

The following table summarises the economic relationships of Gruppo OVS with related parties:

(amounts in thousands of euros)	Related parties								Directors and managers with strategic responsibilities	Total	Total balance sheet item	Percentage of balance sheet item
	Gruppo Coin S.p.A.	Coin S.r.l.	COSI - Concept Of Style Italy S.p.A.	GCF S.p.A.	Excelsior Milano S.r.l.	Centomila-candele S.c.p.a.	Sempione Retail A.G.	Charles Vögele Mode AG				
Year ended 31 January 2017												
Revenues	992	86	(429)	-	-	-	-	3,531	-	4,180	1,362,624	0.3%
Other operating income and revenues	3,669	200	-	-	3	-	-	-	-	3,872	66,631	5.8%
Purchases of raw materials, consumables and goods	(2)	-	-	-	-	-	-	-	-	(2)	587,935	0.0%
Staff costs	-	-	-	-	-	-	-	-	(5,619)	(5,619)	(277,815)	2.0%
Service costs	(94)	(44)	-	-	-	(16,879)	-	-	-	(17,017)	(176,264)	9.7%
Costs for the use of third-party assets	27	377	-	-	-	-	-	-	-	404	(192,666)	(0.2)%
Other operating charges	(14)	-	-	-	-	-	-	-	-	(14)	(24,086)	0.1%
Financial income	-	-	-	-	-	-	100	-	-	100	200	50.0%

(amounts in thousands of euros)	Related parties								Directors and managers with strategic responsibilities	Total	Total balance sheet item	Percentage of balance sheet item
	Gruppo Coin S.p.A.	Coin S.r.l.	COSI - Concept Of Style Italy S.p.A.	GCF S.p.A.	Excelsior Milano S.r.l.	Centomila-candele S.c.p.a.	Sempione Retail A.G.	Charles Vögele Mode AG				
Year ended 31 January 2016												
Revenues	3,675	-	586	-	-	-	-	-	-	4,261	1,319,480	0.3%
Other operating income and revenues	252	-	-	-	-	-	-	-	-	252	60,733	0.4%
Purchases of raw materials, consumables and goods	111	-	-	-	-	-	-	-	-	111	(576,127)	0.0%
Staff costs	-	-	-	-	-	-	-	-	(5,751)	(5,751)	(261,930)	2.2%
Service costs	4,329	-	-	-	-	(18,390)	-	-	-	(14,061)	(171,560)	8.2%
Costs for the use of third-party assets	953	-	-	-	-	-	-	-	-	953	(185,248)	(0.5)%
Other operating charges	(15)	-	-	(6)	-	-	-	-	-	(21)	(23,359)	0.1%
Gains (losses) from equity investments	-	-	-	-	-	47	-	-	-	47	47	100.0%

The main economic relationships with related parties are as follows:

- procurement brokerage fees for services provided by subsidiary OVS Hong Kong Sourcing Limited to Gruppo Coin and Coin, included in the "Revenues" item;
- chargebacks to Gruppo Coin and Coin of costs for central IT, logistics and leasing services incurred by Gruppo OVS, included in the "Other income and operating revenues" item;
- the provision of services relating to the purchase of electricity by Centomilacandele ScpA, included in the "Service costs" items;

and

- interest accrued on financial receivables from Sempione Retail AG, included in the item "Financial income".

The cash flows shown in the following table represent the actual payments and receipts registered with related parties, rather than changes during the year in the balance sheet item to which they relate:

(amounts in thousands of euros)	Related parties								Total	Total cash flow from the cash flow statement	Percentage of balance sheet item
	Gruppo Coin S.p.A.	Coin S.r.l.	COSI - Concept Of Style Italy S.p.A.	Excelsior Verona s.r.l. in liquidazione	GCF S.p.A.	Centomila-candele S.c.p.a.	Sempione Retail A.G.	Directors and managers with strategic responsibilities			
Year ended 31 January 2017											
Cash flow generated (absorbed) by operating activities	(13,714)	(83)	193	33	23	(20,704)	(28)	(4,712)	(38,992)	75,264	(51.8)%
Cash flow generated (absorbed) by investing activities	(3,931)	-	-	-	-	-	(8,284)	-	(12,215)	73,799	(16.6)%
Cash flow generated (absorbed) by financing activities	-	-	-	-	-	-	(5,491)	-	(5,491)	(37,388)	14.7%
Year ended 31 January 2016											
Cash flow generated (absorbed) by operating activities	9,271	-	17	-	(6)	(22,257)	-	(2,995)	(15,970)	125,061	(12.8)%
Cash flow generated (absorbed) by investing activities	-	-	-	-	-	47	-	-	47	(67,504)	(0.1)%
Cash flow generated (absorbed) by financing activities	59,650	-	-	-	-	-	-	-	59,650	27,745	215.0%

The transactions listed above took place under arm's length conditions.

OTHER INFORMATION

Contingent liabilities

As well as the items described in note 16 "Provisions for risks and charges", it should be noted that, on 4 September 2015, Gruppo Coin SpA and OVS SpA received a writ of summons from the extraordinary administration of Bernardi Group SpA, in which the plaintiff requested that the Court of Rome revoke the deed of transfer for the sale in August 2012 of stores by Bernardi Group SpA to Gruppo Coin SpA and their subsequent conferment by Gruppo Coin SpA to OVS SpA in July 2014. The plaintiff asked for transfer of the stores sold to Gruppo Coin SpA and the conferment of these stores to OVS SpA to be revoked, as well as damages of approximately €8,600,000, equal to the alleged price of the assets sold to Gruppo Coin SpA. The potential maximum liability for the transferring companies, in the unlikely event that the case is lost, is not expected to exceed approximately €4,500,000, in consideration of the debt assumed at the time of the sale by Gruppo Coin SpA. Gruppo Coin SpA and OVS SpA immediately instructed their lawyers to safeguard their interests in court. At the preliminary hearing, on 22 January 2016, the judge assigned the required term for filing statements, pursuant to Article 183 of the Italian Code of Civil Procedure, and set the hearing date as 11 November 2016. On this occasion, at the joint request of the parties, the judge ordered the hearing to be adjourned until 22 September 2017.

Sureties and guarantees granted to third parties

These came to €59,370 thousand (€53,190 thousand at 31 January 2016) and were granted on behalf of the Group by banks or insurance companies, mainly to guarantee Italian leases.

Other commitments

Commitments for lease payments on points of sale and warehouses to be settled within the contractual deadlines, with or without a termination clause. In the vast majority of contracts, this clause is assumed to cover a period of 12 months. The consequent commitment relates to one year's rent and amounts to €162.4 million.

Directors' and Statutory Auditors' fees

The following table shows the fees payable to Directors and Statutory Auditors for positions held at the Group:

(amounts in thousands of euros)	Directors	Auditors
Year ended 31 January 2017	630	152
Year ended 31 January 2016	625	152

RECONCILIATION OF SHAREHOLDERS' EQUITY AND RESULT FOR THE YEAR OF THE PARENT COMPANY WITH CONSOLIDATED SHAREHOLDERS' EQUITY AND RESULT FOR THE YEAR

(amounts in thousands of euros)	Result for the year	Shareholders' equity
Financial statements of OVS S.p.A. at 31 January 2017, prepared according to the international reporting standards (IFRS)	76,507	855,275
Shareholders' equity and profit for the year of the fully consolidated subsidiaries, net of the carrying amount of the equity investments	20,699	8,341
Elimination of infra-group dividends	(20,926)	0
Elimination of unrealised infra-group results net of the relative tax effect	(101)	(352)
Exchange rate gains or losses from the translation of financial statements in foreign currencies	0	971
Change on consolidation scope	0	624
Elimination of inter-company write-downs	1,836	6,885
Consolidated financial statements of OVS Group at 31 January 2017, prepared according to the international reporting standards (IFRS)	78,015	871,744

Transactions arising from atypical and/or unusual operations

In accordance with the Consob Communication of 28 July 2006, note that in 2015, no atypical and/or unusual operations were entered into as defined by the Communication.

Significant non-recurring events and operations

In accordance with the Consob Communication of 28 July 2006, note that the Group's results for 2016 were influenced by non-recurring net expenses of €2,751 thousand.

	31.01.2017	31.01.2016
Other revenues	0	(49)
Staff costs	161	301
Service costs	889	2,053
Costs for the use of third-party assets	48	1,017
Other operating charges	2,697	3,559
Financial expenses	0	6,774
Taxes	(1,044)	(23,512)
Total	2,751	(9,857)

Non-recurring charges mainly refer to:

- €597 thousand for consulting and legal fees relating to the Swiss development project, recognised under "Service costs";
- €2,694 thousand for charges, consulting and corporate expenses relating to the Swiss development project, recognised under "Other operating charges";

For the year ended 31 January 2016, an amount of €19,757 thousand was included in non-recurring revenues, referred to taxes arising from IRES adjustment from 27.5% to 24%, which came into force on 1 January 2017.

Significant events after the period

No significant events occurred after the reporting period.

Please see also the Report on Operations.

APPENDICES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following documents contain additional information on the consolidated financial statements for the year ended 31 January 2017.

Appendices:

- 1: Property, plant and equipment at 31 January 2017,
- 2: Intangible assets at 31 January 2017,
- 3: Property, plant and equipment at 31 January 2016,
- 4: Intangible assets at 31 January 2016.

APPENDIX 1

Property, plant and equipment

The composition and changes during the period were as follows (amounts in thousands of euros):

	Balance at 31.01.2016	Movements during the year			Balance at 31.01.2017
		Purchases	Sales/disposals	Amortisation/w rite-downs	
Leasehold improvements					
initial cost	196,713	11,504	(1,059)	0	207,158
write-downs	0	0	0	0	0
amortisation	(143,600)	0	658	(8,679)	(151,621)
net	53,113	11,504	(401)	(8,679)	55,537
Land and buildings					
initial cost	33,901	449	0	0	34,350
write-downs	0	0	0	0	0
amortisation	(7,934)	0	0	(693)	(8,627)
net	25,967	449	0	(693)	25,723
Plant and machinery					
initial cost	278,711	11,871	(1,565)	0	289,017
write-downs	0	0	0	0	0
amortisation	(191,839)	0	994	(12,962)	(203,807)
net	86,872	11,871	(571)	(12,962)	85,210
Industrial and commercial equipment					
initial cost	306,473	24,032	(4,964)	0	325,541
write-downs	0	0	0	0	0
amortisation	(220,361)	0	4,207	(18,628)	(234,782)
net	86,112	24,032	(757)	(18,628)	90,759
Other assets					
initial cost	54,045	3,299	(81)	0	57,263
write-downs	0	0	0	0	0
amortisation	(49,174)	0	75	(1,756)	(50,855)
net	4,871	3,299	(6)	(1,756)	6,408
Assets under construction and payments on account					
initial cost	3,148	2,552	(1,978)	0	3,722
write-downs	0	0	0	0	0
amortisation	0	0	0	0	0
net	3,148	2,552	(1,978) (1)	0	3,722
Total					
initial cost	872,991	53,707	(9,647)	0	917,051
write-downs	0	0	0	0	0
amortisation	(612,908)	0	5,934	(42,718)	(649,692)
net	260,083	53,707	(3,713) (2)	(42,718)	267,359

(1) Of this amount, €1,978 thousand represents assets under construction at 31/01/2016, reclassified to the specific asset categories in 2016.

(2) Includes €1,599 thousand relating to fixed assets disposed of and written down in the period due to the closure of p.o.s.

APPENDIX 2

Intangible assets

The composition and changes during the period were as follows (amounts in thousands of euros):

	Balance at 31.01.2016	Movements during the year			Balance at 31.01.2017
		Purchases	Sales/disposals	Amortisation/w rite-downs	
Rights to industrial patents and intellectual property rights					
initial cost	117,587	7,778	(281)	0	125,084
write-downs	0	0	0	0	0
amortisation	(101,267)	0	266	(5,827)	(106,828)
net	16,320	7,778	(15)	(5,827)	18,256
Concessions, licences and trademarks					
initial cost	518,394	2,339	(799)	0	519,934
write-downs	(5,852)	0	771	(40)	(5,121)
amortisation	(4,781)	0	9	(1,016)	(5,788)
net	507,761	2,339	(19)	(1,056)	509,025
Assets under construction and payments on account					
initial cost	700	681	(700)	0	681
write-downs	0	0	0	0	0
amortisation	0	0	0	0	0
net	700	681	(700) (1)	0	681
Other intangible assets					
initial cost	162,806	162	0	0	162,968
write-downs	0	0	0	0	0
amortisation	(43,175)	0	0	(7,831)	(51,006)
net	119,631	162	0	(7,831)	111,962
Total					
initial cost	799,487	10,960	(1,780)	0	808,667
write-downs	(5,852)	0	771	(40) (3)	(5,121)
amortisation	(149,223)	0	275	(14,674)	(163,622)
net	644,412	10,960	(734) (2)	(14,714)	639,924
Goodwill					
initial cost	452,541	624	0	0	453,165
write-downs	0	0	0	0	0
amortisation	0	0	0	0	0
net	452,541	624 (4)	0	0	453,165

(1) Of this amount, €700 thousand represents assets under construction at 31/01/2016, reclassified to the specific asset categories in 2016.

(2) Includes €19 thousand relating to fixed assets disposed of and written down in the period due to the closure of p.o.s.

(3) Includes €40 thousand relating to assets written down after impairment testing of the p.o.s.

(4) Includes €624 thousand relating to goodwill recognition after purchasing of OVS Fashion España S.L. on 30/09/2016.

APPENDIX 3

Property, plant and equipment

The composition and changes during the period were as follows (amounts in thousands of euros):

	Balance at 31.01.2015	Movements during the year			Balance at 31.01.2016
		Purchases	Sales/disposals	Amortisation/w rite-downs	
Leasehold improvements					
initial cost	191,492	12,059	(6,838)	0	196,713
write-downs	(149)	0	149	0	0
amortisation	(140,975)	0	5,815	(8,440)	(143,600)
net	50,368	12,059	(874)	(8,440)	53,113
Land and buildings					
initial cost	33,563	338	0	0	33,901
write-downs	0	0	0	0	0
amortisation	(7,226)	0	0	(708)	(7,934)
net	26,337	338	0	(708)	25,967
Plant and machinery					
initial cost	262,954	26,186	(10,429)	0	278,711
write-downs	0	0	0	0	0
amortisation	(188,216)	0	8,803	(12,426)	(191,839)
net	74,738	26,186	(1,626)	(12,426)	86,872
Industrial and commercial equipment					
initial cost	298,176	22,474	(14,177)	0	306,473
write-downs	(48)	0	48	0	0
amortisation	(215,445)	0	12,193	(17,109)	(220,361)
net	82,683	22,474	(1,936)	(17,109)	86,112
Other assets					
initial cost	56,813	2,425	(5,193)	0	54,045
write-downs	0	0	0	0	0
amortisation	(52,414)	0	4,994	(1,754)	(49,174)
net	4,399	2,425	(199)	(1,754)	4,871
Assets under construction and payments on account					
initial cost	2,992	2,504	(2,348)	0	3,148
write-downs	0	0	0	0	0
amortisation	0	0	0	0	0
net	2,992	2,504	(2,348) (1)	0	3,148
Total					
initial cost	845,990	65,986	(38,985)	0	872,991
write-downs	(197)	0	197	0	0
amortisation	(604,276)	0	31,805	(40,437)	(612,908)
net	241,517	65,986	(6,983) (2)	(40,437)	260,083

(1) Of this amount, €2,348 thousand represents assets under construction at 31/01/2015, reclassified to the specific asset categories in 2015.

(2) Includes €3,251 thousand relating to fixed assets disposed of and written down in the period due to the closure of p.o.s.

APPENDIX 4

Intangible assets

The composition and changes during the period were as follows (amounts in thousands of euros):

	Balance at 31.01.2015	Movements during the year			Balance at 31.01.2016
		Purchases	Sales/disposals	Amortisation/w rite-downs	
Rights to industrial patents and intellectual property rights					
initial cost	109,708	8,618	(739)	0	117,587
write-downs	0	0	0	0	0
amortisation	(96,593)	0	635	(5,309)	(101,267)
net	13,115	8,618	(104)	(5,309)	16,320
Concessions, licences and trademarks					
initial cost	519,593	1,195	(2,394)	0	518,394
write-downs	(7,240)	0	1,743	(355)	(5,852)
amortisation	(3,821)	0	19	(979)	(4,781)
net	508,532	1,195	(632)	(1,334)	507,761
Assets under construction and payments on account					
initial cost	808	700	(808)	0	700
write-downs	0	0	0	0	0
amortisation	0	0	0	0	0
net	808	700	(808) (1)	0	700
Other intangible assets					
initial cost	162,630	176	0	0	162,806
write-downs	0	0	0	0	0
amortisation	(35,345)	0	0	(7,830)	(43,175)
net	127,285	176	0	(7,830)	119,631
Total					
initial cost	792,739	10,689	(3,941)	0	799,487
write-downs	(7,240)	0	1,743	(355) (3)	(5,852)
amortisation	(135,759)	0	654	(14,118)	(149,223)
net	649,740	10,689	(1,544) (2)	(14,473)	644,412
Goodwill					
initial cost	452,541	0	0	0	452,541
write-downs	0	0	0	0	0
amortisation	0	0	0	0	0
net	452,541	0	0	0	452,541

(1) Of this amount, €808 thousand represents assets under construction at 31/01/2015, reclassified to the specific asset categories in 2015.

(2) Includes €32 thousand relating to fixed assets disposed of and written down in the period due to the closure of p.o.s.

(3) Includes €355 thousand relating to assets written down after impairment testing of the p.o.s.

Certification of the consolidated financial statements pursuant to article 81-ter of Consob Regulation 11971 of 14 May 1999, as subsequently amended and supplemented.

1. We, the undersigned, Stefano Beraldo, as the Chief Executive Officer, and Nicola Perin, as the Director responsible for preparing the corporate accounting statements of OVS SpA, hereby declare, also taking account of article 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:
 - the adequacy with respect to the characteristics of the Company and
 - the effective applicationof the administrative and accounting procedures for the preparation of the consolidated financial statements in the period from 1 February 2016 to 31 January 2017.

2. The evaluation of the adequacy of the administrative and accounting procedures used in the preparation of the consolidated financial statements at 31 January 2017 was based on a process defined by OVS SpA consistent with the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO), which is a generally accepted international framework.

3. Moreover:
 - 3.1 the consolidated financial statements:
 - a) were prepared in compliance with the international accounting standards recognised by the European Community pursuant to (EC) Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the accounting books and records;
 - c) are suitable to provide a true and fair representation of the financial position and profit performance of the issuer and all the companies included within the scope of consolidation.
 - 3.2 The Report on Operations includes a reliable analysis of the performance and operating results, as well as the situation, of the issuer and all the companies included within the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

Venice - Mestre, 18 April 2017

Stefano Beraldo
Chief Executive Officer

Nicola Perin
Director responsible for preparing
the corporate accounting statements

Separate financial statements of OVS S.p.A.

at 31 January 2017

Statements of financial position

(euro units)

ASSETS	Note	31.01.2017	of which related parties	31.01.2016	of which related parties
Current assets					
Cash and banks	1	86,159,610		123,261,225	
Trade receivables	2	81,650,138	14,673,157	74,555,013	7,778,509
Inventories	3	337,493,628		288,304,172	
Financial assets	4	18,896,624		16,308,048	
Current tax assets	5	1,004,012		922,632	
Other receivables	6	30,750,939		33,052,718	
Total current assets		555,954,951		536,403,808	
Non-current assets					
Property, plant and equipment	7	265,632,122		259,004,939	
Intangible assets	8	639,906,514		644,393,706	
Goodwill	9	452,540,909		452,540,909	
Equity investments	10	19,346,702		9,935,988	
Financial assets	4	5,491,405	5,491,405	1,988,167	
Other receivables	6	4,690,281		4,906,999	
Total non-current assets		1,387,607,933		1,372,770,708	
TOTAL ASSETS		1,943,562,884		1,909,174,516	
LIABILITIES AND SHAREHOLDERS' EQUITY					
EQUITY					
Current liabilities					
Financial liabilities	11	6,559,196		7,064,876	
Trade payables	12	390,134,183	24,502,279	389,310,687	22,993,484
Current tax liabilities	13	15,378,965	11,460,000	23,635,636	23,326,915
Other payables	14	94,131,524	2,018,267	100,646,084	2,701,361
Total current liabilities		506,203,868		520,657,283	
Non-current liabilities					
Financial liabilities	11	373,363,149		371,600,717	
Employee benefits	15	39,867,853		40,488,766	
Provisions for risks and charges	16	10,748,328		11,179,359	
Deferred tax liabilities	17	141,075,330		142,846,674	
Other payables	14	17,029,597		11,775,592	
Total non-current liabilities		582,084,257		577,891,108	
TOTAL LIABILITIES		1,088,288,125		1,098,548,391	
SHAREHOLDERS' EQUITY					
Share capital	18	227,000,000		227,000,000	
Other reserves	18	551,767,833		501,788,025	
Net result for the year		76,506,926		81,838,100	
TOTAL SHAREHOLDERS' EQUITY		855,274,759		810,626,125	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,943,562,884		1,909,174,516	

Income statement

(euro units)

	Note	31.01.2017	of which non-recurring	of which related parties	31.01.2016	of which non-recurring	of which related parties
Revenues	19	1,357,882,693		9,510,459	1,314,088,503		7,530,919
Other operating income and revenues	20	66,072,426		3,828,479	60,242,889	49,083	480,339
Total revenues		1,423,955,119	0		1,374,331,392	49,083	
Purchases of raw materials, consumables and goods	21	620,435,575		33,012,489	606,127,366		30,795,896
Staff costs	22	268,558,256	161,367	5,111,782	254,183,103	300,657	5,751,164
Depreciation, amortisation and write-downs of assets	23	58,454,604			57,204,682		
Other operating expenses							
Service costs	24	173,528,273	888,905	17,086,549	168,894,488	2,053,617	14,109,671
Costs for the use of third-party assets	25	189,693,128	48,386	(403,686)	182,397,679	1,017,063	(953,202)
Write-downs and provisions	26	1,200,000			1,800,000		
Other operating charges	27	23,231,628	2,696,380	(157,008)	22,569,415	3,559,095	21,204
Result before net financial expenses and taxes		88,853,655	(3,795,038)		81,154,659	(6,881,349)	
Financial income	28	186,631		101,852	92,909		
Financial expenses		(15,774,731)			(26,826,067)	(6,774,118)	
Exchange rate gains and losses		11,579,165			20,769,206		
Gains (losses) from equity investments		19,001,120		19,001,120	18,055,715		18,055,715
Net result for the year before tax		103,845,840	(3,795,038)		93,246,422	(13,655,467)	
Taxes	29	(27,338,914)	1,043,635		(11,408,322)	23,511,964	
Net result for the year		76,506,926	(2,751,403)		81,838,100	9,856,497	