INTERCOS GROUP
Global Cosmetic Manufacturer

INTERIM CONSOLIDATED REPORT AT SEPTEMBER 30, 2017

PREPARED IN ACCORDANCE WITH IFRS ENDORSED BY THE EUROPEAN UNION

Intercos S.p.A.
Registered office in Milan
Piazza Generale Armando Diaz 1

Corporate Information

BOARD OF DIRECTORS *

Name	Office
Dario Gianandrea Ferrari	Chairman and CEO
Ludovica Arabella Ferrari	Director
Gianandrea Ferrari	Director
Nikhil Thukral Kumar	Director
James Michael Chu	Director
Ciro Piero Cornelli **	Director
Renato Semerari	Director
Decio Masu***	Director
Federico Vermicelli****	Director
Ginevra Ott****	Director
Maggie Fanari****	Director

BOARD OF STATUTORY AUDITORS *

Name	Office
Nicola Pietro Lorenzo Broggi	Chairman
Matteo Tamburini	Standing auditor
Maria Maddalena Gnudi	Standing auditor
Francesco Molinari	Alternate auditor
Simone Alessandro Marchiò	Alternate auditor

INDEPENDENT AUDITORS

EY S.p.A.

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* The Board of Directors and the Board of Statutory Auditors currently in office will remain in office until the date of the shareholders' meeting called to approve the financial statements for the year ended December 31, 2019.

** Ciro Piero Cornelli holds the office of director from April 27, 2017. During the period October 21, 2016 to April 25, 2017, the office was held by Paolo Valsecchi.

*** Decio Masu was coopted a member of the Board of Directors on August 3, 2017 and later confirmed by the shareholders' meeting held on October 2, 2017.

**** Federico Vermicelli, Ginevra Ott and Maggie Fanari were appointed members of the Board of Directors on October 16, 2017.

INTERIM CONSOLIDATED REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Introduction

The Interim Consolidated Report at September 30, 2017 of the Intercos Group is prepared in accordance with the provisions of art. 154 *ter*, paragraph 5 of Legislative Decree 58/98 – T.U.F., and subsequent modifications and additions, and drawn up in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB*).*

The notes to the interim consolidated financial statements at September 30, 2017, pursuant to IAS 34, are presented in a condensed form and do not include all the information required for annual financial statements, in that they refer solely to those components which, by amount, composition or variation, are necessary for an understanding of the results of operations, cash flows and financial position of the Group as of that date. Therefore, the interim condensed consolidated financial statements at September 30, 2017 should be read in conjunction with the 2016 consolidated financial statements of Intercos S.p.A.

The accounting policies and basis of preparation of the interim condensed consolidated financial statements have been applied on basis consistent with those applied in the annual consolidated financial statements at December 31, 2016.

All amounts are expressed in thousands of Euro, unless otherwise indicated.

The preparation of the Interim Consolidated Report has required the use of estimates by management.

With the intention of providing additional information that reflects the parameters for analysis and control used by management to assess the Group's performance, the following pages present the reclassified consolidated statement of financial position at September 30, 2017 and the reclassified consolidated income statement for the first nine months then ended, as well as the comparative statements at September 30, 2016 and December 31, 2016, respectively, supplemented with non-GAAP alternative performance measures.
The reclassifications had no effect on the net profit or on the equity reported in the interim consolidated financial statements.

The non-GAAP alternative performance measures identified in the reclassified consolidated income statement and the reclassified consolidated statement of financial position are used by management to provide information for a better assessment of the results of operations and financial position of the Group. Such performance measures should not be construed as a substitute for the performance measures established by IFRS.

The alternative performance measures are calculated as follows:

- **EBITDA:** is calculated as profit before taxes, financial income (expenses) without any adjustment and before depreciation, amortization and impairment reversals (losses). EBITDA also excludes income (expenses) from the result of unconsolidated companies and securities, as well as gains or losses on disposal of consolidated investments, classified under financial income (expenses) or, for the share of the profit (loss) of only investments accounted for using the equity method (non-operating), within the item result from investments accounted for using the equity method.
- **Adjusted EBITDA:** is calculated by the deducting the following, if applicable, from EBITDA, as defined above:
  - impairment of goodwill, if any;
  - amortization of the portion of the purchase price allocated to intangible assets in a business combination, as established in IFRS 3;
  - restructuring costs, under specific and significant restructuring plans;
  - nonrecurring other income (expenses) referring to particularly significant events unrelated to ordinary business operations.
- **Operating working capital** includes inventories and trade receivables and payables.
- **Net working capital** is given by operating working capital net of other current assets and liabilities.
- **Net invested capital** is the sum of non-current assets, non-current liabilities and net working capital.
- **Net debt (cash) or net financial position:** is given by the sum of current and non-current financial liabilities net of short- and long-term financial receivables, including cash and cash equivalents.
- **Headcount** is given by the number of employees registered in the payroll book on the last day of the reporting period.

BUSINESS COMBINATIONS – ACQUISITION OF COSMINT GROUP

On August 3, 2017, Intercos S.p.A. completed the acquisition of 100% of the capital of Cosmint Group S.p.A., a company operating for over 20 years in the B2B cosmetic sector and leader in the manufacture of skin, hair and body products. The acquisition will create one of the largest B2B beauty groups worldwide. Cosmint Group's manufacturing excellence, profound knowledge of the beauty market and state-of-the-art factories in Italy and Poland will allow Intercos to grow significantly in terms of organizational skills and manufacturing capacity. Not least, Intercos will now be able to satisfy customers' needs in almost every category of the beauty industry thanks to the addition of Cosmint in the Intercos family.

The acquisition of the Cosmint Group S.p.A. was partly financed by own funds and partly by new credit lines obtained without modifying the loan contract described in greater detail under subsequent events.

The higher price paid, although not yet entirely paid, was allocated to goodwill on a provisional basis for €42,643 thousand until completion of the relative allocation process as set out in IFRS 3.

KEY DATA OF THE GROUP

(in € thousands)	9 months ended 9/30/2017	9 months ended 9/30/2016	Change
Revenues	*418,616*	*315,327*	*103,289*
EBITDA	*58,461*	*40,018*	*18,443*
Adjusted EBITDA	***59,959***	*38,910*	*21,050*
Adjusted EBITDA margin	***14.3%***	*12.3%*	*2.0%*
Operating profit (EBIT)	*40,813*	*24,471*	*16,342*
EBIT margin	*9.7%*	*7.8%*	*2.0%*
EBT	*32,077*	*16,632*	*15,446*
EBT margin	*7.7%*	*5.3%*	*2.4%*
Profit for the period	*20,600*	*8,697*	*11,903*
Profit margin	*4.9%*	*2.8%*	*2.2%*

(in € thousands)	9/30/2017	12/31/2016	Change
Net working capital	*110,849*	*61,882*	*48,967*
Net working capital turnover	*4.98*	*7.25*	*-2.27*
Net invested capital	*398,673*	*270,328*	*128,344*
Non-current assets	*308,107*	*226,788*	*81,319*
Net financial position	*247,968*	*132,835*	*115,133*

	9/30/2017	9/30/2016	Change
Headcount (number)	*3,275*	*2,653*	*622*
Earnings per share (basic and diluted) – in Euro	*0.23*	*0.10*	*0.13*

RECLASSIFIED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

Reclassified Interim Consolidated Statement of Financial Position

(in € thousands)	**9/30/2017**	12/31/2016
Fixed assets	**280,371**	**198,081**
Inventories	116,920	83,296
Trade receivables	139,563	92,834
Trade payables	(116,307)	(89,846)
Operating working capital	***140,176***	***86,284***
Other current assets and liabilities, net (*)	(29,328)	(24,402)
Net working capital	***110,849***	***61,882***
Other non-current assets and liabilities, net (**)	2,325	5,669
Investments accounted for using the equity method	5,129	4,697
Invested capital	***398,673***	***270,328***
Equity	***150,704***	***137,493***
Cash and cash equivalents	(50,497)	(64,525)
Financial payables	298,465	197,360
Net financial position	***247,968***	***132,835***
Total sources	***398,673***	***270,328***

Ratios

Fixed assets / Invested capital	70.33%	73.27%
Net financial position / Equity	1.65	0.97
Invested capital / Equity	2.65	1.97
Operating working capital / Revenues	25.40%	19.23%
Net working capital / Revenues	20.08%	13.79%

Notes on the reconciliation between the reclassified interim consolidated statement of financial position and the interim consolidated statement of financial position are the following:

(*) Includes Other current assets, Other current liabilities and Derivatives.
(**) Includes Deferred tax assets, Other non-current receivables, Non-current provisions for risks, Deferred tax liabilities, Other non-current liabilities and Employee benefits.

Consolidated net financial position - net debt (cash)

(in € thousands)	**9/30/2017**	12/31/2016
Current net financial position	20,749	(30,227)
Non-current net financial position	227,220	163,063
Total Net financial position	**247,968**	**132,835**

Reclassified Interim Consolidated Income Statement by Function

(in € thousands)	**9 months ended 9/30/2017**	9 months ended 9/30/2016
Revenues	**418,616**	**315,327**
Cost of sales	(318,533)	(243,105)
Industrial gross margin	**100,083**	**72,221**
Industrial gross margin percentage	*23.9%*	*22.9%*
Research & Development and innovation costs	(23,871)	(19,530)
Selling expenses	(17,353)	(14,544)
General and administrative expenses	(18,789)	(17,310)
Other operating income (expenses)	3,435	3,098
Result from investments accounted for using the equity method (operating)	(1,193)	(574)
Nonrecurring income (expenses)	(1,498)	1,110
Operating profit (EBIT)	**40,813**	**24,471**
EBIT margin	*9.7%*	*7.8%*
Depreciation, amortization and impairment reversals (losses)	(17,648)	(15,548)
Nonrecurring income (expenses)	(1,498)	1,110
Adjusted EBITDA (*)	**59,959**	**38,910**
Adjusted EBITDA margin	*14.3%*	*12.3%*
Financial income (expenses), net (**)	(8,771)	(7,868)
Result from investments accounted for using the equity method	35	29
Profit before taxes (EBT)	**32,077**	**16,632**
Income taxes	(11,478)	(7,934)
Profit for the period	**20,600**	**8,697**
Of which:		
- attributable to the owners of the parent	20,479	8,380
- attributable to non-controlling interests	121	317
Earnings per share:		
Basic and diluted - in Euro	0.23	0.10

(*) For additional details, reference should be made to the notes on pages 3 and 4.
(**) Financial income (expenses) is the sum of financial income (expenses) without any adjustment.

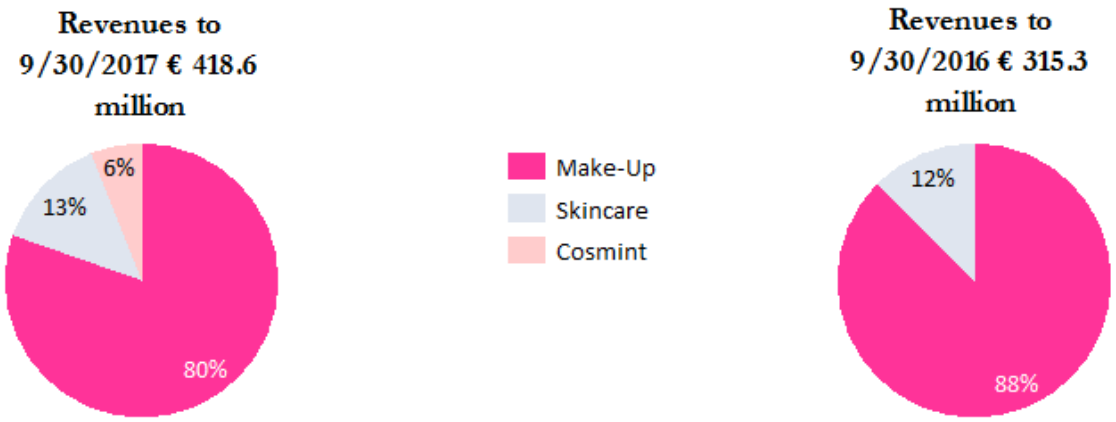
The breakdown of the headcount of the Group at September 30, 2017 is as follows:

Group headcount	9/30/2017	9/30/2016
Executives and mid-level managers	265	242
White collars	1,176	917
Blue collars	1,834	1,494
Total	**3,275**	**2,653**
Temporary	**2,511**	1,618
Total	**5,786**	**4,271**

At September 30, 2017, the total headcount of Intercos Group (excluding Cosmint) is 5,096 divided into 2,891 permanent and 2,205 temporary. The headcount of Cosmint is 690, of whom 384 are permanent and 306 temporary.

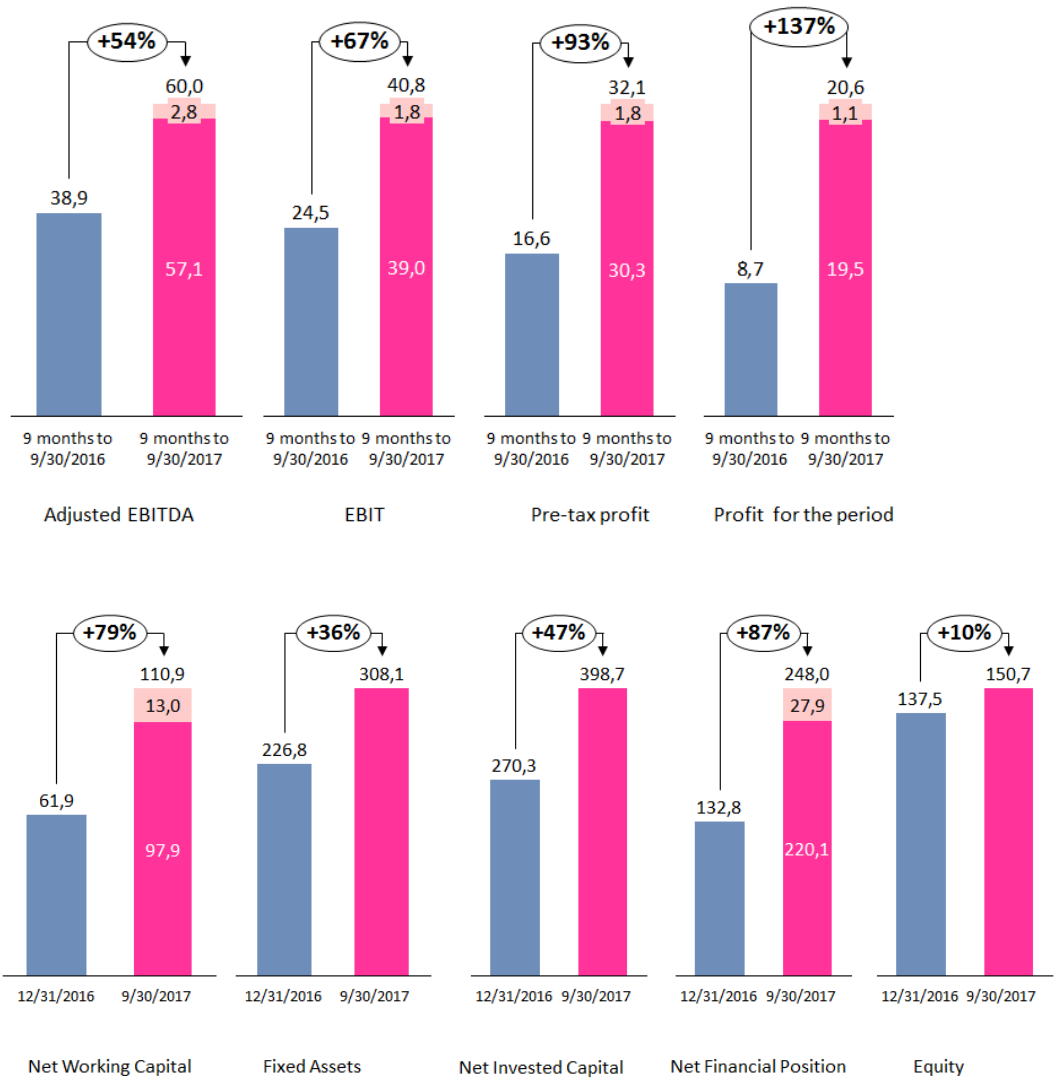
Revenues

(in € millions)



Principal consolidated profit and financial measures

(in € millions)



In the first nine months of 2017, excluding the effect of the contribution made by the newly acquired company Cosmint, the Group continued to grow and reported revenues from sales of €392,890 thousand compared to €315,327 thousand in the first nine months of 2016, with an increase of €77,563 thousand, or 24.6%. If Cosmint is included, the total increase is €103,289 thousand (+32.8%), bringing total sales to €418,616 thousand.

Adjusted EBITDA, excluding Cosmint, increased by 46.9% and is a positive €57,149 thousand, for a 14.5% adjusted EBITDA margin, compared to 12.3% in the first nine months of 2016 (€38,910 thousand). The total, including Cosmint, rises to €59,959 thousand, for a 14.3% margin, recording an increase of €21,050 thousand (+54.1%).

Excluding Cosmint, EBIT is a positive €39,013 thousand (9.9% EBIT margin) against €24,471 thousand to September 30, 2016 (7.8% EBIT margin), a 59.4% increase. Including Cosmint, total EBIT is €40,813 thousand (9.7% EBIT margin), growing €16,342 thousand (+66.8%).

Capital expenditures in property, plant and equipment and intangible assets for the period January 1 to September 30, 2017 total €12,146 thousand and €5,613 thousand, respectively.

The consolidated net financial position, excluding Cosmint is €220,063 thousand compared to €132,835 thousand at December 31, 2016. The increase of €87,228 thousand can mainly be ascribed to the acquisition of the Cosmint Group. The total net financial position of the Group is €247,968 thousand and also includes €27,905 thousand referring to Cosmint.

Total equity of the Group is to €150,704 thousand compared to €137,493 thousand at December 31, 2016, with an increase of €13,211 thousand.

Structure of the Group

Group organization

Intercos S.p.A. is a corporation organized under the laws of the Republic of Italy, with its registered office in Milan, Piazza Diaz 1.

Starting at the end of 2013, the Group's business was reorganized and is now aggregated into two areas identified on the basis of the following operating segments:

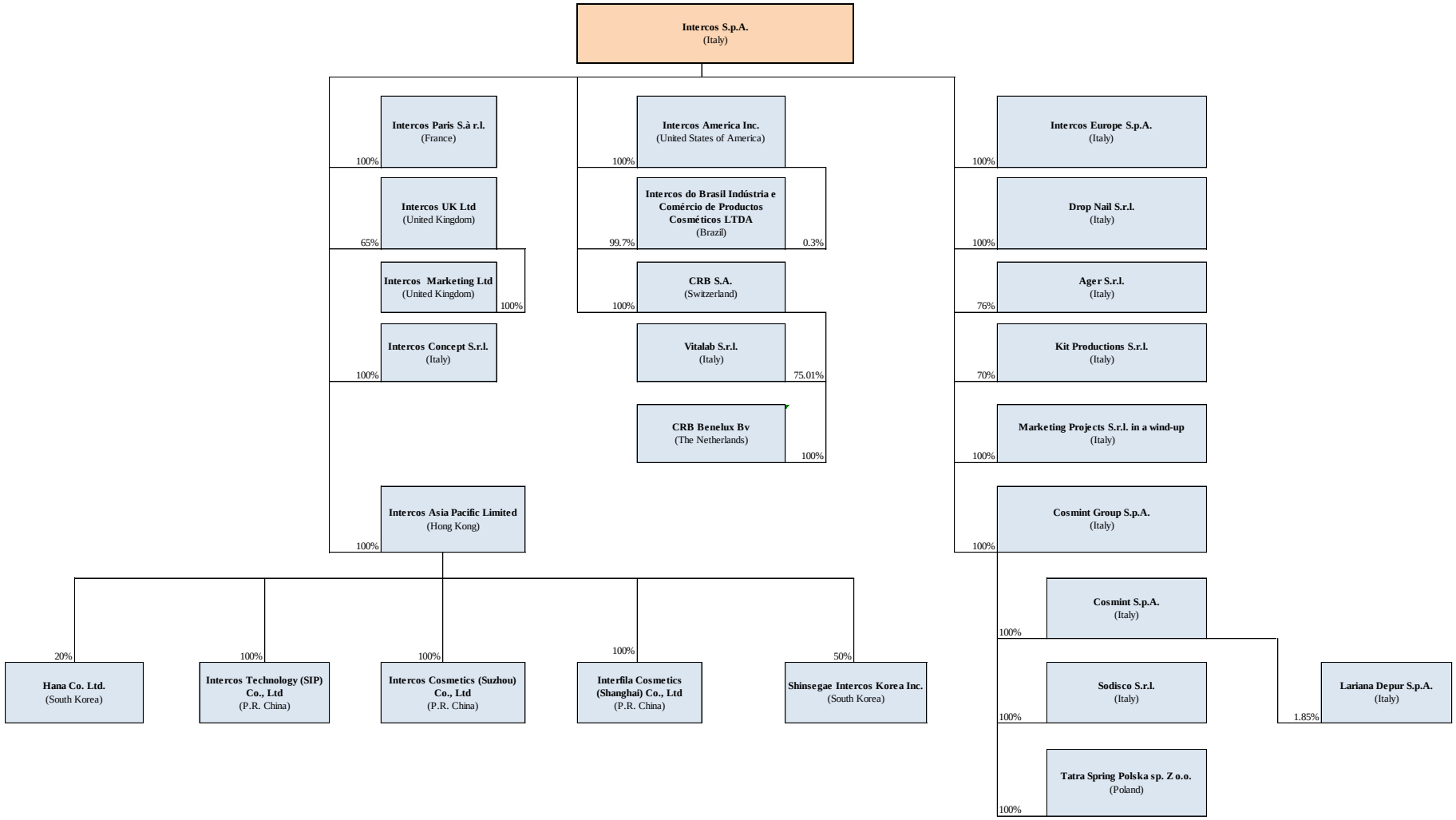
- ***Make-Up Business Unit:*** specialized in the creation, development, manufacture and marketing of powders, emulsions, lipsticks, nail polishes and types of cosmetics using delivery systems in the form of pens/pencils for the face, eyes and lips.
- ***Skin Care Business Unit:*** specialized in the manufacture and marketing of cosmetic and skin care creams.

The Group's main manufacturing facilities are at the plant sites in Italy, United States, Switzerland, China, Brazil and South Korea.

On August 3, 2017, Intercos S.p.A. completed the acquisition of 100% of Cosmint Group S.p.A., a company operating for over 20 years in the B2B cosmetic sector and leader in the manufacture of skin, hair and body products with factories in Italy and Poland.

Cosmint's business is organized into various business units and its flows will be integrated into existing Intercos' business units and, where necessary, the Group's organization will be updated for the addition of any new business units. Additional details are provided in the paragraph on Business Combinations on page 5.

The Group's organization structure is updated to the closing of the interim consolidated financial statements at September 30, 2017 and shows the operating companies and those in liquidation.



COMPOSITION OF THE GROUP AND RELATED TRANSACTIONS AND INVESTMENTS

The interim consolidated financial statements at September 30, 2017 include the interim financial statements and/or accounting data of Intercos S.p.A. (group holding company) and the subsidiaries and other companies (Italian and foreign) that carry out manufacturing and marketing activities, consolidated line-by-line or accounted for using the equity method.

Scope of consolidation:

SUBSIDIARIES

(consolidated line-by-line)

Name	Head Office	Currency	Capital in thousands of currency indicated	Percentage of ownership	
				Direct	Indirect
Intercos Europe S.p.A.	Milan	Euro	3,000	100,00%	
Kit Productions S.r.l.	Pessano con Bornago (Milan)	Euro	10	70.00%	
Marketing Projects S.r.l. in liquidation	Milan	Euro	40	100.00%	
Ager S.r.l.	Monza	Euro	31	76.00%	
Drop Nail S.r.l.	Milan	Euro	50	100.00%	
Intercos America Inc.	Wilmington, New Castle, Delaware (USA)	US dollar	10	100.00%	
Intercos do Brasil Indústria e Comércio de Productos Cosméticos ltda	Atibaia (Brazil)	Brazilian real	30,377	99.7%	0.3%
Intercos Paris S.ar.l	Paris (France)	Euro	14	100.00%	
Intercos UK Ltd	Barnstaple (UK)	British pound	0.1	65.00%	
Intercos Marketing Ltd	South Molton (UK)	British pound	0.001		100%
CRB S.A.	Puidoux (Switzerland)	Swiss franc	100	100.00%	
Vitalab S.r.l.	Milan	Euro	160		75.01%
CRB Benelux BV	Maastricht (Netherlands)	Euro	18		100.00%
Intercos Technology Co.Ltd.	Suzhou (P.R.C.)	US dollar	3,400		100.00%
Interfila Cosmetics (Shanghai) Co. Ltd	Shanghai (P.R.C)	US dollar	2,700		100.00%
Intercos Cosmetics Suzhou Co. Ltd.	Suzhou (P.R.C.)	US dollar	12,800		100.00%
Intercos Daily Product (SIP) Co. Ltd **	Suzhou (P.R.C.)	RMB	5,000		100.00%
Intercos Asia Pacific Limited	Hong Kong	US dollar	29,104*	100.00%	
Intercos Concept S.r.l	Milan	Euro	10	100.00%	
Cosmint Group S.p.A. ***	Como	Euro	50	100.00%	
Cosmint S.p.A. ***	Olgiate Comasco	Euro	1,586		100.00%
Sodisco S.r.l. ***	Olgiate Comasco	Euro	10		100.00%
Tatra Spring Polska Spólka Zoo ***	Garwolin (Poland)	PLN	50		100.00%

* The investment in Intercos Asia Pacific is recorded for USD 29,101 thousand and HKD 26 thousand; the latter, converted at the exchange rate at the transaction date, is equal to €3 thousand.

** The SIP Market Inspection Administration Bureau approved the request to cancel the company Intercos Daily Product (SIP) Co. Ltd., effective May 19, 2017.

*** Company that is an integral part of the Intercos Group as from August 3, 2017 following Intercos S.p.A.'s acquisition of 100% of the capital of Cosmint Group S.p.A., which, in turn holds 100% of the capital of Cosmint S.p.A., Sodisco S.r.l. and Tatra Spring Polska Spółka Zoo. Cosmint S.p.A. also has a minority interest (1.85%) in Lariana Depur S.p.A. with registered offices on Via Raimondi 1 in Como (Italy),

In January 2017, Intercos S.p.A. increased its investment in the subsidiary Asia Pacific Limited by USD 2,100 thousand. This transaction had no effect on Intercos S.p.A.'s relationship with is a 100% direct investment.

On October 20, 2017, Intercos Asia Pacific Limited approved a capital increase for Intercos Technology (SIP) Co. Ltd. of USD 5,000,000. Following the capital payment, the share capital of Intercos Technology (SIP) Co. Ltd. will increase from USD 3,400,000 to USD 8,400,000.

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Company	Headquarters	Type of business conducted	Date of financial statements	Accounting principles applied	Share capital €/000	Total assets €/000	Total liabilities €/000	Currency	% Holding	% Voting rights	Ownership > 50% of voting rights but not control	Ownership < 50% of voting rights but control	Ownership > 20% of voting rights but not significant influence	Ownership < 20% of voting rights but significant influence	Amount €/000
Direct control															
Hana Co. Ltd	Hwasung, South Korea	Packaging	9/30/2017	IFRS	874	18.669	10.819	KRW	20,00%	20,00%	N/A	N/A	✓	N/A	1.570
Shinsegae Intercos Korea	South Korea	Cosmetic Products	9/30/2017	IFRS	11.408	29.039	21.922	KRW	50,00%	50,00%	N/A	N/A	✓	N/A	3.559

In February 2017, Intercos Asia Pacific increased its investment in the share capital of the subsidiary Shinsegae Intercos Korea by KRW 2,500,000 thousand. The shareholder Shinsegae also increased its investment in the company's share capital so that its percentage investment would remain unchanged.

COMPANY ACCOUNTED FOR AT COST

Company	Headquarters	Currency	Capital in €/000	Percentage ownership
			Direct	Indirect
Lariana Depur S.p.A.	Como	EUR	24	1.85%

All amounts in the interim financial statements and tables are expressed in thousands of Euro, unless otherwise indicated.

The exchange rates used for the translation of amounts expressed in currencies other than the Euro are the following:

	Income Statement 9 months ended 9/30/2017	Income Statement 9 months ended 9/30/2016	Statement of Financial Position 9/30/2017	Statement of Financial Position 12/31/2016
	Average for period	*Average for period*	*At September 30, 2017*	*At December 31,2016*
U.S. dollar	1.1132	1.1158	1.1806	1.0541
Pound sterling	0.8725	0.8022	0.8818	0.8562
Swiss franc	1.0946	1.0936	1.1457	1.0739
Chinese renminbi (yuan)	7.5721	7.3432	7.8534	7.3202
South Korean won	1,267.0597	1,296.2855	1,351.8300	1,269.3600
Brazilian real	3.5311	3.9642	3.7635	3.4305

SEGMENT REPORTING

At September 30, 2017, the Group's business is aggregated into two Business Units identified on the basis of the following product lines:

- ***"Make-up" Business Unit:*** specialized in the creation, development, manufacture and marketing of powders, emulsions, lipsticks, nail polishes and types of cosmetics using delivery systems in the form of pens/pencils for the face, eyes and lips.
- ***"Skin Care" Business Unit:*** specialized in the manufacture and marketing of cosmetic and skin care creams.

The Group's main manufacturing facilities are at the plant sites in Italy, United States, Switzerland, China, Brazil and South Korea.

The financial information reported below is periodically reviewed by the Board of Directors and also used for planning and budgeting.

On August 3, 2017, Intercos S.p.A. completed the acquisition of 100% of the capital of Cosmint Group S.p.A., a company operating for over 20 years in the B2B cosmetic sector and leader in the manufacture of skin, hair and body products with factories in Italy and Poland. Cosmint's business is organized into various business units and its flows will be integrated into Intercos' business units and, where necessary, the Group's organization will be updated for the addition of any new business units.

Additional details are provided in the paragraph on Business Combinations on page 5.

Detailed information on each identified segment, and separately for Cosmint Group, for the first nine months ended September 30, 2017 and September 30, 2016, is presented in the following tables.

9 months ended 9/30/2017 - *(in € thousands)*	**Make-up**	**Skin Care**	**Cosmint Group**	**Eliminations**	**Total**
Revenues	336,560	56,331	25,726		418,616
Adjusted EBITDA (*)	49,253	7,896	2,810		59,959
Depreciation, amortization and impairment reversals (losses)	(14,501)	(2,137)	(1,011)		(17,648)
Nonrecurring income (expenses)					(1,498)
Financial income (expenses)					(8,771)
Result from investments accounted for using the equity method					35
Income taxes					(11,478)
Profit for the period					20,600
Net invested capital at 9/30/2017	319,314	50,399	97,739**	-68,779	398,673

(*) For additional details on adjusted EBITDA, reference should be made to the comments on page 4.

** The figure includes goodwill of €42,643 thousand which will be allocated in the manner and within the time frame established by IFRS 3.

9 months ended 9/30/2016 - *(in € thousands)*	Make-up	Skin Care	Total
Revenues	276,143	39,184	315,327
Adjusted EBITDA (*)	33,645	5,264	38,909
Depreciation, amortization and impairment reversals (losses)	(13,647)	(1,901)	(15,548)
Nonrecurring income (expenses)			1,110
Financial income (expenses)			(7,868)
Result from investments accounting for using the equity method			29
Income taxes			(7,934)
Profit for the period			8,695
Net invested capital at 12/31/2016	228,896	41,432	270,328

(*) For additional details on adjusted EBITDA, reference should be made to the comments on page 4.

Make-up Business Unit: revenues reported total €336,560 thousand, up €60,417 thousand (+21.9%) over the figure for the same period of the prior year, and basically include all product families.
Adjusted EBITDA is €49,253 thousand, an increase of €15,608 thousand compared to the first nine months of 2016, or +46.4% (€33,645 thousand for the nine months to September 30, 2016). The adjusted EBITDA margin is +14.6% in the first nine months of 2017 (+12.2% in the first nine months of 2016)

Skin Care Business Unit: revenues recorded come to €56,331 thousand, an increase of €17,147 thousand (+43.8%) over the corresponding period of 2016.
Adjusted EBITDA is €7,896 thousand, up €2,633 thousand, or 50.0%, compared to €5,264 thousand for the nine months to September 30, 2016. The adjusted EBITDA margin is +14.0% in the first nine months of 2017 (+13.4% in the first nine months of 2016).

Detailed information on revenues by geographical region according to the location in which the recipient of the invoice has its headquarters is as follows:

(in € thousands)

Sales by Business Unit	**9 months ended 9/30/2017**	**9 months ended 9/30/2016**
Make-Up	336,560	276,143
Skin Care	56,331	39,184
Cosmint Group	25,726	-
Total	**418,616**	**315,327**

(in € thousands)

Sales by Geographic Region	**9 months ended 9/30/2017**	**9 months ended 9/30/2016**
Americas	151,333	106,816
EMEA	194,520	176,830
Asia	47,037	31,681
Cosmint Group	25,726	-
Total	**418,616**	**315,327**

The different trends in sales by geographic region in the first nine months of 2017 compared to the corresponding period of the prior year are as follows:

- Americas: posts a 42% increase in sales particularly in the Prestige market. Leading this growth are first of all "multinational" customers, followed by "emerging brands" with a certain degree of stability recorded by "retailer" customers.
- EMEA: reports sales of €194,520 thousand compared to €176,830 thousand in the corresponding period last year, growing €17,690 thousand (+10%). The gain is mainly attributable to "retailer" customers where the Group has positively focused the development of commercial relations.
- Asia: records total sales of €47,037 thousand, 48% more than the €31,681 thousand reported in the same period of the prior year. The increase can primarily be traced to the enormous efforts by the Group to increase the sales volumes of "emerging brands and local "retailers". In addition, although to lesser extent, sales with "multinational" customers display a positive growth.
- Cosmint Group: almost all sales are concentrated in the EMEA area.

1. *Movements in property, plant and equipment*

Movements in property, plant and equipment during the first nine months of 2017 are as follows:

(in € thousands)	*December 31, 2016*	*Increases / Depreciation*	*Translation differences / Reclassifications.*	*Change in scope of consolidation*	*Decreases / Utilization*	*September 30, 2017*
Historical cost						
Land and buildings	**132,464**	1,005	(3,575)	27,250	(0)	**157,144**
Plant and machinery	**128,618**	4,919	(1,307)	50,962	(214)	**182,979**
Industrial equipment	**36,519**	1,451	(115)	3,585	(94)	**41,346**
Office furniture and equipment	**14,622**	547	(662)	2,305	(211)	**16,602**
Motor vehicles and internal transportation equipment	**2,188**	-	(26)	295	(530)	**1,926**
Cell phones	**21**	30	207	1,884	-	**2,142**
Assets under construction and payments on account	**4,860**	4,194	(4,593)	2,573	29	**7,064**
Total	**319,292**	**12,146**	**(10,071)**	**88,854**	**(1,020)**	**409,202**
Accumulated depreciation						
Land and buildings	**74,764**	4,376	(2,147)	5,337	(0)	82,330
Plant and machinery	**102,777**	5,678	(3,395)	33,187	(30)	138,216
Industrial equipment	**32,974**	1,314	(83)	3,059	(41)	37,222
Office furniture and equipment	**9,978**	652	(459)	1,870	(182)	11,858
Motor vehicles and internal transportation equipment	**1,974**	84	(25)	285	(505)	1,813
Cell phones	**20**	38	-	716	-	774
Total	**222,486**	**12,142**	**(6,109)**	**44,453**	**(759)**	**272,213**
Net carrying amount	**96,804**	**4**	**(3,962)**	**44,401**	**(261)**	**136,989**

2. *Movements in intangible assets*

Movements in intangible Assets during the first nine months of 2017 are as follows:

(in € thousands)	*December 31, 2016*	*Increases*	*Decreases/ Adjustments / Translation differences*	*Reclassifications*	*Amortization*	*Change in scope of consolidation*	*September 30, 2017*
Development costs	**15,425**	893	(141)	0	(3,917)	0	**12,259**
Patent and software rights	**4,110**	256	(20)	74	(1,222)	59	**3,257**
Concessions and licenses	**2,163**	165	(102)	10	(305)	1	**1,931**
Assets under development	**2,701**	4,035	(0)	(272)	0	168	**6,632**
Other intangible assets	**111**	263	(1)	79	(60)	636	**1,028**
TOTAL	**24,509**	**5,613**	**(265)**	**(109)**	**(5,504)**	**864**	**25,108**

3. Borrowings from banks and other lenders

Borrowings from banks and other lenders and relative due dates are provided in the following table:

(in € thousands)

September 30, 2017	Short-term	Medium-term	Long-term	Total
Intercos S.p.A. bonds	1,987	9,937	107,296	119,220
Medium/long-term bank borrowings (pool)	7,342	76,156	-	83,498
Medium/long-term bank borrowings (CRB)	340	1,419	3,749	5,508
Medium/long-term bank borrowings (Cosmint)	8,151	14,019	-	22,169
Mortgages	46	2,944	-	2,990
Finance leases payable	2,214	3,585	-	5,799
Other financial payables	34,799	-	-	34,799
Derivatives	385	-	-	385
Medium/long-term debt	**55,264**	**108,060**	**111,045**	**274,369**
Revolving credit facility Intercos China	21,804	-	-	21,804
Bank overdrafts	2,292	-	-	2,292
Short-term debt	**24,096**	**-**	**-**	**24,096**
Total	**79,360**	**108,060**	**111,045**	**298,466**

Details of the remaining loans outstanding at September 30, 2017 are as follows:

Company	*Bank*	*Amount*	*Internal rate of return*	*Description*
Intercos S.p.A.	Bank Pool	25,926	1.504%-1.766%	Tranche in EUR
Intercos S.p.A.	Bank Pool	29,202	2.040%	Tranche B in EUR
Intercos S.p.A.	Bank Pool	12,403	3.314%	Tranche in USD
Intercos S.p.A.	Institutional investors	119,220	3.719%	Bonds
Intercos Europe S.p.A.	Bank Pool	15,967	1.831%	Tranche in EUR
		202,718		
CRB S.A.	SH Bank	87	0.00%	Loan guarantee
CRB S.A.	BCV Bank	1,222	1.85%	Mortgage (in CHF)
CRB S.A.	BCV Bank	4,199	2.18%	Batiplus (in CHF)
		5,508		
Cosmint S.p.A.	Sundry	1,871	0.6% - 1.4%	Bank loans
Cosmint Group S.p.A.	Sundry	13,083	0.08% - 1.329%	Bank loans
Sodisco S.r.l.	Sundry	7,215	0.08% - 1.4%	Bank loans
		22,169		
Drop Nail	BPM Bank	**46**	1.505%	Mortgage (in EUR)
Sodisco S.r.l.	Unicredit S.p.A.	**2,944**	1.5%	Mortgage (in EUR)

Financial data:

The consolidated net financial position, excluding Cosmint, is €220,063 thousand compared to €132,835 thousand at December 31, 2016. The increase of €87,228 thousand is due primarily to the acquisition of Cosmint Group in addition to changes in cash flows generated by operations and investments. The total net financial position of the Group is €247,968 thousand and includes Cosmint for an amount of €27,905 thousand.

The net financial position at September 30, 2017 is analyzed as follows:

(in € thousands)	**9/30/2017**	12/31/2016
Cash and cash equivalents	(50,497)	(64,525)
Borrowings from banks and other lenders	71,246	34,298
Total current financial position	**20,749**	**(30,227)**
Borrowings from banks and other lenders	227,220	163,063
Non-current financial position	**227,220**	**163,063**
Debt (cash)	**247,968**	**132,835**

4. Financial position data summary

The equity and financial structure of the Group at September 30, 2017 compared to December 31, 2016 is represented as follows:

(in € thousands)	9/30/2017	12/31/2016
Inventories	116,920	83,296
Trade receivables and other receivables	145,676	100,639
Income taxes receivable	2,420	1,497
Current non-financial liabilities (*)	(154,167)	(123,550)
Net working capital	**110,849**	**61,882**
Property, plant and equipment	136,989	96,806
Other intangible assets (**)	143,357	101,274
Other non-current non-financial assets (*)	27,737	28,707
Investments in other companies	24	-
Non-current assets	**308,107**	**226,788**
Employee severance indemnities	**(10,202)**	**(8,621)**
Provisions	**(1,660)**	**(1,079)**
Other non-current non-financial liabilities (*)	**(8,421)**	**(8,641)**
Net invested capital	**398,673**	**270,328**
Financed by:		
Current financial position (*)	20,749	(30,227)
Non-current net financial position (*)	227,220	163,063
Total net financial position	**247,968**	**132,835**
Equity	**150,704**	**137,493**
Total	**398,673**	**270,328**

(*) Details of the composition of these items are provided in the "Reconciliation Schedule" on page 24.

(**) *Includes goodwill.*

Inventories total €116,920 thousand at September 30, 2017 and show an increase of €33,624 thousand compared to December 31, 2016. The increase is due to the inclusion of Cosmint inventories for €20,374 thousand and higher inventories in the areas of Europe and Asia. The increase is the result of higher volumes manufactured during the period and the seasonal nature of the Group's business which causes a part of its production to be concentrated in the first half of the year to meet sales requirements that are higher in later quarters.

Trade receivables amount to €139,563 thousand at September 30, 2017. The increase of €46,728 thousand includes Cosmint trade receivables of €26,929 thousand and those of the Asian subsidiaries and Intercos Europe.

Equity increased by €13,211 thousand and reflects the negative change in exchange differences on translating foreign operations of €7,037 thousand and the cash flow hedge of €278 thousand, net profit of €20,600 thousand, actuarial losses of €29 thousand and the negative consolidation reserve of €153 thousand, which includes the effect of the payment of dividends to non-controlling interests, and the parent's share capital increase of €108 thousand.

The net financial position of €247,968 thousand rose by €115,133 thousand compared to December 31, 2016. It includes the net financial position of Cosmint of €27,905 thousand and higher financial payables deriving mainly from the transaction for the acquisition of Cosmint Group.

5. Reconciliation schedules

The reconciliation between the Financial position data summary on page 22, and the items included in the interim consolidated financial statements at September 30, 2017 are as follows:

(in € thousands)	**9/30/2017**	**12/31/2016**
Trade payables and other payables	(145,709)	(114,906)
Taxes payable	(8,458)	(8,644)
Current non-financial liabilities (reclassified format)	**(154,167)**	**(123,550)**

(in € thousands)	**9/30/2017**	**12/31/2016**
Deferred tax assets	15,727	16,768
Non-current security deposits	756	809
Investments	5,129	4,697
Receivables for indirect taxes	5,525	5,525
Other non-current assets	600	907
Other non-current non-financial assets (reclassified format)	**27,737**	**28,707**

(in € thousands)	**9/30/2017**	**12/31/2016**
Deferred tax liabilities	(7,597)	(8,459)
Other non-current liabilities	(824)	(182)
Other non-current non-financial liabilities (reclassified format)	**(8,421)**	**(8,641)**

(in € thousands)	**9/30/2017**	**12/31/2016**
Cash and cash equivalents	(50,497)	(64,525)
Financial payables (current portion)	71,246	34,298
Current net financial position (reclassified format)	**20,749**	**(30,227)**

(in € thousands)	**9/30/2017**	**12/31/2016**
Financial payables (non-current portion)	227,220	163,063
Non-current net financial liabilities (reclassified format)	**227,220**	**163,063**

6. Sales analysis

The contribution to sales by Group companies (revenues from sales and services) is summarized below:

(in € thousands)

Company	9 months ended 9/30/2017	9 months ended 9/30/2016
Intercos Europe S.p.A.	189,009	177,912
Intercos America Inc.	86,885	65,626
Intercos Cosmetics Suzhou Co. Ltd	29,791	17,218
Intercos Technology Co. Ltd	41,251	25,532
Interfila Cosmetics (Shanghai) Co. Ltd	24,614	13,405
CRB S.A.	31,768	27,696
Cosmint S.p.A.	23,629	-
Tatra Spring Polska Sp. Zoo	2,001	-
Other	13,861	12,042
Aggregate Total	**442,810**	**339,431**
Eliminations	(24,194)	(24,105)
Consolidated Total	**418,616**	**315,327**

During the first nine months of 2017, excluding Cosmint, the Group continued to grow and reported revenues from sales of €392,890 thousand compared to €315,327 thousand in the first nine months of 2016, with an increase of €77,563 thousand, or 24.6%. If Cosmint is included, the total increase in revenues is €103,289 thousand (+32.8%), bringing total sales to €418,616 thousand.

Comments on the revenues of the main companies of the Group are as follows:

Intercos Europe S.p.A.: in terms of volumes, Intercos Europe is the most important company in the Group with revenues of €189,009 thousand for the first nine months of 2017, up 6% compared to the same period of 2016.

Intercos America Inc.: revenues up to September 30, 2017 total €86,885 thousand, with an increase of 32% over the period to September 30, 2016.

Intercos Cosmetics Suzhou Co. Ltd.: revenues reported in the first nine months of 2017 are €29,791 thousand compared to €17,218 thousand in the first nine months of 2016 (+73%).

Intercos Technology Ltd: this company operates the production facility of the Intercos Group for sales in Chinese territory. Revenues show an increase in the first nine months of 2017 of €15,718 thousand (+62% compared to the first nine months of 2016).

Interfila Cosmetics (Shanghai) Co. Ltd: revenues rose in the first three quarters of 2017 by 84% (€24,614 thousand compared to €13,405 thousand in the first three quarters of 2016).

CRB S.A.: reported sales increased by €4,072 thousand from €27,696 thousand in the first nine months of 2016 to €31,768 thousand in the first nine months of 2017 (+15%).

7. Income and expenses summary data

(in € thousands)	**9 months ended 9/30/2017**	9 months ended 9/30/2016
Cost of sales	**(318,533)**	**(243,105)**
Net operating costs and nonrecurring expenses, of which:	**(59,270)**	**(47,751)**
Research & Development and innovation	(23,871)	(19,530)
Sales	(17,353)	(14,544)
General & administrative	(18,791)	(17,310)
Other operating income (expenses)	3,435	3,098
Result from investments accounted for using the equity method (operating)	(1,193)	(574)
Nonrecurring income (expenses)	(1,498)	1,110

Cost of sales, excluding Cosmint, is €295,679 thousand, with an increase of €52,574 thousand largely on account of higher direct manufacturing costs associated with higher volumes manufactured during the period. The attention placed by management on fixed costs made it possible to considerably contain their increase, notwithstanding the continual investments made by the Group.

Industrial gross margin

(in € thousands)	**9 months ended 9/30/2017**	**9 months ended 9/30/2016**
Industrial gross margin	100,083	72,221

The industrial gross margin, excluding Cosmint, is €97,668 thousand. This is an increase of €25,447 thousand (+35.2%) and a gross margin percentage of 24.9% compared to 22.9% in the first nine months of 2016.
The total industrial gross margin of the Group, including Cosmint, is €100,083 thousand and an increase of €27,862 thousand (+38.5%).

Gross operating profit (adjusted EBITDA)

(in € thousands)	**9 months ended 9/30/2017**	**9 months ended 9/30/2016**
Gross operating profit (adjusted EBITDA)	59,959	38,910

Thanks to higher sales and the industrial gross margin, adjusted EBITDA, excluding Cosmint, increased by 46.9% and is a positive €57,149 thousand, for a 14.5% adjusted EBITDA margin, compared to 12.3% in the first nine months of 2016 (€38,910 thousand). The total, including Cosmint, rises to €59,959 thousand, for a 14.3% margin, recording an increase of €21,050 thousand (+54.1%).

Operating profit (EBIT)

(in € thousands)	**9 months ended 9/30/2017**	**9 months ended 9/30/2016**
Operating profit (EBIT)	40,813	24,471

Excluding Cosmint, EBIT is a positive €39,013 thousand (9.9% EBIT margin) against €24,471 thousand to September 30, 2016 (7.8% EBIT margin), a 59.4% increase. Including Cosmint, total EBIT is €40,813 thousand (9.7% EBIT margin), growing €16,342 thousand (+66.8%) and also reflecting the above mentioned increase in Adjusted EBITDA.

Profit before taxes (EBT):

(in € thousands)	**9 months ended 9/30/2017**	**9 months ended 9/30/2016**
Profit before taxes (EBT)	32,077	16,632

Profit before taxes (EBT) is €32,077 thousand, up €15,445 thousand compared to the first nine months of 2016 and includes Cosmint's EBT of €1,773 thousand.

Profit for the period

(in € thousands)	**9 months ended 9/30/2017**	**9 months ended 9/30/2016**
Profit for the period	20,600	8,697

Profit for the period is €20,600 thousand, an increase over the corresponding period of 2016 of €11,903 thousand, including Cosmint's profit of €1,063 thousand. The positive effect is reflected in the EPS.

Related party transactions:

In general, related party transactions are carried out on an arm's length basis.

There were no atypical and/or unusual transactions during the period.

Details of the most important transactions that were entered into during the period with related parties, including joint ventures, are as follows:

(in € thousands)	Cost for industrial purchases, services and leases and rent	Employee benefit expenses	Other revenues and costs	Financial expenses	Financial income	Trade receivables	Trade payables	Financial payables
Dafe International S.r.l.	*(113)*	-	-	-	-	-	*50*	-
Sci Maragia	*(34)*	-	-	-	-	-	*96*	-
Je m'en fous	-	-	*(5)*	-	-	-	*22*	-
Arterra Bioscience S.r.l	*(472)*	-	-	*(8)*	-	-	*231*	*340*
My Style	-	-	*(16)*	-	-	-	-	-
Interior	*(1)*	-	*(5)*	-	-	-	-	-
Catterton	*(12)*	-	-	-	-	-	*2*	-
Vault	*(722)*	-	-	-	-	-	*64*	-
Maragia USA Inc	*(19)*	-	-	-	-	-	*19*	-
Cornelli Gabelli e asoci	*(171)*	*(10)*	-	-	-	-	*81*	-
Family and relatives of Dario Ferrari	-	*(124)*	-	-	-	-	-	-
Total	***(1.544)***	***(134)***	***(25)***	***(8)***	**-**	**-**	***566***	***340***

(in € thousands)	Costs for industrial purchases, services and leases and rent	Employee benefit expenses	Other revenues and costs	Financial expenses	Financial income	Trade receivables	Trade payables	Financial payables
Intercos Korea LTD	*(974)*	*40*	-	-	-	*1.536*	*586*	-
Hana Co Ltd	*(3)*	-	-	-	-	-	-	-
Total	***(977)***	***40***	**-**	**-**	**-**	***1.536***	***586***	**-**

OUTLOOK

A substantially positive performance is expected for the full year 2017, in effect confirming the Group's expectations, as set out in its business plan.

SIGNIFICANT NONRECURRING EVENTS AND TRANSACTIONS

There were no significant nonrecurring events or transactions during the first nine months of 2017.

IMPORTANT EVENTS DURING THE FIRST NINE MONTHS OF 2017 AND SUBSEQUENT EVENTS

- **In January and February 2017**, in order to obtain the best available banking terms on the market, the parent negotiated, with a syndicate of banks composed of Banca IMI S.p.A., Intesa Sanpaolo S.p.A., Unicredit S.p.A., BNL S.p.A. and ICBC (Europe) SA – Milan Branch, certain amendments to the loan contract signed on March 24, 2015 by Intercos Europe S.p.A., Banca IMI S.p.A. and Unicredit S.p.A., the total amount of which, after such amendments, will nevertheless remain at €80,000,000. In effect, the repayment date of the Term Facility was extended to December 31, 2021 and a new and better annual interest rate was obtained for both the Term Facility and the Revolving Facility which are indexed to the performance of the EURIBOR or the LIBOR for the USD tranche.
- **Also in January and February 2017**, the parent negotiated amendments to certain terms and conditions of the €120,000,000 non-convertible bonds, moving the due date to March 28, 2023 and obtaining a better fixed rate at 3.25% instead of the previous 3.875%.
- **On July 28, 2017**:
  (i) the Intercos S.p.A. shares held by DAFE 3000 S.r.l. were converted into Class A shares, like those held by DAFE 4000 S.p.A. and DAFE 5000 S.r.l.;
  (ii) the Intercos S.p.A. share capital increase was approved, against payment, without exclusion of the option right (but the exercise of it was waived by all other shareholders), issued and subscribed at par value and, therefore, without a share premium, for 922,423 Intercos S.p.A. Class C shares at a price per share of €0.1172824182. This share capital increase was thus equal to a total of €108,184, bringing the total amount of Intercos S.p.A. to €10,818 thousand compared to the previous €10,710 thousand).
- **On August 3, 2017**, Intercos S.p.A. finalized the transaction for the acquisition of the entire share capital of Cosmint Group S.p.A., which, in turn, owns the entire share capital of Cosmint S.p.A.,

Sodisco S.r.l. and Tatra Spring Polska Sp. Zoo. (a Polish-registered company). The agreement was signed with Futura Società Semplice", sole shareholder of Cosmint Group S.p.A., and with Messrs. Decio Masu, Alessandro Masu and. Massimiliano Masu (who control Futura).

Intercos S.p.A. also asked and received, in July, approval from the financing banks to conclude the above described transaction. In addition, the German Antitrust Authority, on July 13, 2017, gave its approval to the acquisition, affirming that it does not carry the requisites that would impose a veto on proceeding with the transaction pursuant to art. 36, paragraph 1 of the German Antitrust Law.

As part of the acquisition, Intercos S.p.A. offered Cosmint Group the possibility of securing short-, medium- and long-term financing at the same terms applied to the Intercos Group, refinancing by October 31 Cosmint Group S.p.A.'s entire existing debt, and that of its subsidiaries Cosmint S.p.A. and Sodisco S.r.l., except for the debt on finance lease contracts. The transaction was in fact concluded on September 29 with a new credit line granted to Cosmint Group for €24,000,000 by a syndicate of financing banks, with a final due date of December 31, 2021.

- **In September 2017**, the two audits by the financial police begun on June 16, 2015 reached positive conclusions: (a) the first, relating to the presumed establishment of an offshore company to avoid taxes by Intercos America Inc., for which the auditors noted neither any exception nor formal or substantive violation, therefore no expenses were levied or charges brought against the subsidiary; (b) the second, regarding the statement of findings issued on September 28, 2017 and indicating a higher taxable income by Intercos S.p.A, will be submitted by the financial police to the Revenues Agency.
- **On October 16, 2017,** the shareholders of Intercos S.p.A., Dafe 4000 S.p.A., Dafe 5000 S.r.l. and CP7 Beauty Luxco S.à r.l. finalized the August 4, 2017 sale of a minority stake in Intercos S.p.A., equal to 20.588%, to Innovation Trust, the beneficiary of which are fully owned by Ontario Teachers' Pension Plan Board. The shareholders of Intercos S.p.A. are now represented by: Dafe 3000 S.r.l. (0.221%), Dafe 4000 S.p.A. (31.930%), Dafe 5000 S.r.l. (12.271%), CP7 Beauty Luxco S.à r.l. (33.746%), Innovation Trust (20.588%) and managers of the company (1.243%).

Dario Ferrari retains the majority of voting rights in the company (by virtue of multiple voting rights equal to 1.3 votes per share) and the right to appoint the majority of Intercos' directors.

The investment of the Ontario Teachers' Pension Plan, the largest professional pension fund in Canada, reinforces Intercos' shareholder base and its ability to maintain a dynamic development plan.

INTERCOS GROUP
Global Cosmetic Manufacturer

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AT SEPTEMBER 30, 2017

Interim Consolidated Statement of Financial Position at September 30, 2017 – unaudited

(in € thousands)	*Note*	**September 30, 2017**	**December 31, 2016**
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	*136,989*	*96,806*
Intangible assets	*2*	*25,107*	*24,509*
Goodwill		*118,251*	*76,765*
Investments	*5*	*5,153*	*4,697*
Deferred tax assets	5	*15,727*	*16,768*
Other non-current receivables	*5*	*6,881*	*7,241*
Non-current assets		***308,107***	***226,788***
CURRENT ASSETS			
Inventories	*4*	*116,920*	*83,296*
Trade receivables	*4*	*139,563*	*92,834*
Other current assets		*8,256*	*9,301*
Derivatives		*277*	-
Cash and cash equivalents	*5*	*50,497*	*64,525*
Current assets		***315,513***	***249,957***
TOTAL ASSETS		***623,620***	***476,745***
EQUITY			
Share capital		*10,818*	*10,710*
Other reserves		*66,005*	*66,005*
Retained earnings		*71,514*	*58,424*
Equity attributable to owners of the parent		*148,338*	*135,139*
Equity attributable to non-controlling interests		*2,366*	*2,354*
TOTAL EQUITY	*4*	***150,704***	***137,493***
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings from banks and other lenders	*3*	*227,220*	*163,063*
Provisions	*4*	*1,660*	*1,079*
Deferred tax liabilities	*5*	*7,597*	*8,459*
Other non-current liabilities	*5*	*824*	*182*
Employee benefit obligations	*4*	*10,202*	*8,621*
Non-current liabilities		***247,503***	***181,403***
CURRENT LIABILITIES			
Borrowings from banks and other lenders	*3*	*33,848*	*33,667*
Other financial payables	*3*	*37,398*	*631*
Trade payables	*5*	*116,307*	*89,846*
Other current liabilities	*5*	*37,860*	*33,704*
Current liabilities		***225,412***	***157,848***
TOTAL EQUITY AND LIABILITIES		***623,620***	***476,745***

Interim Consolidated Income Statement for the nine months ended September 30, 2017 - unaudited

(in € thousands)	*Note*	**9 months ended September 30, 2017**	**9 months ended September 30, 2016**
Revenues	*6*	***418,616***	***315,327***
Cost of sales	*7*	*(318,533)*	*(243,104)*
Industrial gross margin		***100,083***	***72,223***
Research & Development and innovation costs		*(23,871)*	*(19,531)*
Selling expenses		*(17,353)*	*(14,543)*
General and administrative expenses		*(18,789)*	*(17,312)*
Other operating income (expenses)		*3,435*	*3,098*
Result from investments accounted for using the equity method(operating)		*(1,193)*	*(574)*
Nonrecurring income (expenses)		*(1,498)*	*1,110*
Operating profit (EBIT)	*7*	***40,813***	***24,471***
Financial income		*3,401*	*3,547*
Financial expenses		*(12,171)*	*(11,415)*
Result from investments accounted for using the equity method		*35*	*29*
Profit before taxes (EBT)	*7*	***32,077***	***16,632***
Income taxes		*(11,478)*	*(7,934)*
Profit for the period	*7*	***20,600***	***8,697***
Attributable to:			
- owners of the parent		***20,479***	***8,380***
- non-controlling interests		***121***	***317***
Earnings per share:			
Basic and diluted		**0.23**	**0.10**

Interim Consolidated Statement of Comprehensive Income – unaudited

(in € thousands)		**9 months ended September 30, 2017**	**9 months ended September 30, 2016**
Net profit	*7*	***20,600***	***8,697***
Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax effect			
- Actuarial gains (losses) on remeasurement of defined benefit plans		*(16)*	*(1,277)*
- Tax effect		*(13)*	*425*
Actuarial losses, net of tax effect		***(29)***	***(852)***
Other comprehensive income that will be reclassified subsequently to the income statement, net of tax effect			
- Exchange differences on translating foreign operations		*(7,037)*	*(1,983)*
Exchange differences on translating foreign operations		***(7,037)***	***(1,983)***
- Cash flow hedge		*(366)*	*-*
- Tax effect		*88*	*-*
Cash flow hedge, net of tax effect		***(278)***	*-*
Comprehensive income for the period		***13,256***	***5,862***
Attributable to:			
- owners of the parent		*13,171*	*5,716*
- non-controlling interests		*85*	*146*

(in € thousands)			RETAINED EARNINGS		ATTRIBUTABLE TO NON CONTROLLING INTERESTS		
Description	Share capital	Other reserves (Share premium reserve)	Reserves and retained earnings	Profit for the period	Share capital	Profit (Loss) for the period	Total
Balances at December 31, 2016	**10,710**	**66,005**	**38,366**	**20,058**	**2,193**	**161**	**137,493**
Appropriation of 2016 profit			20,058	(20,058)	161	(161)	-
Capital increase	108						108
Exchange differences on translating foreign operations				(7,003)		(34)	(7,037)
Remeasurement of defined benefit plans (OCI)				(27)		(2)	(29)
Cash flow hedge reserve IRS (OCI)				(278)		-	(278)
Consolidation reserve			(81)		(72)		(153)
Profit for the nine months ended September 30, 2017				20,479		121	20,600
Balances at September 30, 2017	**10,818**	**66,005**	**58,343**	**13,171**	**2,282**	**85**	**150,704**

(in € thousands)			RETAINED EARNINGS		ATTRIBUTABLE TO NON CONTROLLING INTERESTS		
Description	Share capital	Other reserves (Share premium reserve)	Reserves and retained earnings	Profit for the period	Share capital	Profit (Loss) for the period	Total
Balances at December 31, 2015	**10,710**	**66,005**	**18,064**	**20,792**	**2,599**	**220**	**118,390**
Appropriation of 2015 profit			20,792	(20,792)	220	(220)	-
Exchange differences on translating foreign operations				(1,827)		(156)	(1,983)
Remeasurement of defined benefit plans (OCI)				(838)		(14)	(852)
Consolidation reserve			(491)		(623)		(1,114)
Profit for the nine months ended September 30, 2016				8,380		317	8,697
Balances at September 30, 2016	**10,710**	**66,005**	**38,365**	**5,716**	**2,197**	**146**	**123,139**

Interim Consolidated Statement of Cash Flows for the nine months ended September 30, 2017 - unaudited

(in € thousands)	**9 months ended September 30, 2017**	**9 months ended September 30, 2016**
Profit from continuing operations	*20,600*	*8,697*
Profit for the period	***20,600***	***8,697***
Depreciation, amortization and impairment reversals (losses)	*17,646*	*15,336*
Other operating income (expenses)	*-*	*(423)*
Nonrecurring income (expenses)	*1,498*	*(1,110)*
Change in provisions	*(1,613)*	*(216)*
Financial income (expenses)	*8,771*	*7,868*
Decrease / (Increase) in inventories	*(18,069)*	*(16,608)*
Decrease / (Increase) in trade receivables, net	*(22,070)*	*(6,860)*
Increase / (Decrease) in trade payables	*(5,632)*	*2,047*
Decrease / (Increase) in other assets	*9,705*	*5,628*
Increase / (Decrease) in other payables	*(1,917)*	*6,298*
Cash flows provided by operating activities (a)	***8,919***	***20,657***
Acquisition of property, plant and equipment, net	*(12,146)*	*(14,764)*
Acquisition of intangible assets, net	*(5,613)*	*(5,561)*
Disposal of property, plant and equipment	*261*	*859*
Acquisitions of investments	*(456)*	*(3,612)*
Acquisitions of investments in subsidiaries	*(68,763)*	**-**
Cash flows (used in) investing activities (b)	***(86,717)***	***(23,078)***
Increase / (Decrease) in borrowings from banks and other lenders	*69,656*	*(1,978)*
Interest paid during the year	*(5,310)*	*(6,230)*
Cash flows provided by (used in) financing activities (c)	***64,347***	***(8,208)***
Change in equity (d)	*(45)*	*(1,114)*
Net increase (decrease) in cash and cash equivalents (a)+(b)+ (c) + (d)	***(13,497)***	***(11,743)***
Cash and cash equivalents, at beginning of the period	*64,525*	*50,683*
Of which change in exchange differences	*1,491*	*751*
Of which cash acquired	*959*	*-*
Cash and cash equivalents, at end of the period	*50,496*	*38,190*
Net increase (decrease) in cash and cash equivalents during the period	***(13,497)***	***(11,743)***