

# **BOARD OF DIRECTORS AND CONTROLLING BODIES**

**Chairman and Chief Executive Officer**

Mario Rizzante

**Chief Executive Officer**

Tatiana Rizzante

**Executive Directors**

Daniele Angelucci

Claudio Bombonato

Oscar Pepino

Filippo Rizzante

Fausto Forti <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>

Maria Letizia Jaccheri <sup>(1)</sup> <sup>(2)</sup>

Enrico Macii <sup>(1)</sup> <sup>(2)</sup>

**Board of Statutory Auditors****President**

Cristiano Antonelli

**Statutory Auditors**

Paolo Claretta Assandri

Ada Alessandra Garzino Demo

**Auditing firm**

EY S.p.A.

(1) Amministratori non investiti di deleghe operative.

(2) Amministratori indipendenti ai sensi del Codice di Autodisciplina elaborato dal Comitato per la Corporate Governance

(3) Lead independent Director

*This report has been translated into English from the original Italian version, in case of doubt the Italian version shall prevail.*





# THE GROUP'S FINANCIAL HIGHLIGHTS

<b>ECONOMIC FIGURES (THSD EUROS)</b>	<b>2016</b>	<b>%</b>	<b>2015</b>	<b>%</b>	<b>2014</b>	<b>%</b>
Revenue	780,739	100.0	705,601	100.0	632,184	100.0
Gross operating income	106,417	13.6	98,736	14.0	85,119	13.5
Operating income	99,594	12.8	90,558	12.8	80,663	12.8
Income before taxes	97,405	12.5	88,930	12.6	79,267	12.5
Group net income	67,544	8.7	56,748	8.0	47,909	7.6

<b>FINANCIAL FIGURES (THSD EUROS)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Group shareholders' equity	337,017	295,425	251,908
Non controlling interest	520	653	936
Total assets	770,575	700,745	616,712
Net working capital	160,404	162,566	134,341
Net invested capital	308,779	267,893	236,531
Cash flow	79,497	44,334	49,578
Net financial position	28,758	28,186	16,313

<b>DATA PER SHARE</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Number of shares	9,352,857	9,352,857	9,352,857
Operating income per share	10.65	9.68	8.62
Net result per shares	7.22	6.07	5.12
Cash flow per share	8.50	4.74	5.30
Shareholders' equity per share	36.01	31.59	26.93

<b>OTHER INFORMATION</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Number of employees	6,015	5,245	4,689



# LETTER TO SHAREHOLDERS

## DEAR SHAREHOLDERS,

*2016 was a year characterised by major changes.*

*Over the last few months, the foundations have been laid for a new world, a different world from what we have experienced in recent years, one which will be rapidly defined and set up.*

*Unexpected events have, in fact, if not changed, at least brought into question an equilibrium that until now seemed certain and immutable. The result of the “Brexit” vote in the UK, the large migration flows towards Europe, the banking sector crisis and the recent US elections are certainly the most resounding indicators, although not the only ones, pointing to a profound transformation taking place in society.*

*A transformation that can no longer be stopped and will lead to an inevitable crisis in any sectors that are unable to evolve and adapt to new scenarios,*

*by finding new and different competitive levers and often opening themselves up to new business or service models.*

*At the same time, the technology influence domain saw further expansion, becoming part of our everyday life and modifying traditions and relationships, both professional and individual. By now, the separation between the physical and the digital realms, between real and virtual has definitively and permanently disappeared. There is no longer any industrial, transformation or services sector that has not rethought its processes, redesigning them starting from the technology and the digital components.*

*The paradigm shift did not only affect the end customers. Consulting companies were also forced to radically renew and extend their portfolio of products and services offered, both in terms of skill-sets, as well as partnership ecosystems, realigning them to new and more complex needs.*

*For Reply, this new world represents a great challenge, but at the same time, a great opportunity. Reply has always been at the frontier of technology and themes which many companies are just beginning to explore today (such as Artificial Intelligence, Machine Learning, Mixed Reality, Industry 4.0 and Internet of Things), for us represent structured product and service offers on which we have been working, together with our customers, for quite some time.*

*At the same time, the investments made to expand the set of skills allows Reply to be one of the few players today who are able to propose a heterogeneous skill-set, extending the boundaries of traditional consulting, integrating, also, profiles until recently unknown to the market. Examples are Data Scientist and Strategic Designer: two new advisory roles essential to support companies wishing to introduce more and more extended models of data-driven business.*

*However, now more than ever, it is imperative that we continue to move forward. Our competitive advantage, reflected in the positive results recorded in 2016, combined with our Group's financial strength, allows us to continue investing in order to ensure that Reply's product and services offering is better aligned to the demands of a new world in which the innovation component, linked to technology, changes from being an enabling factor to a strategic lever of corporate success.*

*Over the coming months our commitment will be at a maximum, ensuring that Reply can capitalise on this moment of strong discontinuity, translating it into new value for its shareholders, its employees and its customers.*

Chairman of the Board

**Mario Rizzante**

