01774690273  
VAT n. 00298010257

**MARCOLIN**  
EYEWEAR

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## GENERAL INFORMATION



## CORPORATE BOARDS AND AUDITORS

### **Board of Directors**<sup>1</sup>

Vittorio Levi	Chairman
Giovanni Zoppas	C.E.O. and General Manager
Antonio Abete	Director
Nicolas Brugère	Director
Francesco Capurro	Director
Cirillo Coffen Marcolin	Director
Roberto Ferraresi	Director
Emilio Macellari	Director
Frédéric Jaques Mari Stévenin	Director
Franck Raymond Temam	Director
Raffaele Roberto Vitale	Director

### **Board of Statutory Auditors**<sup>1</sup>

David Reali	Chairman
Mario Cognigni	Acting Auditor
Diego Rivetti	Acting Auditor
Alessandro Maruffi	Alternate Auditor
Rossella Porfido	Alternate Auditor

### **Internal Audit Committee**<sup>2</sup>

Vittorio Levi	Chairman
Roberto Ferraresi	Internal Auditor
Cirillo Coffen Marcolin	Internal Auditor

### **Supervisory Body**<sup>2</sup>

Federico Ormesani	Chairman
David Reali	Supervisor
Cirillo Coffen Marcolin	Supervisor

### **Independent Auditors**<sup>3</sup>

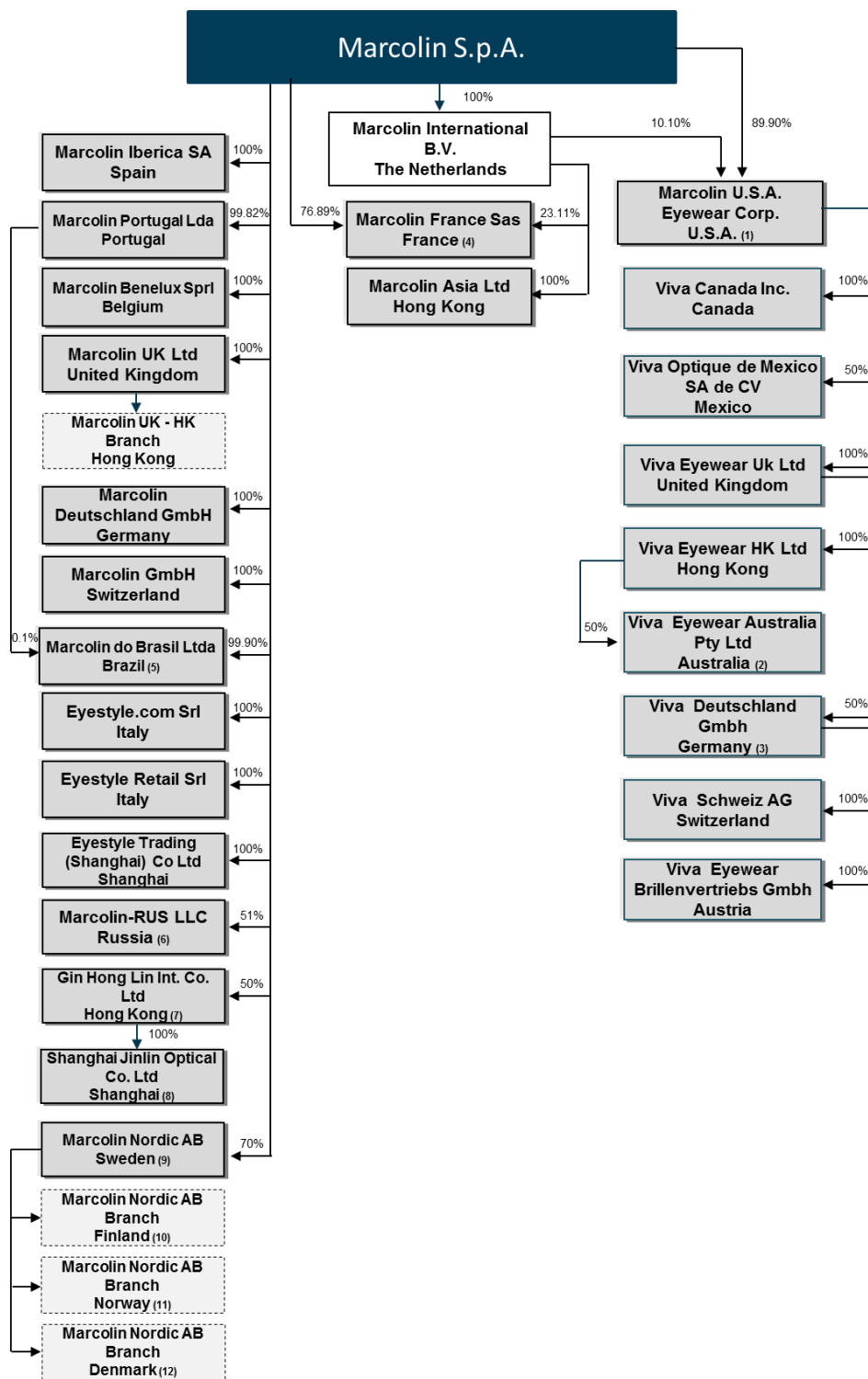
PricewaterhouseCoopers S.p.A.

<sup>1</sup> Term of office ends on the date of the Shareholders' Meeting called to approve the annual financial statements for the year ended December 31, 2015 (according to Shareholders' Resolution of April 30, 2013); Nicolas Brugère appointed in cooptation in the Board of Directors' of August 26, 2015.

<sup>2</sup> Board of Directors' appointment of April 30, 2013.

<sup>3</sup> Term of engagement: 2013, 2014 and 2015 (according to Shareholders' Resolution of April 30, 2013).

## MARCOLIN GROUP STRUCTURE



**NOTES:**

- (1) Viva IP, Viva International, Miracle Optics, Viva Europe, have been merged in Viva Optique on January 1, 2015. The new company resulting from the merge is called Marcolin USA Eyewear Corp.
- (2) Company in liquidation starting from February 5, 2015 .
- (3) JV and distribution agreement extended till December 31, 2015, for the whole sub-group.
- (4) Viva France Sas has been merged into Marcolin France Sas on January 1, 2015.
- (5) Viva Brasil Comércio Produtos Opticos Ltda has been merged into Marcolin do Brasil Ltda on January 1, 2015.
- (6) Purchased on December 15, 2014. On July 10, 2015 its name is changed in Marcolin-RUS LLC.
- (7) Established on November 3, 2014.
- (8) Purchased on January 20, 2015.
- (9) Purchased on January 19, 2015.
- (10) Established on March 19, 2015.
- (11) Established on April 16, 2015.
- (12) Established on May 29, 2015.



**MARCOLIN GROUP 3<sup>rd</sup> QUARTER  
CONSOLIDATED FINANCIAL STATEMENT**



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro/000)</i>	Notes	09/30/2015	12/31/2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1	27,953	24,657
Intangible assets	1	40,296	37,213
Goodwill	1	285,447	278,010
Investments in subsidiaries and associates	1	1,987	1,877
Deferred tax assets	1	37,494	38,536
Other non-current assets	1	689	846
Non-current financial assets	1; 6	4,538	5,455
<b>Total non-current assets</b>		<b>398,404</b>	<b>386,593</b>
<b>CURRENT ASSETS</b>			
Inventories	2	113,568	100,075
Trade receivables	2	87,734	80,576
Other current assets	2	14,209	14,099
Current financial assets	2; 6	1,095	2,042
Cash and bank balances	2; 6	24,540	36,933
<b>Total current assets</b>		<b>241,146</b>	<b>233,725</b>
<b>TOTAL ASSETS</b>		<b>639,550</b>	<b>620,318</b>
<b>EQUITY</b>			
Share capital	3	32,312	32,312
Additional paid-in capital	3	151,994	151,994
Legal reserve	3	4,077	3,853
Other reserves	3	58,443	50,447
Retained earnings (losses)	3	(16,903)	(17,086)
Profit (loss) for the year	3	(5,820)	407
Non-controlling interests	3	1,940	886
<b>TOTAL EQUITY</b>		<b>226,043</b>	<b>222,813</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current financial liabilities	4; 6	201,724	199,152
Non-current provisions	4	9,666	8,919
Deferred tax liabilities	4	5,881	7,387
Other non-current liabilities	4	5,470	4,742
<b>Total non-current liabilities</b>		<b>222,741</b>	<b>220,200</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	5	90,077	102,322
Current financial liabilities	5; 6	63,721	41,353
Current provisions	5	13,056	14,799
Tax liabilities	5	5,241	5,004
Other current liabilities	5	18,672	13,827
<b>Total current liabilities</b>		<b>190,766</b>	<b>177,305</b>
<b>TOTAL LIABILITIES</b>		<b>413,507</b>	<b>397,505</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>639,550</b>	<b>620,318</b>

## CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(euro/000)	Notes	09/30/2015	%	09/30/2014	%
<b>NET REVENUES</b>	7	<b>323,371</b>	<b>100.0%</b>	<b>272,165</b>	<b>100.0%</b>
<b>COST OF SALES</b>	8	<b>(133,525)</b>	<b>(41.3)%</b>	<b>(108,127)</b>	<b>(39.7)%</b>
<b>GROSS PROFIT</b>		<b>189,846</b>	<b>58.7%</b>	<b>164,038</b>	<b>60.3%</b>
<b>DISTRIBUTION AND MARKETING EXPENSES</b>	9	<b>(150,419)</b>	<b>(46.5)%</b>	<b>(129,075)</b>	<b>(47.4)%</b>
<b>GENERAL AND ADMINISTRATION EXPENSES</b>	10	<b>(25,443)</b>	<b>(7.9)%</b>	<b>(22,789)</b>	<b>(8.4)%</b>
Other operating income / expenses:					
- other operating income		3,167	1.0%	3,270	1.2%
- impairment / reversals of equity investments		319	0.1%	151	0.1%
- other operating expenses		(418)	(0.1)%	(1,286)	(0.5)%
<b>TOTAL OPERATING INCOME / EXPENSES</b>	11	<b>3,068</b>	<b>0.9%</b>	<b>2,135</b>	<b>0.8%</b>
<b>OPERATING INCOME - EBIT</b>		<b>17,051</b>	<b>5.3%</b>	<b>14,309</b>	<b>5.3%</b>
<b>FINANCIAL INCOME AND COSTS</b>	12	<b>(17,556)</b>	<b>(5.4)%</b>	<b>(8,432)</b>	<b>(3.1)%</b>
<b>PROFIT BEFORE TAXES</b>		<b>(505)</b>	<b>(0.2)%</b>	<b>5,877</b>	<b>2.2%</b>
Income tax expense	13	(5,291)	(1.6)%	(2,763)	(1.0)%
<b>NET PROFIT FOR THE PERIOD</b>		<b>(5,796)</b>	<b>(1.8)%</b>	<b>3,115</b>	<b>1.1%</b>
<b>Profit attributable to:</b>					
Owners of the parent		(5,820)	(1.8)%	3,115	1.1%
Non-controlling interests		24	0.0%	-	0.0%

(euro/000)	09/30/2015	09/30/2014
<b>NET PROFIT FOR THE PERIOD</b>	<b>(5,796)</b>	<b>3,115</b>
Other items that will not subsequently be reclassified to profit or loss:		
Effect (actuarial gains/losses) on defined benefit plans, net of taxes	-	-
Other effects	-	-
<b>TOTAL OTHER ITEMS THAT WILL NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>	<b>-</b>	<b>-</b>
Other items that will be subsequently reclassified to profit or loss:		
Change in foreign currency translation reserve	7,408	5,580
<b>TOTAL OTHER ITEMS THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>	<b>7,408</b>	<b>5,580</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,612</b>	<b>8,695</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Legal Reserve	Other reserves				Period result	Capital and reserves net total	Non-controlling interests in equity	Total
				Shareholders deposit in share capital	Other reserves	Retained earnings/(losses)	Profit/(loss) for the year				
(euro/000)											
<b>December 2013</b>	<b>32,312</b>	<b>151,994</b>	<b>3,853</b>	<b>46,108</b>	<b>(2,592)</b>	<b>122</b>	<b>(4,811)</b>	<b>(12,011)</b>	<b>214,975</b>	-	<b>214,975</b>
Allocation of 2013 profit	-	-	-	-	-	-	(12,011)	12,011	-	-	-
Change in consolidation perimeter	-	-	-	-	-	-	-	-	-	886	<b>886</b>
- <i>Period result</i>	-	-	-	-	-	-	-	407	407	-	407
- <i>Other components of comprehensive income</i>	-	-	-	-	7,045	(236)	(265)	-	6,544	-	6,544
Total comprehensive income	-	-	-	-	7,045	(236)	(265)	407	6,952	-	<b>6,952</b>
<b>December 2014</b>	<b>32,312</b>	<b>151,994</b>	<b>3,853</b>	<b>46,108</b>	<b>4,454</b>	<b>(114)</b>	<b>(17,086)</b>	<b>407</b>	<b>221,926</b>	<b>886</b>	<b>222,813</b>
Allocation of 2014 profit	-	-	224	-	-	-	183	(407)	-	-	-
Other movements	-	-	-	-	569	-	-	-	569	1,048	1,617
- <i>Period result</i>	-	-	-	-	-	-	-	(5,820)	(5,820)	24	(5,796)
- <i>Other components of comprehensive income</i>	-	-	-	-	7,427	-	-	-	7,427	(19)	7,408
Total comprehensive income	-	-	-	-	7,427	-	-	(5,820)	1,607	5	1,612
<b>September 2015</b>	<b>32,312</b>	<b>151,994</b>	<b>4,077</b>	<b>46,108</b>	<b>12,450</b>	<b>(114)</b>	<b>(16,903)</b>	<b>(5,820)</b>	<b>224,102</b>	<b>1,940</b>	<b>226,043</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	09/30/2015	12/31/2014
<i>(euro/000)</i>		
<b>OPERATING ACTIVITIES</b>		
<i>Profit for the period</i>	(5,796)	407
Depreciation and amortization	7,789	8,958
Provisions	4,062	2,216
Income tax expense	5,291	6,695
Accrued financial income and costs	17,556	12,830
Adjustments to other non-cash items	(306)	(8,914)
<i>Cash generated by operations</i>	28,597	22,192
(Increase) decrease in trade receivables	(9,388)	(10,553)
(Increase) decrease in other receivables	153	(2,653)
(Increase) decrease in inventories	(12,092)	(27,821)
(Decrease) increase in trade payables	(13,521)	33,787
(Decrease)/increase in other liabilities	1,020	3,113
(Use) of provisions	(4,627)	(6,892)
(Decrease)/increase in current tax liabilities	(739)	-
Adjustments to other non-cash items	(7)	(2,492)
Income taxes paid	238	(3,609)
Interest paid	(9,539)	(18,253)
<i>Cash used for current operations</i>	(48,503)	(35,373)
<b>Net cash from /(used in) operating activities</b>	<b>(19,906)</b>	<b>(13,181)</b>
<b>INVESTING ACTIVITIES</b>		
(Purchase) of property, plant and equipment	(6,630)	(6,179)
Proceeds from the sale of property, plant and equipment	61	755
(Investments) in subsidiaries and associates net of dividends received	91	-
(Purchase) of intangible assets	(7,625)	(6,742)
Net cash outflow on business combinations net of the liquidity acquired (Viva)	-	(4,958)
Net cash outflow on business combinations net of the liquidity acquired (SoverM)	-	(1,530)
<b>Net cash from /(used in) investing activities</b>	<b>(14,104)</b>	<b>(18,655)</b>
<b>FINANCING ACTIVITIES</b>		
Loans granted:		
- Increase	1,865	1,676
- Decrease	-	-
Net increase (decrease) in bank borrowings	5,484	(7,448)
Loans taken out:		
- new loans	51,335	47,190
- repayments	(38,992)	(14,921)
Capital increase	975	-
<b>Net cash from /(used in) financing activities</b>	<b>20,667</b>	<b>26,497</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(13,343)</b>	<b>(5,338)</b>
Effect of foreign exchange rate changes	950	3,736
<b>Cash and cash equivalents at beginning of year</b>	<b>36,933</b>	<b>38,536</b>
<b>Cash and cash equivalents at end of year</b>	<b>24,540</b>	<b>36,933</b>

## NOTES TO THE 3<sup>rd</sup> QUARTER CONSOLIDATED FINANCIAL STATEMENTS

### INTRODUCTION

Marcolin, a well-established company based in Longarone (Belluno) in the Italian eyewear district, is a designer, manufacturer and distributor of eyewear products. As a renowned leader in the global eyewear business, Marcolin stands out for its premium quality products, design skills, production capabilities, attention to detail and first-rate distribution.

At the end of 2013 Marcolin acquired the Viva International group (hereinafter also “Viva”), one of the most important international eyewear groups, by acquiring from the American group HVHC Inc. a 100% stake in Viva Optique, Inc. (the group’s parent company based in New Jersey, with branches in New York and Miami).

The Viva International group, with some 8.5 million eyewear items sold, 300 employees and sales of nearly \$190 million dollars (55% of which in the United States), was the ninth largest eyewear company in the world and the second largest in the United States, where it had an especially strong position in the “vision” segment. With a network of more than 160 agents operating on the American market and a brand portfolio that included Guess, Guess by Marciano, Gant, Harley Davidson, and other brands targeted specifically to the U.S. “diffusion” market, Viva controlled affiliates in major countries of strategic interest (with subsidiaries in France, the United Kingdom, Hong Kong and Brazil, and partnerships in Mexico, Australia and Germany).

In 2014 Marcolin successfully moved forward with the Viva integration plan, which entailed reorganizing distribution networks on an international scale, reviewing logistic flows, improving the efficiency of business structures in the countries present, and consequentially revising the cost structures. Those activities were completed, in advance respect the integration schedule, in the initial months of 2015; currently the rationalization of the corporate structure is being completed, after which the Group's structure will be definitive.

Thanks to Viva's products and markets complementing those of the Marcolin group, Viva integration has improved Marcolin's standing as a highly global eyewear company in terms of its brand portfolio, products, geographic presence and markets. The Viva acquisition has bolstered Marcolin's distribution capacity on the American market.

The Group is now present in all major countries across the world through direct affiliates, partnerships (joint ventures) and exclusive distribution agreements with major players.

In 2014, combined with Viva, the Marcolin group had sold an estimated 15 million pairs of eyeglasses and sunglasses worldwide, with sales exceeding euro 360 million and some 1,500 employees (including 570 in the American affiliates), plus a widespread, well-structured network of independent agents.

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Today Marcolin has a strong brand portfolio, with a good balance between luxury and mainstream (“diffusion”) products, men's and women's products, and eyeglass frames and sunglasses.

The luxury segment includes glamorous fashion brands such as Tom Ford, Tod's, Balenciaga, Roberto Cavalli, Montblanc and the recent additions Zegna and Pucci (whose distribution has been commenced in 2015) and Moncler; the diffusion segment includes Diesel, Swarovski, DSquared2, Just Cavalli, Timberland, Cover Girl, Kenneth Cole New York and Kenneth Cole Reaction.

Viva International has added to this portfolio the brands Guess, Guess by Marciano, Gant, Harley Davidson, and other brands targeted specifically to the U.S. market.

The most important house brands are WEB and Marcolin.

Licensing events occurred during 2015 and after September 30, 2015 are summarized below.

On February 18, 2015, Marcolin Group and Timberland announced the early renewal of their licensing agreement ending December 2018 for the design, production and distribution of eyewear collections of sunglasses and optical frames.

On April 30, 2015, Marcolin U.S.A. Eyewear Corp. and Iconix executed amendments to renew the Candie's license for five years through 2020 and the Bongo and Rampage license for two years through 2017. Key business terms were re-negotiated to significantly reduce minimum guaranteed royalties for Candie's and to eliminate all minimum guaranteed royalties for Bongo and Rampage.

On June 11, 2015 Marcolin Group has signed an agreement with Tom Ford International regarding the extension of the licensing contract for the design, production and worldwide distribution of Tom Ford Eyewear sunglasses and optical frames.

On September 22, 2015 Marcolin Group and Moncler signed a worldwide exclusive license agreement for the eyewear category, including men's and women's sunglasses and eyeglasses, as well as ski masks for men, women and children. The license will be effective from January 2016 until December 2020, with the possibility of a renewal for an additional five years.

Finally on October 13, 2015 Marcolin Group has signed an agreement with Montblanc International regarding the extension of the licensing contract for the design, production and worldwide distribution of Montblanc Eyewear sunglasses and optical frames.

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During the first half of 2015, on May 20, 2015, Marcolin inaugurated the new plant of a 3.500 mq manufacturing facility in Longarone (Fortogna area), in the heart of the eyewear district. The new site will double Marcolin's in-house Made in Italy production: this is the answer to structural good sales' performance and, on top, to the opening of new directly managed markets mixed with new highly recognized brands in the portfolio.

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## ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

### Accounting policies

The financial statements for the nine months ended September 30, 2015 were prepared according to the accounting policies established by the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) adopted by the European Union, under the procedures set forth in Regulation no. 1606/2002, Article 6 of the European Parliament and European Council on July 19, 2002 concerning application of international accounting standards, and the enactment measures for Italian Legislative Decree no. 38/2005.

The consolidation policies adopted for the preparation of the financial statements for the nine months ended September 30, 2015 are consistent with those used to prepare the annual financial statements as at December 31, 2014, which may be referred to in this respect.

The Group elected to use the following types of financial statements, which are envisaged by International Accounting Standard (IAS) 1:

- the income statement that classifies costs by their nature. In addition, it was decided to present two distinct documents: the income statement and the statement of comprehensive income;
- the statement of financial position that presents separately current assets, non-current assets, current liabilities, non-current liabilities, assets held for sale and liabilities associated with assets held for sale;
- the statement of changes in equity that presents items in individual columns with reconciliation of the opening and closing balances of each item forming equity;
- the cash flow statement using the indirect method, which presents the cash flows by operating, investing and financing activities for the period.

The same financial statement format was used to prepare the annual consolidated financial statements as at December 31, 2014.

Since the figures are reported in thousands of euros, slight differences may emerge due to rounding off.

### Consolidated companies

The Marcolin Group's financial statements for the nine months ended September 30, 2015 reflect the consolidated companies at that date, i.e. Marcolin S.p.A. (the Parent Company), its Italian and foreign subsidiaries and the companies over which it exercises a dominant influence, whether directly or indirectly.

The companies consolidated on a line-by-line basis and the companies consolidated through Equity Method are set forth below.

Company	Headquarters	Currency	Share Capital	Consolidation method	% ownership	
					Direct	Indirect
<i>Local Currency</i>						
Marcolin Asia HK Ltd	Hong Kong	HKD	1,539,785	Full		100.00%
Marcolin Benelux Sprl	Faimes, Benelux	EUR	280,000	Full	100.00%	
Marcolin do Brasil Ltda	Barueri - SP, Brasil	BRL	9,575,240	Full	99.90%	0.10%
Marcolin Deutschland Gmbh	Ludwigsburg, Germany	EUR	300,000	Full	100.00%	
Marcolin Gmbh	Fullinsdorf, Switzerland	CHF	200,000	Full	100.00%	
Marcolin Iberica SA	Barcelona, Spain	EUR	487,481	Full	100.00%	
Marcolin International BV	Amsterdam, Netherlands	EUR	18,151	Full	100.00%	
Marcolin Portugal Lda	Lisboa, Portugal	EUR	420,000	Full	99.82%	
Marcolin UK Ltd	Newbury, UK	GBP	3,572,718	Full	100.00%	
Marcolin France Sas	Paris, France	EUR	1,054,452	Full	76.89%	23.11%
Eyestyle Retail Srl	Milan, Italy	EUR	200,000	Full	100.00%	
Eyestyle.com Srl	Longarone, Italy	EUR	150,000	Full	100.00%	
Eyestyle Trading (Shanghai) Co Ltd	Shanghai, China	CNY	3,001,396	Full	100.00%	
Marcolin USA Eyewear Corp.	Somerville, Usa	USD	121,472,262	Full		100.00%
Viva Canada Inc	New Brunswick, Canada	CAD	347,640	Full		100.00%
Viva Eyewear Hong Kong Ltd	New Territories, Hong Kong	HKD	100	Full		100.00%
Viva Italia Srl	Operations Ceased	EUR	845,600	Full		100.00%
Viva Eyewear UK Ltd	North Yorkshire, UK	GBP	-	Full		100.00%
<b>Joint Ventures</b>						
Viva Optique de Mexico SA de CV	Edo, Mexico	MXN	3,694,685	Equity		50.00%
Viva Deutschland Gmbh	Schwaebisch Gmund, Germany	EUR	25,000	Equity		50.00%
Viva Eyewear Brillenvertriebs Gmbh	Vöcklabruck, Austria	EUR	35,000	Equity		50.00%
Viva Schweiz AG	Wallis, Switzerland	CHF	100,000	Equity		50.00%
Viva Eyewear Australia Pty Ltd	Rosebery NSW, Australia	AUD	1,000,000	Equity		50.00%
Marcolin-RUS LLC	Moscow, Russia	RUB	372,583	Full	51.00%	
Gin Hong Lin Intenational Co Ltd	Hong Kong	HKD	16,962,203	Full	50.00%	
Shanghai Jinlin Optical Co Ltd	Shanghai, China	CNY	14,354,200	Full	50.00%	
Marcolin Nordic AB	Solna, Stockholm	SEK	50,000	Full	70.00%	

On August 2015 Viva Nederland BV (a company fully controlled by the joint venture Viva Deutschland Gmbh) has been closed.

### Italian tax consolidation

Marcolin S.p.A. and its subsidiaries Eyestyle Retail S.r.l. and Eyestyle.com S.r.l., had opted for the Italian tax consolidation regime for IRES (corporate income tax) purposes for 2013, 2014 and 2015, which recognized Marmolada S.p.A. as the parent company.

On June 13, 2014, pursuant to the Italian Income Tax Code ("TUIR"), Presidential Decree no. 917, Article 117 *et seq* of December 22, 1986, the ultimate parent company, 3 Cime S.p.A. notified the Italian Revenue Office of its adoption of the Italian tax consolidation regime with its subsidiaries, including Marcolin S.p.A., for 2014, 2015 and 2016. Accordingly, the tax consolidation in effect in 2013 was replaced with an identical agreement with 3 Cime S.p.A., which involved terminating the previous agreement and stipulating a new agreement for the three-year period.

The tax consolidation regime will enable each participant (including the Company), by way of partial recognition of the group's tax burden, to optimize the financial management of corporate income tax (IRES), for example by netting taxable income and tax losses within the tax group.

### Exchange rates

The following table lists the exchange rates used for currency translation (the closing and average exchange rates refer to September 30, 2015 and January-to-September 2015, respectively):

Currency	Symbol	Closing exchange rate			Average exchange rate		
		09/30/2015	12/31/2014	Change	09/30/2015	09/30/2014	Change
Australian Dollar	AUD	1.594	1.483	7.5%	1.463	1.476	(0.9)%
Brasilian Real	BRL	4.481	3.221	39.1%	3.526	3.103	13.6%
Canadian Dollar	CAD	1.503	1.406	6.9%	1.404	1.482	(5.3)%
Swiss Franc	CHF	1.092	1.202	(9.2)%	1.062	1.218	(12.8)%
Renminbi	CNY	7.121	7.536	(5.5)%	6.964	8.354	(16.6)%
English Pound	GBP	0.739	0.779	(5.2)%	0.727	0.812	(10.4)%
Hong Kong Dollar	HKD	8.682	9.417	(7.8)%	8.640	10.507	(17.8)%
Japanese Yen	JPY	134.690	145.230	(7.3)%	134.778	139.486	(3.4)%
Mexican Pesos	MXN	18.977	17.868	6.2%	17.365	17.772	(2.3)%
Norwegian Krone	NOK	9.525	9.042	5.3%	8.817	8.276	6.5%
Russian Rublo	RUB	73.242	72.337	1.3%	66.597	48.015	38.7%
Swedish Krona	SEK	9.408	9.393	0.2%	9.371	9.040	3.7%
Danish Krone	DKK	7.460	7.445	0.2%	7.458	7.459	(0.0)%
US Dollar	USD	1.120	1.214	(7.7)%	1.114	1.355	(17.8)%

## ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 1. Non-current assets

The composition of non-current assets is shown below:

Non-current assets (euro/000)	09/30/2015	12/31/2014	Increase/decrease	
			euro	%
Property, plant and equipment	27,953	24,657	3,297	13.4%
Intangible assets	40,296	37,213	3,084	8.3%
Goodwill	285,447	278,010	7,437	2.7%
Investments in subsidiaries and associates	1,987	1,877	110	5.8%
Deferred tax assets	37,494	38,536	(1,042)	(2.7)%
Other non-current assets	689	846	(157)	(18.5)%
Non-current financial assets	4,538	5,455	(918)	(16.8)%
<b>Total non-current assets</b>	<b>398,404</b>	<b>386,593</b>	<b>11,811</b>	<b>3.1%</b>

The net value of non-current assets rose by euro 11.811 million from December 31, 2014, mainly due to capital expenditures and goodwill which rose by euro 7.437 million due to the translation effect of the period.

The capital expenditures for the residual balance over the period covered by this analysis primarily consist in:

- the investment in the new Fortogna plant aimed to increase the internal manufacturing capacity of “Made in Italy” products (property, plant and equipment);
- the maintenance, replacement and modernization of our production and logistics facilities (plant, machinery and equipment);
- investments in intangibles, in extending/improving terms and conditions of existing licenses (intangibles) and in license, software and business application implementation.

### 2. Current assets

The composition of current assets is shown below:

Current assets (euro/000)	09/30/2015	12/31/2014	Increase/decrease	
			euro	%
Inventories	113,568	100,075	13,493	13.5%
Trade receivables	87,734	80,576	7,158	8.9%
Other current assets	14,209	14,099	111	0.8%
Current financial assets	1,095	2,042	(947)	(46.4)%
Cash and bank balances	24,540	36,933	(12,393)	(33.6)%
<b>Total current assets</b>	<b>241,146</b>	<b>233,725</b>	<b>7,421</b>	<b>3.2%</b>

The total value of current assets rises by euro 7.421 million from December 31, 2014, mainly as a result of the combined effect of the changes listed below.

The growth in closing inventories is attributable to a highest “current” finished product inventory, due to the increasing sales, in addition to the management's decision to improve customer service by reducing delivery time and investing in supplies of continuing products (to be “never out of stock”).

The inventory increase is also attributable to the discontinuity represented by new brands, Zegna and Pucci, which have been recently launched, and to the joint ventures inventory.

The increase in net inventories compared to the previous year is also impacted by U.S. dollar appreciation.

The increase in net trade receivables is largely affected by the increased sales, compared to the same period of 2014, and by the impact of the business seasonality. The growth is also affected by the translation differences due to the part in foreign currency (in particular US dollar).

Credit quality remained consistent with that of recent past.

In 2015 the recent improvement in the average collection period, or "days sales outstanding" (DSO), lost momentum, but the emphasis on credit management and client selection made it possible to keep the Group's days sales outstanding (DSO) at September 30, 2015 under control even with difficult markets and rising sales (up by 2 days).

Inventory is shown net of provision for inventory impairment, as well as receivables are shown net of the provision for doubtful debts.

Finally, the decrease in cash and bank balances has been reported in the Group's Consolidated Statement of Cash Flow.

### 3. Equity

The significant changes in equity refer to the net loss of euro 5.796 million and the recognition of the comprehensive income of euro 7.408 million for the period (related to the translation differences reserve).

### 4. Non-current liabilities

The composition of non-current liabilities is shown below:

Non-current liabilities (euro/000)	09/30/2015	12/31/2014	Increase/decrease	
			euro	%
Non-current financial liabilities	201,724	199,152	2,573	1.3%
Non-current provisions	9,666	8,919	746	8.4%
Deferred tax liabilities	5,881	7,387	(1,506)	(20.4)%
Other non-current liabilities	5,470	4,742	727	15.3%
<b>Total non-current liabilities</b>	<b>222,741</b>	<b>220,200</b>	<b>2,541</b>	<b>1.2%</b>

Non-current liabilities rose by euro 2.541 million, mainly as a result of the combined effect of the changes listed below:

- an increase of non-current financial liabilities for euro 2.573 million, driven by a new long term bank borrowing and the release of the Bond amortized costs;
- a decrease of deferred tax liabilities for euro 1.506 million, due to the effect of temporal tax adjustment in the period;
- an increase of non-current provisions for euro 0.746 million mainly due to the revaluation effect of previous years employee benefits and other non-current provision accruals, and an increase of other non-current liabilities for euro 0.727 million, mainly due to the reverse of actualization of long term liabilities and translation differences.

The most significant loans, primarily taken out by the Parent Company, are presented in detail below:

	Currency	Original amount (euro)	Residual amount (euro)	Maturity date	Interest rate	Notes
BOND	euro	200.000.000	200.000.000	11.14.2019	8,5%	Bond issued the 14th November 2013 - Half-yearly interests in 15th of May and 15th of November
Intesa Sanpaolo S.p.A., Goldman Sachs International, IKB Deutsche Industrie Bank AG, Natixis S.A., Unicredit S.p.A.	euro	25.000.000	25.000.000	06.03.2019	<i>Euribor 1/3/6 months + spread 4%</i>	Super Senior RCF - Revolving facility agreement - Euro 25.000.000 - signed the 18th November 2013
Unicredit S.p.A.	euro	5.000.000	4.062.500	12.31.2018	<i>Euribor 3 months + spread</i>	Loan partially guaranteed by SACE, drawn on December 18, 2014, repayable in 16 quarterly installments from March 31, 2015
Banca Popolare FriulAdria S.p.A.	euro	3.000.000	2.514.465	03.04.2018	<i>Euribor 3 months + spread</i>	Loan drawn on March 4, 2015, repayable in 12 quarterly installments from June 4, 2015.
Banco Popolare s.c.r.l.	euro	1.500.000	1.500.000	09.30.2018	<i>Euribor 3 months + spread</i>	Loan drawn on September 16, 2015, repayable in 12 quarterly installments from December 31, 2015.

## 5. Current liabilities

Current liabilities are set forth below:

Current liabilities (euro/000)	09/30/2015	12/31/2014	Increase/decrease	
			euro	%
Trade payables	90,077	102,322	(12,245)	(12.0)%
Current financial liabilities	63,721	41,353	22,368	54.1%
Current provisions	13,056	14,799	(1,743)	(11.8)%
Other current liabilities	23,913	18,831	5,082	27.0%
<b>Total current liabilities</b>	<b>190,766</b>	<b>177,305</b>	<b>13,462</b>	<b>7.6%</b>

Current liabilities at September 30, 2015 show an increase of euro 13.462 million compared to December 31, 2014.

In particular, the following may be observed:

- in reference to trade payables, the improvement in the Group's days payables outstanding (DPO) shown at the end of 2014 and due to the adjustment of payment terms for suppliers shared by Marcolin and Viva to the longest time period between the two, has been reabsorbed during 2015. The higher amount as at December 31, 2014 was related to payable due to licensor also in connection with renewal fees paid during 2015 and other payables due to capital expenditures;
- the increase in current financial liabilities is related to bank overdraft and new short term financing, including bank credit facilities in the form of bill discounting facility undertaken in the ordinary course of business, and to new financial facilities referring to the Parent Company and to the U.S. Subsidiary for the current portion;
- the decrease in current provisions is due to the use of ordinary provisions allocated at the end of 2014 to cover potential returns and discount for the year;
- the increase in other current liabilities is due to tax liabilities (including VAT and other employees tax liabilities and social contributions) and income tax accrued for the period. The residual increase is due to payables for severance costs accrued for dismissed employees in relation to Viva Integration.

## 6. Net financial position

The net financial position/(indebtedness) as at September 30, 2015 is set forth below in comparison with December 31, 2014:

Net financial position / (indebtedness) (euro/000)	09/30/2015	12/31/2014	Increase/decrease	
			euro	%
Cash and cash equivalents	24,540	36,933	(12,393)	(33.6)%
Financial assets	5,632	7,497	(1,865)	(24.9)%
Short-term borrowings	(63,721)	(41,353)	(22,368)	54.1%
Long-term borrowings	(201,724)	(199,152)	(2,573)	1.3%
<b>Total</b>	<b>(235,273)</b>	<b>(196,074)</b>	<b>(39,199)</b>	<b>20.0%</b>

The net balance is indebtedness of euro 235.273 million, compared to the indebtedness of euro 196.074 million at December 31, 2014.

The cash absorption shown in 2015 is primarily attributable to financial needs related to the investment in trade working capital as shown in the Consolidated Statement of Cash Flows and explained in notes 2 and 5.

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The main component of the total financial debt is the HY Bond, which was issued in November 2013, with maturity on November 14, 2019, a nominal value of euro 200 million, and 8.5% interest (paid semiannually).

The other components of total financial debt relate primarily to current financial liabilities, including bank payables and the revolving credit facility for euro 25 million that was fully drawn at the end of September 2015.

The Company was granted a medium/long-term credit amortizing line to cover medium/long-term financial requirements associated with investments in joint-ventures in China and Russia, which have been drawn on at the end of 2014. This credit line is for euro 5.0 million, 50% of which backed with an irrevocable guarantee from SACE S.p.A., granted specifically to fund Italian companies that invest in projects aimed to make their businesses more international, whether directly or indirectly.

In addition, another medium-long term amortizing financing committed and unsecured has been agreed between the Parent Company and another important Banks and drawn in March 2015 and September 2015 for euro 3.0 million and euro 1.5 million, with the purpose of supporting the Fortogna's project. The financing of Fortogna project is also impacted by a finance lease of about euro 1.1 million, related to the acquisition of new machinery and equipment for the refurbishment of the new Acetato plant.

The growth in short term borrowing shown as of September 2015, compared to the same figure at the end of December 2014, is also due to new financial facilities drawn by Marcolin S.p.A. and by Marcolin USA Eyewear Corp. and, on a lesser extent, an increase of bank credit facilities in the form of bill discounting facility undertaken in the ordinary course of business.

Finally, the financial liabilities include an amount of US\$ 5.0 million due to the HVHC, Inc. Group, of which US\$ 2.0 million is due in the short term; the remaining portion, due at the end of 2016, is recognized as non-current financial liabilities, and discounted in accordance with the applicative accounting standards.

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## ANALYSIS OF CONSOLIDATED INCOME STATEMENT

The Group's interim Consolidated Income Statement at September 30, 2015 is summarized below against the reported interim results as at September 30, 2014.

The 2015 revenues to date are euro 323.371 million, compared to euro 272.165 million for the first nine months of 2014.

The September 2015 Reported Ebitda is euro 25.420 million, compared to 21.961 million for the nine months of 2014.

Reported Ebit is euro 17.051 million, compared to euro 14.309 million for the nine months of 2014.

Consolidated income statement (euro/000)	09/30/2015		09/30/2014	
	euro	% of revenue	euro	% of revenue
Net revenues	323,371	100.0%	272,165	100.0%
Gross profit	189,846	58.7%	164,038	60.3%
Ebitda	25,420	7.9%	21,961	8.1%
Operating income - Ebit	17,051	5.3%	14,309	5.3%
Financial income and costs	(17,556)	(5.4)%	(8,432)	(3.1)%
Profit before taxes	(505)	(0.2)%	5,877	2.2%
Net profit for the period	(5,796)	(1.8)%	3,115	1.1%

Economic indicator - adjusted (euro/000)	09/30/2015		09/30/2014	
	euro	% of revenue	euro	% of revenue
Ebitda	34,934	10.8%	29,504	10.8%
Operating income - Ebit	26,565	8.2%	21,912	8.1%

The Group's results were influenced by non-recurring transactions, which adversely impacted the Reported Ebitda both for the nine-month period ended September 30, 2015 and for the nine-month period ended September 30, 2014.

In order to better understand the business performance, those effects must be eliminated. They only refer to one-off charges for discontinued Arizona operation and other extraordinary items related to Viva integration project.

Excluding the effects of those transactions, the September 2015 Adjusted Ebitda is euro 34.934 million (10.8% of net sales), against the September 2014 Adjusted Ebitda of euro 29.504 million (10.8% of sales).

## 7. Revenue

The following table sets forth the net sales revenue by geographical area (destination markets):

Net Sales by geographical area (euro/000)	09/30/2015		09/30/2014		Increase (decrease)	
	Turnover	% on total	Turnover	% on total	Turnover	Change
Italy	18,845	5.8%	14,389	5.3%	4,456	31.0%
Rest of Europe	76,583	23.7%	71,308	26.2%	5,275	7.4%
Europe	95,428	29.5%	85,697	31.5%	9,731	11.4%
U.S.A.	143,644	44.4%	116,333	42.7%	27,311	23.5%
Asia	27,649	8.6%	19,983	7.3%	7,666	38.4%
Rest of World	56,650	17.5%	50,152	18.4%	6,498	13.0%
<b>Total</b>	<b>323,371</b>	<b>100.0%</b>	<b>272,165</b>	<b>100.0%</b>	<b>51,206</b>	<b>18.8%</b>

In the first nine months of 2015 sales revenues were euro 323.371 million, an increase of euro 51.206 million (18.8%) in comparison to the same period of 2014.

### Italy

Sales in the domestic (Italian) market rose 31% during the first nine months of 2015.

Both diffusion brands and luxury brand had a double digit growth, led by Guess, Swarovski and our house brand Web for diffusion brand, and by Tom Ford and Dsquared for luxury.

### Rest of Europe

Revenue from the rest-of-Europe market, totaling euro 76.6 million, grew 7.4% compared with the same period in 2014.

Luxury brands were more prominent than in 2014. The prescription frames segment growth (+16.4%) was partially offset by the slowdown of sales in the sunglasses segment (-1.6%).

The market was characterized by a stagnant economy and was heavily impacted by the recent Viva / Marcolin sales force integration in France, offset by positive sales in other countries, mostly Spain, Portugal, Germany and the new Russian and Nordic subsidiaries that performed well.

### North America

In the U.S. market, revenues grew by 23.5%, also impacted by positive exchange rate fluctuations.

The American market raised its share to 44.4% of total Group sales, and it represents the Group's main market.

Net sales increased by 2.2% at constant exchange rates: the positive performance of luxury brands, fostered by greater consumer confidence and an improved U.S. economy, was offset by some issues faced in the new distribution center resulting from the move from Arizona to New Jersey. Those issues have been resolved, resulting in very good performance in July, August and September.

Retail department stores and independent opticians are the most important channels in the U.S. market and revenues from both channels grew significantly from one period to the next.

### Asia

The Asian Far East market experienced high double-digit growth of +38.4%.

This result is attributable entirely to fashion brands, which performed extremely well especially in the Chinese market, also thanks to the new joint venture initiative. In particular, revenue from luxury sunglasses had the best performance, growing by 67.6% from the previous year.

### Rest of World

From a geographical standpoint, "Rest of the World" sales include the Middle East, Central and South America, Africa and Oceania. The revenue produced in this market rose by 13.0%, or 10.1% at constant exchange rates, in the nine month of 2015, totaling euro 56.6 million.

The largest increases came from the Middle East (up by 12.2% at constant exchange rates) and Central America. Revenue growth was driven in particular by luxury brands (+36.1%).



## 8. Cost of sales

The following table shows a detailed breakdown of the cost of sales:

Cost of sales (euro/000)	09/30/2015	% on revenues	09/30/2014	% on revenues	Increase/decrease	
					euro	%
Purchase of materials and finished products	107,706	33.3%	88,515	32.5%	19,191	21.7%
Changes in inventories	(11,143)	(3.4)%	(12,295)	-4.5%	1,152	(9.4)%
Cost of personnel	15,238	4.7%	14,363	5.3%	875	6.1%
Outsourced processing	8,404	2.6%	7,133	2.6%	1,272	17.8%
Amortization, depreciation and writedowns	1,901	0.6%	1,538	0.6%	363	23.6%
Other costs	11,418	3.5%	8,872	3.3%	2,546	28.7%
<b>Total</b>	<b>133,525</b>	<b>41.3%</b>	<b>108,127</b>	<b>39.7%</b>	<b>25,398</b>	<b>23.5%</b>

The cost of sales amounted to euro 133.525 million for the nine months ended September 30, 2015, an increase of euro 25.398 million, or 23.5%, from euro 108.127 million for the nine months ended September 30, 2014.

The cost of sales as a percentage of revenue is 41.3% for the nine months ended September 30, 2015 compared to 39.7% for the nine months ended September 30, 2014.

The September 2015 Gross profit is euro 25.808 million higher than that of the previous year, growing from 164.038 million (or 60.3%) up to euro 189.846 million (or 58.7%) in 2015.

In absolute value the Gross margin has increased thanks to an important positive brand mix effect due to the introduction of new luxury brands and the improving performance of some existing fashion brands, with a higher margin in respect of those of diffusion brands.

Such effect were however partially balanced by a price effect mainly in the first part of the year: it was a management decision to selectively reduce prices for certain product lines to accommodate specific market demands. In that period average price decreased in direct sales and distributors, partially due to some close-out sales.

Compared to last year, volumes have decreased especially in direct channel, also influenced by the disruptions faced in the new U.S. distribution center resulting from the move from Arizona to New Jersey, and now completely resolved.

Another factor contributing to the gross margin growth is the positive impact of exchange rates, which raised business profitability by increasing the share of the Group's profits in euros.

## 9. Distribution and marketing expenses

Below is the detailed breakdown of the distribution and marketing expenses:

Distribution and marketing expenses (euro/000)	09/30/2015	% on revenues	09/30/2014	% on revenues	Increase/decrease	
					euro	%
Cost of personnel	49,650	15.4%	43,134	15.8%	6,515	15.1%
Commissions	11,297	3.5%	9,963	3.7%	1,334	13.4%
Amortization	3,832	1.2%	4,461	1.6%	(629)	(14.1)%
Royalties	40,698	12.6%	35,616	13.1%	5,082	14.3%
Advertising and PR	22,390	6.9%	18,555	6.8%	3,835	20.7%
Other costs	22,553	7.0%	17,346	6.4%	5,207	30.0%
<b>Total</b>	<b>150,419</b>	<b>46.5%</b>	<b>129,075</b>	<b>47.4%</b>	<b>21,345</b>	<b>16.5%</b>

The distribution and marketing expenses amounted to euro 150.419 million for the nine months ended September 30, 2015, an increase of euro 21.345 million or 16.5% from euro 129.075 million for the nine months ended September 30, 2014.

The increase is due to the general rise in the variable costs, strongly linked to the turnover growth. In particular Cost of personnel include also agents costs, which grew in proportion to the sales growth.

Distribution and marketing expenses also include one-off expenses related to the Viva reorganization. Excluding such non-recurring amounts, distribution and marketing expenses is respectively 44.6% of revenues in 2015 and 46.1% of revenues in 2014.

In 2015 Royalties amounted to euro 40.698 million, an increase of 14.3%, from the euro 35.616 million for the nine months ended September 30, 2014. In 2015 Royalties as a percentage of revenue is 12.6%, compared to 13.1% of 2014. Pursuant to certain operations and agreements stipulated during last year (regarding the revision of minimum guaranteed royalties due over the term of the licensing agreement), 2015 improves the profitability of some licenses, thanks to better absorption of royalties and advertising contributions which in 2014 were not fully saturated by the sales realized.

Advertising and PR in 2015 amounted to euro 22.390 million, an increase of euro 3.835 million, or 20.7%, from the euro 18.555 million in the same period of 2014, due to costs incurred for additional advertising and public relations activities, in addition to greater corporate advertising investments and advertising made in the house brands. As a percentage of revenue, Advertising and PR expenses in 2015 is 6.9%, compared to 6.8% of 2014.

The “other costs” mainly refer to transportation expenses on sales, business travels, rents and other services and show an increase of euro 5.207 million compared with previous year. This figure is affected by the aforementioned non-recurring costs related to Viva integration project. Excluding such non-recurring expenses the “other costs” is respectively 5.4% of revenues in 2014 and 6.6% of revenues in 2015.

## 10. General and administrative expenses

The general and administrative expenses are set forth below:

General and administrative expenses (euro/000)	09/30/2015	% on revenues	09/30/2014	% on revenues	Increase/decrease	
					euro	%
Cost of personnel	10,942	3.4%	9,212	3.4%	1,731	18.8%
Writedowns of receivables	581	0.2%	424	0.2%	157	37.0%
Amortization and writedowns	2,056	0.6%	1,229	0.5%	827	67.3%
Other costs	11,865	3.7%	11,925	4.4%	(60)	(0.5)%
<b>Total</b>	<b>25,443</b>	<b>7.9%</b>	<b>22,789</b>	<b>8.4%</b>	<b>2,654</b>	<b>11.6%</b>

At September 2015, the general and administrative expenses were 7.9% of sales.

The main increase of G&A expenses in value terms is due to personnel costs which include one-off costs strongly impacted by the Viva reorganization, and to an exchange rate impact on the US part of the business currencies (translation effect).

The decrease in terms of percentage on revenues in G&A expenses is the result of successful actions taken by the Group to improve efficiency and contain costs, as part of the synergies realized, and will be more evident next year, due to the ceasing of Arizona costs.

"Other costs" consist of expenses for general and staff departments (Executives, IT, Finance, HR) and are mainly related to consulting fees, insurance costs, and other G&A services.

## 11. Other operating income and expenses

Other operating income and expenses are set forth below:

Other operating income and expenses (euro/000)	09/30/2015	% on revenues	09/30/2014	% on revenues	Increase/decrease	
					euro	%
Transport refund	2,234	0.7%	2,370	0.9%	(136)	(5.8)%
Release of provision	218	0.1%	108	0.0%	110	101.6%
Other income	1,034	0.3%	943	0.3%	91	9.7%
<b>Total other income</b>	<b>3,486</b>	<b>1.1%</b>	<b>3,421</b>	<b>1.3%</b>	<b>65</b>	<b>1.9%</b>
Other expenses	(418)	-0.1%	(1,286)	-0.5%	868	(67.5)%
<b>Total other expenses</b>	<b>(418)</b>	<b>-0.1%</b>	<b>(1,286)</b>	<b>-0.5%</b>	<b>868</b>	<b>(67.5)%</b>
<b>Total operating income and expenses</b>	<b>3,068</b>	<b>0.9%</b>	<b>2,135</b>	<b>0.8%</b>	<b>933</b>	<b>43.7%</b>

"Other income" mainly consist of transportation expenses and advertising material, incurred mainly by the Parent Company and the American subsidiary, re-charged to customers.

In addition, in "Other income" are included the share of profits of Viva subsidiaries accounted with the equity method.

## 12. Financial income and costs

The net financial costs increased by euro 9.124 million compared to the nine months of the previous year, from a negative amount of euro 8.432 million as at September 30, 2014 up to a negative amount of euro 17.556 million for the first nine month of 2015.

The most significant items refer to the following:

- Bond accruals, in line with previous year and amount to euro 12.750 million;
- Financial discounts, amounts in line to September 2014;
- Net Interest expense, whose amount has increased in respect to September 30, 2014 proportionally to the higher financial indebtedness occurred during 2015;
- Net gains and losses on currency exchange, whose different amount compared to September 30, 2014 is explained by a higher net result on currency related to US dollars accrued in 2014, in addition to unrealized losses due to the devaluation of currency Brazilian Real incurred in 2015.

## 13. Income tax expense

Income tax expense amounts to euro 5.3 million as at September 30, 2015 compared to euro 2.8 million as at September 30, 2014. Current and deferred income tax are calculated by applying the tax rates on reasonably estimated taxable income, determined in accordance with the tax regulations in force. Income tax expense has been calculated on a prudential basis, considering the tax effect on subsidiaries with taxable net income while not considering the deferred tax asset over some entities with taxable net losses and new startup companies.

Most of the income tax expense will not be a cash-out figure since the Group will use previous tax losses carried forward.

## OTHER INFORMATIONS

### SUBSEQUENT EVENTS

On November 10, 2015 has been approved the merge of Eyestyle Retail S.r.l. and Eyestyle.com S.r.l. with and into the parent company Marcolin S.p.A. in connection with a corporate reorganization. The date of the merger will be December 1, 2015.

There were no other significant subsequent events and/or transactions.

### DISCLOSURE OF ATYPICAL, UNUSUAL AND RELATED-PARTY TRANSACTIONS

The information with respect to atypical and unusual transactions, and transactions with related parties, is provided below.

#### *Significant non-recurring events and transactions*

In the first nine months of 2015, there were no significant non-recurring events and/or transactions.

#### *Atypical and unusual transactions*

In the first nine months of 2015 there were no atypical and/or unusual transactions, including with other Group companies, nor any transactions outside the scope of the ordinary business activity that could have significantly impacted the financial position, financial performances or cash flows of Marcolin S.p.A. and the Group.

#### *Transactions with related parties*

In addition to the transactions between the consolidated companies, during the period transactions took place with equity-accounted associates and other related parties.

Intercompany and related-party transactions are of a trade nature and are conducted on an arm's length basis.

The transactions and outstanding balances with respect to related parties as at September 30, 2015 are shown below, as required by IAS 24. As previously noted, the Marcolin Group figures reflect the participation in the Italian tax consolidation regime with the Parent Company 3 Cime S.p.A.

<b>Company</b> <i>(euro/000)</i>	<b>Expenses</b>	<b>Revenues</b>	<b>Payables</b>	<b>Receivables</b>	<b>Type</b>
<b>Other related parties</b>					
Tod's S.p.A.	1,703	406	0	2	Related party
Pai Partners Sas	-	2	31	-	Related party
Coffen Marcolin Family	498	0	34	-	Related party
O.T.B. Group	1,849	238	1,707	24	Related party
3 Cime S.p.A.	-	-	908	-	Consolidating
<b>Total</b>	<b>4,050</b>	<b>646</b>	<b>2,680</b>	<b>26</b>	

Longarone; November 12, 2015

For the Board of Directors

C.E.O

*Giovanni Zoppas*

**MARCOLIN**  
EYEWEAR

