



**F.I.L.A. GROUP
INTERIM REPORT
AT SEPTEMBER 30, 2017**

F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A.

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**DIRECTORS' REPORT
AT SEPTEMBER 30, 2017**

General Information

Corporate Bodies

Board of Directors

Chairman	Gianni Mion
Chief Executive Officer	Massimo Candela
Executive Director	Luca Pelosin
Director & Honorary Chairman	Alberto Candela
Director (**)	Fabio Zucchetti
Director (**)	Annalisa Barbera
Director (*)	Sergio Ravagli
Director (*) (***)	Gerolamo Caccia Dominioni
Director (*)	Francesca Prandstraller

(*) Independent director in accordance with Article 148 of the CFA and Article 3 of the Self-Governance Code.

(**) Non-Executive Director.

(***) Lead Independent Director.

Control and Risks Committee

Gerolamo Caccia Dominioni
Fabio Zucchetti
Sergio Ravagli

Board of Statutory Auditors

Chairman	Claudia Mezzabotta
Standing Auditor	Stefano Amoroso
Standing Auditor	Pietro Villa
Alternate Auditor	Sonia Ferrero

Overview of the F.I.L.A. Group

The F.I.L.A. Group operates in the creativity tools market, producing colouring, design, modelling, writing and painting objects, such as pencils, crayons, modelling clay, chalk, oil colours, acrylics, watercolours, paints and paper for the fine arts, school and leisure.

The F.I.L.A. Group at September 30, 2017 operates through 21 production facilities and 40 subsidiaries across the globe and employs approx. 7,000, becoming a pinnacle for creative solutions in many countries with brands such as GIOTTO, DAS, LYRA, Canson, Maimeri, Daler & Rowney Lukas and Ticonderoga.

Founded in Florence in 1920, F.I.L.A. has achieved strong growth over the last twenty years, supported by a series of strategic acquisitions: the Italian Company Adica Pongo in 1994, the US Group Dixon Ticonderoga in 2005, the German Group LYRA in 2008, the Mexican Company Lapiceria Mexicana in 2010 and the Maimeri business unit in 2014. In addition to these operations, on the conclusion of an initiative which began with the acquisition of a minority stake in 2011, control was acquired in 2015 of the Indian company DOMS Industries Pvt Ltd.

In 2016, the F.I.L.A. Group has focused upon development on strategic art & craft sector acquisitions, seeking to become the leading market player. On February 3, 2016, F.I.L.A. S.p.A. acquired control of the Daler-Rowney Lukas Group, an illustrious brand producing and distributing since 1783 materials and accessories on the arts & crafts market, with a direct presence in the United Kingdom, the Dominican Republic, Germany and the USA.

In September 2016, the F.I.L.A. Group acquired St. Cuthberts, a highly-renowned English paper mill, founded in 1907, located in the south-west of England and involved in the production of high quality artist's papers.

In October 2016, F.I.L.A. S.p.A. acquired the Canson Group, founded in 1557 by the Montgolfier family, with headquarters in Annonay in France, production facilities in France and conversion and distribution centres in Italy, France, the USA, China, Australia and Brazil. Canson products are available in over 120 countries and the brand is the most respected globally involved in the production and distribution of high added value paper for the fine arts, design, leisure and schools, but also for artists' editions and technical and digital drawing materials.

I - Directors' Report

Key Financial Highlights

The F.I.L.A. Group key financial highlights for 9M 2017 are reported below.

<i>Euro thousands</i>	September 2017	% core business revenue	September 2016	% core business revenue	Change 2017 - 2016	
Core Business Revenue	391,548	100.0%	309,312	100.0%	82,236	26.6%
EBITDA ⁽¹⁾	62,018	15.8%	49,016	15.8%	13,002	26.5%
EBIT	47,855	12.2%	38,789	12.5%	9,066	23.4%
Net financial expenses	(11,346)	-2.9%	(3,704)	-1.2%	(7,642)	-206.3%
Total income taxes	(12,400)	-3.2%	(11,324)	-3.7%	(1,076)	-9.5%
F.I.L.A. Group Net Profit/(loss)	22,952	5.9%	22,740	7.4%	212	0.9%
<i>Earnings per share (€ cents)</i>						
	<i>basic</i>	0.56	0.55			
	<i>diluted</i>	0.55	0.54			

<i>NORMALISED - Euro thousands</i>	September 2017	% core business revenue	September 2016	% core business revenue	Change 2017 - 2016	
Core Business Revenue	391,548	100.0%	309,312	100.0%	82,236	26.6%
EBITDA ⁽¹⁾	67,959	17.4%	55,169	17.8%	12,790	23.2%
EBIT	53,796	13.7%	44,942	14.5%	8,854	19.7%
Net financial expenses	(12,336)	-3.2%	(3,910)	-1.3%	(8,426)	-215.5%
Total income taxes	(12,829)	-3.3%	(12,681)	-4.1%	(148)	-1.2%
F.I.L.A. Group Net Profit	27,474	7.0%	27,323	8.8%	151	0.6%
<i>Earnings per share (€ cents)</i>						
	<i>basic</i>	0.67	0.66			
	<i>diluted</i>	0.65	0.65			

<i>Euro thousands</i>	September 30, 2017	September 30, 2016	Change 2017 - 2016
Cash Flow from operating activities	(29,271)	(14,318)	(14,953)
Investments	15,289	7,253	8,036
<i>% core business revenue</i>	3.9%	2.3%	

<i>Euro thousands</i>	September 30, 2017	December 31, 2016	Change 2017 - 2016
Net capital employed	525,854	462,407	63,447
Net Financial debt ⁽²⁾	(276,466)	(223,437)	(53,029)
Equity	(249,388)	(238,970)	(10,418)

⁽¹⁾ The Gross Operating Profit (EBITDA) corresponds to the operating result before amortisation and depreciation and write-down;

⁽²⁾ Indicator of the net financial structure, calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets and loans provided to third parties classified as non-current asset. The net financial position as per CONSOB Communication DEM/6064293 of July 28, 2006 excludes non-current financial assets. The non-current financial assets of the F.I.L.A. Group at September 30, 2017 amount to Euro 3.475 thousand, of which Euro 5 thousand included in the calculation of the net financial position; therefore the F.I.L.A. Group financial indicator does not equate, for this amount, with the net financial position as defined in the above-mentioned Consob communication. For further details, see paragraph 'Financial Overview' of the Report below.

2017 Normalisations:

- ▶ The normalisation of the 9M 2017 EBITDA relates to non-recurring operating costs of approx. Euro 5.9 million, principally for Group reorganisation plans and the Stock Grant Plan for specific Group employees.
- ▶ The normalisation of the financial items relates to the financial income of the company Lyra KG (Germany) and deriving from the sale of the 30% stake held in FILA Nordic AB (Sweden) amounting to approx. Euro 1 million.
- ▶ The normalisation of the 9M 2017 Group Result concerns the above-stated normalisations, net of the tax effect.

2016 Normalisations:

- ▶ The normalisation of the 9M 2016 EBITDA relates to non-recurring operating costs of approx. Euro 6.2 million, principally for consultancy in support of M&A operations carried out by the Group;
- ▶ The normalisation of Net financial expense regards the elimination of net financial income of Euro 0.2 million relating to the combined effect of income on hedging derivatives on the Sterling loan obtained for the acquisition of the Daler-Rowney Lukas Group and the exchange rate adjustment charge on the loan;
- ▶ The normalisation of the 9M 2016 Group Result concerns the above-stated normalisations, net of the tax effect.

F.I.L.A Group Key Financial Highlights

The F.I.L.A. Group Key Financial Highlights for IIIQ 2017 are reported below.

Normalised operating results

The 9M 2017 F.I.L.A. Group results report an increased EBITDA of 23.2% on 9M 2016 (2%, excluding the M&A effect in the period).

	September 2017	% core business revenue	September 2016	% core business revenue	Change 2017 - 2016	
<i>NORMALIZED - Euro thousands</i>						
Core Business Revenue	391,548	100%	309,312	100%	82,236	26.6%
Other Revenue and Income	16,547		7,012		9,535	136.0%
Total Revenue	408,095		316,324		91,771	29.0%
Total operating costs	(340,136)	-86.9%	(261,155)	-84.4%	(78,981)	-30.2%
EBITDA	67,959	17.4%	55,169	17.8%	12,790	23.2%
Amortisation, depreciation and write-down	(14,163)	-3.6%	(10,227)	-3.3%	(3,936)	-38.5%
EBIT	53,796	13.7%	44,942	14.5%	8,854	19.7%
Net financial expenses	(12,336)	-3.2%	(3,910)	-1.3%	(8,426)	-215.5%
Pre-tax profit	41,460	10.6%	41,032	13.3%	428	1.0%
Total income taxes	(12,829)	-3.3%	(12,681)	-4.1%	(148)	-1.2%
NET PROFIT FOR THE YEAR - CONTINUING OPERATIONS	28,631	7.3%	28,351	9.2%	280	1.0%
Net Profit	28,631	7.3%	28,351	9.2%	280	1.0%
Non-controlling interest profit	1,157	0.3%	1,028	0.3%	129	12.6%
F.I.L.A. Group Net Profit	27,474	7.0%	27,323	8.8%	151	0.6%

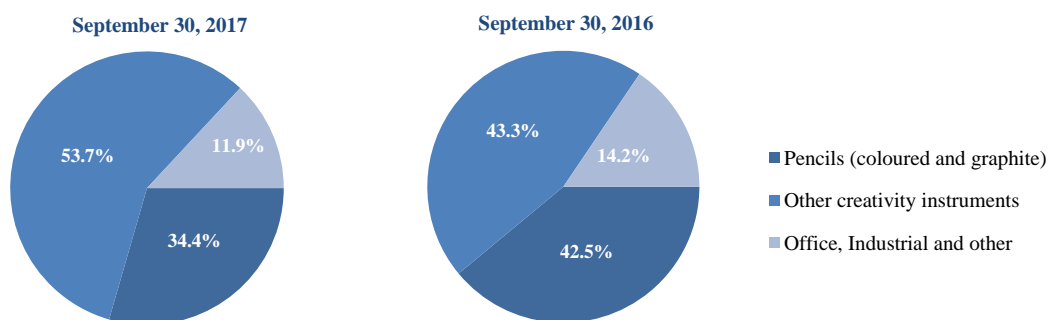
The main changes compared to September 2016 are outlined below.

“Core Business Revenue” of Euro 391,548 thousand increased on the previous year Euro 82,236 thousand (+26.6%).

Organic growth was Euro 9,204 thousand (+3% on 9M 2016), calculated net of negative currency effects of approx. Euro 1,144 thousand (mainly due to the weakening of UK Sterling and the Mexican Peso, only in part offset by the strengthening of the Indian Rupee) and the M&A effect of approx. Euro 74,177 thousand (of which principally: Euro 66,776 thousand concerning the Canson Group, consolidated from October 2016, Euro 4,615 thousand relating to a month of Daler-Rowney Lukas operations, consolidated from February 2016 and Euro 3,046 thousand concerning St. Cuthberts Mill, consolidated from September 2016). This growth principally relates to Asia for Euro 5,918 thousand, up 16.4% (principally relating to the Indian subsidiary), Central-South America for Euro 4,927 thousand, up 12.6% (in particular Mexico and to a lesser extent Chile and Argentina) and was partially offset by a revenue reduction in Europe of Euro 606 thousand (-0.5%, particularly in Italy due to contracting demand across all distribution channels and the consequent delayed launch of the schools campaign) and in North America for Euro 1,216 thousand (-1.2%); the localised logistical

integration problems in North America with the Daler Group and, to a lesser extent, Canson, have now been resolved, as evident from the significant recovery in revenues on the preceding quarter.

In order to better illustrate F.I.L.A. Group developments, reference should be made to the table below highlighting revenue compared with the previous period by “Strategic Segments”:



Other Revenue and Income of Euro 16,547 thousand increased on the previous year Euro 9,535 thousand, mainly on the basis of exchange gains on commercial operations. These were fully offset by “Other costs”, included in operating costs, to which currency losses on commercial operations are classified.

“Operating Costs” were Euro 340,136 thousand, increasing Euro 78,981 thousand on 2016, almost exclusively as a result of the M&A effect and residually the increase in acquisition, commercial, marketing, transport and overhead costs in support of the higher revenues and currency losses on commercial operations.

“EBITDA” amounted to Euro 67,959 thousand, increasing Euro 12,790 thousand on 2016 (+23.2%, of which +2% organic).

Amortisation, depreciation & write-downs increased Euro 3,936 thousand, due to the amortisation of “Trademarks” and “Other Intangible assets”, valued according to the “Purchase Price Allocation” under the corporate operations executed in 2016 and the increase in depreciation concerning the new companies acquired.

Adjusted Net Financial Expense decreased on 9M 2016 by Euro 8,426 thousand, principally due to higher interest charges incurred by F.I.L.A. S.p.A. on the loan contracted in 2016 for the acquisitions,

in addition to negative currency differences on inter-company loans granted in Euro to companies in the United States, Brazil, Russia and South Africa.

Normalised Group “Income taxes” of Euro 12,829 thousand increased Euro 148 thousand compared to 9M 2016; the tax rate was substantially in line with the previous year thanks to the use of the matured “ACE” tax base.

Excluding the non-controlling interest result, the F.I.L.A. Group normalised net profit in 9M 2017 was Euro 27,474 thousand, compared to Euro 27,323 thousand in the previous year.

Business seasonality

The Group's operations are affected by business seasonality, as reflected in the consolidated results.

The breakdown of the income statement by quarter highlights the concentration of sales in the second and third quarters for the "schools' campaign". Specifically, in September significant sales are made through the "school suppliers" traditional channel and in August through the "retailers" channel.

The key quarterly highlights for 2017 and 2016 are reported below.

	2016				2017		
	First 3 mth. 2016	First 6 mth. 2016	First 9 mth. 2016	FY 2016	First 3 mth. 2017	First 6 mth. 2017	First 9 mth. 2017
<i>Euro thousands</i>							
Core Business Revenue	82,896	201,514	309,312	422,609	117,613	260,543	391,548
<i>Full year portion</i>	<i>19.62%</i>	<i>47.68%</i>	<i>73.19%</i>	<i>100.00%</i>			
EBITDA	10,143	31,222	49,016	56,824	16,072	38,988	62,018
<i>% core business revenue</i>	<i>12.24%</i>	<i>15.49%</i>	<i>15.85%</i>	<i>13.45%</i>	<i>13.67%</i>	<i>14.96%</i>	<i>15.84%</i>
<i>Full year portion</i>	<i>17.85%</i>	<i>54.94%</i>	<i>86.26%</i>	<i>100.00%</i>			
Normalised EBITDA	11,870	36,572	55,169	67,222	17,106	43,846	67,959
<i>% core business revenue</i>	<i>14.32%</i>	<i>18.15%</i>	<i>17.84%</i>	<i>15.91%</i>	<i>14.54%</i>	<i>16.83%</i>	<i>17.36%</i>
<i>Full year portion</i>	<i>17.66%</i>	<i>54.41%</i>	<i>82.07%</i>	<i>100.00%</i>			
Net Financial Debt	(166,344)	(188,895)	(175,798)	(223,437)	(255,852)	(285,584)	(276,466)

Statement of Financial Position

The statement of financial position of the F.I.L.A. Group at September 30, 2017 is reported below.

<i>Euro thousands</i>	September 2017	December 2016	Change 2017 - 2016
Intangible Assets	209,173	218,440	(9,267)
Property, plant & equipment	83,915	81,321	2,594
Financial Assets	4,215	3,656	559
Net Fixed Assets	297,303	303,416	(6,113)
OTHER ASSETS/NON-CURRENT LIABILITIES	16,118	20,737	(4,619)
Inventories	185,058	177,406	7,652
Trade and Other Receivables	173,025	113,582	59,443
Trade and Other Payables	(89,345)	(90,445)	1,100
Other Current Assets and Liabilities	(1,581)	154	(1,735)
Net Working Capital	267,157	200,697	66,460
Provisions	(54,724)	(62,444)	7,720
Net Capital Employed	525,854	462,407	63,447
Equity	(249,388)	(238,970)	(10,418)
Net Financial Debt	(276,466)	(223,437)	(53,029)
Net Funding Sources	(525,854)	(462,407)	(63,447)

The “Net Capital Employed” of the F.I.L.A. Group at September 30, 2017 of Euro 525,854 thousand is principally comprised of “Net Fixed Assets” of Euro 297,303 thousand (decreasing on December 31, 2016 Euro 6,113 thousand) and the “Net Working Capital” totalling Euro 267,157 (increasing on December 31, 2016 Euro 66,460 thousand).

The decrease in “Intangible Assets” on December 31, 2016 of Euro 9,267 thousand substantially relates to negative translation differences of Euro 5,078 thousand and the amortisation of intangible assets (Euro 5,091 thousand), particularly with regards to “Trademarks” and “Development Technology” by the Group companies Daler-Rowney Lukas, St. Cuthberts Mill (United Kingdom), the Canson Group and DOMS Industries Pvt Ltd (India), valued during their respective acquisitions. Investments in the period of Euro 1,108 thousand particularly concern the installation of the new Group ERP.

The increase in “Property, plant and equipment” on December 31, 2016 of Euro 2.594 thousand mainly relates to investments in “Plant and machinery” and “Buildings” (in use or under construction) by Group companies in support of production volume growth and business development, in particular in the “Art & Craft” sector. Overall net investments of Euro 14,234 thousand principally concerned DOMS Industries Pvt Ltd (India), F.I.L.A. S.p.A., Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico), Canson SAS (France) and Daler Rowney Ltd (United Kingdom), with the latter engaged in

constructing new warehouses. The overall movement also stems from negative currency differences for Euro 2,434 thousand and depreciation of Euro 8,213 thousand.

“Financial assets” increased Euro 559 thousand compared to December 31, 2016, principally due to the Fair Value adjustment of the Carrying amount of hedging derivatives of F.I.L.A. S.p.A. for a total of Euro 434 thousand.

The increase in “Net Working Capital” on December 31, 2016 of Euro 66,460 thousand relates to the following:

- “Inventories” - increasing Euro 7,652 thousand, mainly due to increased stock levels to support sales planning, particularly at Dixon Ticonderoga Company (U.S.A.), Daler Rowney Ltd (United Kingdom), the Indian company DOMS Industries Pvt Ltd (India) and the Chinese subsidiaries.
- “Trade and Other receivables” - increasing Euro 59,443 thousand, principally due to the increased revenues generated by the Group and the seasonality of F.I.L.A. Group business, with receivables at their highest alongside the sales peak during the “*Schools campaign*”. The movements particularly concern F.I.L.A. S.p.A. and Dixon Ticonderoga Company (U.S.A.);
- “Trade and Other Payables” - reducing Euro 1,100 thousand, principally due to positive currency effects which offset the increase in Group company payables.
- “Other Current Assets and Liabilities” - decreasing Euro 1,735 thousand due to the increase in current tax payables.

The increase in “Provisions” on December 31, 2016 of Euro 7,720 thousand principally concerns the:

- Reduction in deferred tax liabilities (Euro 6,208 thousand), partly due to their release (Euro 4,559 thousand), principally calculated on amortisation and depreciation according to the “Purchase Price Allocation” method during the acquisitions by the Group in recent years, in part due to negative currency effects of Euro 1,615 thousand;
- Reduction of Euro 2,252 thousand in “Employee benefits”, principally due to actuarial gains (Euro 2,285 thousand), particularly by Daler Rowney Ltd (United Kingdom);
- Increase in the Risks and Charges Provisions of Euro 739 thousand, mainly due to the current restructurings.

The “Equity” of the F.I.L.A. Group amounting to Euro 249,388 thousand at September 30, 2017 increased Euro 10,418 thousand on December 31, 2016. Net of the period profit of Euro 24,109 thousand (of which Euro 1,157 thousand concerning non-controlling interests), the residual movement principally concerns negative currency effects of Euro 14,160 thousand, the payment of dividends for Euro 3,877 thousand (of which Euro 3,771 thousand concerning F.I.L.A. S.p.A. and Euro 166

thousand minorities), the positive “Fair Value” adjustment of derivative instruments held by F.I.L.A. S.p.A. and Canson SAS (France) designated as hedges (Euro 388 thousand), the establishment of the “Share Based Premium” reserve for Euro 2,178 thousand and the increase in the IAS 19 reserve of Euro 1,806 thousand.

The F.I.L.A. Group “Net Financial Position” at September 30, 2017 was a net debt of Euro 276,466 thousand, increasing Euro 53,029 thousand on December 31, 2016. For greater details, reference should be made to the “Financial Overview” paragraph.

Financial overview

The overview of the 9M 2017 Group operating and financial performance is completed by the Group Net Financial Position and Statement of Cash Flow reported below.

The **Net Financial Position** at September 30, 2017 reports a debt of Euro 276,466 thousand.

<i>Euro thousands</i>	September 2017	December 2016	Change 2017 - 2016
A Cash	94	73	21
B Other cash equivalents	36,615	59,446	(22,831)
C Securities held-for-trading	-	-	-
D Liquidity (A + B + C)	36,708	59,519	(22,811)
E Current financial receivables	479	275	204
F Current bank loans and borrowings	(115,577)	(52,879)	(62,698)
G Current portion of non-current debt	(18,545)	(24,158)	5,613
H Other current loans and borrowings	(350)	(16,497)	16,147
I Current financial debt (F + G + H)	(134,472)	(93,534)	(40,938)
J Net current financial debt (I + E+ D)	(97,285)	(33,740)	(63,545)
K Non-current bank loans and borrowings	(178,580)	(189,902)	11,322
L Bonds issued	-	-	-
M Other non-current loans and borrowings	(606)	(150)	(456)
N Non-current financial debt (K + L + M)	(179,186)	(190,052)	10,866
O Net financial debt (J+N)	(276,471)	(223,792)	(52,679)
P Loans issued to third parties	5	355	(350)
Q Net financial debt (O + P) - F.I.L.A. Group	(276,466)	(223,437)	(53,029)

Note:

1) The net financial debt calculated at point "O" complies with Consob Communication DEM/6064293 of July 28, 2006, which excludes non-current financial assets. The net financial debt of the F.I.L.A. Group differs from the above communication by Euro 5 thousand in relation to the non-current loans granted to third parties by Omyacolor S.A. (Euro 5 thousand)

3) At September 30, 2017 there were no transactions with related parties which impacted the net financial debt.

Compared to December 31, 2016 (debt of Euro 223,437 thousand), the net debt increased Euro 53,029 thousand, as outlined below in the Statement of Cash Flow.

<i>Euro thousands</i>	September 2017	September 2016
EBIT	47,855	38,789
Adjustments for non-cash items	18,583	11,751
Integrations for income taxes	(10,887)	(8,045)
Cash Flow from Operating Activities Before Changes in NWC	55,551	42,495
Change in NWC	(81,411)	(56,824)
Change in Inventories	(15,919)	(15,623)
Change in Trade and Other Receivables	(64,752)	(46,414)
Change in Trade and Other Payables	1,770	7,225
Change in Other Current Assets/Liabilities	(2,510)	(2,012)
Net cash Flow from Operating Activities	(25,860)	(14,329)
Investments in tangible and intangible assets	(15,289)	(7,253)
Interest Income	72	104
Equity Investments	806	(23,664)
Cash Flow used in Investing Activities	(14,411)	(30,813)
Change in Equity	(3,833)	(4,311)
Interest Expenses	(6,700)	(3,900)
Cash Flow used in Financing Activities	(10,533)	(8,211)
Other changes	(684)	(39)
Total Net Cash Flow	(51,488)	(53,392)
Effect from exchange rate changes	(2,277)	3,090
NFP from M&A operations (Change in Consolidation Scope)	736	(86,752)
Change in Net Financial Debt	(53,029)	(137,054)

The net cash flow absorbed in 2017 from “Operating Activities” of Euro 25,860 thousand (absorption of operating cash at September 30, 2016 of Euro 14,329 thousand) concerns:

- ▶ generation of Euro 55,551 thousand (Euro 42,495 thousand at September 30, 2016) from “EBIT”, based on the difference of the “Value” and the “Costs of Cash Generation” and the remaining ordinary income components, excluding financial management;
- ▶ absorption of Euro 81,411 thousand (Euro 56,824 thousand at September 30, 2016) concerning “Working Capital Management” related to the seasonality of business and principally the increase in “Trade and Other Receivables”, largely due to the increase in sales and the recovery of North American revenues.

“Investing Activities” absorbed net liquidity of Euro 14,411 thousand (Euro 30,813 thousand in 9M 2016), of which:

- ▶ liquidity of Euro 15,289 thousand (Euro 7,253 thousand in 9M 2016) absorbed from net investment in plant and machinery, principally by DOMS Industries Pvt Ltd (India), F.I.L.A. S.p.A., Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico), Canson SAS (France) and Daler Rowney Ltd (United Kingdom) for the refurbishment and extension of production facilities;

- ▶ for Euro 806 thousand (Euro -23,664 thousand in the first nine months of 2016) investments and divestments in holdings, principally relating to the generation of cash from the disposal of the minority stake (30%) held in FILA Nordic AB (Sweden) by the German subsidiary Lyra KG.

“Financing Activities” absorbed net liquidity of Euro 10,533 thousand (Euro 8,211 thousand in 9M 2016), of which:

- ▶ Euro 6,700 thousand (Euro 3,900 thousand in 9M 2016) from interest paid on loans and credit lines granted to Group companies, principally concerning the loan granted to F.I.L.A. S.p.A. in support of the acquisitions in 2016.
- ▶ Euro 3,833 thousand (Euro 4,311 thousand in 9M 2016) from the distribution of dividends to F.I.L.A. S.p.A. shareholders and Group non-controlling interests, net of those paid to non-controlling interests of the company FILA Art Products AG (Switzerland), currently in the incorporation phase.

Excluding the currency effect from the translation of the net financial positions in currencies other than the Euro (absorbing cash of Euro 2,277 thousand) and from the change in the consolidation scope, the increase in the net debt was therefore Euro 53,029 thousand (Euro 137,054 thousand at September 30, 2016).

“Net Liquidity” movements are reported below.

<i>Euro thousands</i>	September 2017	December 2016
Opening Cash and Cash Equivalents	53,973	17,542
Cash and cash equivalents	59,519	30,683
Bank overdrafts	(5,546)	(13,141)
Closing Cash and Cash Equivalents	1,816	53,973
Cash and cash equivalents	36,708	59,519
Bank overdrafts	(34,892)	(5,546)

Disclosure by operating segment

In terms of segment reporting, the F.I.L.A. Group has adopted IFRS 8, obligatory from January 1, 2009.

IFRS 8 requires an entity to base segment reporting on internal reporting, which is constantly reviewed by the highest level of management in order to allocate resources to the various segments and to analyse performance.

Geographic region is the primary basis of analysis and of decision-making by F.I.L.A. Group Management, therefore fully in line with the internal reporting prepared for these purposes.

The products of the F.I.L.A. Group are similar in terms of quality and production, target market, margins, sales network and clients, even with reference to the different brands which the Group markets. No diversification is therefore deemed to be present within the Segment, in consideration of the substantial uniformity of the risks and benefits relating to the products produced by the F.I.L.A. Group.

The segment disclosure accounting standards are in line with those utilised for the consolidated financial statements.

Segment disclosure was therefore based on the location of operations (“Entity Locations”), broken down as follows: “Europe”, “North America”, “Central and South America” and “Rest of the World”. The “Rest of the World” includes the subsidiaries in South Africa and Australia.

The “Business Segment Reporting” of the F.I.L.A. Group aggregates companies by region on the basis of the “*operating location*”.

For disclosure upon the association between the regions and F.I.L.A. group companies, reference should be made to the attachments to the report in the “List of companies included in the consolidation scope and other investments” paragraph.

The segment reporting required in accordance with IFRS 8 is presented below.

Business Segments – Statement of Financial Position

The key statement of financial position figures for the F.I.L.A. Group by region, at September 30, 2017 and December 31, 2016, are reported below:

September 2017	Europe	North America	Central & South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Intangible Assets	136,724	5,373	3,984	63,058	110	(76)	209,173
Property, plant & equipment	49,786	2,403	6,743	24,714	269		83,915
Total Intangible and Tangible Assets	186,510	7,776	10,727	87,772	379	(76)	293,088
<i>of which Intercompany</i>	(76)						-
Inventories	76,738	50,908	34,090	26,067	3,109	(5,854)	185,058
Trade and Other Receivables	113,193	55,185	54,028	12,246	1,281	(62,908)	173,025
Trade and Other Payables	(88,775)	(29,094)	(15,979)	(14,243)	(4,124)	62,870	(89,345)
Other Current Assets and Liabilities	(943)	(474)	(44)	(120)			(1,581)
Net Working Capital	100,213	76,525	72,096	23,950	266	(5,892)	267,157
<i>of which Intercompany</i>	(2,493)	(2,061)	(619)	(440)	(279)		
Net Financial Debt	(204,324)	(31,192)	(33,716)	(4,060)	(3,212)	38	(276,466)
<i>of which Intercompany</i>	38						
December 2016							
<i>Euro thousands</i>							
Intangible Assets	140,368	6,085	4,976	66,980	107	(76)	218,440
Property, plant & equipment	44,788	3,035	6,820	26,323	355		81,321
Total Intangible and Tangible Assets	185,156	9,120	11,796	93,303	463	(76)	299,761
<i>of which Intercompany</i>	(76)						-
Inventories	77,053	47,859	33,391	25,147	2,690	(8,734)	177,406
Trade and Other Receivables	91,382	32,166	62,315	8,431	1,979	(82,691)	113,582
Trade and Other Payables	(98,518)	(24,623)	(33,283)	(13,056)	(3,656)	82,691	(90,445)
Other Current Assets and Liabilities	(907)	1,524	(356)	(107)			154
Net Working Capital	69,010	56,926	62,067	20,415	1,013	(8,734)	200,697
<i>of which Intercompany</i>	(3,677)	(3,892)	(689)	(290)	(185)		
Net Financial Debt	(184,961)	(14,052)	(20,923)	(776)	(2,725)		(223,437)
<i>of which Intercompany</i>							

Business Segments – Income Statement

The “income statement” for the F.I.L.A. Group by region for 9M 2017 and 9M 2016 is reported below:

September 2017							
<i>Euro thousands</i>	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. .Group
Core Business Revenue	230,574	136,840	74,277	74,345	3,804	(128,292)	391,548
<i>of which Intercompany</i>	<i>(58,086)</i>	<i>(14,027)</i>	<i>(27,685)</i>	<i>(28,439)</i>	<i>(55)</i>		
EBITDA	26,537	21,661	5,441	7,431	(1,083)	2,031	62,018
Net financial charges	5,866	544	(3,156)	(268)	(289)	(14,043)	(11,346)
<i>of which Intercompany</i>	<i>11,672</i>	<i>2,596</i>	<i>(145)</i>	<i>-</i>	<i>(80)</i>		
Net Profit/(loss)	22,776	13,591	(234)	2,508	(1,487)	(13,045)	24,109
Non-controlling interest profit	268	-	-	947	(58)		1,157
F.I.L.A. Group Net Profit	22,508	13,591	(234)	1,561	(1,429)	(13,045)	22,952

September 2016							
<i>Euro thousands</i>	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. .Group
Core Business Revenue	180,211	103,579	69,752	66,198	581	(111,009)	309,312
<i>of which Intercompany</i>	<i>(48,756)</i>	<i>(1,340)</i>	<i>(30,735)</i>	<i>(30,179)</i>			
EBITDA	17,919	17,547	9,307	8,026	(64)	(3,719)	49,016
Net financial charges	7,017	2,689	(1,287)	(401)	79	(11,801)	(3,704)
<i>of which Intercompany</i>	<i>(8,829)</i>	<i>(3,052)</i>	<i>63</i>		<i>17</i>		
Net Profit/(loss)	16,276	13,397	5,594	3,161	1	(14,668)	23,761
Non-controlling interest profit/(loss)	264	-	-	757	-	-	1,021
F.I.L.A. Group Net Profit/(loss)	16,012	13,397	5,594	2,404	1	(14,668)	22,740

Business Segments – Other Information

The “other information”, concerning tangible and intangible fixed asset investments of Group companies by region for September 30, 2017 and September 30, 2016 is reported below:

September 2017	Europe	North America	Central - South America	Asia	Rest of the World	F.I.L.A. Group
<i>Euro thousands</i>						
Intangible Assets	1,069		19	10	7	1,105
Property, Plant and Equipment	9,209	174	1,439	3,342	20	14,184
Net Investments	10,278	174	1,458	3,353	27	15,289

** Allocation by "Entity Location"*

September 2016	Europe	North America	Central - South America	Asia	Rest of the World	F.I.L.A. Group
<i>Euro thousands</i>						
Intangible Assets	140			208		348
Property, Plant and Equipment	2,588	317	834	3,162	4	6,905
Net Investments	2,728	317	834	3,370	4	7,253

** Allocation by "Entity Location"*

Significant Events in the period

- ▶ On January 20, 2017, 52% of the share capital of FILA Art Products AG (Switzerland) was acquired, a company involved in the sale of F.I.L.A. Group writing, art and design products in Switzerland;
- ▶ On February 8, 2017, Lyra KG (Germany), a F.I.L.A. Group company held directly by F.I.L.A. S.p.A., sold 30% of its investment in Fila Nordic AB to non-controlling interests. The holding of Lyra KG (Germany) was 50% and therefore is considered a F.I.L.A. Group subsidiary as per the definition of control in IFRS 10.
- ▶ On April 20, 2017, the Indian company DOMS Industries Pvt Ltd subscribed a portion of the share capital increase of Pioneer Stationery Pvt Ltd (India) for a total of INR 5.1 million (approx. Euro 65 thousand). The transaction resulted in changes in the ownership of Pioneer Stationery Pvt Ltd (India), now held 51% by DOMS Industries Pvt Ltd (India).
- ▶ On July 21, 2017, the Indian subsidiary DOMS Industries Pvt Ltd acquired an additional 25% of Uniwrite Pens and Plastics Pvt Ltd, an Indian company specialised in writing tools and in particular ballpoint pens, previously held 35%. Consideration was approx. INR 9 million (approx. Euro 121 thousand), increasing the investment held by DOMS Industries Pvt Ltd in Uniwrite Pens and Plastics Pvt Ltd to 60%.
- ▶ On July 24, Canson SAS (France) signed with Mediocredito Italiano S.p.A. a long-term loan contract for a total of Euro 6,350 thousand (the loan) to fund the extension of its central warehouse located in Annonay, close to the city of Lyon. The loan is guaranteed by a mortgage on buildings owned by Canson and by a corporate surety issued by F.I.L.A. S.p.A. in guarantee of the payment obligations undertaken by Canson in accordance with the loan contract.

- ▶ On July 26, 2017, F.I.L.A. S.p.A. announced the new composition of its share capital following the full execution of the share capital increase approved on April 27, 2017 by the Extraordinary Shareholders' Meeting, in accordance with Article 2349 of the Civil Code, for a nominal value of Euro 90.314, through the issue of 100,181 new ordinary shares, without nominal value, to be released through the use of a corresponding part of the existing retained earnings, allocated free of charge to employees of F.I.L.A. S.p.A. and its subsidiaries, beneficiaries of the extraordinary bonus approved by the ordinary shareholders' meeting of the same date.

- ▶ On August 31, 2017, the company Licyn Mercantil Industrial Ltda (Brazil) was merged by incorporation into Canson Brasil I.P.E. Ltda (Brazil), effective from September 1, 2017.

Subsequent events

No events subsequent to September 30, 2017 are reported.

Outlook

For the remainder of 2017, amid a substantially stable market with the exception of certain regions where sustained growth (India) or recoveries (Russia, China and Brazil) are expected, the Group strategy will continue to focus on developing synergies and efficiencies with the new acquired companies.

Commercial and strategic focus will concern both “colour” and “Art & Craft” products, in order to broaden the customer base, thanks to the recent acquisitions of the company Industria Maimeri S.p.A., the Daler-Rowney Lukas Group and the Canson Group.

Management will closely focus on the integration of these latter entities acquired, both in production and commercial terms and eliminating products with insufficient margins. In addition, product quality improvements are being made by means of in-house production rather than outsourcing (from “buy” to “made”). The last quarter seems to confirm the recovery in sales compared to the first half.

Scheduled investments for the current year concern, in addition to new plant and production machinery and industrial equipment, the extension of the French warehouse and the installation of the SAP system for a single Group level ERP.

II - Consolidated Financial Statements of the F.I.L.A. Group at September 30, 2017

Consolidated Financial Statements

Condensed Consolidated Statement of Financial Position

<i>Euro thousands</i>	September 30, 2017	December 31, 2016
Assets	719,840	680,501
Non-Current Assets	313,521	324,614
Intangible Assets	209,173	218,440
Property, Plant and Equipment	83,915	81,321
Non-Current Financial Assets	3,475	3,709
Investments Measured at Equity	714	271
Investments Measured at Cost	31	31
Deferred Tax Assets	16,213	20,842
Current Assets	406,319	355,887
Current Tax Receivables	479	275
Deferred Tax Assets	11,049	5,105
Inventories	185,058	177,406
Trade and Other Receivables	173,025	113,582
Cash and Cash Equivalents	36,708	59,519
LIABILITIES AND EQUITY	719,840	680,501
Equity	249,388	238,970
Share Capital	37,261	37,171
Reserves	27,117	35,550
Retained Earnings	138,049	120,767
Net Profit for the year	22,952	20,993
Group Equity	225,379	214,481
Non-controlling interest equity	24,009	24,489
Non-Current Liabilities	231,204	250,152
Non-Current Financial Liabilities	179,140	190,052
Financial Instruments	46	-
Employee Benefits	9,091	11,343
Provisions for Risks and Charges	2,006	1,618
Deferred Tax Liabilities	40,826	47,034
Other Payables	95	105
Current Liabilities	239,248	191,379
Current Financial Liabilities	134,472	93,534
Provisions for Risks and Charges	2,801	2,449
Current Tax Payables	12,630	4,951
Trade and Other Payables	89,345	90,445

Condensed Statement of Comprehensive Income

<i>Euro thousands</i>	September 30, 2017	September 30, 2016
Revenue from Sales and Services	391,548	309,312
Other Revenue and Income	16,547	7,012
Total Revenue	408,095	316,324
Raw Materials, Ancillary, Consumables and Goods	(178,377)	(145,820)
Services and Rent, Leases and Similar Costs	(87,223)	(73,032)
Other Operating Costs	(17,290)	(7,588)
Change in Raw Materials, Semi-Finished, Work-in-progress & Finished Prod.	17,342	13,950
Personnel expense	(80,529)	(54,818)
Amortisation & Depreciation	(13,304)	(9,992)
Write-downs	(859)	(235)
Total Operating Costs	(360,240)	(277,535)
EBIT	47,855	38,789
Financial Income	2,700	2,405
Financial Expense	(14,046)	(6,109)
NET FINANCIAL CHARGES	(11,346)	(3,704)
Pre-Tax Profit/(loss)	36,509	35,085
Income Taxes	(13,335)	(11,604)
Deferred Tax Income and Expenses	935	280
Total Income Taxes	(12,400)	(11,324)
NET PROFIT/(LOSS) - CONTINUING OPERATIONS	24,109	23,761
NET PROFIT - DISCONTINUED OPERATIONS	-	-
Net Profit/(Loss) for the Year	24,109	23,761
<i>Attributable to:</i>		
Profit attributable to non-controlling interests	1,157	1,021
Profit/(loss) attributable to shareholders of the parent	22,952	22,740
Other Comprehensive Income Items which may be reclassified subsequently in the profit or loss account	(13,773)	(17,995)
Translation Difference recorded in Equity	(14,161)	(16,896)
Adjustment Fair value of Hedges	388	(1,099)
Other Comprehensive Income Items which may not be reclassified subsequently in the profit or loss account	1,806	(3,100)
Actuarial Gains/(Losses) for Employee Benefits recorded directly in Equity	2,286	(3,695)
Income Taxes on income and charges recorded directly to Equity	(480)	595
Other Comprehensive Income Items (net of tax effect)	(11,967)	(21,095)
Total Comprehensive Income	12,142	2,666
<i>Attributable to:</i>		
Profit attributable to non-controlling interests	(434)	299
Profit/(loss) attributable to shareholders of the parent	12,576	2,367
Earnings per share:		
<i>basic</i>	0.56	0.55
<i>diluted</i>	0.55	0.54

Statement of Changes in Equity

<i>Euro thousands</i>	Share capital	Legal Reserve	Share Premium Reserve	IAS 19 Reserve	Other Reserves	Translation Difference	Retained Earnings	Group Profit/(loss)	Group Equity	Non-Control. Int. Capital and Reserves	Non-Control. Int. Profit/Loss	Non-Control. Int. Equity	Total Equity
December 31, 2016	37,171	7,434	65,349	(3,303)	(23,026)	(10,904)	120,767	20,993	214,481	23,510	979	24,489	238,970
Net Profit							22,952	22,952	22,952		1,157	1,157	24,109
Other Changes in the year	90			1,718	2,330	(12,481)		(8,343)	(8,343)	(1,471)		(1,471)	(9,814)
Gains/(losses) recorded directly to equity	90	-	-	1,718	2,330	(12,481)	-	22,952	14,609	(1,471)	1,157	(314)	14,295
Allocation of the 2015 result							20,993	(20,993)	-	979	(979)	-	-
Allocation to reserves									-			-	-
Dividends							(3,711)		(3,711)	(166)		(166)	(3,877)
September 30, 2017	37,261	7,434	65,349	(1,585)	(20,696)	(23,385)	138,049	22,952	225,379	22,852	1,157	24,009	249,388

Condensed Consolidated Statement of Cash Flow

<i>Euro thousands</i>	September 30, 2017	September 30, 2016
EBIT	47,855	38,789
Adjustments for non-cash and other items:	20,347	12,432
Amortisation & Depreciation	13,304	9,992
Write-down and Recovery in Value	121	4
Doubtful Debt Provision	(627)	231
Accantonamenti per TFR e per Beneficiari Dipendenti	4,238	1,544
Accantonamento al Fondo per Rischi ed Oneri	1,597	-
Exch. effect on Assets and Liabilities in Foreign Curr. of Commercial Transactions	1,765	682
Gain/Losses of non-current assets Disposals	(51)	(21)
Integrations for:	(16,062)	(8,715)
Income Taxes Paid	(10,887)	(8,045)
Unrealised Exchange Rate Differences on Assets and Liabilities in Foreign Currencies	(2,158)	2,934
Realised Exchange Rate Differences on Assets and Liabilities in Foreign Currencies	(3,017)	(3,604)
Cash Flow from Operating Activities Before Changes in NWC	52,140	42,506
Changes in Net Working Capital:	(81,411)	(56,824)
Change in Inventories	(15,919)	(15,623)
Change in Trade and Other Receivables	(64,752)	(46,414)
Change in Trade and Other Payables	1,770	7,225
Change in Other Assets/Liabilities	(752)	(131)
Change in Post-Employment and Employee Benefits	(1,758)	(1,881)
Cash Flow from Operating Activities	(29,271)	(14,318)
Total Investment/Divestment in Intangible Assets	(1,105)	(348)
Total Investment/Divestment in Property, Plant and Equipment	(14,184)	(6,905)
Total Investment/Divestment of Investments measured at Equity, net of Income/Expenses & Adjustments	(184)	(280)
Total Investment/Divestment of Investments measured at Cost Method	990	0
Total Investment/Divestment in Other Financial Assets	399	(517)
Acquisition of investment in Daler & Rowney Lukas Group	-	(16,875)
Acquisition of investment in Pioneer Stationary Pvt Ltd	-	(13)
Acquisition of investment in St Cuthberts	-	(6,497)
Interest Received	72	104
Cash Flow used in Investing Activities	(14,012)	(31,331)
Total Change in Equity	(3,833)	(4,311)
Interest paid	(6,700)	(3,900)
Total Increase/Decrease Loans and Other Financial Liabilities	816	108,781
Cash Flow used in Financing Activities	(9,717)	100,570
Translation difference	(14,161)	(16,896)
Other non-cash equity changes	15,043	16,868
NET CASH FLOW IN THE YEAR	(52,118)	54,893
Cash and Cash Equivalents net of Bank Overdrafts at beginning of the year	53,973	17,542
Cash and Cash Equivalents net of Bank Overdrafts at beginning of the year (change in consolidation scope)	(39)	(87,192)
Cash and Cash Equivalents net of Bank Overdrafts at end of the year	1,816	(14,757)

Cash and cash equivalents at September 30, 2017 totalled Euro 36,708 thousand; current account overdrafts amounted to Euro 34,892 thousand net of relative interest.

Cash and cash equivalents at September 30, 2016 totalled Euro 17,938 thousand; current account overdrafts amounted to Euro 32,695 thousand net of relative interest.

The cash flows are presented using the indirect method. In order to provide a more complete and accurate presentation of the individual cash flows, the effects from non-cash operations were eliminated (including the conversion of statement of financial position items in currencies other than the Euro), where significant. These effects were aggregated and included in the account "Other non-cash changes".

<i>Euro thousands</i>	September 2017	December 2016
Opening Cash and Cash Equivalents	53,973	17,542
Cash and cash equivalents	59,519	30,683
Bank overdrafts	(5,546)	(13,141)
Closing Cash and Cash Equivalents	1,816	53,973
Cash and cash equivalents	36,708	59,519
Bank overdrafts	(34,892)	(5,546)

Attachments

List of companies included in the consolidation and other investments

Company	State of residence of the company	Segment IFRS 8 ¹	Year of acquisition of the company	% held directly (F.I.L.A. S.p.A.)	% held indirectly	% held by F.I.L.A. Group	Investing Company	Consolidation Method	Non-controlling interests
Omyacolor S.A.	Francia	EU	2000	94.94%	5.06%	100.00%	FILA S.p.A. Johann Froeische Lyra Bleistift-Fabrik GmbH & Co. KG Lyra Bleistift-Fabrik Verwaltungs GmbH	Integrale	0.00%
F.I.L.A. Hispania S.L.	Spagna	EU	1997	96.77%	0.00%	96.77%	FILA S.p.A.	Integrale	3.23%
FILALYRA GB Ltd.	Regno Unito	EU	2005	0.00%	100.00%	100.00%	Daler Rowney Ltd	Integrale	0.00%
Johann Froeische Lyra Bleistift-Fabrik GmbH & Co. KG	Germania	EU	2008	99.53%	0.47%	100.00%	FILA S.p.A. Lyra Bleistift-Fabrik Verwaltungs GmbH	Integrale	0.00%
Lyra Bleistift-Fabrik Verwaltungs GmbH	Germania	EU	2008	0.00%	100.00%	100.00%	Johann Froeische Lyra Bleistift-Fabrik GmbH & Co. KG	Integrale	0.00%
F.I.L.A. Nordic AB ²	Svezia	EU	2008	0.00%	50.00%	50.00%	Johann Froeische Lyra Bleistift-Fabrik GmbH & Co. KG	Integrale	50.00%
FILA Stationery and Office Equipment Industry Ltd. Co.	Turchia	EU	2011	100.00%	0.00%	100.00%	FILA S.p.A.	Integrale	0.00%
Fila Stationery O.O.O.	Russia	EU	2013	90.00%	0.00%	90.00%	FILA S.p.A.	Integrale	10.00%
Industria Maineri S.p.A.	Italia	EU	2014	51.00%	0.00%	51.00%	FILA S.p.A.	Integrale	49.00%
Fila Hellas SA ²	Grecia	EU	2013	50.00%	0.00%	50.00%	FILA S.p.A.	Integrale	50.00%
Fila Polska Sp. Z.o.o	Polonia	EU	2015	51.00%	0.00%	51.00%	FILA S.p.A.	Integrale	49.00%
Dixon Ticonderoga Company	U.S.A.	NA	2005	100.00%	0.00%	100.00%	FILA S.p.A.	Integrale	0.00%
Dixon Ticonderoga Inc.	Canada	NA	2005	0.00%	100.00%	100.00%	Dixon Ticonderoga Company	Integrale	0.00%
Grupo F.I.L.A.-Dixon, S.A. de C.V.	Messico	CSA	2005	0.00%	100.00%	100.00%	Dixon Ticonderoga Inc. Dixon Ticonderoga Company	Integrale	0.00%
F.I.L.A. Chile Ltda	Cile	CSA	2000	0.79%	99.21%	100.00%	Dixon Ticonderoga Company FILA S.p.A.	Integrale	0.00%
FILA Argentina S.A.	Argentina	CSA	2000	0.00%	100.00%	100.00%	F.I.L.A. Chile Ltda Dixon Ticonderoga Company	Integrale	0.00%
Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Cina	AS	2005	0.00%	100.00%	100.00%	Dixon Ticonderoga Company	Integrale	0.00%
Xinjiang F.I.L.A.-Dixon Plantation Company Ltd.	Cina	AS	2008	0.00%	100.00%	100.00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Integrale	0.00%
PT. Lyra Akretek	Indonesia	AS	2008	0.00%	52.00%	52.00%	Johann Froeische Lyra Bleistift-Fabrik GmbH & Co. KG	Integrale	48.00%
FILA Dixon Stationery (Kunshan) Co., Ltd.	Cina	AS	2013	0.00%	100.00%	100.00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Integrale	0.00%
FILA SA PTY LTD	Sudafrica	RM	2014	90.00%	0.00%	90.00%	FILA S.p.A.	Integrale	10.00%
FILA Dixon Art & Craft Yixing Co. Ltd	Cina	AS	2015	0.00%	100.00%	100.00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Integrale	0.00%
Servidix S.A. de C.V.	Messico	Asia	2005	0.00%	100.00%	100.00%	Grupo F.I.L.A.-Dixon, S.A. de C.V.	Costo	0.00%
Dixon Mexico S.A. de CV	Messico	Asia	2005	0.00%	100.00%	100.00%	Grupo F.I.L.A.-Dixon, S.A. de C.V.	Costo	0.00%
Renoir Midco Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Renoir Topco Ltd	Integrale	0.00%
Renoir Bidco Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Renoir Midco Ltd	Integrale	0.00%
Daler Rowney Group Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Renoir Bidco Ltd	Integrale	0.00%
FILA Benchuk SA	Belgio	EU	2016	0.00%	100.00%	100.00%	Renoir Bidco Ltd	Integrale	0.00%
Daler Rowney Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Renoir Bidco Ltd	Integrale	0.00%
Longbeach Arts Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Group Ltd	Integrale	0.00%
Daler Board Company Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Group Ltd	Integrale	0.00%
Daler Holdings Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Longbeach Arts Ltd	Integrale	0.00%
Daler Designs Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Daler Board Company Ltd	Integrale	0.00%
Daler Rowney GmbH	Germania	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Integrale	0.00%
Lukas-Nerchau GmbH	Germania	EU	2016	0.00%	100.00%	100.00%	Daler Rowney GmbH	Integrale	0.00%
Nerchauer Mallfarben GmbH	Germania	EU	2016	0.00%	100.00%	100.00%	Daler Rowney GmbH	Integrale	0.00%
Lastnall Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Integrale	0.00%
Rowney & Company Pencils Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Integrale	0.00%
Rowney (Artists Brushes) Ltd	Regno Unito	EU	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Integrale	0.00%
Daler Rowney USA Ltd	U.S.A.	NA	2016	0.00%	100.00%	100.00%	Daler Rowney Group Ltd	Integrale	0.00%
Brideshore srl	Rep. Dominicana	CSA	2016	0.00%	100.00%	100.00%	Daler Rowney Ltd	Integrale	0.00%
St. Cuthberts Holding Limited	Regno Unito	EU	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Integrale	0.00%
St. Cuthberts Mill Limited	Regno Unito	EU	2016	0.00%	100.00%	100.00%	St. Cuthberts Holding Limited	Integrale	0.00%
Fila Iberia S. L.	Spagna	EU	2016	0.00%	99.99%	99.99%	F.I.L.A. Hispania S.L.	Integrale	0.01%
Earholdam USA Inc.	U.S.A.	NA	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Integrale	0.00%
Canson Inc.	U.S.A.	NA	2016	0.00%	100.00%	100.00%	Earholdam USA Inc.	Integrale	0.00%
Canson SAS	Francia	EU	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Integrale	0.00%
Canson Brasil I.P.E. LTDA	Brasile	CSA	2016	0.19%	99.81%	100.00%	Canson SAS	Integrale	0.00%
Lodi 12 SAS	Francia	EU	2016	100.00%	0.00%	100.00%	FILA S.p.A.	Integrale	0.00%
Canson Australia PTY LTD	Australia	RM	2016	0.00%	100.00%	100.00%	Lodi 12 SAS	Integrale	0.00%
Canson Qingdao Ltd.	Cina	AS	2016	0.00%	100.00%	100.00%	Lodi 12 SAS	Integrale	0.00%
Canson Italy	Italia	EU	2016	0.00%	100.00%	100.00%	Lodi 12 SAS	Integrale	0.00%
FILA Art Products AG	Svizzera	EU	2017	52.00%	0.00%	52.00%	FILA S.p.A.	Integrale	48.00%
Pioneer Stationery Pvt Ltd.	India	AS	2015	0.00%	51.00%	51.00%	DOMS Industries Pvt Ltd	Patrimonio Netto	49.00%
Univrite Pens and Plastics Pvt Ltd	India	AS	2016	0.00%	60.00%	60.00%	DOMS Industries Pvt Ltd	Patrimonio Netto	40.00%

1 - EU - Europe; NA - North America; CSA - Central-South America; AS - Asia; RW - Rest of World

2 - Although not holding more than 50% of the share capital considered a subsidiary under IFRS 10

3 - During 2017, company Writefine Products Private Limited changed his name in DOMS Industries Pvt Ltd

Transactions relating to atypical and/or unusual operations

In accordance with Consob Communication of July 28, 2006, during 2017 the F.I.L.A. Group did not undertake any atypical and/or unusual operations as defined by this communication, whereby atypical and/or unusual operations refers to operations which for size/importance, nature of the counterparties, nature of the transaction, method in determining the transfer price or time period (close to the period-end) may give rise to doubts in relation to: the correctness/completeness of the information in the financial statements, conflicts of interest, the safeguarding of the company's assets and the protection of non-controlling interest shareholders.

The Board of Directors
THE CHAIRMAN
Mr. Gianni Mion

Declaration of the Executive Responsible and Corporate Bodies



Fabbrica Italiana Lapis ed Affini

F.I.L.A. S.p.A.

Via XXV Aprile, 5

20016 Pero (Milano)

November 13, 2017

Declaration of the Executive Officer – Interim Report (ref. Article 154-bis, paragraph 2)

The undersigned Stefano De Rosa, Executive Officer responsible for the preparation of the financial statements of F.I.L.A. S.p.A.,

declares

in accordance with paragraph 2 of Article 154bis of Legislative Decree No. 58 of February 24, 1998 that the accounting information contained in the present Interim Report at September 30, 2017 corresponds to the underlying accounting records.

The Executive Officer responsible
for the preparation of the financial statements
Stefano De Rosa

LYRA



PONGO

DAS

tratto

be-bè

GIOTTO

F.I.L.A. - Fabbrica Italiana Lapis ed Affini Società per Azioni.

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