The Wellness Company

TECHNOGYM S.P.A.: BOARD OF DIRECTORS APPROVED THE DRAFT CONSOLIDATED RESULTS FOR THE 2016 FINANCIAL YEAR

TECHNOGYM grows: revenue at Euro 555 million (+8.5%) and EBITDA at Euro 100 Million (+15%)

- **Consolidated revenue: Euro 555 million, +8.5% on 2015 (Euro 512). At constant exchange rates, consolidated revenue growth stands at +10.3%**
- **EBITDA: Euro 100 million, +15.3% on 2015 (Euro 86.7 million).**
- **Net Profit: Euro 43 million, +54% on 2015 (Euro 28 million).**
- **Net Financial Debt: Euro 78 million, compared to Euro 38 million in 2015, after non-recurring investments of around Euro 110 million for the acquisition of Technogym Village and the digital company Exerp**
- **Proposed dividend of Euro 0.065 per share, totaling Euro 13 million**

Nerio Alessandri, Chairman and Chief Executive Officer, said:

"Major growth once again in 2016. TECHNOGYM continues to grow faster than its reference market, achieving a record result of Euro 100 million in EBITDA and profit up by more than + 50%. 2016 marks an important milestone in TECHNOGYM's growth history worldwide, which 30 years since its foundation consolidated a leadership position in our target segment.

We are proud to have achieved a profit and EBITDA result that is more than proportionate to revenue growth, and this means we can pay dividends to our shareholders. Despite the non-recurring investments, the net financial position stands at Euro 78 million. The constant growth recorded in the last 4 years is in line with our long-term sustainable growth strategy.

TECHNOGYM is an aspirational brand with a luxury living and design positioning in the home and hotel segment and a premium positioning within the club and corporate segment. Our business model is based on offering customized solutions that allow us to cover new markets such as consumer, hospitality, corporate, health and sport performance.

***Despite a market scenario dominated by uncertainty, we continue to focus on the long-term, investing in Research and Development and in 2017 we will introduce new products and solutions for the different market segments.*"**

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Cesena (Italy), March 6, 2017 - The Board of Directors of TECHNOGYM (MTA: TGYM), a leader in the international fitness, sport and health equipment market and operating in the broader Wellness industry, today examined and approved the consolidated financial statements and the draft financial statements for 2016, prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

TECHNOGYM closed 2016 with revenue up +8.5% compared to the previous year, double that of the reference market. Growth was particularly significant in some geographic areas strategic for the company's medium/long-term development: +16% in North America and +18% in Asia Pacific.

EBITDA stands at a record Euro 100 million, an increase more than proportionate to revenue growth, as well as improving on 2015 by over +15%. The net financial debt rose by only Euro 40 million, despite the major non-recurring investments associated with acquisition of the TECHNOGYM Village and the Danish company Exerp, a leader in digital systems for fitness club management. The continuous investments in digital, in developing IoT based smart equipment and in the unique MyWellness cloud open platform have guaranteed TECHNOGYM a positioning as a leader company in innovation with a tangible benefit in terms of marginality on the entire product and service range.

As regards innovation, in 2016 TECHNOGYM launched several new products and solutions such as SKILLMILL - a product dedicated to the new segment of athletic performance training, GROUP CYCLE Connect, the connected and interactive group cycling format, POWER PERSONAL, the design solution that completes the Personal collection designed by Antonio Citterio, and many new applications for the TECHNOGYM Ecosystem, the only digital ecosystem in the industry, able to connect products, fitness clubs and end consumers via mobile app.

In the year just ended, TECHNOGYM was also a lead player in the Rio 2016 Olympics as official and exclusive supplier: the sixth Olympic experience for the company.

Revenue performance in 2016

Again in 2016, after the important growth recorded in 2015, TECHNOGYM grew at a pace more than proportionate to the reference market. In the year just ended, revenue rose in all the geographic areas of operation worldwide. The most significant figures were those recorded in the Asia Pacific region (+18%), led by Japan, and in North America (+16%) as a result of strong growth in the luxury hospitality segment and the agreement with Lifetime Fitness, the largest chain of premium fitness clubs in the United States. Growth on the Italian market was particularly significant (+20%).

In terms of distribution channels, revenue growth was even across all four channels envisaged in TECHNOGYM's omni-channel distribution business model

A breakdown of revenue is provided below, by:

- distribution channels;
- geographic area

Revenue by distribution channel

(In thousands of Euro)	**2016**	**2015**	**2016 vs 2015**	**%**
Field Sales	386.45	354.85	31.60	+8.9%
Wholesale	122.30	112.84	9.47	+8.4%
Inside Sales	40.94	38.46	2.47	+6.4%
Retail	5.66	5.56	92	+1.7%
Total revenue	**555.34**	**511.71**	**43.63**	**+8.5%**

Revenue by geographic area

(In thousands of Euro)	**2016**	**2015**	**2016 vs 2015**	**%**
Europe (without Italy)	288.08	276.13	11.95	+4.3%
MEIA	51.03	49.70	1.33	+2.7%
APAC	80.95	68.65	12.30	+17.9%
Italy	54.18	45.02	9.17	+20.4%
North America	58.37	50.31	8.07	+16%
LATAM	22.73	21.90	0.83	+3.8%
Total revenue	**555.35**	**511.71**	**43.63**	**+8.5%**

EBITDA

As at December 31, 2016, EBITDA stood at Euro 99.93 million, up +15.3% on 2015 (Euro 86.70 million). The growth was more than proportionate to revenue. This increase was mainly due to the increase in profit margins in relation to the rise in sales volumes, the rationalization of industrial activities which had a positive impact on direct production costs, and the acquisition of TECHNOGYM Village, which led to the netting of rental costs following its inclusion in the scope of consolidation.

Net Profit

The net profit for 2016 stands at Euro 43 million, up +54% compared to Euro 28 million reported in 2015. The strong net profit increase benefits from the combination of the improvement in the business profitability along with the positive effect of financial activities and tax rate reduction.

Net Financial Debt

Net Financial Debt at December 31, 2015 was Euro 78.02 million, up by only Euro 39.96 million on 2015 despite major non-recurring investments of around Euro 110 million to acquire Technogym Village and the Danish company Exerp.

Significant events after December 31, 2016

There were no significant events after the end of 2016.

Outlook

For 2017, the TECHNOGYM Group confirms the development guidelines already implemented in the year just ended. International growth will mainly involve consolidation of market shares in Europe, and decisive investments in North America in support of the positive growth trend already recorded in the last two years.

The commitment to product innovation will continue through specific focus on improving the equipment user experience by means of digital services provided on the MyWellness platform. So again in 2017 the company will be proposing new products and solutions for both the operators' market and the end consumers' market. In support of the extensive product portfolio, TECHNOGYM will continue to invest in the skills of its own personnel so they can guarantee clients an excellent service in line with the brand's aspirational features.

In spite of the uncertain macro-economic scenario and an increasingly competitive wellness market, company management believes that in 2017 Technogym can continue to grow; a constant and sustainable growth, stronger than that of the market, both in terms of revenue and profit, supporting lasting creation of value for its shareholders.

Proposed allocation of profit for the year

The Board of Directors resolved upon a proposal to the Shareholders' Meeting to pay dividends for 2016 of Euro 13 million, amounting to Euro 0.065 per ordinary share, with a payout ratio of 28.6% of Net Profit. The remaining share of the Net Profit will be accounted to the equity reserves 'earning previous years".

The dividend will be paid on May 17th 2017 (coupon date May 15th 2017 and record date May 16th 2017, with coupon #1 pay out).

Financial Statements of the Parent Company

The Board of Directors also approved the financial statements of the parent company, Technogym S.p.A. The Company recorded revenue of Euro 408.8 million, up +11.5% % on the Euro 366.6 million of 2015 and mainly due to volume growth as well as to the sale of products with greater added value. Non-recurring expenses in 2016 amounted to Euro 3 million and refer primarily to costs associated with the listing procedure. Net Profit stood at Euro 45.5 million, compared to Euro 37.1 million in 2015. The Statement of Financial Position of Technogym S.p.A. shows Equity of Euro 132.4 million, compared to Euro 68.6 million in 2015, and a Net Financial Debt of Euro 139.4 million compared to Euro 68.6 Million in 2015. The increase in the Net Financial Debt is mainly due to the acquisition of 50.01% of Exerp APS and to the acquisition of the TECHNOGYM Village.

Other resolutions

The Board of Directors also approved the following today:

1. the Remuneration Report pursuant to art. 123-*ter*, Italian Legislative Decree no. 58 of February 24, 1998 (the "Consolidated Finance Act") and art. 84-*quater* of Consob Regulation no. 11971/1999 (the "**Issuers' Regulation**")

2. the Report on Corporate Governance and Ownership Structure pursuant to art. 123-*bis*, Consolidated Finance Act

3. the proposal asking the Ordinary Shareholders' Meeting to approve a stock option plan assigning rights to ordinary shares of the Company, free of charge, known as the 2017-2019 Performance Shares Plan, pursuant to art. 114-*bis*, paragraph 1 of the Consolidated Finance Act. The aforementioned plan to assign the rights to receive ordinary Company shares free of charge, the "2017-2019 Performance Shares Plan" is reserved for Technogym Group managers to be identified by the Board of Directors, at the proposal of the Chairman of the Board of Directors and after consulting the Appointments and Remuneration Committee, from among employees and/or contract staff of the Company or its subsidiaries in strategic management roles or in any event able to make a significant contribution, including the Company's key managers. The characteristics of

the plan are illustrated in the information document prepared by the Company in accordance with art. 84-*bis* of the Issuers' Regulation, made available to the public at the registered office, on the Company's web site at www.technogym.com and by other means and compliant with the terms envisaged in current regulations.

4. the proposal asking the Shareholders' Meeting for authorization to purchase and dispose of treasury shares. The request for authorization to purchase and sell treasury shares aims to allow the Company to buy and sell ordinary shares for the following purposes: (i) purchase treasury shares with a view to medium- and long-term investment, also to establish permanent investments, or in any event to seize upon market opportunities, also through the purchase and resale of shares on the market and (for sales, disposals or usage) on OTC markets or even off-market, through accelerated bookbuilding (ABB) or in block trades, at any time, all or part, on one or more occasions and without time limits, provided the transactions are at market conditions; (ii) in compliance with current regulations, intervene directly or through intermediaries to limit anomalous price fluctuations and to stabilize trading and price performance, against temporary distortions associated with excess volatility or poor trading liquidity; and (iii) create a treasury shares portfolio for deal with situations considered to be of financial, operational or strategic interest to the Company, including share-based incentive plans. The Board of Directors resolved to propose that the authorization to purchase treasury shares is given for the maximum period permitted by art. 2357, paragraph 2 of the Italian Civil Code, and therefore for 18 months from the date the Shareholders' Meeting adopts the corresponding resolution. The Board may arrange the authorized transactions on one or more occasions and at any time. It is proposed to authorize the Board of Directors to purchase the Company's ordinary shares (fully paid-up), on one or more occasions and to an extent freely determined by the Board of Directors up to a maximum of treasury shares not exceeding 0.55% of the share capital, with due regard to the treasury shares held either directly or by its subsidiaries, if any. To date neither the Company or its subsidiaries hold shares of the Company. The purchase price of the shares will be identified on each occasion, considering the method chosen for carrying out the transaction and in compliance with any regulatory provisions or recognised market practices, but in any event neither 20% lower or 20% higher than the weighted average of official stock market prices for the shares recorded by Borsa Italiana S.p.A. at the trading session prior to each transaction. With regard to sale, disposal and/or use of the treasury share transactions, these can be carried out by any method considered appropriate to achieving its related purposes, including the use of treasury shares to serve share-based incentive plans, to be arranged either directly or through intermediaries, in compliance with current Italian or EU-level legal and regulatory provisions on such matters. For all other information regarding the proposal for authorization of the purchase and disposal of treasury shares, please refer to the Directors' explanatory report, which will be published in accordance with the terms and conditions envisaged in current laws and regulations.

5. the proposal asking the Shareholders' Meeting to grant powers to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, for a period of five years from the date of the resolution, to increase the share capital, free of charge, divisible and also in one or more tranches, pursuant to art. 2349 of the Italian Civil Code, through issues of a maximum [1,100,000] ordinary shares, for a maximum value of Euro [55,000], at value on issue equal to the book value of the shares as at the execution date, fully attributable to capital, for assignment to employees of Technogym S.p.A. and its subsidiaries that are beneficiaries of the 2017-2019 incentive plan involving ordinary Technogym

S.p.A. shares (the 2017-2019 Performance Shares Plan), with subsequent amendment of Article 6 of the current Articles of Association.

6. the mandate granted to the Chairman of the Board of Directors to issue single notice of call of the Ordinary Shareholders' Meeting and Extraordinary Shareholders' Meeting for 21 April 2017, as indicated in the 2017 corporate events calendar. The notice of call to the Shareholders' Meeting and related documents will be published in accordance with the terms and conditions envisaged in current laws and regulations.

All the documents will be made available to the public, as required by law, at the registered office of Technogym S.p.A. at Via Calcinaro 2861, Cesena, on the storage mechanism approved by Consob and in the special sections of the Company's web site http://corporate.technogym.com/

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SUMMARY TABLES

Consolidated income statement

(In thousands of Euro)	**Year ended December 31**			
	2016	***of which from related parties***	**2015**	***of which from related parties***
REVENUE				
Revenue	554,970	*10,601*	511,102	*9,137*
Other operating income	371	*1*	609	*12*
Total revenue	**555,341**		**511,711**	
OPERATING COSTS				
Raw materials, work in progress and finished goods	(196,408)	*(38)*	(182,574)	*(59)*
Cost of services	(139,809)	*(3,401)*	(127,236)	*(174)*
of which non-recurring expenses:	*(2,340)*		*(2,580)*	
Personnel expenses	(116,942)	*(2)*	(116,996)	*(3)*
of which non-recurring expenses:	*(613)*		*(3,070)*	
Other operating costs	(8,214)	*(114)*	(4,878)	*(3)*
of which non-recurring expenses:	*(2,874)*		*(13)*	
Share of net result from joint ventures	131		1,012	
Depreciation, amortization and impairment losses	(23,158)		(20,020)	
Provisions	(2,540)		(2,578)	
NET OPERATING INCOME	**68,401**		**58,442**	
Financial income	13,126		15,202	
Financial expenses	(15,674)		(17,789)	
Net financial expenses	**(2,548)**		**(2,587)**	
Income/(expenses) from investments	(114)		(881)	
PROFIT BEFORE TAX	**65,739**		**54,973**	
Income tax expenses	(22,519)		(26,619)	
PROFIT/(LOSS) FOR THE YEAR	**43,219**		**28,354**	
Profit/(loss) attributable to non-controlling interests	(134)		(186)	
Profit (loss) attributable to owners of the parent	**43,085**		**28,168**	
Earnings per share (in Euro)	**0.22**		**2.82**	

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Consolidated statement of financial position

(In thousands of Euro)	At December 31			
	2016	***of which from related parties***	**2015**	***of which from related parties***
ASSETS				
Non-current assets				
Property, plant and equipment	143,863		56,873	
Intangible assets	24,041		21,474	
Deferred tax assets	14,255		15,712	
Investments in joint ventures and associates	21,340		3,822	
Non-current financial assets	2,653		(0)	
Other non-current assets	18,389		9,529	
TOTAL NON-CURRENT ASSETS	**224,541**		**107,409**	
Current assets				
Inventory	72,175		60,379	
Trade receivables	94,075	*466*	84,126	*835*
Current financial assets	403	*402*	105	*100*
Assets for derivative financial instruments	340		213	
Other current assets	12,875	*393*	31,800	*118*
Cash and cash equivalents	53,146		68,026	
TOTAL CURRENT ASSETS	**233,014**		**244,649**	
TOTAL ASSETS	**457,555**		**352,058**	
EQUITY AND LIABILITIES				
Equity				
Share capital	10,000		10,000	
Share premium reserve	-		-	
Other reserves	26,054		(8,227)	
Retained earnings	7,791		13,025	
Profit (loss) attributable to owners of the parent	43,085		28,168	
Equity attributable to owners of the parent	**86,930**		**42,966**	
Capital and reserves attributable to non-controlling interests	576		247	
Profit (loss) attributable to non-controlling interests	134		186	
Equity attributable to non-controlling interests	**710**		**434**	
TOTAL EQUITY	**87,639**		**43,400**	

Non-current liabilities				
Non-current financial liabilities	83,619		48,456	
Deferred tax liabilities	749		704	
Employee benefit obligations	3,194		3,104	
Non-current provisions	17,637		8,528	
Other non-current liabilities	9,490		13,517	
TOTAL NON-CURRENT LIABILITIES	**114,689**		**74,309**	
Current liabilities				
Trade payables	125,594	*469*	93,935	*667*
Current tax liabilities	3,682		13,988	
Current financial liabilities	48,247		57,557	
Liabilities for derivative financial instruments	47		391	
Current provisions	17,214		18,462	
Other current liabilities	60,442	*0*	50,016	
TOTAL CURRENT LIABILITIES	**255,226**		**234,349**	
TOTAL EQUITY AND LIABILITIES	**457,555**		**352,058**	

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Consolidated statement of cash flow

(In thousands of Euro)	Year ended December 31	
	2016	**2015**
Cash flows from operating activities		
Consolidated profit (loss) for the period	43,219	28,354
Adjustments for:		
Income tax expenses	22,519	26,619
Income/(expenses) from investments	114	883
Financial income / (expenses)	2,548	2,587
Depreciation, amortization and impairment losses	23,158	20,020
Provisions	2,540	2,578
Use of provision for risks	-	-
Use of provisions for employee benefit obligations	-	-
Share of net result from joint ventures	(131)	(1,012)
Cash flows from operating activities before changes in working capital	**93,968**	**80,029**
Increase (decrease) in inventory	(12,268)	2,066
Increase (decrease) in trade receivables	(5,827)	(4,218)
Increase (decrease) in trade payables	33,203	(163)
Increase (decrease) in other operating assets and liabilities	870	19,209
Non-recurring fiscal collections/(payments)	22,756	(22,756)
Income taxes paid	(34,794)	(19,342)
Net cash inflow from operating activities (A)	**97,907**	**54,824**
of which from related parties	*11,158*	*3,396*
Cash flows from investing activities		
Investments in property, plant and equipment	(56,124)	(18,179)
Disposals of property, plant and equipment	464	243
Investments in intangible assets	(8,700)	(6,889)
Disposals of intangible assets	2	2
Dividends attributable to non-controlling interests	-	-
Dividends received from other entities	(114)	369
Dividends received from joint ventures	663	-
Minority Interests	-	-

Investments in subsidiaries, associates and other entities	(18,050)	538
Disposal of investments	-	251
	(81,860)	**(23,665)**
of which from related parties	*42,353*	*7,687*
Cash flows from financing activities		
Proceeds from new borrowings	65,000	70,000
Repayment of borrowings	(30,882)	(19,935)
Net increase (decrease) of current financial liabilities	(60,952)	(54,393)
Payments of net financial expenses	(5,418)	(878)
	(32,253)	**(5,206)**
Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)	**(16,205)**	**25,953**
Cash and cash equivalents at the beginning of the period	**68,026**	**41,128**
Net increase (decrease) in cash and cash equivalents from January 1 to December 31	(16,205)	25,953
Effects of exchange rate differences on cash and cash equivalents	1,325	945
Cash and cash equivalents at the end of the period	**53,146**	**68,026**

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*Pursuant to art. 154-*bis*, paragraph 2 of the Consolidated Finance Act, the executive responsible for the preparation of financial reports, Stefano Zanelli, declares that the accounting data contained in this press release is consistent with entries in the accounting books and records.*

[1] *This note applies to the entire press release: figures not subject to audit.*

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__Notes to the press release__

Technogym

Founded in 1983, Technogym S.p.A. is a world-leading international supplier of products, services and solutions in the fields of fitness and wellness. With over 2,000 employees and 14 branches in Europe, the United States, Asia, Middle East, Australia and South America, the company exports 90% of its production to over 100 countries. Technogym S.p.A. was the official supplier for the last six Olympic Games: Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012 and Rio 2016.

Safe Harbor Statement

Certain statements in this press release could constitute forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. The statements in question refer to risks, uncertainties and other factors that could lead to actual results which differ, even substantially, from those forecast.

Such risks and uncertainties include, for example, the ability to manage the effects of the current uncertain international economic scenario, ability to acquire new assets and integrate them effectively, ability to forecast future economic conditions and changes in consumer preferences, ability to successfully introduce and market new products, ability to maintain an efficient distribution system, ability to achieve and manage growth, ability to negotiate and maintain favorable license agreements, currency fluctuations, changes in local conditions, ability to protect intellectual property, problems with information systems, risks associated with inventory, credit and insurance risks, changes in tax regulations, and likewise other political, economic, legal and technological factors and other risks and uncertainties already mentioned in our Consob filings. These forward-looking statements were released as at today’s date and we accept no liability for updating.