



GIGLIO GROUP: HAS APPROVED THE SIX-MONTHLY REPORT OF 30 JUNE 2016.

Significant growth with respect to the first six-months 2015: Revenues + 122% revenue, EBITDA + 46% and Normalized Net Profit + 23%.

The merger project by incorporation of the subsidiaries of Giglio Fashion S.p.A. and M-Three SatCom S.p.A. in Giglio Group S.p.A has been approved

- Revenue: Euro 14,6 million, with growth of 122% with respect to the revenue highlighted at 30.06.2015 (Euro 6,7 million)
- Ebitda: Euro 4,0 million, this reflects a growth of 46% with respect to 2015 (Euro 2,6 million)
- Normalized Net Profit: Euro 1,3 million which highlights a growth of 23% with respect to 2015 (Euro 1,1 million)
- Net Assets as at 30.06.2016 is equal to Euro 13,5 million with respect to Euro 10 million at 31.12.2015
- Financial Net Position as at 30.06.2016 equal to Euro 8,0 million with respect to Euro 4,5 million at 31.12.2015

Milan, 6 September 2016 - Giglio Group S.p.A. a multimedia global Network listed on the Mercato AIM the Italian Stock Exchange, informs that the Board of Directors, which convened on 5 September 2016, have examined and approved the Consolidated first-half financial report as at 30 June 2016, drawn up pursuant to the Issuers Regulation AIM Italia/Mercato Alternativo del Capitale and in compliance with the international accounting principals IFRS*.

Development of the management

In the first six months of 2016 the company has posted revenues equal to 14,6 million Euro, a growth of 122%, above all, this was due to the particular positive performance of Giglio Fashion, which has doubled its turnover which went from 3,5 million to 7,0 million, and of Giglio Tv, whose revenues grew from 1,1 million to 1,9 million with respect to the same period of the previous year. Furthermore, the Group has consolidated its presence in particular in the USA and in China, but in general on all the main international markets which represent around 75% of the revenues. L'EBITDA stood at around 4,0 million Euro, equal to an EBITDA Margin of 27%. The Financial Net Position at 30 June 2016 is equal to around 8,0 million Euro, with a ratio PFN/EBITDA 1:1 (calculated on an annual base) and a ratio PFN/Net Assets equal to 59%, essentially in line with the results reported at 31.12.2015, despite the negative influence of the seasonality of the business of the subsidiary Giglio Fashion.

*Si precisa che la relazione semestrale consolidata differisce rispetto allo stesso periodo dell'esercizio precedente anche in relazione alla variazione del perimetro di consolidamento, con indicazione delle operazioni effettuate nel semestre di interesse (i.e. acquisizione MThree Satcom e MF Fashion).

* Per quanto riguarda il dato dell'utile netto si ricorda e si precisa che la variazione deve considerare che il Nt Profit viene normalizzato sia al 30 giugno 2016 che al 30 giugno 2015 dagli effetti non recurring cost e dalla normalizzazione del Tax Rate.

The very positive results of the Group, not only for each single line of business, represents an organic growth which has benefited from the entrance in the scope of the consolidation of M-Three SatCom (September 2015) and Giglio Fashion (March 2016), which has contributed to the growth of Giglio Group.

The merger by incorporation of the subsidiaries Giglio Fashion S.p.A. and M-Three SatCom Spa in Giglio Group S.p.A.

The Board of Directors has furthermore approved the merger by incorporation of the two Italian subsidiaries Giglio Fashion S.p.A. and M-Three SatCom S.p.A. in Giglio Group S.p.A. The expected effect will be greater and better productivity and efficiency of the structure.

The merger operation by incorporation of “Giglio Fashion S.p.A. – Sole shareholder” and “M-Three SatCom S.p.A. – Sole Shareholder” into “Giglio Group S.p.A.” this forms part of a process of purchasing and company reorganization in the “third generation” television sector in which operate Giglio Group, to whom the three companies belong. Such process has been activated through the acquisition by “Giglio Group S.p.A.” of the entire share capital of M-Three SatCom S.p.A., on 30 September 2015, and of the company “Giglio Fashion S.p.A. on 14 March 2016. This pursues the aim to integrate the operations of the incorporated companies into the incorporating Company and as a consequence to maximize and render more efficient the administration, accounting and finance management of the three companies, as a result and by effect of the concentration of human resources and finance in a unique entity.

In addition, through the merger, the business plan to be followed will foresee the total integration between television communication and e-commerce, with a consequent rationalization to exploit the advantages of the production capacity of the Companies involved.

In this regard, “Giglio Group S.p.A.” carries out the function of holding company, holding controlling stake, further to the two merged operative companies, as following specified, even in other companies under foreign law (Great Britain, USA, China and Hong Kong), under which not proceeding to the merger process. The merger does not entail any negative impact on the financial and economic position, at a consolidated financial statement level of Giglio Group, neither does it foresee any exchange as the merged companies are wholly owned by Giglio Group S.p.A.

Alessandro Giglio, President of Giglio Group, has commented: *“We are indeed very satisfied of the results achieved in the first six month of 2016, which have overtaken our expectations, and for some line of businesses, are even in advance with respect to our development plan. We certainly will not stop, and in fact, we are very active in our international expansion policy that would combine the expansion of our coverage of the technological development and content. The US, Asian and middle-east markets will represent the main challenges for the near future. We are aware of the need to address the growth gradually due to an acceleration of the integration process between television and the activities of e-commerce with an innovative technological proposition that will provide users with a revolutionary television viewing experience and on- line integrated purchasing.*”

Significant events during the first half of 2016

In the first six months, Giglio Group S.p.A. has further advanced its presence globally, through important agreements signed by the Group companies, acting as a reference point in each area of activity.

The following summarizes the main transactions concluded from January to June 2016.

- On 1 February 2016, it was announced the acquisition of 100% of MF Fashion S.p.A., one of the largest B2B distributors entirely specialized in online fashion, for a value of Euro 5.0 million. On 14 March 2016, the operation was later ratified by the Shareholders' Meeting, which approved the completion of the acquisition of MF Fashion, simultaneously renamed Giglio Fashion S.p.A. Still referring to the closing of the transaction, on 9 March 2016, Giglio Group issued on the market ExtraMOT the Pro minibond "**GIGLIO GROUP S.P.A. - 5.4% 2016 - 2022**" for a total of EUR 3.5 million, already fully subscribed. The synergy between Giglio Group and Giglio Fashion Group have led, and will continue to make, significant business combinations for a new and richer customer experience these have already had a positive effect on the Group's revenues.

- On 11 February 2016, the subsidiary M-Three Satcom, Italian leader in providing services and solutions for the television broadcast radio industry, has signed an agreement with Discovery Italy to ensure the diffusion of DeeJay TV for the next three years. The contract includes the collection and distribution of the signal-to teleport from the primary M-Three Milan - and access to the satellite Eutelsat Hot Bird, of which M-Three is partner and official distributor

- On 11 March 2016, M-Three Satcom has signed an agreement with Viacom International Media Networks Italy to ensure the satellite broadcasting in "direct to home" (DTH) of the new Paramount Channel for the next three years.

- Also in March, there have been important developments for Nautical Channel entering in Canada, where the channel is licensed by the Canadian telecommunications (CRTC Canadian Radio Television and Telecommunications). There are currently ongoing negotiations with the major Canadian television platforms to formalize agreements for the diffusion of the channel in the coming months, both in the anglophone community, and in the French-speaking regions of the country. Nautical Channel will have the opportunity to be the only channel dedicated to boating, in a country with a great tradition for water sports. Since April Nautical Channel has also entered on the satellite television platform owned by M7 and is therefore visible in Belgium, Czech Republic, Slovakia and the Netherlands and, thanks to an agreement signed with the television network Veetel, the Nautical Channel arrives in HD also in Australia and Bulgaria.

- The international development of Giglio has been enriched with also another important element.

- In April, Giglio USA was constituted, with its headquarters in New York, with the aim of managing the Group's activities in North America, an increasingly strategic market for Giglio Group activities. A few weeks after the opening of Giglio USA, the Group has achieved major operations in fashion. Giglio Fashion, in fact, first signed an agreement with the American portal Last Call, an e-commerce platform for fashion of the listed group Neiman Marcus, one of the leading US retailers in the luxury

sector for over a century, and subsequently concluded agreements with Gilt (Hudson's Bay Company) and HauteLook (Nordstrom Rack, Inc), American groups that bring e-commerce platforms dedicated to flash sales of luxury products created by renowned contemporary designers for women, men, children and household.

- Also in April, M-Three has signed a three-year agreement with Simaye Azadi - Iran National TV, for the diffusion of HD broadcasts. Simaye Azadi - Iran National TV is an independent satellite television channel, produced at its premises in Paris and London, which mainly broadcasts news, but also documentaries, music and socio-cultural programs. An agreement that represents for the Group a step further in the support strategy for the Italian and international channels for the transition to High Definition.

- With regard to China, it has always been a strategic market and represented by the subsidiary TV Giglio, Giglio Group signed in April an agreement with the prestigious Gambero Rosso for the transmission of content concerning the food sector, food and wine and Italian tourism, which will air on Chinese state television CCTV and major internet and mobile platforms. The agreement will bring significant benefits to the two groups over the medium term, thanks to the combination of opportunities and efficiencies of the structures that will contribute equally, generating important new margins.

- In May, Giglio Group signed an annual agreement with the Spanish Kalai Shop, belonging to the American giant Industry, number one in television sales in the United States, for the airing of TV sales of products on the channel Acqua and Play.Me Giglio Group. The choice of Kalai is also synonymous as how the Italian advertising market levies renewed interest with large international groups and how, within this market, the Giglio Group channels represent an important and strategic showcase with which to embrace new users.

- In June, finally, Giglio Group signed an agreement of understanding with the national Vietnamese broadcaster Vietnam Television Cable Corporation for the co-production of "Made in Europe", a 30-minute television program devoted entirely to Europe, its history, culture, fashion and art. It is a historic agreement for an Italian Group that, for the first time, is a production partner of a Vietnamese telecommunications companies, as well as the main provider of pay TV services in Vietnam.

Significant events after the end of the first half of 2016

On 1 August 2016, Giglio Group defined two major contracts with Sling TV and Klowd TV (primary operators OTT in the US for Internet TV) for the subsidiary Nautical Channel in the United States. Thanks to these two agreements, Nautical Channel will be visible online on all major platforms, such as Google Play, iTunes, Amazon Prime and Roku. An operation that underlines the increasing role of Giglio USA in promoting new synergies for the companies of the Group in the digital integration project between television and e-commerce. The entrance of the Group's TV channels on the major world platforms such as Google, iTunes, Amazon and Roku marks a turning point, both qualitative and in terms of economic returns for the business of Giglio Group in the United States.

The forecast development of the management

The Group's objective is to continue the development strategy with a growing international presence of the company, giving a strong boost to the integration of newly acquired activities in terms of geography and business.

Below we attach the financial statements of the Group extracted from the consolidated half-year financial report at 30 June 2016, prepared in accordance with International Accounting Standards and subject to limited review by the independent auditors Ernst & Young S.p.A.

The consolidated half-year financial report at 30 June 2016 will be made available to the public in accordance with the procedures laid down in the Regulation adopted by listed companies, and on the website of Giglio Group, www.giglio.org, in the section "Investor Relations".

The documentation relating to the merger will be available at the registered office of the Company of the Group in Viale Tunisia 38, Milan. This documentation will also be subsequently published on the website www.giglio.org as soon as filed at the Chamber of Commerce.

BALANCE SHEET	30.06.2016	31.12.2015
Non current Assets	19.382.604	14.197.298
Tangible assets	7.326.694	8.161.445
<i>dubbing</i>	2.017.374	1.912.933
<i>editing</i>	0	0
<i>others intangible assets</i>	5.796.278	3.738.598
Intangible Assets	7.813.652	5.651.531
Goodwill	4.035.945	50.000
Investments in Associates	0	0
Receivables	8.776	136.786
Tax deferred Assets	197.537	197.537
CURRENT ASSETS	21.547.032	10.138.854
Inventories	2.449.199	139.017
Receivables and others	15.686.238	8.278.719
Financial receivables	152.416	0
Tax receivables	1.400.195	521.003
Others assets	162.066	0
Cash and Banks	1.696.918	1.200.114
TOTAL ASSETS	40.929.636	24.336.152
NON CURRENT LIABILITIES	7.163.234	3.039.718
Contingency Fund	274.538	236.558
Deferred Tax liabilities	405.871	654.344
non current financial liabilities	6.482.825	2.148.816
CURRENT LIABILITIES	20.187.468	10.960.503
Amounts payable to suppliers	14.561.198	8.283.878
Current financial liabilities	3.954.245	1.547.284
Tax Liabilities	1.642.940	1.129.341
Others liabilities	29.085	0
TOTAL LIABILITIES	27.350.702	14.000.221
Share capital	3.032.005	2.832.000
Reserves	7.720.726	5.566.768
Reserve for Cost	(551.453)	(476.651)
Reserve FTA	3.814	3.814
Retained earnings	1.285.953	(67.487)
Net profit	617.891	755.319
EQUITY	12.108.937	8.613.765
Of which the third	1.470.000	1.722.167
TOTAL EQUITY	13.578.937	10.335.932
TOTAL EQUITY AND LIABILITIES	40.929.637	24.336.152

INCOME STATEMENT	30.06.2016	30.06.2015
Revenues	14.658.603	6.617.601
Other revenues	943.752	62.348
Var. inventories	(366.846)	0
Raw materials	(5.090.786)	(10.454)
services	(5.162.922)	(3.488.783)
Lease Costs	(253.400)	(250.181)
Total operation costs	(10.507.108)	(3.749.418)
Salary	(519.250)	(151.487)
Contribution	(155.861)	(28.652)
TFR	(28.558)	(7.000)
Total Personnal costs	(703.669)	(187.139)
Amortization tangible assets	(1.120.136)	(545.994)
Amortization intangibles Assets	(1.004.726)	(302.910)
Depreciation	(45.875)	(144.000)
Total Amortization and deprecia	(2.170.736)	(992.903)
Other costs	(38.700)	(14.777)
Risultato operativo	1.815.295	1.735.712
Non recurring costs	(448.918)	(20.446)
Financial costs	(136.103)	(235.510)
Profit before tax	1.230.274	1.479.756
Taxes	(612.383)	(323.516)
Net profit	617.891	1.156.240
third part's profit (SIM EST)	421.998	164.466

Information regarding Giglio Group:

Giglio Group is a multimedia global television network set up in 2003, with its head office in Milan and it is made up of **seven companies**

Giglio Group SpA, The Parent Company that owns two television channels on the Italian digital terrestrial - Acqua and Play.me. It provides technological services to the Group companies and third party companies.

Nautical Channel Ltd, is the only international channel, distributed in 45 countries, 5 continents and in 6 languages entirely dedicated to boating and water sports. From 1 April 2015, Nautical Channel can be viewed in HD throughout Europe and Russia. Since November 2014, Nautical Channel is totally controlled by Giglio Group

Giglio TV HK Ltd, Start up created in July 2014, that manages the Group's activities in China. It is the first and only Italian television group to be present in China on all major television and web platforms with its content entirely dedicated to the Italian Lifestyle.

M-Three Satcom -Founded in 2004, M-Three Satcom, provides high-end services and solutions for the TV-radio broadcasting sector. In particular, it caters to companies with special linking needs and for the distribution of information.

Giglio Fashion SpA, Founded in 2011 with the name of MF Fashion, Giglio Fashion is today the main Italian Business to Business distributor wholly specialized in on-line fashion, the new world level market place for Fashion. Thanks to the creation of its own sales network, it is able to involve the main Players of the world market, Giglio Fashion supplies the thirty main digital retailers in the world.

Giglio USA - established in April 2016 with headquarters in New York, it is the company that manages and monitors the Group's activities in North America, an increasingly strategic market for Giglio Group activities.

Giglio Shanghai- is the company that oversees the Group's activities in China, a market historically represented by the Giglio Group, as well as being one of the most strategic markets for the future.

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