

ITALIA
INDEPENDENT
GROUP



AIM INVESTOR DAY
3 April, 2014

ITALIA INDEPENDENT INDEPENDENT IDEAS I SPIRIT VODKA SOUND IDENTITY CARE LABEL INDEPENDENT VALUE CARD

MISSION

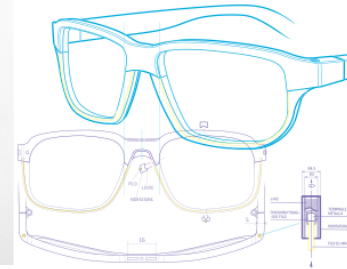
Italia Independent Group has a clear mission: to develop the brand Italia Independent.

italia **independent**

The company heads a group active in the market of eyewear, lifestyle products and communication and the Group's products and services are:

- > Eyewear and Lifestyle Products (apparel, accessories and co-brandings) – design, production control and distribution
- > Communication – both for the brand Italia Independent and for third parties through its internal agency Independent Ideas

All the above, along with the other entrepreneurial ventures the Group is involved in, have a common goal: to create a platform which can help the brand Italia Independent to thrive.



OUR PRODUCTS PORTFOLIO

italia independent

EYEWEAR

- Eyewear is the core business of the Group
- Classic shapes and strong innovation in materials and treatments



LIFESTYLE PRODUCTS

- Lifestyle Products help the brand's positioning and reinforce the idea of Made in Italy 2.0
- They give visibility to the brand and help the sales of the eyewear products



INNOVATION IN R&D



EXAMPLE 1 – TECHNOLOGICAL INNOVATION

Italia Independent **I-Velvet** model is the redesigned version of an iconic shape in the eyewear sector with the velvet effect front. The effect is obtained with the UV LUX© treatment that makes the surface of the sunglasses soft at touch. This technology was originally used in the automotive sector and has been brought to the eyewear industry by the Group and its suppliers



EXAMPLE 2 – MATERIAL INNOVATION

Italia Independent has worked with Smeg to reinterpret one of the classics of this Italian company, and this partnership created the **Independent Fab**, a refrigerator covered with a special denim which underwent a plasma treatment in order to make it resistant to any liquid, from water to oil. This unique product can thus be exposed to any environment, from a showroom to a kitchen.



EXAMPLE 3 – DESIGN INNOVATION

In 2011 the Group acquired a license for the development of specific furniture and home appliances using the vintage Fiat 500 logo. The **Fiat 500 Design Collection** was launched the same year with Meritalia and quickly gained worldwide visibility and interest, given the innovative design and balance. The Group has developed also a refrigerator with Smeg using the old Fiat 500 body (the product was officially launched in May 2013)



EXAMPLE 4 – PROCESS INNOVATION

With the **Tailor Made** project I-I provides independent opticians with the choice to create their sunglasses in Unique Edition. The opticians can choose from a variety of combinations: 5 models, 48 fronts, 48 arms, 12 shades of lenses and 12 colours variations for the printed logo in the arms, for a total of 1,600,000 of possible sunglasses combinations. The words “Unique edition for”, followed by the shop name, are written inside the arms. Italia Independent gives the possibility to independent opticians to create a special product that is unique in the market and realized according to the optician style, the characteristics of the sale point, the city and their corporate colours, giving the choice to express their inner creativity. So far more than 400 models of tailor made glasses have been produced for a total of about 13k pairs.

OUR WHOLESALE DISTRIBUTION MODEL ...

DISTRIBUTION STRATEGY

- > Italia Independent uses mainly exclusive sales representatives or distributors in order to sell to independent opticians and department stores
- > In the most strategic markets I-I uses sales reps directly coordinated from the headquarter or from the local offices in Turin, Paris, Barcelona and Miami.
- > The strategy is to manage directly the distribution in the key markets while leaving it to high reliable distributors for the minor markets.

STRUCTURE AND FIGURES

- > In 2013 I-I sold to about 2,200 clients only in Italy (about 1,400 in 2011) and over 2,000 abroad
- > 43 Sales reps:
 - 8 in Italy (+ 4 sub-agents)
 - 35 abroad
- > Italia Independent in 2013 has been present in over 70 countries through direct agents and distributors

... AND INNOVATIVE APPROACH TO RETAIL

MONOBRAND STORES: capital efficient way to communicate brand identity and test product mix



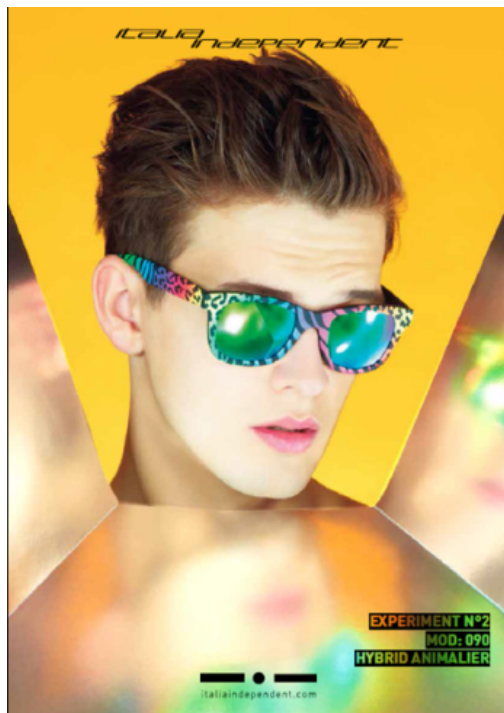
SHOP-IN-SHOP: increase traffic at optician store and visibility for the brand



GARAGE STORES: integrate current product mix with new offer of prescription lenses



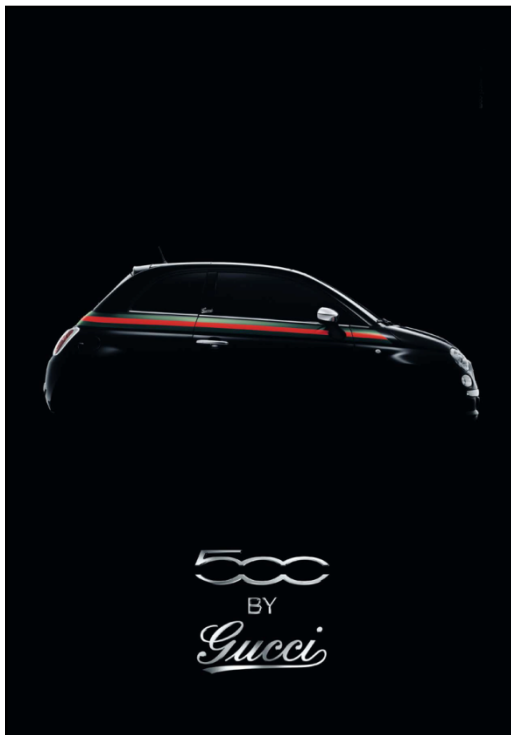
INNOVATION IN COMMUNICATION FOR OUR BRAND...



Low cost, high impact, self-sustaining and profitable communication strategy

...AND FOR OTHER COMPANIES

500 by Gucci - La Rinascente - Virgin Radio - Moschino - Fratelli Rossetti - Jeep - 500 by DIESEL - Vertu by Italia Independent



VIP ENDORSEMENT IN AN INNOVATIVE WAY



VIP endorsement translating into business opportunities

FINANCIAL OVERVIEW

CONSOLIDATED INCOME STATEMENT 2010-2013

€/000	2013	%	CAGR 10-13	2012	%	2011	%	2010	%
Gross Revenues	28.694	115%	73%	17.525	112%	10.479	108%	5.882	106%
Sales Returns	(3.772)	(15%)	140%	(1.859)	(12%)	(817)	(8%)	(324)	(6%)
Net Revenues	24.922	100%	68%	15.666	100%	9.662	100%	5.558	100%
Gross Margin	17.245	69%	78%	10.477	67%	6.167	64%	3.308	60%
EBITDA *	4.682	18,8%	179%	2.975	19%	1.473	15,3%	382	6,9%
Net profit	537	2,2%	nm	907	5,8%	149	1,5%	(163)	(2,9%)
Group Net Profit	456	1,8%	nm	602	3,8%	93	1%	(121)	(2,2%)
Minority Interest **	81	0,4%	nm	305	2%	56	0,5%	(42)	(0,7%)

* EBITDA does not include a extraordinary items (€ 117k in 2012, € 155k in 2011 and € 92k in 2010), provision for post employment benefits (€ 55 k in 2012 and 2011) and depreciation of inventories (€ 50 k in 2012 and € 40 in 2010).

** The Group bought back in July 2013 minority stakes in Italia Independent Spa (representing 27,5% of the company) for 5.4M euro. Those shares represented about 76% of all minority interests in 2012.

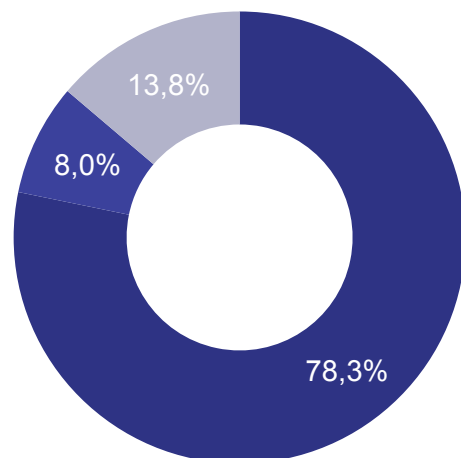
CONSOLIDATED BALANCE SHEET 2010-2013

€/000	2013	Δ yoy %	2012	Δ yoy %	2011	Δ yoy %	2010
USES OF FUNDS							
Non-current assets	11.993	234%%	3.588	142%	1.480	3%	1.444
Inventories	3.660	53%	2.397	108%	1.152	50%	768
Receivables	13.531	56%	8.678	63%	5.319	46%	3.651
(Payables)	(9.274)	42%	(6.524)	130%	(2.832)	56%	(1.817)
Net Working Capital	7.917	74%	4.552	25%	3.639	40%	2.601
(Provisions)	(936)	73%	(542)	126%	(239)	904%	(24)
Net Invested Capital	18.974	150%	7.598	56%	4.880	21%	4.021
SOURCES							
Total Equity	15.063	288%	3.879	77%	2.194	7%	2.044
Long-term borrowings	4.439	630%	608	(38%)	983	19%	826
Short-term borrowings	2.287	2%	2.239	0,2%	2.234	3%	2.173
Leasing	1.506	(9%)	1.654	-	-	-	-
(Cash and cash equivalents)	(4.321)	452%	(783)	47%	(531)	(48%)	(1.022)
Net Financial Position	3.911	5%	3.719	38%	2.686	36%	1.977
Total Sources	18.974	150%	7.598	56%	4.880	21%	4.021
Net Financial Position / Total Equity	0,26		0,96		1,22		0,97
Net Financial Position / EBITDA	0,84		1,25		1,82		5,18

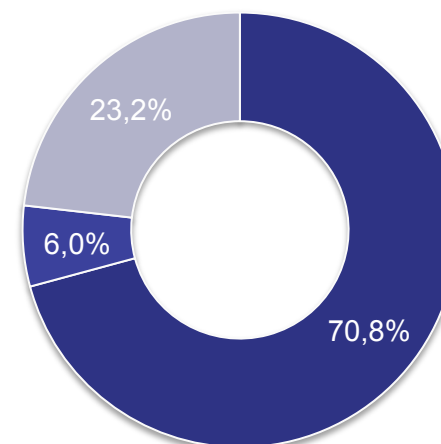
* € 2.172 k for the Turin Headquarter financed by a leasing (about 2,000 sqm building)

FINANCIAL FIGURES 2013 VS 2012

REVENUES BY BUSINESS LINE 2013

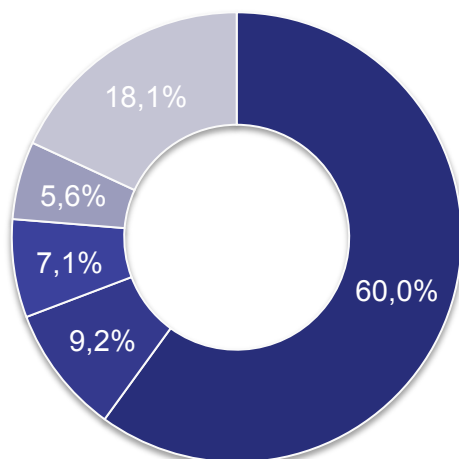


REVENUES BY BUSINESS LINE 2012

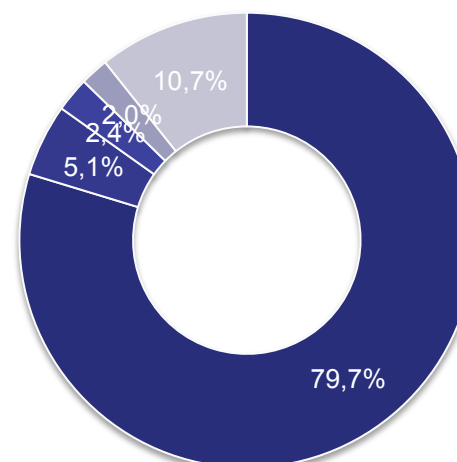


- EYEWEAR
- LIFESTYLE PRODUCTS
- COMMUNICATION

EYEWEAR REVENUES BY GEOGRAPHY 2013



EYEWEAR REVENUES BY GEOGRAPHY 2012



- ITALY
- FRANCE
- SPAIN
- USA
- REST OF THE WORLD

FUTURE STRATEGY AND GROWTH PLAN

Italia Independent Group has the goal to develop the brand Italia Independent and to grow internationally in order to become a sizeable player in the eyewear sector. Its strategy is based on the following pillars:

- > Maintaining a high degree of innovation through its activities in different industries and markets
- > Development of lifestyle products and collaborations in order to position Italia Independent as a lifestyle brand
- > Strengthening its expertise in the area of Communication

In order to sustain the growth in the next years the Group has outlined an action plan based on the expansion of the wholesale distribution, and in particular:

Italy - Vertical and Horizontal expansion:

- > Strengthening its presence in the top tier of independent opticians
- > Highly motivated sales rep network in charge of local operations (e.g. payments, marketing, customer care)

Rest of the World:

- > Expand its business abroad establishing a position of competitive advantage in the key strategic markets, mainly:
 - continental Europe
 - USA
 - Middle East
- > Open few flagship stores in selected key markets for the Group

Essere indipendenti è scrivere ogni giorno la propria storia. Ser independente é escrever todos os dias a sua própria historia.

Будь независимым и каждый день писать свою историю! Это – первая страница. Être indépendant signifie écrire sa propre histoire chaque jour.

■ITALIA
■INDEPENDENT
■GROUP
Being independent means writing one's own story every day.

Unabhängig zu sein, bedeutettagtaglich seine personliche geschichte zu schreiben. 天天撰写自己的故事才是真正的独立

להיות עצמאי היא לכתוב כל יום את ההיסטוריה שלה, זה בעמוד הראשון Ser independiente es escribir cada día tu propia historia.

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