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1Q15 FINANCIAL RESULTS

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June, 2015

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Nicola Perin, the Manager in charge of preparing the corporate accounting documents, declares that, pursuant to art. 154-bis, paragraph 2, of the Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.

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1Q15 Highlights

Successful IPO resulting in a cash inflow of €349m and strong deleverage; the remaining debt was fully refinanced at substantially more favorable interest rates

Strong sales growth 7,9% driven by network expansion but also supported by a resilient LfL

Network expanded by 76 stores: 15 FF (of which 9 DOS) and 63 "Kids only" (of which 47 in franchising)

Further market share increase to 6.5%

€23.5m EBITDA, €4.1m and 21,2% higher than in 1Q14 and growing also as percentage of sales (c. +90 bps) driven both by sales and operating leverage

PBT also benefitted from lower interest rates and grew by €12.3m

+7.9%

Increase in Net Sales

+76

Increase in number of stores

+21.2%

EBITDA Growth

Source: Sita Ricerca for market share

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Key Income Statement Items
Positive performance confirmed also in 1Q15

	1Q15		1Q14		
Key Metrics *	**€ mln**	***% of Net Sales***	**€ mln**	***% of Net Sales***	***Growth***
Net Sales	284.6		263.8		*7.9%*
EBITDA	23.5	*8.3%*	19.4	*7.4%*	*21.2%*
EBIT	10.1	*3.6%*	5.3	*2.0%*	*91.7%*
PBT	2.6	*0.9%*	(9.7)	*(3.7%)*	*n.a.*

- Net sales increased by 7.9% driven by an expanded selling area and resilient LfL performance in spite of (i) unfavorable weather, (ii) a penalising calendar** and (iii) strong comparative sales in 1Q14
  - Market declined by 3.6% (in value) over the same period last year
- EBITDA increased by 21.2% driven by sales growth, healthy gross margin, cost control initiatives and positive operating leverage
- EBITDA margin increased by approx. 90bps to 8.3%
- PBT increased by €12.3m turning positive in a quarter usually characterized by the lowest profitability due to seasonality

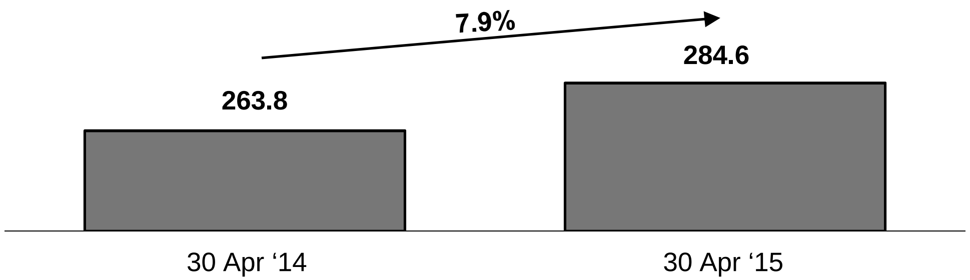
* The metrics reported in this page exclude extraordinary costs (€10.2m in 1Q15) mainly related to the IPO and the refinancing

** Early Easter and 25 April holiday occurring during the weekend

Sales and EBITDA Performance

Net Sales (€mln)

Aggregate Performance



Performance By Brand (*)

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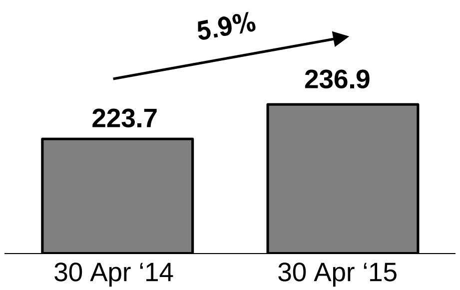

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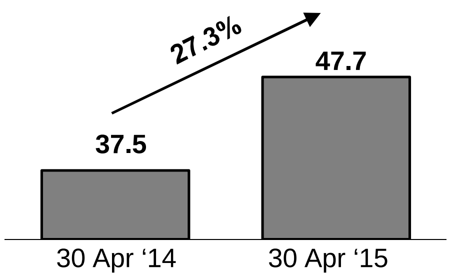
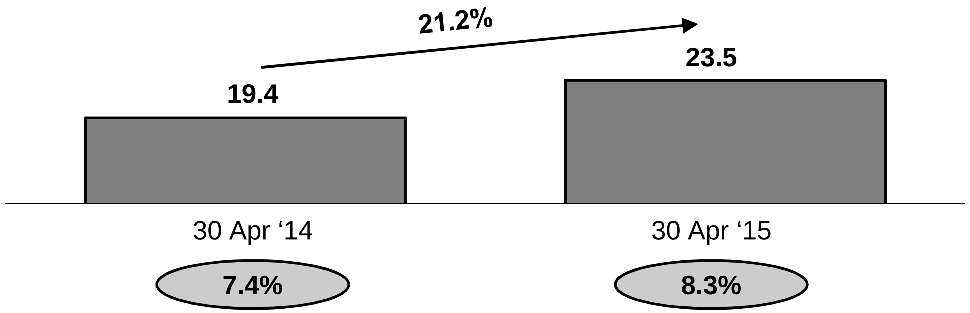


EBITDA (€mln)

- High turnover growth conversion into EBITDA
- Improved operating leverage
- Increase in EBITDA and margin for both brands



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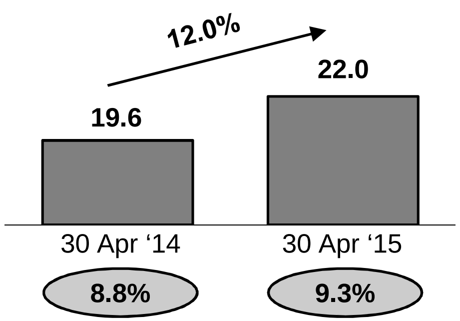

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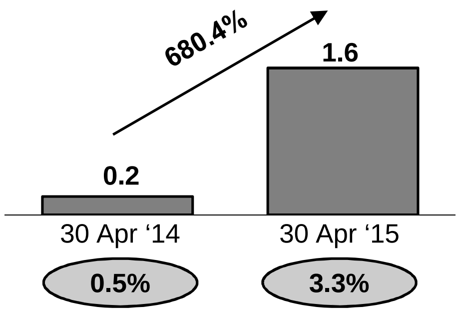

Margin %

(*) Excluding "Other": €2.6m net sales and -€0.4m EBITDA in 1Q14; nil in 1Q15

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Consolidated Net Working Capital

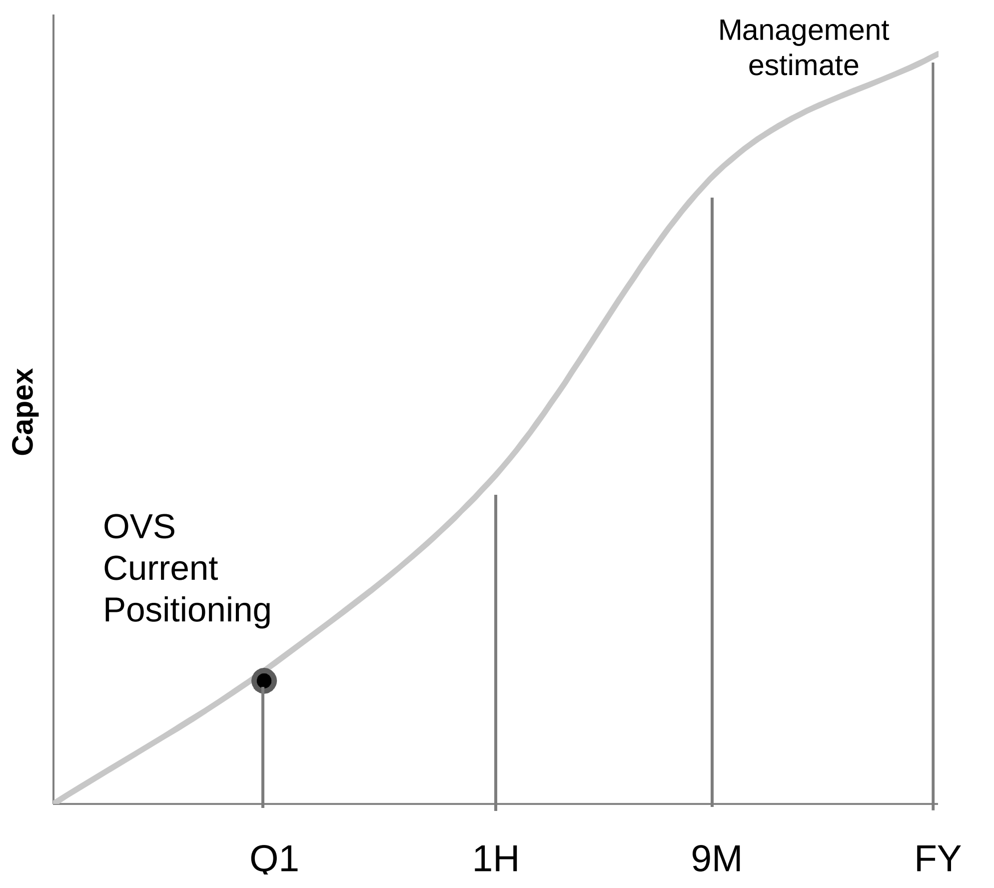
€ mln	30 April '15	31 January '15	Change
Accounts Receivable	95.8	73.0	22.8
Inventory	291.1	287.6	3.5
Accounts Payable	(344.6)	(374.4)	29.8
Net Working Capital	42.4	(13.8)	56.2

- In absence of comparable carve-out figures at 30 April 2014, we highlight that the reported balance at 30 April ’15 is representative in all its components of the typical working capital seasonality of the business, when compared to NWC at 31 January 2015.
- This is particularly true for accounts receivable, where the seasonality is amplified by the growth in of the franchising network, with most of sales of the S/S products concentrated in the first quarter and receivables usually expiring in May/June.

Capex

- Capex (€10.6m in 1Q15) is progressing in line with management plans for full year which includes:
  - ✓ new openings (c. 40% of total capex)
  - ✓ refurbishment and maintenance of the existing network (c. 20%)
  - ✓ IT and equipment (c.15%) mainly related to operational improvements
  - ✓ automated logistics equipment (c. 15%) to support the replenishment projects (increasing speed, efficiency and capacity)
  - ✓ Capex for the LED project (c. 10%) entirely managed through vendor financing

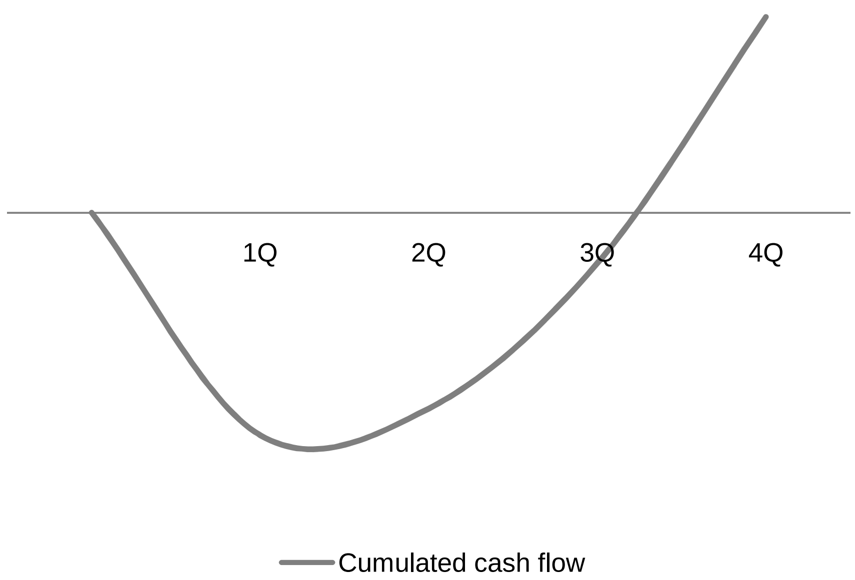
Consolidated Capex, net (€ mln)



Consolidated Cash Flow Statement

€ mln	1Q15
EBITDA	**23.5**
Change in Net Working Capital	(56.2)
Change in other assets (liabilities)	(1.6)
Capex	(10.6)
Operating Cash Flow	**(44.8)**
Financial Expenses	(7.6)
TFR (Employees' leaving indemnity)	(1.3)
Taxes	0.0
IPO proceeds, net of bank fees	349.0
IPO costs (excl. bank fees)	(3.2)
Net Cash Flow (before MtM derivatives and amortized costs)	**292.1**

Illustrative cash generation curve



- Seasonality must be taken into account when considering quarterly cash generation: the business is usually cash absorbing in 1Q, slightly cash generative in 2Q and then progressively more cash generative in 3Q and 4Q. This trend is mainly driven seasonality of sales and payments to suppliers.
- Given this seasonal pattern, the quarterly cash absorption and the change in working capital are in line with management expectations.

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Net Debt and Leverage

€ mln	30 April '15	31 January '15
Net Debt	349.0	624.4
EBITDA LTM	161.2	157.1
Leverage on EBITDA	2.2x	4.0x

- During 1Q15 leverage declined by 1.8 times vs. 31 January 2015 mainly due to the proceeds from the IPO
- Residual net debt at the IPO has been entirely refinanced at more favorable interest rates:
  - The average interest rate in 1Q15 was 4.17% vs. 5.41% in 4Q14.
  - The 1Q15 still does not reflect in full the benefit of the refinancing (c. only 2 months in the quarter experienced lower rates). The current interest rate is 3.00% + Euribor 3M.

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Outlook

- The macroeconomic backdrop seems to have stabilized. Uncertainty still lingers, but consumer confidence is growing again.
- In May, the company recorded strong sales in both brands, also supported by more favourable weather conditions.
- The network expansion is progressing as expected, with the opening of further 21 store, out of which 6 full format and the remaining in franchising (11 “kids only”).
- On May 27, as Expo Official Retailer we opened our store at the Milan Expo (150 sqm surface). The store is generating strong interest both from an artistic and commercial standpoint. It is worth noting that in this store daily sales are particularly high, similar to those of a 10 times bigger store.

Appendix

Consolidated Balance Sheet Statement

€ mln	30 April '15	31 January '15	Delta
Receivables	95.8	73.0	22.8
Inventory	291.1	287.6	3.5
Payables	(344.6)	(374.4)	29.8
Net Operating Working Capital	**42.4**	**(13.8)**	**56.2**
Other Short-term Non-financial Receivables (Payables)	(71.6)	(69.5)	(2.1)
Net Working Capital	**(29.2)**	**(83.3)**	**54.1**
Net Assets	1,341.2	1,343.9	(2.8)
Net Deferred Taxes	(160.8)	(168.5)	7.7
Other Short-term Non-financial Receivables (Payables)	(4.5)	(5.9)	1.4
Severance Indemnity Provision and Other Provisions	(53.0)	(53.8)	0.8
Net Invested Capital	**1,093.6**	**1,032.4**	**61.2**
Equity	744.6	408.0	336.6
Net Debt	349.0	624.4	(275.4)
Total Source of Funding	**1,093.6**	**1,032.4**	**61.2**