



TWIN-SET

SIMONA BARBIERI

FY 2015 Results

April 2016

Disclaimer

IMPORTANT: You must read the following before continuing. The following applies to the confidential information in the presentation following this disclaimer, and you are therefore advised to read this carefully before reading, accessing or making any other use of the presentation. In accessing the presentation, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THIS PRESENTATION IS CONFIDENTIAL AND DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER OR INVITATION TO SUBSCRIBE FOR, UNDERWRITE OR OTHERWISE ACQUIRE, ANY SECURITIES OF TWIN SET—SIMONA BARBIERI S.P.A. (THE “ISSUER”) OR ANY AFFILIATE OR SUBSIDIARY THERETO (TOGETHER, THE “COMPANY”) NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH, ANY CONTRACT TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES OF THE ISSUER NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER. ANY PERSON CONSIDERING THE PURCHASE OF ANY SECURITIES OF THE ISSUER MUST INFORM HIMSELF INDEPENDENTLY. THIS PRESENTATION IS BEING MADE AVAILABLE TO YOU SOLELY FOR YOUR INFORMATION AND BACKGROUND AND IS SUBJECT TO AMENDMENT. THIS PRESENTATION (OR ANY PART OF IT) MAY NOT BE REPRODUCED OR REDISTRIBUTED, PASSED ON, OR THE CONTENTS OTHERWISE DIVULGED, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON (EXCLUDING THE RELEVANT PERSON'S PROFESSIONAL ADVISERS) OR PUBLISHED IN WHOLE OR IN PART FOR ANY PURPOSE.

The information contained in this presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the information or opinions contained herein. The information set out herein may be subject to revision and may change materially before closing. None of the Issuer, the Company or any of their affiliates is under any obligation to keep current the information contained in this presentation and any opinions expressed in it are subject to change without notice. None of the Issuer, the Company or any of its affiliates is responsible for providing legal, tax or other advice and you should make your own arrangements in this respect accordingly.

This presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. In particular, this presentation and the information contained herein does not constitute an offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities in the United States and this presentation may not be distributed, except (i) to persons that are qualified institutional buyers as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “Securities Act”), or (ii) to persons who are outside the United States in accordance with Regulation S under the Securities Act (and, if investors are resident in a member state of the European Economic Area, a qualified investor (within the meaning of Article 2(i)e of the Prospective Directive (Directive 2003/71/EC) and any relevant implementing measure in each member state of the European Economic Area). No securities of the Issuer have been or will be registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. There will be no public offer of securities in the United States.

This presentation and its contents have not been approved by the UK Financial Services Authority or an authorized person (as defined in the Financial Services and Markets Act 2000 (the “FSMA”)) for distribution. This presentation is only being distributed to and is only directed to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any notes or other securities may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). Any investment activity to which this communication may relate is only available to, and any invitation, offer or agreement to engage in such investment activity will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents. The information in this presentation is given in confidence and the recipients of this presentation should not engage in any behavior in relation to qualifying investments or related investments (as defined in the FSMA and the Code of Market Conduct made pursuant to the FSMA), which would or might amount to market abuse for the purposes of the FSMA.

The distribution of this presentation in other jurisdictions may also be restricted by law, and persons into whose possession this presentation comes must inform themselves about, and observe, any such restrictions.

The information in this presentation is confidential. Any distribution of this presentation, or of any information contained in this presentation, to any person other than an original recipient (or to such recipient's advisors) is prohibited. Any reproduction of this presentation in whole or in part, or disclosure of any of its contents, without prior consent of the Issuer, is prohibited. This presentation remains the property of the Issuer and on request must be returned and any copies destroyed.

This presentation is for information and convenient reference only and is not intended to constitute, and should not be construed as, an offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of the Issuer or its affiliates, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whomsoever.

Any projection, forecast, estimate or other “forward-looking” statement in this presentation only illustrates hypothetical performance under specified assumptions of events or conditions. Such projections, forecasts, estimates or other “forward-looking” statements are not reliable indicators of future performance. Prospective investors should understand the assumptions and evaluate whether they are appropriate for their purposes. Some events or conditions may not have been considered in such assumptions. Actual events or conditions may differ materially from such assumptions. This presentation may include figures related to past performance or simulated past performance. Past performance is not a reliable indicator of future performance. The Issuer and the Company disclaim any obligation to update their views of such risks and uncertainties or to publicly announce the results of any revision to the forward looking statements made herein except where to do so would be required under applicable law. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

NOT FOR GENERAL PUBLICATION OR DISTRIBUTION IN THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA.

Agenda

1	Highlights	3
2	Business Performance	8
3	Financial Performance	12
4	Q&A	17
5	Appendix	18

Section 1

Highlights



FY 2015 Highlights

Revenue

- FY 2015 Twin Set revenue increased by 13.4% vs FY 2014 reaching €237.4m
 - **Retail channel** increased by 35.8% up to €80.5m vs FY 2014 thanks to a positive 7.1% LfL performance and the contribution of 10 new openings
 - **Online channel** reached €5.8m in FY 2015 with double digit growth of 59.7%
 - **Wholesale channel** grew by €6.7m vs FY 2014 up to €156.8m, thanks to the good performance of SS15 and initial delivery of SS16 to the European markets
 - **Franchising** more than doubled in FY 2015, reached €5.4m vs €2.0m in FY 2014

Adjusted EBITDA¹

- FY 2015 Adj EBITDA grew by 18.3% at €38.1m vs €32.2m in FY 2014. Adj EBITDA margin is up 0.6 p.p. at 16.0%

Capex

- Capex amounted to €7.4m for FY 2015, driven mainly by retail network expansion and IT project completion

Net debt and Cash Flow

- **Net Debt Position:** €115.2m as of December 31, 2015 vs €123.4m as of December 31, 2014
- **Cash Flow:** €7.7m for FY 2015
- **Leverage Ratio:** 3.0x in FY 2015 compared to 3.8x in FY 2014

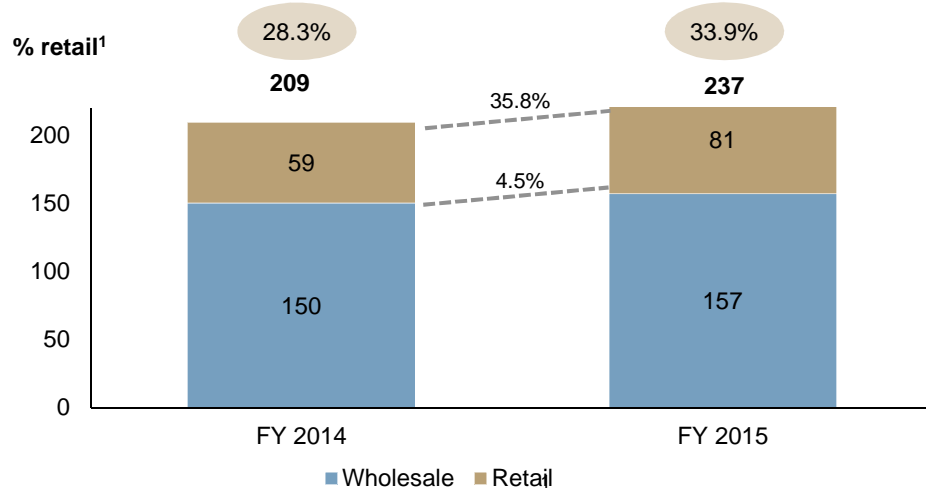
Note:

¹ We calculate Reported EBITDA as profit for the period plus income tax, extraordinary (income)/expenses, impairment of investments, financial (income)/expenses, depreciation and amortization, each as presented in our consolidated financial statements. We calculate Adjusted EBITDA by taking our Reported EBITDA, then adding back certain non-recurring items including, raw materials, non-recurring accruals and other items. We calculate Adjusted EBITDA Margin by dividing our Adjusted EBITDA by Twin Set Revenue for the relevant period.

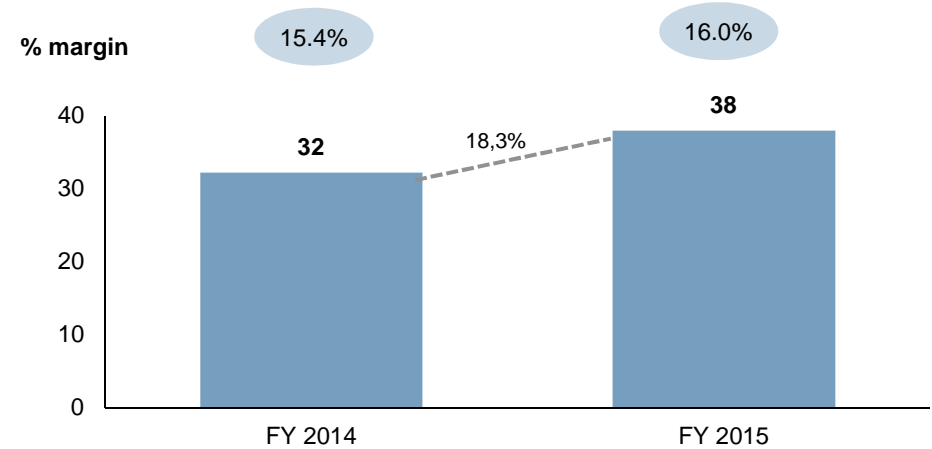
FY 2015 – Results Summary

Solid business growth with upswing in EBITDA margin

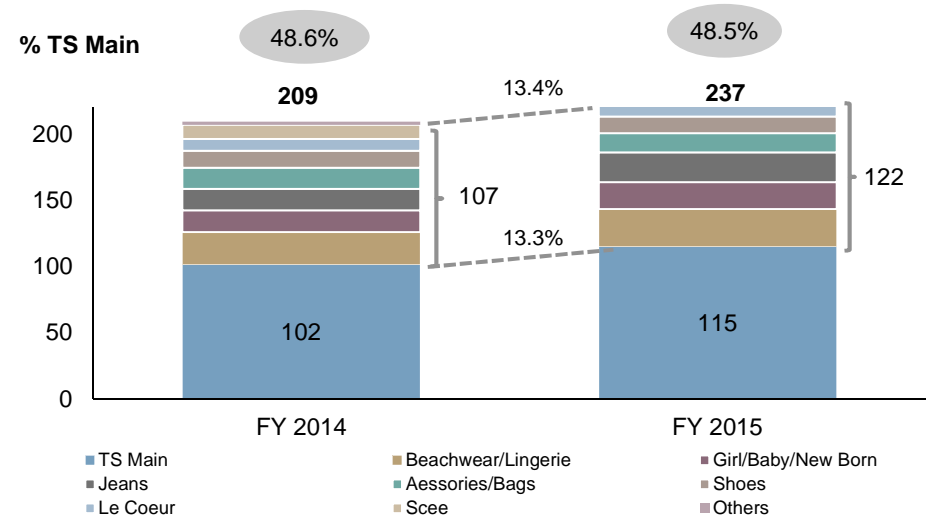
Twin Set Revenue (€m)



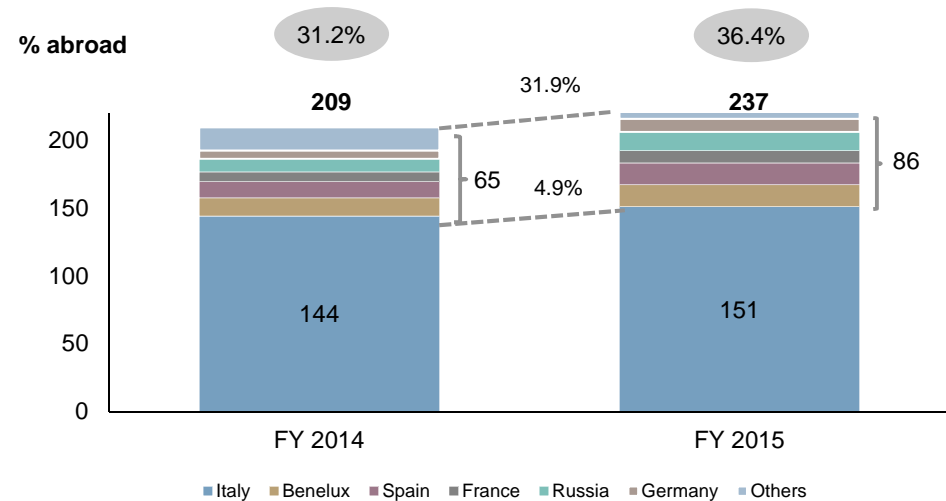
Adjusted EBITDA (€m)



Twin Set Revenue by category (€m)



Twin Set Revenue by geography (€m)



Note:
1 Including Online Channel

FY 2015 Key Figures

Recovery in profitability driven by solid top line growth

(€m)	FY 2014	FY 2015	% change	4Q 2014	4Q 2015	% change
Wholesale	150.1	156.8	4.5%	15.8	15.6	-1.0%
Retail ¹	59.3	80.5	35.8%	18.1	21.8	20.5%
Twin Set Revenue	209.4	237.4	13.4%	33.8	37.4	10.5%
Adjusted EBITDA	32.2	38.1	18.3%	-0.9	-1.7	-84.7%
Margin (%)	15.4%	16.0%		-2.8%	-4.6%	

Revenue

- Twin Set Revenue posted a +13.4% growth, reaching €237.4m for FY 2015 thanks to a positive contribution of both channels
 - **Retail channel:** the weight of retail net sales increase 5.6 p.p. notwithstanding the reduced pace of retail expansion compared to LY (10 vs 21). Existing retail network realized a solid 7.1% LfL growth thanks to the positive contribution of both Italian and foreign DOS
 - **Online:** excellent performance increasing by 59.7% with positive contribution both of domestic and international markets
 - **Wholesale channel:** continuing steady growth thanks to the positive contribution of European countries confirming the increase of the brand awareness abroad. Flat growth in domestic market due to rationalization of the distribution channel, weak markets condition and strong growth of retail channel
 - **Franchising:** expanding network with 11 new franchisees in selected countries mainly in Middle East and East Europe. Total Net Sales for the channel was €5.4m vs €2.0m of Previous Year (+€3.4m YoY)

Adjusted EBITDA

- Adjusted EBITDA reached €38.1m increased by 18.3% vs Last Year
- Upswing in EBITDA margin (16.0% vs 15.4%) thanks to positive contribution of gross margin partially offset by operating expenses in line with Company goal to better balance profitability and growth thanks to:
 - Reduced pace of retail expansion coupled with solid volume growth, through ramp-up of Last Year openings, LfL of historic stores and selected new openings
 - Cost control initiatives across all business area

Note:
1 Including Online Channel

Focus on Mono-brand Stores Network

DOS & OUTLET

	FY 2014	FY 2015
DOS Italy	27	31
DOS Abroad	17	19
Outlet Italy	11	14
Outlet Abroad	2	3
Total	57	67



FRANCHISING

	FY 2014	FY 2015
Franchising	19	30



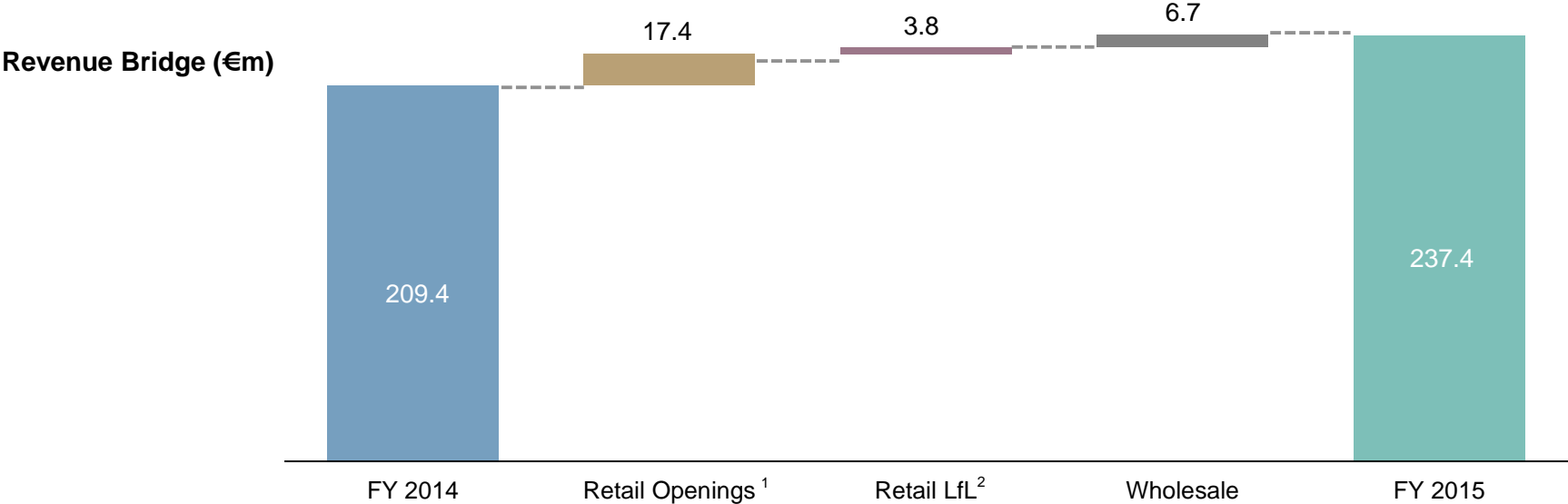
Section 2

Business Performance



Revenue Evolution

All revenue streams contributing to the solid top line growth



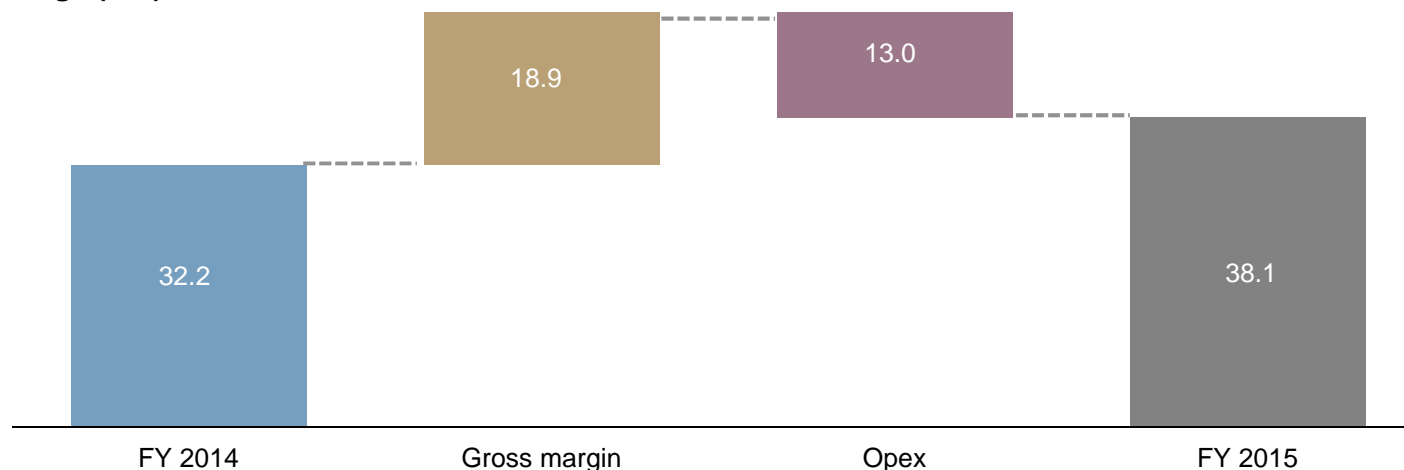
1. Includes all the retail figures excluded from the Like-for-Like analysis

2. Like-for-like retail performance consists of retail sales from Like-for-Like points of sale in any given period compared with the same period in the previous financial period, shown as a percentage change between the two periods. Like-for-like points of sale include all our points of sale that were in operation for more than one month and were open in both periods. Like-for-Like excludes points of sale closed during each period including stores temporarily closed for refurbishment (only the closing period is excluded). Retail sales consist of total retail sales generated in our points of sale net of rebates and discounts.

Adjusted EBITDA Evolution

Adjusted EBITDA benefits from volume & mix

Adjusted EBITDA Bridge (€m)



Gross Margin

- Gross Margin +€18.9m reaching 58.0% of Twin Set Revenue, 1.3 p.p. higher than the same period of Previous Year, driven by:
 - Better profitability from the supply chain also thanks to higher volume
 - Positive channel mix thanks to increasing weight of the retail channel with higher Gross Margin contribution

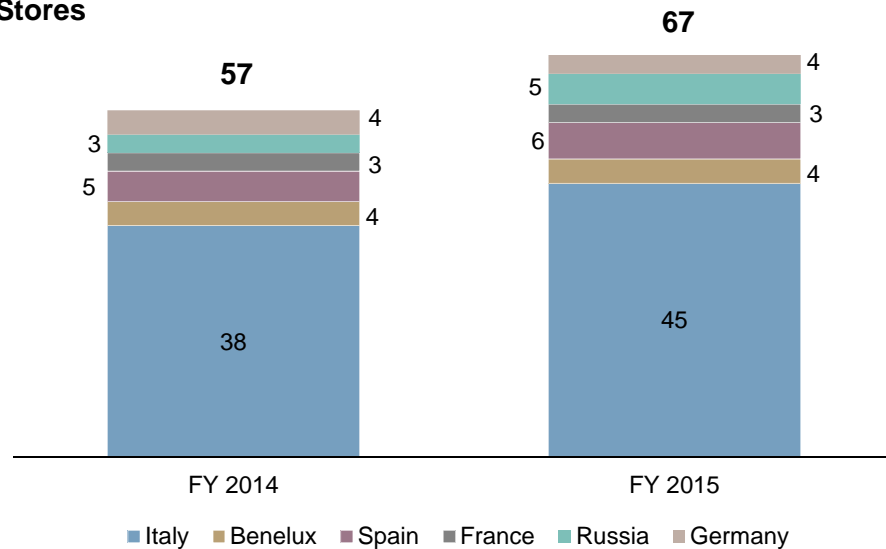
Opex

- Opex +€13.0m reaching 42.0% of Twin Set Revenue, 0.6 p.p. higher than the same period of Previous Year due to the net effects of:
 - Increasing in operating expenses related to the Selling activities (Retail and Wholesale) and to the central personnel costs consistently with the Company growth strategy
 - Cost control initiative in Marketing, Sample and Logistics expenses

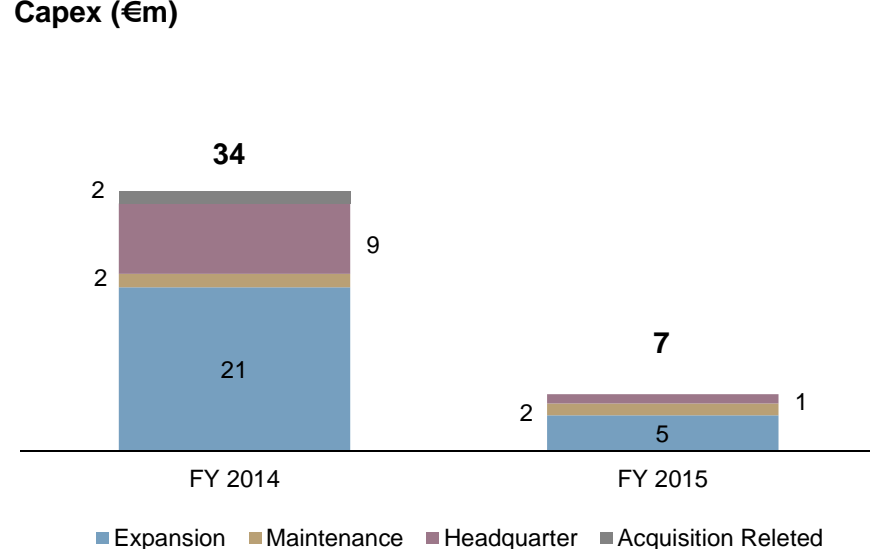
Capex Evolution

Less capital expenditure with focus on selected locations

Stores



Capex (€m)



FY 2015 Capex

- **Expansion Capex** according with the Company strategy FY 2015 was focused on few selected locations compared to Last Year Capex which was affected by the significant Key Money for prime locations
 - FY 2015 includes key money and expenditures for the refurbishment of 5 new stores (Moscow Gum, Catania, Salerno, Siena, Puerto Banus - Marbella), 1 Temporary Store in Milan Central Station, 3 Outlets, 1 Outlet Relocation and 1 Factory Outlet in Italy for a total of €4.6m compared to €21.0m in FY 2014
- **Maintenance** includes €0.4m for the Milan Showroom renewal and €0.3m for refurbishment of retail network
- **Headquarter** mainly includes project related IT investments under completion (new ERP, PLM, Retail SW management). The relevant amount in FY 2014 includes Bond Issue Transaction costs for €6.2m

Section 3

Financial Performance



Income Statement

(€m)	FY2014	FY2015	% change
Wholesale	150.1	156.8	4.5%
Retail ¹	59.3	80.5	35.8%
Twin Set Revenue	209.4	237.4	13.4%
Adjusted EBITDA	32.2	38.1	18.3%
<i>Margin (%)</i>	15.4%	16.0%	
D&A	-25.1	-25.3	0.6%
Extraordinary Items	-4.5	-1.6	-63.5%
EBIT	2.5	11.1	>100.0%
<i>Margin (%)</i>	1.2%	4.7%	
Net Financial Items	-15.5	-16.6	7.5%
Net Profit	-13.8	-10.4	-24.6%
<i>Margin (%)</i>	-6.6%	-4.4%	

- **D&A** in FY 2015 in line with the Previous Year, includes €2.2m of assets write-down while Last Year included €5.1m of financing cost write-off related to the 2012 LBO
- **Extraordinary costs** in FY 2015 includes minor not recurring items
- **Net Financial Items** mainly related to the full year interest on €150m SSFRN issued on July, 22nd 2014 and capitalized interest on Shareholder Loan

Note:

1. Including Online Channel

Cash Flow Statement

(€m)	FY2014	FY2015
Total net cash at the beginning of the period	14.3	31.3
Cash flow provided by/(used in) operating activities	19.9	26.1
Cash flow (used in) investing activities	-33.1	-7.4
- Capex	-34.0	-7.4
- Not Recurring	0.9	0.0
Cash flow provided by/(used in) financing activities	30.2	-11.0
Cash Flow from the period	17.0	7.7
Total net cash at the end of the period	31.3	39.0

Cash Flow

- **Cash Flow provided by operations** growing €6.2m thanks to higher profitability partially offset by increase in Net Working Capital and Tax paid
- **Cash flow used in investing activities** strongly reduced compared to Previous Year due to the slow down in retail expansion and to one-off Bond Issue transaction costs incurred in FY 2014
- **Cash flow used in financing activities** is mainly related to the payment of the Bond Coupon and in small part to the repayment of minor bank loans. In FY 2014 the positive cash flow was provided by the net proceeds from the offering of the Notes

Cash Flow Items

(€m)	FY2014	FY2015	change	% change
Adjusted EBITDA	32.2	38.1	5.9	18.3%
<i>Margin (%)</i>	15.4%	16.0%		
Change in Operating Working Capital	0.6	-6.0	-6.6	>100.0%
Investments	-33.1	-7.4	25.7	-77.7%
- Capex	-34.0	-7.4		
- Not Recurring	0.9	0.0		
Operating Free Cash Flow	-0.3	24.7	25.0	>100.0%
<i>% of Revenue</i>	-0.1%	10.4%		

Change in Operating Working Capital

Cash flow used to financing €6.0m OWC was affected by different factors:

- Positive effect in **Inventory** also thanks to improved demand planning process and earlier delivery of SS16
- Positive contribution by **Account Receivables**, notwithstanding the increase in Wholesale channel, thanks to earlier delivery and increase in international sales with shorter collection time compared with domestic market
- Decrease in **Trade Payables** in FY 2015 mainly due to the different sourcing and delivery strategy compared to 2H 2014 and reduced debt related to the 4Q 2014 Capex

Capex

- Capex reduction in line with Company goal to better balance profitability and growth through slowing down pace of new openings and focusing on Last Year openings ramp-up

Operating Free Cash Flow

- OFCF increase thanks to the Adj EBITDA improvement and the reduction in Capex partially offset by the slightly higher absorption of the OWC in line with the business growth

Net Debt and Leverage

(€m)	31 Dec 2014	31 Dec 2015
Cash and Cash equivalents	31.3	39.0
Banks overdrafts	-0.3	-0.1
Total net cash	31.0	38.9
Banks loans - current portion	-3.6	-4.1
Banks loans - non current portion	-0.8	-0.1
Bank loans	-4.4	-4.1
Notes	-150.0	-150.0
Net financial indebtedness	-123.4	-115.2
Leverage <i>(Net Debt / Adjusted LTM EBITDA)</i>	3.8x	3.0x
Interest Coverage <i>(Adjusted LTM EBITDA / LTM Net Financial Charges)</i>	3.1x	3.8x

- **Liquidity:**
 - Total net cash available of €38.9m on balance sheet as of December 31, 2015 compare to €31.0m at the end of FY 2014
 - Available €10.0m Super Senior Revolving Credit Facility and €49.7m of uncommitted bilateral undrawn credit lines
- **Leverage Ratio:** 3.0x in FY 2015 compared to 3.8x in FY 2014
- **Interest Cover Ratio:** 3.8x FY 2015 compare to 3.1x FY 2014

Note:

1. Bank loans-current portion include accrued interest relating to Notes, other banks loans and fair value of derivatives financial instruments
2. Net financial indebtedness is calculated as total net financial debt excluding amounts due under the Shareholders' Loan. The criteria for determining net financial indebtedness applied by us might not be the same as the criteria adopted by other companies and, therefore, the figures presented by us might not be comparable with those determined by such other groups. See "*Presentation of financial information—Non-GAAP financial measures*". Net financial indebtedness does not include indebtedness related to the Subordinated Shareholder Loan, equal to €75.2m as of December 31, 2015

Section 5

Q&A



Section 6

Appendix



Balance Sheet

(€m)	31 Dec 2014	31 Dec 2015
Intangible and Tangible Assets	271.2	253.1
Financial Assets	1.3	1.1
Total Fixed Assets	272.5	254.3
Inventory	59.3	57.5
Account Receivables	40.7	36.0
Account Payables	-55.4	-42.9
Operating Working Capital	44.6	50.6
Other Current Assets/(Liabilities)	8.7	8.5
Net Working Capital	53.3	59.1
Provisions	-11.5	-12.3
Net Invested Capital	314.3	301.0
Equity	120.7	110.6
Shareholder Loan	70.2	75.2
Net Financial Position	123.4	115.2
Net Sources	314.3	301.0

Twin-Set Distribution Network

BOUTIQUES¹

ITALY	WORLDWIDE
Bari	BELGIUM
Bologna (3)	Antwerpen
Bolzano	Bruxelles
Catania	Knokke
Firenze	FRANCE
Forte dei Marmi (2)	Lyon
Lucca	Paris (2)
Milano (4)	GERMANY
Milano Marittima	Berlin
Modena	Düsseldorf
Napoli	Frankfurt
Padova	Munich
Palermo	RUSSIA
Ravenna	Moscow (4)
Reggio Emilia	SPAIN
Riccione	Barcelona
Roma (4)	Bilbao
Salerno	Palma de Mallorca
Siena	Puerto Banús Marbella
Torino	Valencia
Udine	
Verona	

FRANCHISING¹

WORLDWIDE
BELARUS - Minsk
BULGARIA - Sofia
CANADA - Montreal
CZECH REPUBLIC - Prague
CROATIA - Split
JAPAN - Osaka
KAZAKISTAN – Almaty
KUWAIT – Kuwait City
LATVIA - Riga
LEBANON - Beirut
MONTENEGRO - Podgorica
POLAND
Katowice
Warsaw
QATAR - Doha
RUSSIA
Kaliningrad
Krasnodar
Saratov
SAUDI ARABIA - Jeddah
SLOVAKIA - Bratislava
TURKEY - Antalya
UAE - Dubai (2)
UKRAINE - Kiev

CORNERS¹

WORLDWIDE
JAPAN
Hiroshima
Tokyo
LEBANON - Beirut
MOLDOVA - Chisinau
SLOVENIA - Ljubljana (2)
UAE - Dubai

OUTLETS

ITALY
Agira
Agira Girl
Barberino
Boretto
Brescia
Castel Romano
Factory Outlet
Marcianise
Muggia
Noventa
Serravalle
Soratte
Valmontone
Vicolungo
WORLDWIDE
BELGIUM – Maasmechelen
RUSSIA - Belaya Dacha
SPAIN - La Roca

Note:

1. (*) Number of stores in the City