

Fashion and Design

- **FASHION AND DESIGN IN ITALY**

- INVESTMENT OPPORTUNITIES:

- ✓ FASHION AND JEWELLERY

- ✓ FASHION AND JEWELLERY IN LOMBARDY

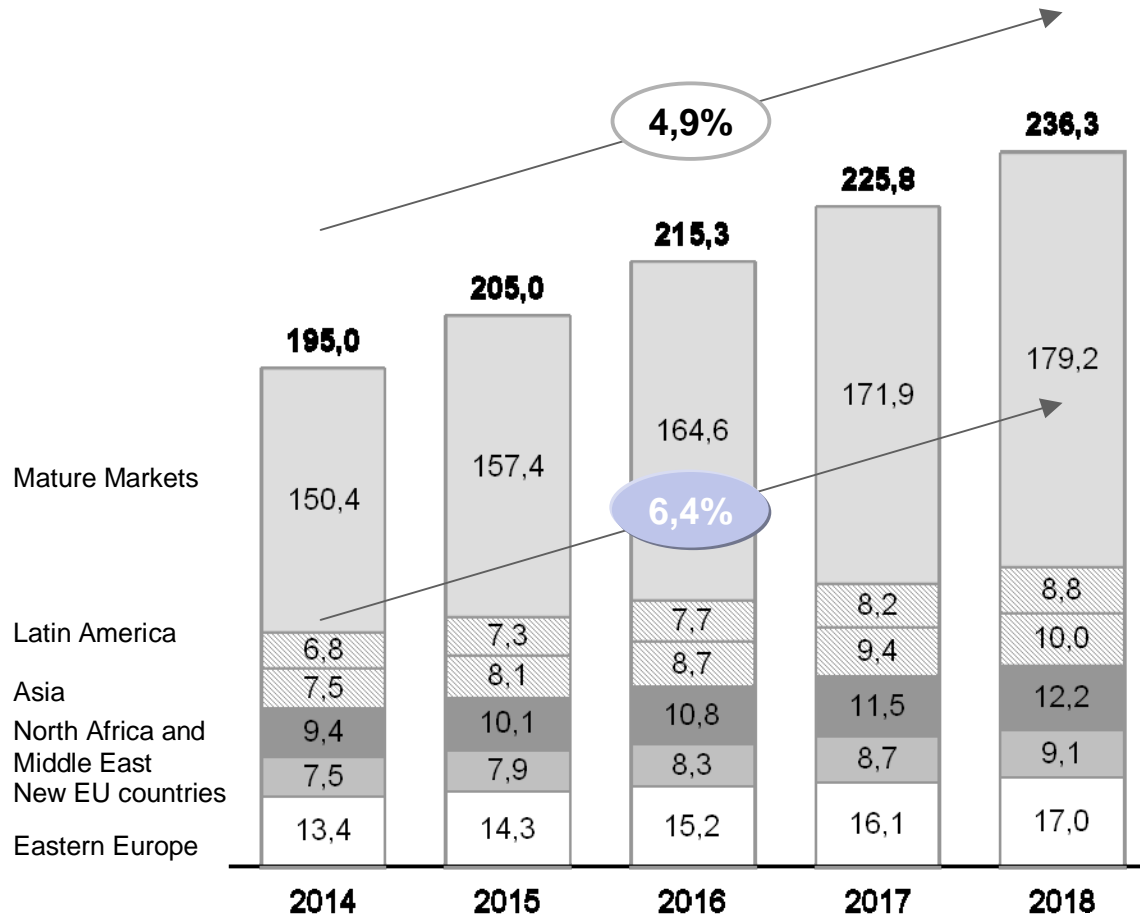
- ✓ FURNITURE

- ✓ HOME DECORATION AND DESIGN

Fashion & Design

Billions of dollars

World trend



Top 100 Luxury Brands

- 1 Hermes
- 2 Chanel
- 3 Louis Vuitton
- 4 Christian Dior
- 5 Ferragamo
- 6 Versace
- 7 Prada
- 8 Fendi
- 9 Armani
- 10 Ermenegildo Zegna

Recently, World Luxury Association, a non-profit American organisation rolled out its list of the World's Most Valuable Top 100 Luxury Brands. French fashion house Hermes took the top spot; here are the other fashion brands that made it to the top 10 (January 2012)

Foreign Direct Investment in the fashion sector in Italy: recent investments and planned projects

Company	Object
Louis Vuitton (France)	Retail project in Venice (and Gucci, Pozzi Ginori Ceramics)
Desigual (Spain)	Project of opening outlets in Turin, Parma, Limbiate, Chieti and Milan
Gucci (France)	Retail project in Milan
H&M (Sweden)	Textile and Retail project in Milan
Burberry (UK)	Textile and Retail project in Lombardia
Balenciaga (France)	Retail project (store) in Rome (Via Borgognona)
Bosideng Corporation (China)	Retail project in Milan
Bosco di Ciliegi (Russia) Official apparel provider of the Russian Olympic Team	Retail project (Store) in Cortina d'Ampezzo
COS - H&M (Sweden)	Retail project (store) in Milan
H&M (Sweden)	Retail project (store) in Liguria (La Spezia)

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- HIGHLIGHTS OF THE SECTORS

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Investment opportunities: Fashion - Jewellery (1/2)

	Description	Revenues	EBITDA 2012	Employees	Budget
Company 1	<ul style="list-style-type: none"> This company is the result of the merger of other two companies operating respectively in the underwear and handbags and luggage sector. It was created a couple of years ago with the aim at: supporting international development, providing overall strategic guidance to the brands and leveraging potential economies of scale and scope. 	Approx. € 280 Mio	Approx. € 50 Mio	More than 1.400	<ul style="list-style-type: none"> 13% of total 2012 turnover produced outside of Italy; target for 2013: 18%.
Company 2	<ul style="list-style-type: none"> Founded more than ten years ago, this company is today a leading Italian mono-brand retailer in underwear and beachwear. Product range: corsetry, lingerie, beachwear, nightwear, hosiery, cosmetics, sunglasses, shoes and bags. Mono-brand store network: more than 650, of which almost 540 in Italy. 	Approx. € 140 Mio	• n.a.	More than 650	<ul style="list-style-type: none"> 50 new monobrand stores opening forecasted in 2013
Company 3	<ul style="list-style-type: none"> The company has built up one of the leading European retail networks in fashion handbags and luggage. Product range: handbags, luggage, wallets, accessories (key holders, scarfs, umbrellas..) Mono-brand store network: 529, of which 442 in Italy. 	Approx. € 140 Mio	• n.a.	Almost 460	<ul style="list-style-type: none"> 50 new monobrand stores opening forecasted in 2013

Investment opportunities: Fashion - Jewellery (2/2)

	Description	Revenues	EBITDA 2012	Employees	Budget
Company 4	<ul style="list-style-type: none"> This is an Italian fashion house founded almost twenty years ago. The company produces clothing with an important brand for men and an avant garde "street-couture" line. Recently an important merchant bank acquired more than 15% stake in the company. 	€ 50÷100 Mio	• n.a.	• n.a.	• n.a.
Company 5	<ul style="list-style-type: none"> Founded some years ago, this company is a brand focused on swimwear and sportswear. Product range: racing swimming suits, swimwear, accessories, sportswear and bags. Mono-brand store network: 7 in Italy. 	Approx. € 7 Mio	• n.a.	20	• n.a.
Company 6	<ul style="list-style-type: none"> The company produces clothing, and today operates with almost 300 points of sale; new mono brand are opening in China, Russia, EU and USA. 	€ 4,5 Mio	• n.a.	• n.a.	• n.a.
Company 7	<ul style="list-style-type: none"> This is a leading company in the Italian manufacturing of jewellery and high level luxury watches. The company is listed on the Milan Stock Exchange and owns a portfolio of complementary brands. Currently the Group is in the major markets worldwide with fully owned subsidiaries in the most exclusive streets of the world's major cities. 	Almost € 110 Mio	• n.a.	More than 570	<ul style="list-style-type: none"> • 71% domestic • 29% international

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Investment opportunities in Lombardy: Fashion – Jewellery (1/3)

Company overview

The company, based in Northern Italy and founded in 1992, is a leading company in **Italy for high quality women's, men's and children's clothing and accessories**. The company manufactures its products under 3 brands: men's and women's total look and accessories, women's and men's sportswear and accessories and Kids apparels. Distribution is both direct (handled by the Milan showroom) and also through a network of agents
The company employs around 68 people

Markets

Foreign revenues are expected to reach ~25% of total revenues in 2012 and 40% in 2013. Sales are in **Italy, Germany, Belgium, Holland, Scandinavia, Spain, Austria, Switzerland, Russia, Korea and China**. Future expansion is planned through distribution development in retailing abroad (China and Korea in particular)

Financial highlights

<i>(Data in €mln)</i>	2010	2011
TURNOVER	41,4	42,7
EBITDA	2,4	2,7
PROFIT	1,3	1,2
NFP	(5,2)	(4,7)

Transaction proposed

The deal may have two components:

- ✓ Certainly an Au Cap from 5-8m for the development of distribution statistics
- ✓ The sale by the 1/2 of the 3 current members (not the actual owner), both at 33% each

Investment opportunities in Lombardy: Fashion – Jewellery (2/3)

Company overview

The company, based in Northern Italy and founded in 1993, is behind the design, production and distribution of different brands, positioned in **the medium-high end sportswear segment** and **high fashion bracket**.

Main products are; **denim, clothing , accessories, shoes**

The production is 80% in Italy

Markets

The distribution is handled by agents in Italy, France, Spain, Germany and by distributors in Scandinavia, UK, Greece, Russia, Japan and Holland. In America the company decided to open its own DOS in Miami at the end of 2007

Financial highlights

<i>(Data in €mln)</i>	2011	2012
TURNOVER	85,4	133,8
EBITDA	4,4	6,1
PROFIT	1,1	1,3
NFP	(25)	(29,3)

Transaction proposed

The owner is available for both solutions:

- ✓ A financial partner, in the minority, it enters in Au Cap to finance the capex in the retail sector (20-25m for the opening of flagship stores in Europe 8), with probable exit after 3-4 years
- ✓ Sell the majority to an industrial partner

Investment opportunities in Lombardy: Fashion – Jewellery (3/3)

COMPANY 1	BUSINESS OVERVIEW	FINANCIAL HIGHLIGHTS (mln euro)	TRANSACTION STRUCTURE				
Sector: Apparel producer	The company, based in Northern Italy, produces high quality women's, men's and children's clothing and accessories.	<table border="1"> <tr> <td>Turnover 2011</td> <td>42,7</td> </tr> <tr> <td>EBITDA</td> <td>2,7</td> </tr> </table>	Turnover 2011	42,7	EBITDA	2,7	The Company is looking for 5-8mln for the development of distribution statistics or to sell a minority stake
Turnover 2011	42,7						
EBITDA	2,7						
COMPANY 2	BUSINESS OVERVIEW	FINANCIAL HIGHLIGHTS (mln euro)	TRANSACTION STRUCTURE				
Sector: Apparel	The company produces different brands, positioned in the medium-high end sportswear segment and high fashion bracket	<table border="1"> <tr> <td>Turnover 2012</td> <td>133,8</td> </tr> <tr> <td>EBITDA</td> <td>6,1</td> </tr> </table>	Turnover 2012	133,8	EBITDA	6,1	The Company is seeking to sell the majority stake to an industrial partner
Turnover 2012	133,8						
EBITDA	6,1						
COMPANY 3	BUSINESS OVERVIEW	FINANCIAL HIGHLIGHTS (mln euro)	TRANSACTION STRUCTURE				
Sector: Apparel	The company, based in Northern Italy, produces clothes, accessories and shoes. The company owns a strong brand with more than 20 different product category	Total turnover in 2012 was around 15 mln euro	Majority investor to: <ul style="list-style-type: none"> ✓ develop Arab countries ✓ increase Russia presence ✓ develop Asian market 				
COMPANY 4	BUSINESS OVERVIEW	FINANCIAL HIGHLIGHTS (mln euro)	TRANSACTION STRUCTURE				
Sector: Bridal dresses	The Company produces luxury bridal dresses. Design and production are 100% Made in Italy (except embroideries that are made in India)	<table border="1"> <tr> <td>Turnover 2011</td> <td>10,6</td> </tr> <tr> <td>EBITDA</td> <td>0,6</td> </tr> </table>	Turnover 2011	10,6	EBITDA	0,6	Sale is for 100% due to lack of generation change. Major interest from Asian potential investors
Turnover 2011	10,6						
EBITDA	0,6						
COMPANY 5	BUSINESS OVERVIEW	FINANCIAL HIGHLIGHTS (mln euro)	TRANSACTION STRUCTURE				
Sector: Gold jewellery	The Company is a leading manufacturer of gold jewellery and its collection includes couture, woman and man. The Company has over 50 years of experience	<table border="1"> <tr> <td>Turnover 2012</td> <td>27,4</td> </tr> <tr> <td>EBITDA</td> <td>16,1</td> </tr> </table>	Turnover 2012	27,4	EBITDA	16,1	The Company is seeking for foreign investors willing to acquire 100% of the stakes
Turnover 2012	27,4						
EBITDA	16,1						

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Investment opportunities: Furniture

	Description	Revenues	EBITDA 2012	Employees	Budget
Company 8	<ul style="list-style-type: none"> Started in 1961 as an artisan-based firm the company quickly developed into one of the most important kitchen furniture manufacturers in Italy. About 1.000 sales points in Italy. Distribution network of more than 300 sales points worldwide: 150 in Europe, more than 40 in Russia and the Eastern Republics, 30 in North America, 15 in the Central and South America and 15 in Asia and Oceania. 	€ 174 Mio	• n.a.	548	<ul style="list-style-type: none"> 84% domestic 16% international
Company 9	<ul style="list-style-type: none"> The company has been famed since its foundation for sophistication and elegance with exquisite design, offering the consumer market fine but not unaffordable kitchens featuring carefully crafted details, quality, safety and environment-friendliness. It's market share in Italy is 1,5%. 	€ 24 Mio	• n.a.	103	<ul style="list-style-type: none"> 83% domestic 17% international

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Investment opportunities: Home decoration / Design

	Description	Revenues	EBITDA 2012	Employees	Budget
Company 10	<ul style="list-style-type: none"> The profile of a successful brand. 100% Made in Italy was born in 1987 thanks to an intuition: to focus on mosaics, with the aim of rescuing this art from the limbo of history and bringing it to the present day and age. More than twenty years later this company is one of the leading companies in this sector; it also produces jewels and design objects. The company self funds its own development without any bank support. 	20-40 Mio	• n.a.	150	<ul style="list-style-type: none"> 20% domestic 80% international
Company 11	<ul style="list-style-type: none"> The company founded in 1921 is a prestigious Italian and global player in the luxury sector as well as an international leader in crafted and art glass home decor, for interior design and lighting. More than 70% of revenues are generated from home décor products while the other 30 % is generated by lighting and contract orders. Europe (Italy included) and the United States represent the main markets. Customer portfolio: Italy 4 mono brand shops, Qatar 1 mono brand shop. Other customer in Italy, Europe, Middle East, Far East, North America. The market share of the company in Italy is 8,50%. 	€ 12 Mio	€ 2 Mio	82	<ul style="list-style-type: none"> 90% (Europe including Italy and USA) 8% Asia