



**GIGLIO GROUP: BOARD OF DIRECTORS APPROVES
2017 CONSOLIDATED FIRST QUARTER REPORT**

**RECORD GROUP RESULTS CONTINUE:
STRONG REVENUE, EBITDA AND NET PROFIT GROWTH ON Q1 2016**

- **Consolidated revenues of Euro 10.66 million, +84.8%**
- **Consolidated EBITDA of Euro 2.35 million, +39.3%**
- **Net Profit of Euro 883 thousand, +56.2% on adjusted 2015 net profit**
- **2017-2019 Industrial Plan approved**
- **Proposal to authorise purchase and utilisation of treasury shares approved**
- **Internal control and risk management system and procedures required for transfer to MTA segment of Italian Stock Exchange approved**
- **Massimo Mancini appointed Giglio Group General Manager**

Milan, May 31, 2017 – Giglio Group (Aim Italia-Ticker GGTV), a leading e-commerce 4.0 enterprise, announces that the Board of Directors today reviewed the 2017 Consolidated First Quarter Report prepared as per IFRS. The consolidated quarterly report differs from the previous year also due to the change in the consolidation scope, with indication of the acquisitions carried out (i.e. MF Fashion acquisition).

Q1 2017 consolidated Key Financial Highlights:

Euro millions	Q1 2017	Q1 2016	CHANGE	CHANGE %
Revenues	10.66	5.76	4.89	+84.8%
EBITDA	2.35	1.69	0.66	+39.3%
Net Profit	0.88	0.56*	0.32	+56.2%

*Adjusted 2016 net profit. For the inclusion of the 2014 and 2015 financial statements the Board of Directors restated these financial statements in consideration of international accounting standards.

The Net Financial Debt at March 31, 2017 was Euro 11.54 million, compared to Euro 10.23 million at December 31, 2016 and includes both any earn out to be recognised to MF-Fashion shareholders in 2018 and the reclassification from Equity to Debt of the SIMEST 49% holding in Giglio Tv Hong Kong.

The increase of Euro 1.31 million relates principally to the use of the credit lines to settle supplier payments.

Operating performance

Giglio Group delivered record revenues and earnings in Q1 2017, confirming its role as a catalyst for the expansion and development of the Made in Italy market through its digital and global multimedia network. Greater penetration of developed and emerging markets, entry into new countries, the development and integration of a range of “digital” technologies by the Group and leadership on the various business line markets acquired in the year were once again key success factors. This is further to the e-commerce role through Giglio Fashion on the back of the e-commerce 4.0 growth strategy.

Q1 2017 revenues of Euro 10.66 million were up 84.8% - mainly due to greater services provided by the Satcom and Giglio Fashion divisions which fully contributed to the quarterly results. Major new clients were acquired with the expansion of broadcasting and television production business regional coverage.

EBITDA of Euro 2.35 million was up 39.3% on Q1 2016.

Non-recurring charges amount to Euro 0.13 thousand and entirely concern the costs incurred for the translisting activities to the STAR market for the first quarter of 2017.

The net profit was approx. Euro 0.883 million, up approx. Euro 0.3 million on the adjusted result for the same period of the previous year, principally due to the Giglio Fashion and Satcom divisions and the excellent performances by the overseas subsidiaries Nautical Channel and Giglio TV.

Significant events in Q1 2017

On January 24, 2017, Giglio Group agreed three major new national level Broadcast & Telco contracts for a total estimated value of Euro 2.5 million over the coming three years. The agreements concern the launch via satellite of the HD channel of RTL 102.5 and Radio Freccia Tv and the SD broadcasting of the 6MiaTv and Winga TV channels on Eutelsat’s HOTBIRD satellites at 13 degrees East. Thanks to these new contracts, Giglio Group continues to grow the Broadcast & Telco division for the transition of the major TV channels from Standard to HD.

In the same month, Giglio Group signed an agreement with T-Mobile Netherlands, the largest mobile broadcaster in the Netherlands, to broadcast Nautical Channel on the main IPTV and OTT platforms of the operator. The agreement is for 3-years from January 2017 with automatic renewal on conclusion.

On February 15, 2017, Giglio Group announced the full acquisition of Evolve Service S.A. Group based in Lugano. Evolve SA is a leading e-commerce entity competing with the major international online fashion, beauty and design retailers. The transaction is worth Euro 5.4 million, of which Euro 1.5 million cash to be paid on closing using own funds and Euro 3.9 million from the issue of 1,222,000 new Giglio Group shares reserved for Evolve’s current shareholders (implied price per share of Euro 3.2).

On February 20, 2017, Giglio Group signed an agreement with Discover Digital, a major South African IPTV operator.

On March 2, 2017, Giglio Group S.p.A. was officially recognised as an “Innovative SME” by the Milan Chamber of Commerce, declaring Giglio Group as an enterprise demonstrating a significant drive towards technological innovation in the development and application of its business. This affirmation is particularly significant as “Innovative SME’s” have facilitated access to subsidised lending and innovative fund-raising instruments, supporting investment in equity and access to foreign markets. The 2017 Stability Law introduced two major supports which, as cumulative, make investment in innovative SME’s listed on the AIM Italia more attractive for Professional and Retail Investors.

On March 21, 2017, Giglio Usa Lcc signed a collaboration agreement with Century21, a major US Fashion Retailer in the fashion-beauty sector for men and women. Giglio USA on April 5 also agreed two new fashion collaborations with MACY’S Backstage and BLOOMINGDALE’S Outlet (chain owned by Macy’s Inc.), the famous US fashion-beauty and accessories for men and women retailer and department store, of which Giglio USA will be an official supplier. These agreements position Giglio Group as a leading promoter and distributor of the best of Made in Italy fashion in the USA.

Subsequent events

In April, the acquisition of 3% of the shares of the company Pegaso Srl, owner of the ClassHORSE.TV television channel, was completed for Euro 100,000. The acquisition strategically increases the number of network channels and adds additional content to the Giglio Group IBOX and e-commerce 4.0 platform through a perfect target channel as promoting and selling luxury “Made in Italy” products across the world. For ClassHORSE.TV the agreement will exponentially grow the international audience, strengthening the channel’s market leadership. The ClassHORSE.TV programmes, the leading Italian channel dedicated to the world of horses and equestrianism and acclaimed internationally, will therefore be broadcast and achieve visibility globally on the channels and platforms with Giglio Group presence, involving: 47 countries, 5 continents and 6 languages, distributed via satellite, mobile, web TV and on major airlines.

Giglio Group and Class Editori formed an equal joint venture Class TV Moda Holding srl, which holds 50% of Class TV Moda. The joint venture for Giglio Group strategically increases the number of network channels and adds additional content to the Giglio Group IBOX and e-commerce platform through a perfect target channel as promoting and selling luxury “Made in Italy” products across the world. Class TV Moda, through this agreement, will broaden its international reach, boosting its audience and bolstering its market leadership.

Outlook

The full acquisition of the Evolve SA Group (a fashion, beauty and design e-commerce leader) and with which Giglio Group launches “IBOX” - the e-commerce 4.0 revolution - is of major strategic value for the Group’s future growth.

Evolve is a leading e-Commerce Service Provider internationally and supports the online shops of some of the biggest fashion and design brands, including: Max Mara, Alessi, Bric's, Pinko, Moleskine, Golden Goose, Patrizia Pepe, Ermanno Scervino and Stefano Ricci, in addition to providing B2B platforms and services for brands such as Liu Jo and Guess. It currently manages over 25 online stores for international brands through flexible and customised solutions for each brand, ensuring a winning and competitive market offer.

IBOX is a multichannel system which not only integrates traditional and digital distribution channels, but in a broader sense directly links sales and communication, transforming viewers and visitors into fans and customers.

After Giglio Fashion - entirely held by the Giglio Group and supplying the thirty leading fashion world digital retailers through its B2B platform - now with the acquisition of Evolve, Giglio Group's e-commerce 4.0 solution makes a range of renowned brands available to users, positioning it as a go-to sector player.

Proposal to authorise purchase and utilisation of treasury shares approved

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The Board of Directors approved the proposal to the Shareholders' Meeting to authorise the purchase and utilisation of treasury shares. The objective is to provide the company with a widely used instrument among listed companies to benefit from investment opportunities for any purposes permitted under applicable rules. These objectives include, among others, the incentivisation and creation of loyalty among employees, collaborators and directors of the company and the subsidiaries; the execution of sale, exchange, conferment or other treasury share utilisation operations to acquire investments or buildings and/or the conclusion of agreements (including commercial) with strategic partners; to support the share's liquidity or also for efficient employment of company liquidity. Reference should be made to the Report to the Shareholders' Meeting made available also on the company website.

Internal control and risk management system and procedures required for transfer to MTA segment of Italian Stock Exchange approved

In order to meet the requirements for transfer to the Mercato Telematico Azionario (main market) - and eventually the STAR market - the Board of Directors in addition approved internal Related Party Transaction and Internal Dealing policies, in addition to an insider information policy in line with the rules issued under the CFA, with effect from admission of company shares to trading on the MTA.

Also with regard to the project to put in place suitable corporate governance controls for the future transfer to the MTA, the Remuneration Committee, the Control and Risks Committee and the Related Party Transactions Committee were set up.

The Giglio Group Board of Directors' meeting chaired by Alessandro Giglio appointed, effective June 1, 2017, the Director Massimo Mancini as General Manager, reporting to the Chief Executive Officer.

The appointment arises from the company's rapid growth, in terms of the more complex structure and the ambitious growth plan, in addition to the growing need for highly experienced personnel. The appointment arises from the company's rapid growth, in terms of the more complex structure and the ambitious growth plan, in addition to the growing need for highly experienced personnel. Following his appointment as the Group's General Manager, Massimo Mancini resigned his Board position.

The Chairman and Chief Executive Officer Alessandro Giglio stated: *"We are hugely satisfied with the first quarter results which substantiate the strength of the i-box project based on convergence between the Media and e-commerce worlds and opens up e-commerce 4.0 opportunities. All the main Giglio Group financial indicators in fact significantly improved on Q1 2016 and on our expectations. Finally, we are delighted to announce also the appointment of Massimo Mancini as the new General Manager. I came to appreciate Massimo's abilities at my side as a Director in the difficult but exciting listing period and during the subsequent acquisitions, noting his extensive financial expertise and his more recent e-commerce experience; these are abilities which a company such as ours truly needs as it targets a transfer to the main exchange and a clear and ambitious vision to become an e-commerce 4.0 leader"*.

Massimo Mancini's CV:

Massimo Mancini (43) joined the company's Board in 2014 and has nearly twenty years finance department experience in increasingly challenging CFO positions with leading domestic and international companies, principally in the technology sector, and thereafter in the business and operations area. Graduating in Political Economy from the Bocconi University of Milan and specialising in corporate governance controls, his latest role involved the operational management of a business unit of the Japanese Docomo Digital Group - a Giglio Group shareholder - for the provision of payment services to e-commerce enterprises; he will take charge of the operations area in support of business development according to the Board of Directors' Finance, Legal and Corporate, HR and International guidelines, co-operating with the unit dedicated to the commercial development of the various businesses and working to fully consolidate the e-commerce 4.0 strategy.

Information on Giglio Group

Founded by Alessandro Giglio in 2003 and listed on the AIM market since 7 August 2015, Giglio Group is an e-commerce 4.0 company. The group is a leader in the field of radio and television broadcasting, it has developed cutting-edge digital solutions and represents, in online fashion, a digital market place at a global level, catering to thirty major digital retailers in the world. Giglio Group also produces multimedia content that is transmitted, through agreements with operators and in a large part through a proprietary infrastructure via fiber and satellite transmission formed by the division M-Three Satcom, in 55 nations, 5 continents and in six languages through its own television channels (Nautical Channel, Giglio TV, Acqua and PlayMe), visible on all TV devices, digital, web and mobile. In 2016, the group launched its own e-commerce 4.0 model, which is currently operating in China

and the USA: the users "see and buy" by clicking on their smartphone / tablet or taking a photograph of the product they are watching on television, for a revolutionary shopping experience. Giglio Group is headquartered in Milan, Rome, New York (Giglio USA) and Shanghai (Giglio Shanghai). In 2017, Giglio Group acquired 100% of Evolve, making it one of the most important e-commerce b2c companies focused on fashion, beauty and design sectors.

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ATTACHEMENTS

BALANCE SHEET	31.03.2017	31.12.2016
NON-CURRENT ASSETS	20,839,457	20,249,976
Property, plant & equipment	6,628,469	6,965,001
<i>Distribution rights</i>	0	0
<i>Publishing rights</i>	9,443,398	8,426,571
<i>Other intangible assets</i>	288,633	283,495
Intangible assets	9,732,031	8,710,066
Goodwill	4,134,439	4,134,439
Investments	0	(0)
Receivables	146,122	242,074
Deferred tax assets	198,396	198,396
CURRENT ASSETS	25,107,766	25,605,220
Inventories	2,478,456	2,768,653
Trade receivables and others	18,237,755	18,888,840
Financial receivables	0	0
Tax Receivables	2,118,697	1,599,166
Other assets	637,844	531,552
Cash and cash equivalents	1,635,014	1,817,010
TOTAL ASSETS	45,947,223	45,855,196
NON-CURRENT LIABILITIES	10,108,559	8,284,346
Provisions for risks and charges	266,831	282,864
Deferred tax liabilities	336,862	365,879
Financial payables	9,504,866	7,635,603
CURRENT LIABILITIES	22,220,058	24,785,463
Trade and other payables	16,129,025	18,413,134
Financial payables	3,671,393	4,418,250
Tax payables	1,584,737	1,337,944
Other liabilities	834,903	616,135
TOTAL LIABILITIES	32,328,617	33,069,807
Share capital	2,963,650	2,963,650
Reserves	7,750,086	7,750,087
Listing charges	(585,682)	(540,755)
FTA Reserve	3,814	3,814
Currency reserve	(4,699)	1,283,690
Retained earnings	2,607,890	(582)
Net Profit	883,546	1,325,483
EQUITY	13,618,606	12,785,389
EQUITY + LIABILITIES	45,947,223	45,855,196

COMPREHENSIVE INCOME STATEMENT	Q1 2017	Q1 2016
Revenue from sales and services	10,633,049	5,740,931
Other revenues	24,625	26,578
Change in inventories	355,897	81,449
<i>Purchase of raw materials, ancillary, consumables and goods</i>	<i>(5,224,477)</i>	<i>(1,623,212)</i>
<i>Service costs</i>	<i>(2,853,539)</i>	<i>(1,981,427)</i>
<i>Rent, lease and similar costs</i>	<i>(141,781)</i>	<i>(116,609)</i>
Operating Costs	(8,219,797)	(3,721,248)
<i>Salaries and wages</i>	<i>(333,828)</i>	<i>(246,192)</i>
<i>Social security charges</i>	<i>(97,887)</i>	<i>(47,968)</i>
<i>Post-employment benefits</i>	<i>(14,985)</i>	<i>(6,876)</i>
Personnel costs	(446,700)	(301,035)
<i>Amortisation of intangible assets</i>	<i>(759,952)</i>	<i>(395,746)</i>
<i>Depreciation of property, plant & equip.</i>	<i>(468,999)</i>	<i>(465,920)</i>
<i>Write-downs</i>	<i>727</i>	<i>(4,233)</i>
Amortisation, depreciation & write-downs	(1,228,225)	(865,899)
Other operating costs	7,269	(55,234)
EBIT	1,126,119	905,543
Non recurring income (charges)	35,388	(20,347)
Net financial income (charges)	(88,772)	(25,275)
Profit before tax	1,072,735	859,921
Income taxes	(189,189)	(240,344)
Net Profit	883,546	619,577