



TWIN-SET

SIMONA BARBIERI

1H 2015 Results

September 2015

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



1H 2015 Highlights

Revenue

- Twin Set revenue increased by 23.0% in 2Q 2015 vs 2Q 2014 mainly driven by retail channel, both organic with LfL +5.8% and by stores opened in the last twelve months
- 1H 2015 Twin Set revenue increased by 21.4% vs 1H 2014:
 - **Retail channel** increased by 46.4% up to €36.8m vs 1H 2014 thanks to a positive LfL performance (+4.3%) and the contribution of new stores opened during 2H 2014 and 1H 2015
 - **Online channel** reached €2.7m in 1H 2015 with double digit growth of 58.5%
 - **Wholesale channel** grew by €9.3m vs 1H 2014 up to €82.0m, thanks to the good performance of SS15 and first delivery of FW15 in June

Adjusted EBITDA¹

- 2Q 2015 Adjusted EBITDA reached -€0.8m representing an increase of €2.5m vs 2Q 2014
- 1H 2015 Adjusted EBITDA grew by 40.1% at €19.7m vs €14.1m in 1H 2014. Adjusted EBITDA margin is up 2.2p.p. at 16.6%

Capex

- Capex spent amounted to €6.2m for 1H 2015, largely driven by our retail network expansion
- Key Openings in 2Q 2015: Siena, Puerto Banus, Milan Central Station (Temporary for Expo), Belaya Dacha Outlet in Moscow

Net debt and Cash Flow

- **Net Debt Position:** €124.4m as of June, 30 2015 vs €72.1m as of June 30, 2014
- **Cash Flow:** -€2.1m for 1H 2015
- **Leverage Ratio:** 3.3x Adjusted LTM EBITDA as of June 30, 2015

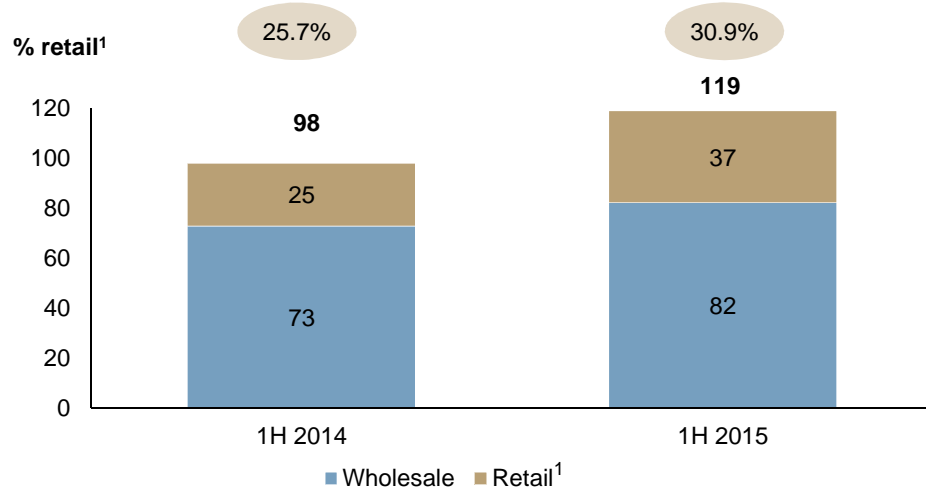
Note:

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.

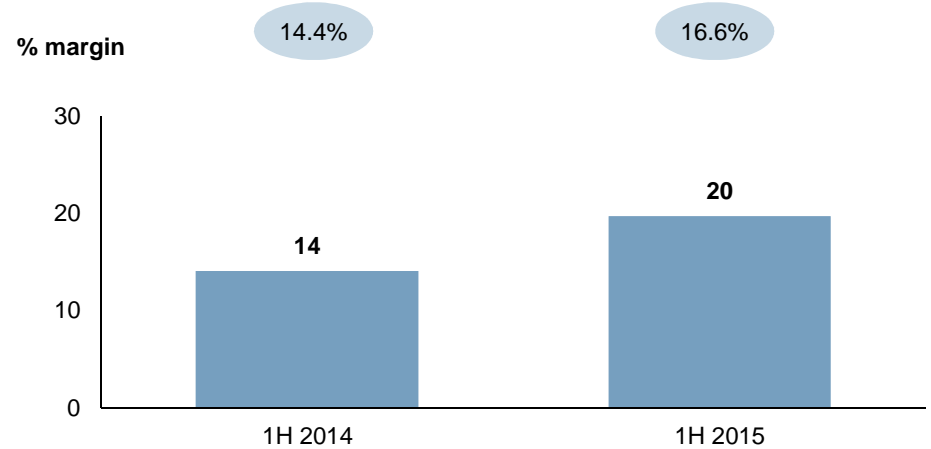
1H 2015 – Results Summary

Solid business growth in all channels with positive contribution from all countries and categories

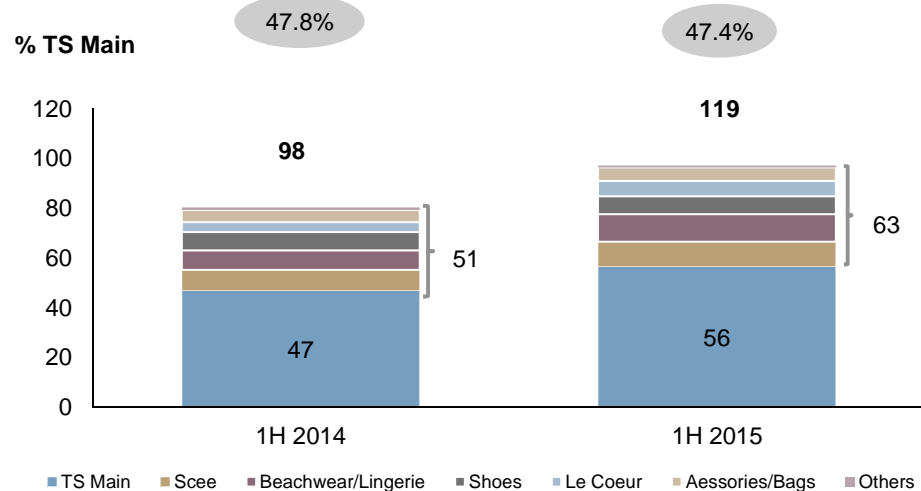
Twin Set Revenue (€m)



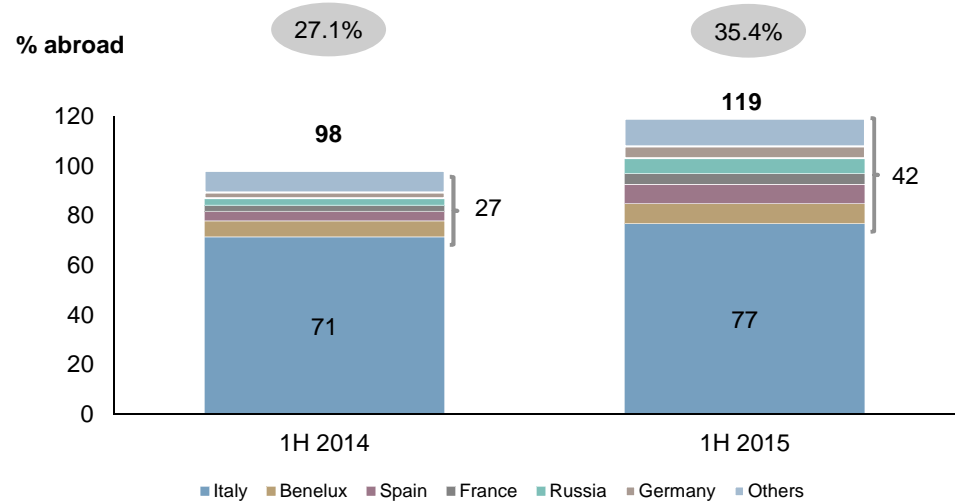
Adjusted EBITDA (€m)



Twin Set Revenue by category (€m)



Twin Set Revenue by geography (€m)



Note:
1 Including Online Channel

1H 2015 Key Figures

Adjusted EBITDA margin growing vs previous year

(€m)	2Q 2014	2Q 2015	% change	1H 2014	1H 2015	% change
Wholesale	15,6	16,2	3,8%	72,7	82,0	12,8%
Retail ¹	12,5	18,4	46,9%	25,1	36,8	46,4%
Twin Set Revenue	28,1	34,6	23,0%	97,8	118,8	21,4%
Adjusted EBITDA	-3,3	-0,8	n.a.	14,1	19,7	40,1%
Margin (%)	-11,8%	-2,4%		14,4%	16,6%	

Revenue

- Twin Set Revenue growth +21.4%, reaching €118.8m for the 1H 2015
 - **Retail channel:** thanks to the strong retail expansion in previous year, the weight of LTM retail net sales increases 4.5p.p. (from 17.6% for 12 months ended June 30, 2014 to 22.1% for the 12 months ended June 30, 2015). Existing retail network realized a solid 4.3% LfL growth, accelerating in 2Q 2015, thanks to the contribution from stores abroad
 - **Online:** excellent performance increasing by 58.5%
 - **Wholesale channel:** confirming 1Q 2015 performance with increasing penetration abroad realized mainly with apparel product lines, notwithstanding some challenging markets (canceled orders in Russia and Ukraine, credit management in Spain and Italy getting difficult)
 - **Franchising:** expanding network with 24 point of sales (+13 vs 1H 2014) reaching €2.3m in selected countries in Middle East and East Europe

Adjusted EBITDA

- Adjusted EBITDA of €19.7m (Adj EBITDA margin 16.6%) increasing by 40.1% vs LY, doubling Twin Set Revenue growth, due to:
 - Positive volume effect from all channels and starting efficiency results in Supply Chain
 - Opex management through primarily rationalization of Marketing, Sample and Logistics costs to compensate higher personnel, rent costs and agent commission mainly incurred to operate in foreign markets
 - 1H 2015 slowed down retail expansion allowed to better balance Sales and Opex growth, while operating 21² additional point of sales from 1H 2014 (of which 14 abroad)

Note:

- 1 Including Online Channel
- 2 Gross of Stores closed in the period

Focus on Mono-brand Stores Network

DOS & OUTLET

	FY 2014	1H 2015
DOS Italy	27	31
DOS Abroad	17	19
Outlet Italy	11	12
Outlet Abroad	2	3
Total	57	65



FRANCHISING

	FY 2014	1H 2015
Franchising	19	24



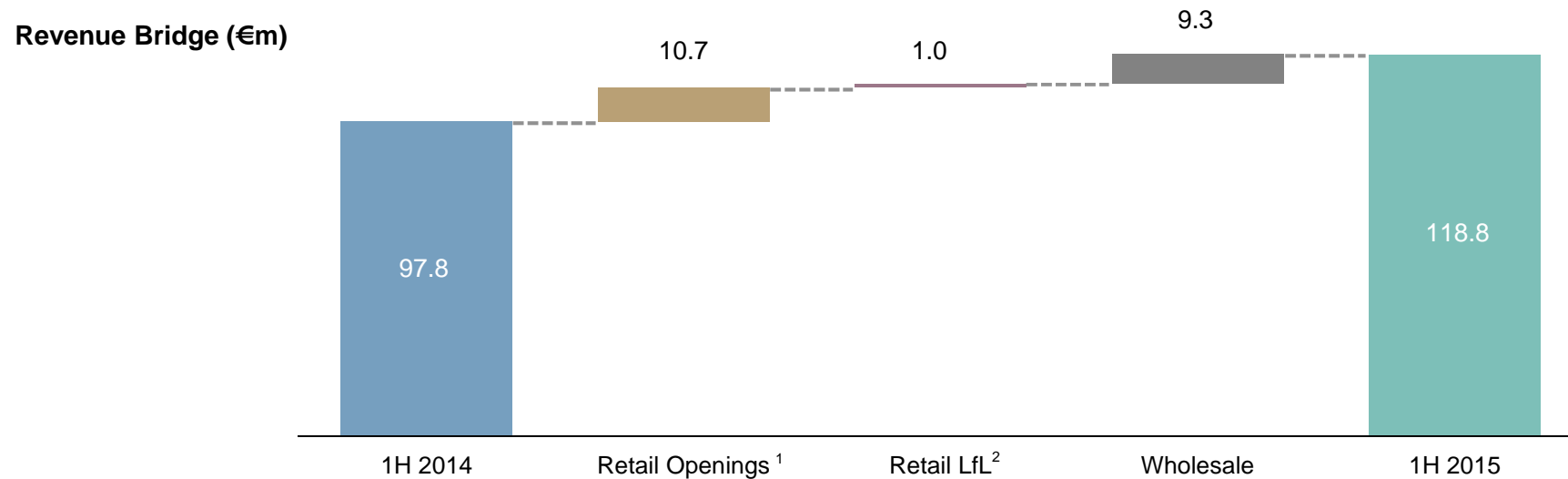
Section 2

Business Performance



Revenue Evolution

All revenue streams contributing to the strong top line growth



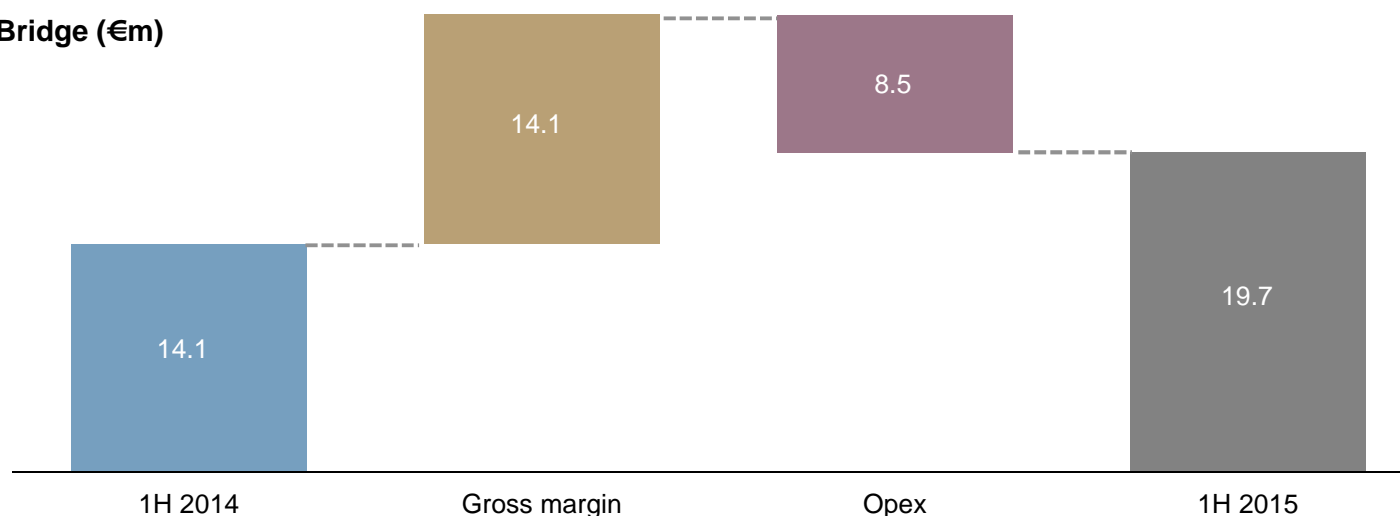
1. Includes all the retail figures excluded from the Like-for-Like analysis

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 and opex management

Adjusted EBITDA Bridge (€m)



Gross Margin

- Gross Margin +€14.1m, or 58.9% of Twin Set Revenue; 1.8p.p. higher than the same period of Previous Year, driven by:
 - Higher volume in all channels and positive channel mix thanks to retail growth
 - Starting efficiency results in Supply Chain

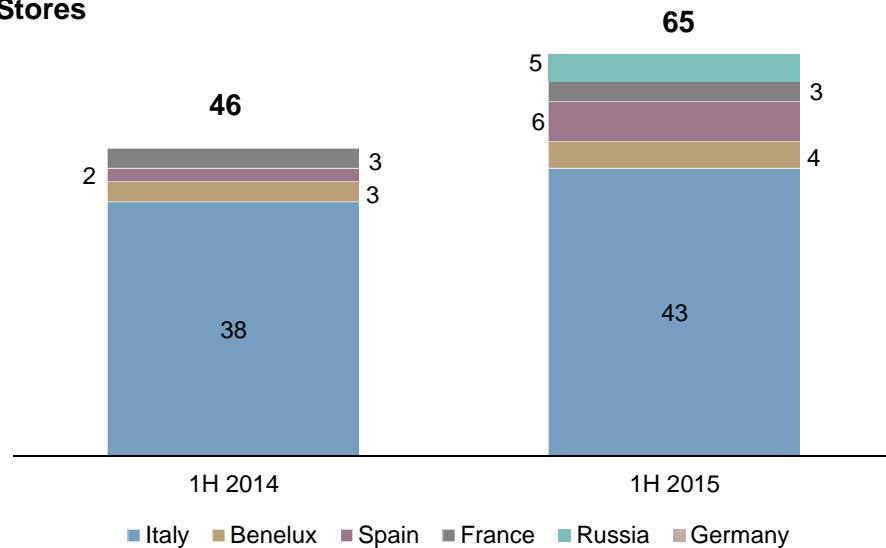
Opex

- Opex +€8.5m, or 42.3% of Twin Set Revenue; 0.4p.p. lower than the same period of Previous Year thanks to the following balancing effects:
 - Increase of Operating expenses related to the Selling activities (rents, commercial costs) and central personnel consistently with the Company growth strategy pursued in 2014
 - Rationalized Marketing, Sample and Logistics expenses and implemented cost control initiatives to manage the higher Opex base

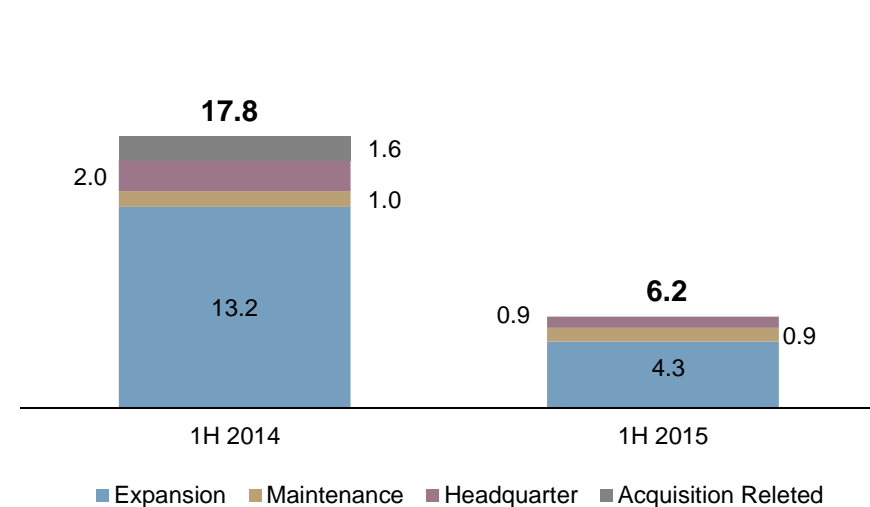
Capex Evolution

Less capital expenditure with focus on selected locations

Stores



Capex (€m)



1H 2015 Capex

- **Expansion Capex** includes key money and expenditures for the refurbishment of 4 new stores (Moscow Gum, Catania, Salerno, Siena), 1 Temporary Store in Milan Central Station, 2 Outlets and 1 Factory Outlet in Italy for a total of €4.3m compared to €13.2m in 1H 2014. Last Year Capex was affected by the significant Key Money for prime locations such as Paris Rue de Colombier, Paris Avenue Victor Hugo, Lyon, Palma de Mallorca and Munich
- **Maintenance** includes €0.3m for Milan Showroom renewal
- **Headquarter** mainly includes project related IT investments under completion (new ERP, PLM, Retail SW management)

Section 3

Financial Performance



Income Statement

(€m)	1H 2014	1H 2015	change	% change
Wholesale	72.7	82.0	9.3	12.8%
Retail ¹	25.1	36.8	11.7	46.4%
Twin Set Revenue	97.8	118.8	21.0	21.4%
Adjusted EBITDA	14.1	19.7	5.6	40.1%
<i>Margin (%)</i>	14.4%	16.6%		
D&A	-9.8	-11.2	-1.4	14.5%
Extraordinary Items	-0.9	-0.3	0.7	-72.3%
EBIT	3.4	8.3	4.9	>100%
<i>Margin (%)</i>	3.4%	6.9%		
Net Financial Items	-6.0	-7.7	-1.7	27.5%
Net Profit	-4.1	-2.6	1.5	-35.7%
<i>Margin (%)</i>	-4.2%	-2.2%		

- **D&A** increased by €1.4m mainly related to higher amortization costs for the retail network expansion
- **Extraordinary costs** includes minor not recurring items
- **Net Financial Items** mainly related to interest on €150m SSFRN issued on July, 22nd 2014 and capitalized interest on Shareholder Loan

Note:

1. Including Online Channel

Cash Flow Statement

(€m)	1H 2014	1H 2015
Total net cash at the beginning of the period	14.3	31.3
Cash flow provided by/(used in) operating activities	9.9	9.6
Cash flow (used in) investing activities	-18.1	-6.0
- Capex	-17.8	-6.2
- Not Recurring	-0.3	0.1
Cash flow provided by/(used in) financing activities	2.1	-5.7
Cash Flow from the period	-6.1	-2.1
Total net cash at the end of the period	8.2	29.2

Cash Flow

- **Cash Flow provided by operations** is in line with the same period of last year, notwithstanding the growth of the business but consistent with the growth phase of the Company
- **Cash flow used in investing** activities is related mainly to the Capital Expenditures for opening of new point of sales and in small part for investments in technology
- **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 1H 2014 Cash flow generated by financing activities was related to the withdrawn of Capex line and banks overdrafts

Cash Flow Items

(€m)	1H 2014	1H 2015	change	% change
Adjusted EBITDA	14.1	19.7	5.6	40.1%
<i>Margin (%)</i>	<i>14.4%</i>	<i>16.6%</i>		
Change in Operating Working Capital	-4.7	-12.2	-7.5	> 100%
Investments	-18.1	-6.0	12.1	66.6%
<i>- Capex</i>	<i>-17.8</i>	<i>-6.2</i>		
<i>- Not Recurring</i>	<i>-0.3</i>	<i>0.1</i>		
Operating Free Cash Flow	-8.7	1.5	10.2	> 100%
<i>% of Revenue</i>	<i>-8.9%</i>	<i>1.2%</i>		

Change in Operating Working Capital

- Change in **Inventories** is in line with previous period
- The increase in **Trade Receivables** is mainly due to the expansion of our business activities and partially to the timing of product shipment
- The decrease in **Trade Payables** is mainly due to the lower investments in capital expenditures during 1H 2015 in comparison with last year, to some timing difference in payments and to the effect of operating cost control
- **OWC** consistent with business seasonality and the growth phase of the Company

Capex

- Capex reduction in line with Company goal to better balance profitability and growth

Operating Free Cash Flow

- OFCF increase thanks to the Adj EBITDA improvement and the reduction in Capex partially offset by the absorption of the OWC

Net Debt and Leverage

(€m)	1H 2014	1H 2015
Cash and Cash equivalents	8.2	29.2
Banks overdrafts	-3.1	-0.2
Total net cash	5.1	28.9
Banks loans - current portion ¹	-10.1	-2.9
Banks loans - non current portion	-67.2	-0.4
Bank loans	-77.3	-3.3
Notes		-150.0
Net financial indebtedness	-72.1	-124.4
Leverage <i>(Net Debt / Adjusted LTM EBITDA)</i>	1.9x	3.3x
Interest Coverage <i>(Adjusted LTM EBITDA / LTM Net Financial Charges)</i>	5.6x	3.1x

- **Liquidity:**
 - Total net cash available of €28.9m on balance sheet compare to €5.1m in 1H 2014
 - Available €10.0m Super Senior Revolving Credit Facility and €49.7m of uncommitted bilateral undrawn credit lines
- **Leverage Ratio:** 3.3x Adjusted LTM EBITDA as of June 30, 2015 and better compared to FY 2014 (3.8x)
- **Interest Cover Ratio:** 3.1x Adjusted LTM EBITDA as of June 30, 2015 in line with 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 €72.6m as of June 30, 2015

Section 5

Q&A



Section 6

Appendix



Balance Sheet

(€m)	1H 2014	1H 2015	change
Intangible and Tangible Assets	270.7	266.1	-4.6
Financial Assets	1.3	1.2	-0.1
Total Fixed Assets	272.0	267.3	-4.7
Inventory	56.4	60.6	4.2
Account Receivable	45.6	46.7	1.2
Account Payable	-52.0	-48.3	3.7
Operating Working Capital	49.9	59.0	9.1
Other Current Assets/(Liabilities)	-0.1	1.2	1.3
Net Working Capital	49.9	60.3	10.4
Provisions	-11.6	-12.6	-0.9
Net Invested Capital	310.3	315.0	4.7
Equity	158.2	118.0	-40.2
Shareholder Loan	79.9	72.6	-7.3
Net Financial Position	72.1	124.4	52.3
Net Sources	310.3	315.0	4.7

Twin-Set Distribution Network

BOUTIQUES

ITALY

Bari
Bologna (3)
Bolzano
Catania
Firenze
Forte dei Marmi (2)
Lucca
Milano (4)
Milano Marittima
Modena
Napoli
Padova
Palermo
Ravenna
Reggio Emilia
Riccione
Roma (4)
Salerno
Siena
Torino
Udine
Verona

WORLDWIDE

BELGIUM
Antwerpen
Bruxelles
Knokke
FRANCE
Lyon
Paris (2)
GERMANY
Berlin
Düsseldorf
Frankfurt
Munich
RUSSIA
Moscow (4)
SPAIN
Barcelona
Bilbao
Palma de Mallorca
Puerto Banús Marbella
Valencia

FRANCHISING

WORLDWIDE

BELARUS - Minsk
CANADA - Montreal
CZECH REPUBLIC - Prague
CROATIA - Split
LATVIA - Riga
LEBANON - Beirut
MONTENEGRO - Podgorica
POLAND - Warsaw
QATAR - Doha
RUSSIA
Kaliningrad
Krasnodar
Saratov
SLOVAKIA - Bratislava
TURKEY - Antalya
UAE - Dubai (2)
UKRAINE - Kiev

CORNERS

WORLDWIDE

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

OUTLETS

ITALY

Agira
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