

INTRODUCING PIQUADRO



PIQUADRO



Piquadro ... born in Bologna, only14 years ago!



New Head Office built in 2006



PIQUADRO: UNIQUE POSITIONING

Innovative **Italian** leather brand.
Business-friendly accessories.
Designed to make busy life ...
stressless!

Piquadro = **P²** with the P standing for
both Palmieri and pelletterie (leather
goods in Italian)



Marco Palmieri, Piquadro Founder and CEO



THE PIQUADRO BRAND IDENTITY

Distinctive and well recognised brand for “**moving**” people in leather goods industry.

Aspirational brand: high quality, technological mood, innovation, design, ergonomic performance, smart features and performances.

Three positioning elements: **design, comfort and technology.**

The spirit of the products is all in the ‘**Tech inside**’ payoff of the Piquadro advertising campaigns which is the main concept behind the design of every product.





PIQUADRO CORE VALUES:

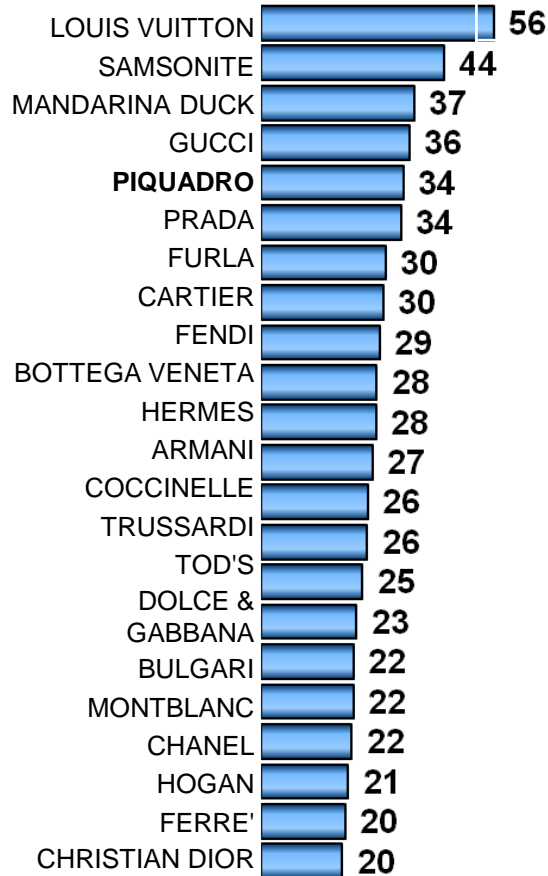
1. Innovative design
2. Italian styling
3. Business-friendly organization
4. Vibrant color palette
5. Exclusive Services



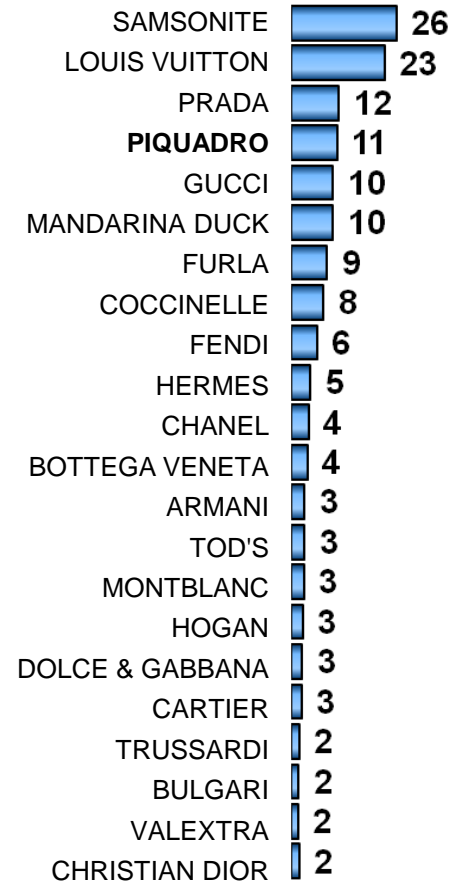


PIQUADRO AWARENESS AND DESIRABILITY*

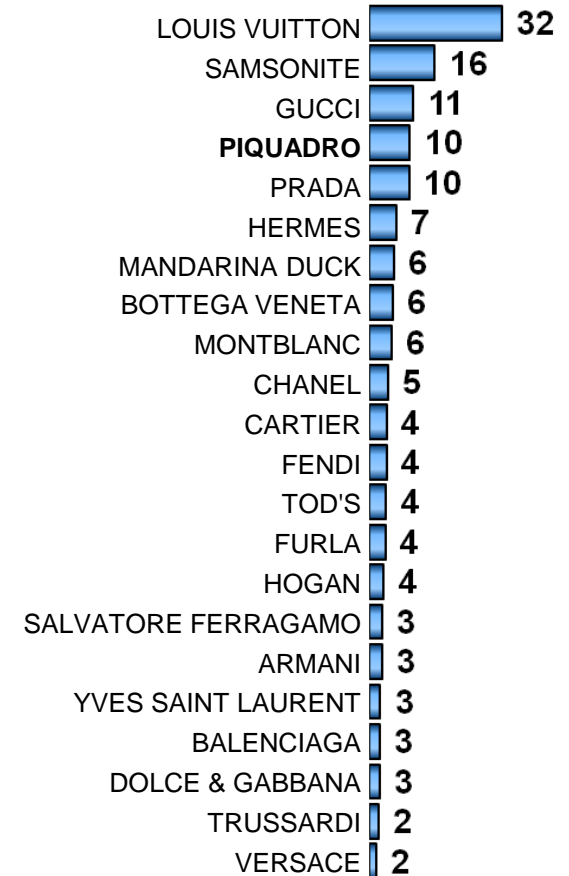
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OWNED

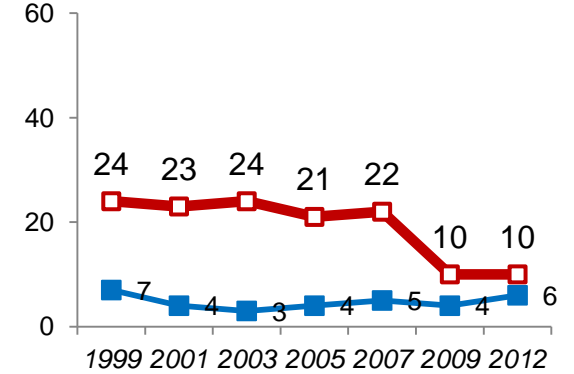
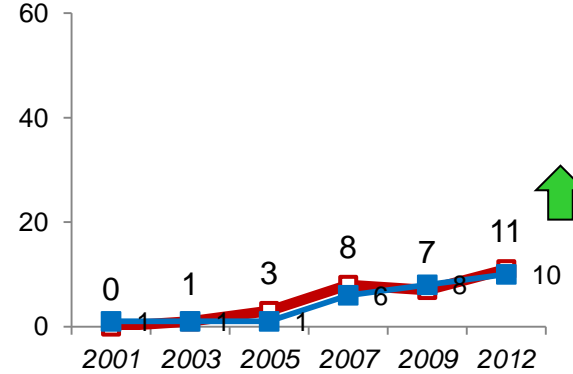
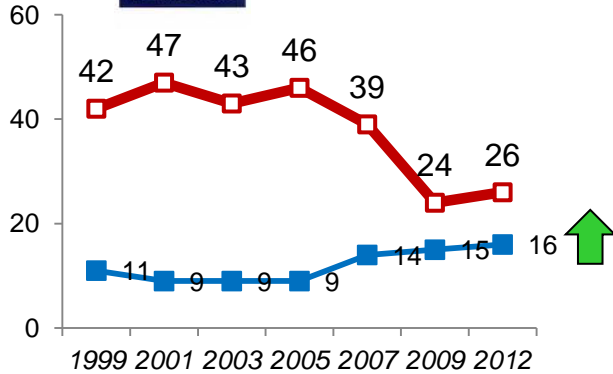
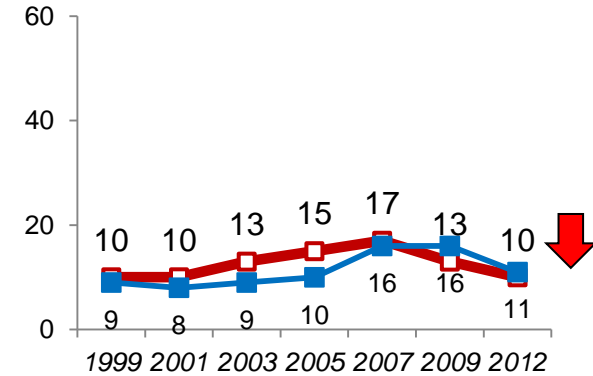
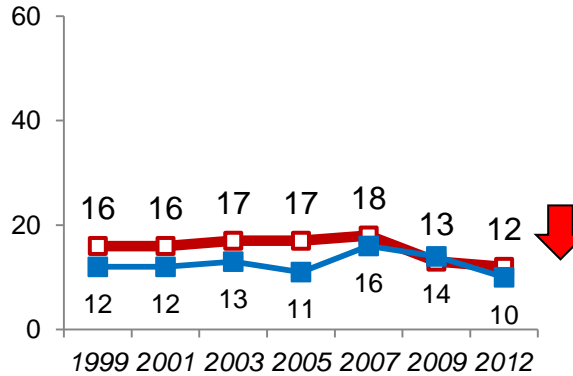
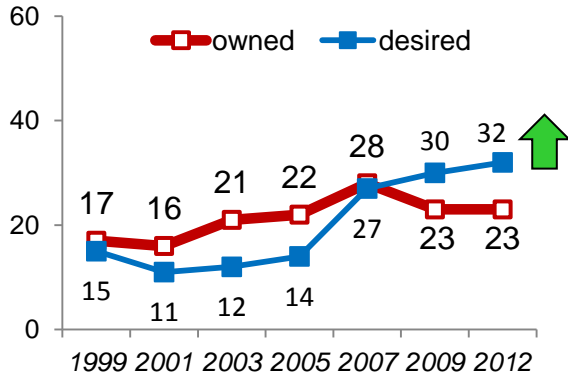


DESIRED





AWARENESS TREND 2001-2012*



*Source: GFK-Eurisko Research - The Italian Elites 2012



PRODUCT STRATEGY

MIX OF ON-GOING & SEASONAL COLLECTIONS

Complementary and extensive product offering, including professional bags, travel items, women's bags, small leather goods and other accessories.

On-Going Collections (70% of turnover): long life-cycle (4/5 years and more).

Seasonal Collections (30% of turnover): short life-cycle more fashionable and produced based solely on the orders received.





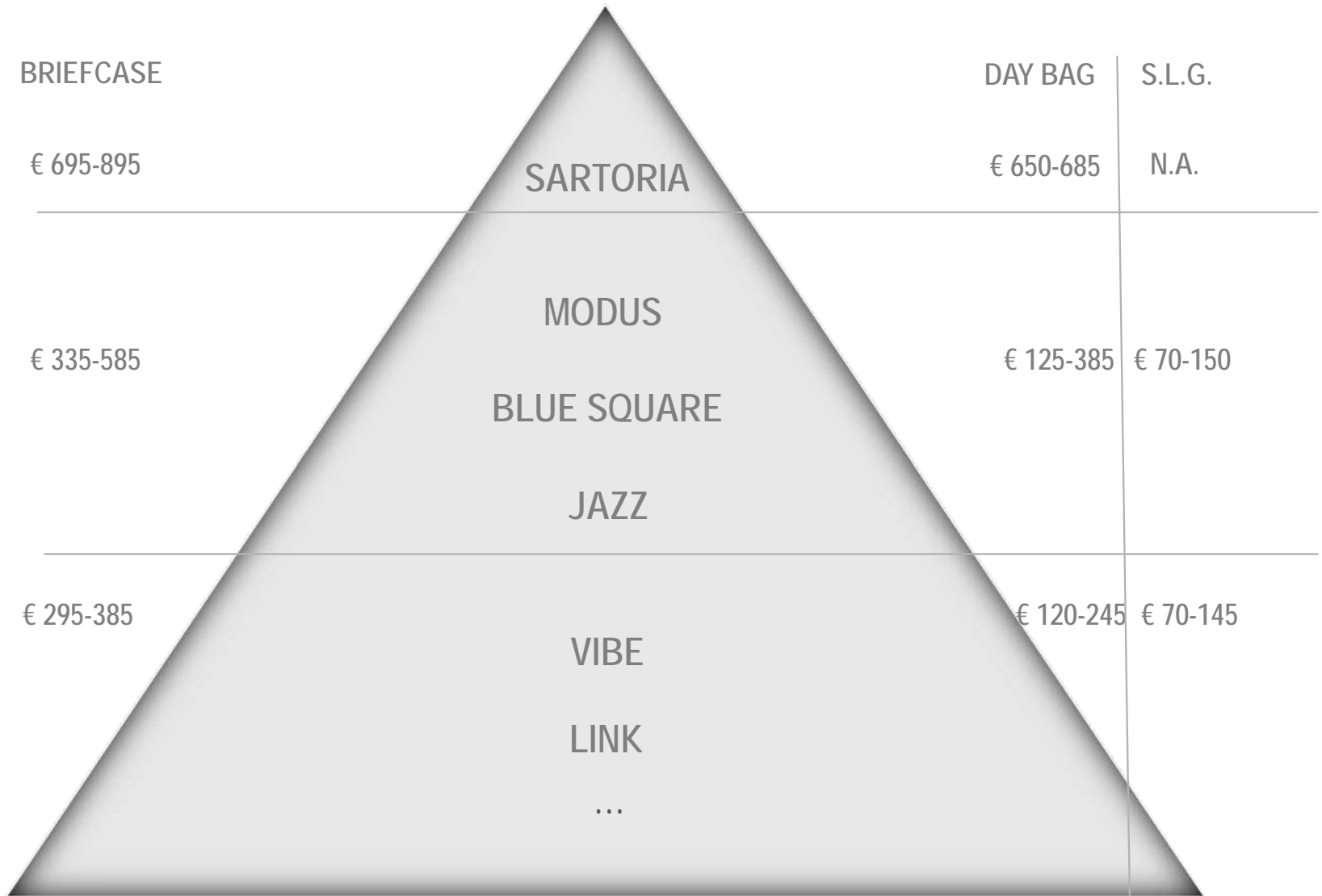
A WELL BALANCED ASSORTMENT

COMPANY SALES BY PRODUCT CATEGORY (IN VALUE)

Business bags	24%	
Day bags	14%	
Small leather goods	19%	
Women's bags	22%	
Luggage	12%	
Other accessories	10%	



PRODUCT ARCHITECTURE/PRICING



Above prices are Suggested Retail Prices in Euro



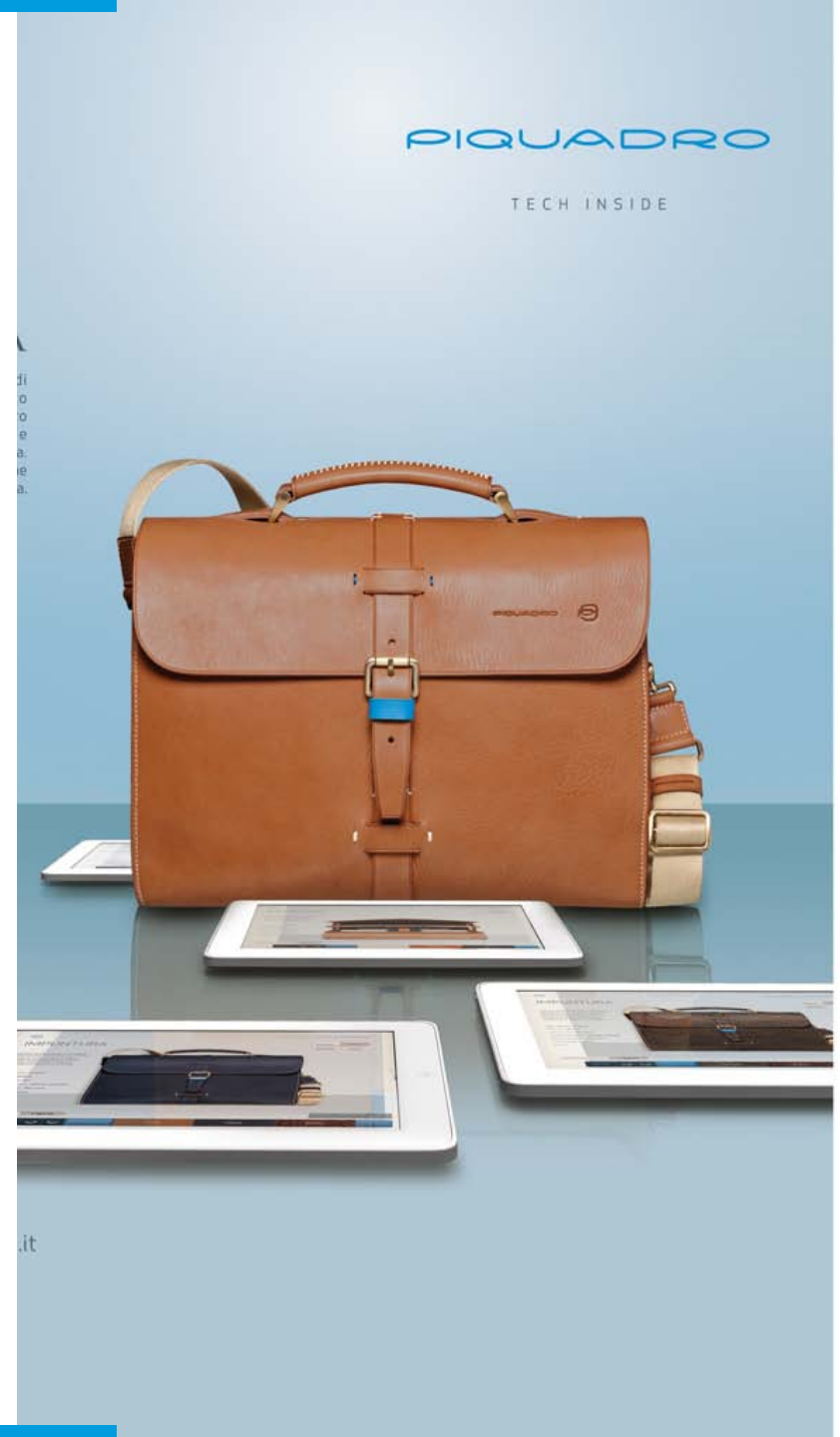
PRODUCT STRATEGY

SARTORIA: EXCLUSIVE MADE-TO-ORDER SERVICE

Exclusive experience which allows to **custom create unique and original items.**

Clicking on www.sartoriapiquadro.it or using the Sartoria **application for iPad**, alternative leathers and colors can be combined with different metal finishings, colors for the stitching thread and internal lining. Lastly initials or a phrase engraved on the leather can be ordered.

Each Sartoria product is hand-made in Italy and delivered directly to the customer's address in 60 days.





PRODUCT STRATEGY

UNICA, THE NEW PERSONALIZATION SERVICE

New personalization service available on a broad selection of small leather accessories, crossovers and briefcases.

Consumers can order their bag, wallet, iPad or iPhone case and have the leather **engraved** with his/her initials, a text or a drawing which will make the item **truly unique**.

The service has been called **UNICA** which in Italian means precisely **UNIQUE**.





RESEARCH & DEVELOPMENT

ITALIAN DESIGN

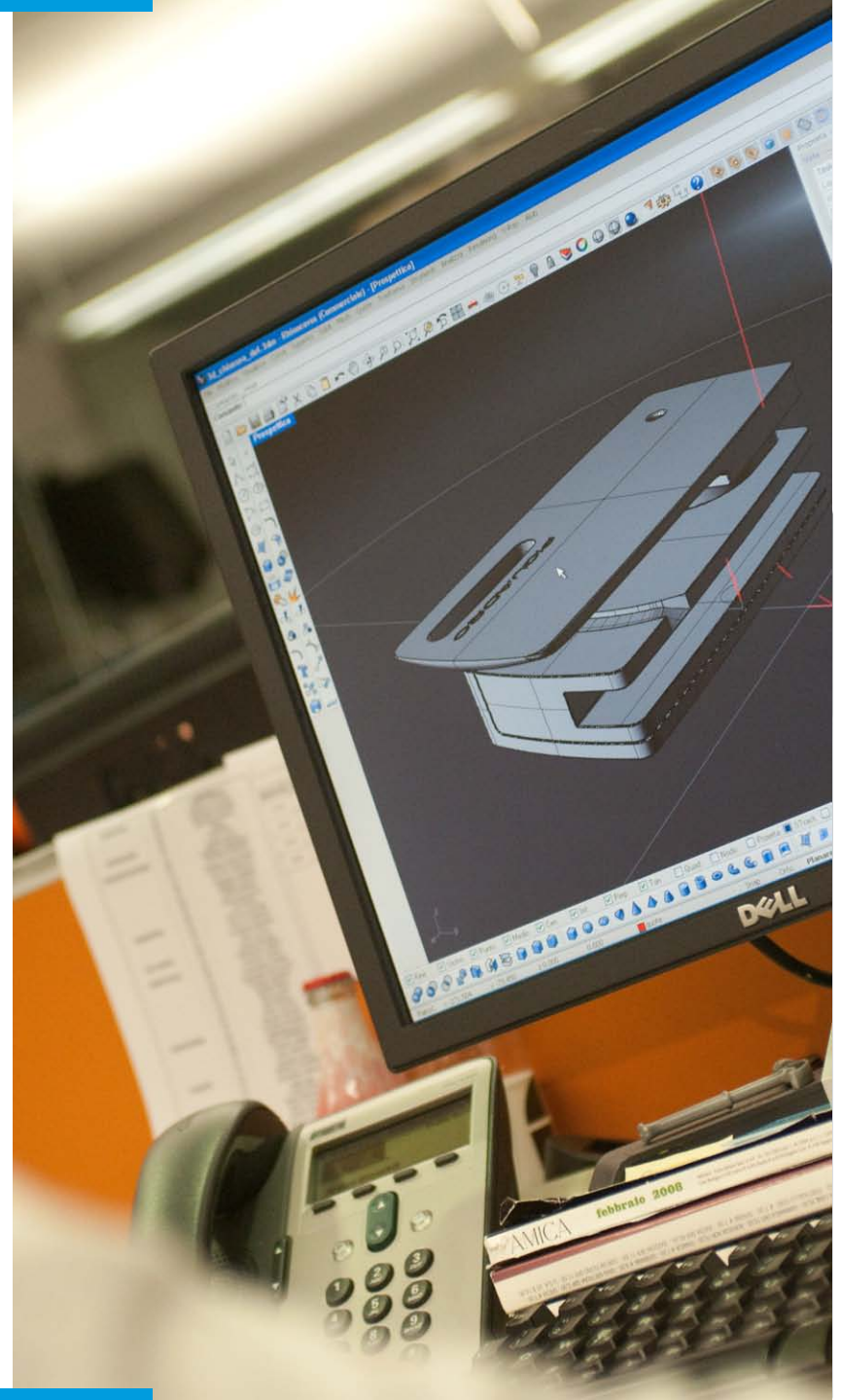
All Piquadro products are the fruit of a careful design phase. Even the tiniest detail is studied and designed so that the end result will be a design product with a well-defined identity.

An in-house team of Italian designers, who know and interpret the company values, develop solutions that are always new in a constant process of research into materials and trends.

44 people work in the Piquadro R&D. 13 are based in the Italian HQ.

5 are designers (two different designer teams: one focused on **industrial design**, the other on **fashion design**).

31 people work in the sample room making samples and prototypes for the entire production of the Group.





QUINTESSENTIAL QUALITY

The quality of **the** selected **hide**, together with the design, is a distinctive element of each Piquadro product.

Piquadro has proudly built a long lasting relationship with the best Italian tanneries over the past 14 years, all being located within a short distance from the Bologna headquarter.

Quality checks are made in an avant-garde, in-house 'LAB' localized at the Piquadro Head Office.



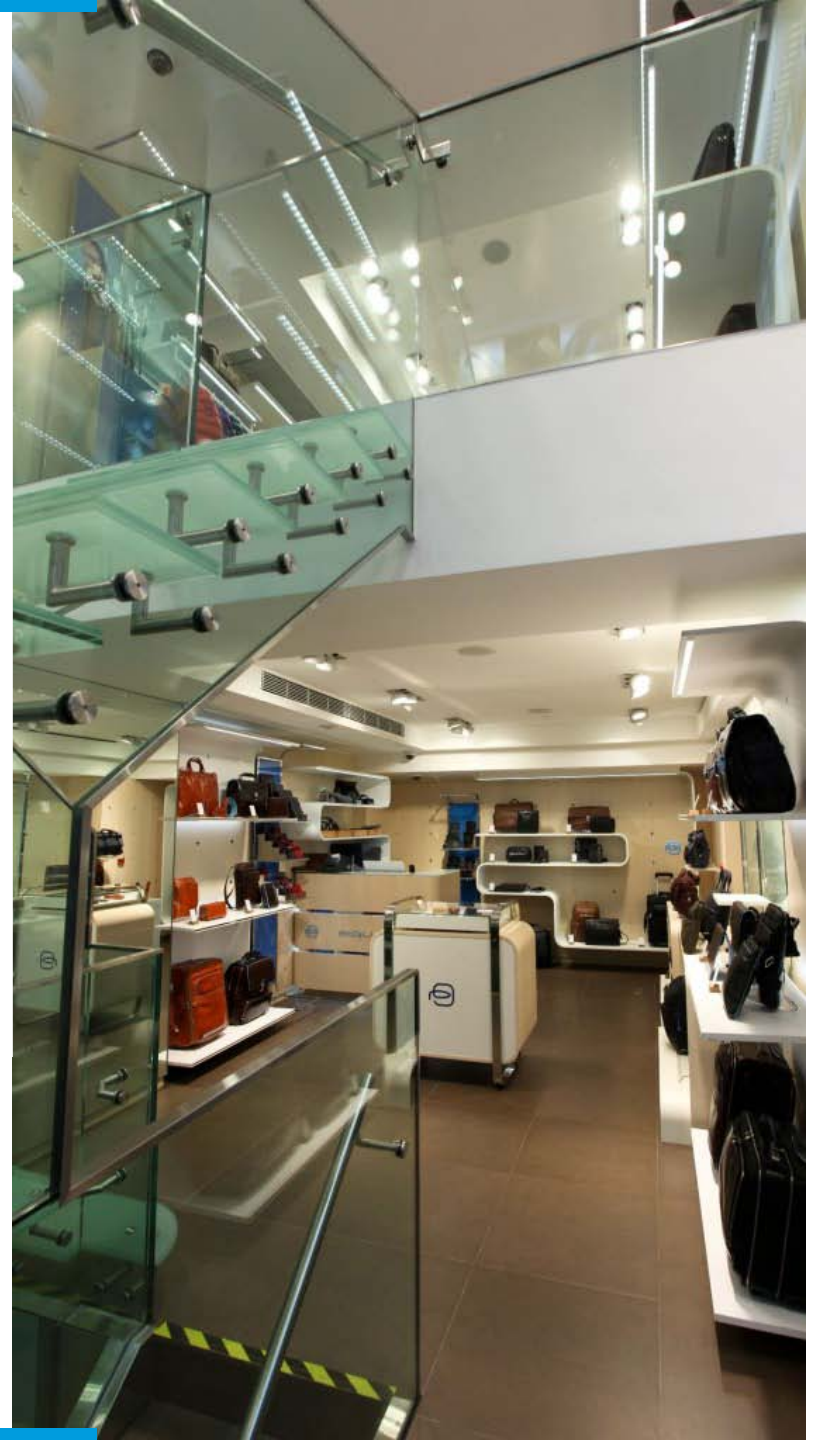


INTERNATIONAL MULTI-CHANNEL DISTRIBUTION

Presence in approx. 50 countries with strategic mix of DOS and Wholesale channel.

Growing mono-brand network, counting 92 Stores (43 DOS, and 49 franchised) worldwide.

Approx. more than one third of the net sales comes from single-brand stores (DOS and franchised).





RETAIL DISTRIBUTION

DOS

Milano, Via Della Spiga
Milano, Linate Airport
Milano, Malpensa Airport T1
Milano, via Dante 9
Milano, C.so Buenos Aires
Roma, Galleria Colonna
Roma, Sh Mall Cinecittà
Roma Sh. Mall Porta di Roma
Roma Sh. Mall Euroma 2
Roma, Fiumicino Airport T1
Roma, Fiumicino Airport T3
Roma, via Frattina
Bologna, P.zza Maggiore
Bologna, Marconi Airport
Rimini, Sh. Mall " Le Befane"
Assago (Mi) Sh. M. Milanofiori
Pescara, Via Trento 10
Rozzano (MI), CC Fiordaliso
Barberino (Fi), outlet
Fidenza (Pr), Outlet Village
Vicolungo (No), outlet
Valdichiana (Ar), outlet
Noventa (Ve), outlet
Marcianise (Ce), outlet
Agira (En), outlet
Mantova, outlet

Paris, Rue F. Saint-Honorè ⁽²⁾
Barcelona, Spain Paseo de Gracia 11
Barcelona, Spain outlet La Roca
Barcelona, Spain ECI Plaza Cataluna⁽¹⁾
Roermond, (NE) Designer Outlet
Mendrisio (CH), Fox Town Sh. Mall ⁽¹⁾
Hong Kong, I Square
Hong Kong, Sogo Causeway Bay
Hong Kong, Elements
Hong Kong, Times Square
Hong Kong, Queen's Road
Macau, The Venetian Macau-Hotel
Taiwan, Taipei, Eslite Dun Nan
Taiwan, Taipei Eslite Xin Yi
Taiwan, Taipei, Sogo Dun Hua
Taiwan, Kaohsiung City Dream Mall
Taiwan, Sogo Taipei Zhongxiao
Shangai, Golden Eagle
Shangai, Sogo Dept. St
Suzhou, Sogo Dept store

⁽¹⁾ Next opening October 2012 ; ⁽²⁾ Next opening November 2012



PIQUADRO
TECH INSIDE

ENGINEERED FOR BUSINESS

VIBE, 14kg di comfort e di sicurezza sulle tue spalle per notebook e tablet, porta italiana leggera e impermeabile. Il mondo nelle tue mani, nel tuo passo tutto il resto.



www.piquadro.com



RETAIL DISTRIBUTION

FRANCHISING

Roma, Viale Europa 1

Roma, Via Salaria 110

Roma, Viale Marconi 6

Verona, Piazza delle Erbe 9

Verona, Sh. Mall "La Grande Mela"

Catania, "I Portali" Via Catira Santa Lucia

Catania, Viale Ionio

Palermo, Viale Strasburgo 108

Padova, Via Dante 19

Genova, Via XX Settembre 113/R

Forlì, C.so della Repubblica, 179

Cosenza, Via Isonzo, 21 - 21/a- 23

Messina, via dei Mille

Lucca, via Beccheria,12

Cagliari, Via Alghero

Treviso, Viale Martiri della Libertà 66

Bergamo, Via Sant'Alessandro 4/A

Trieste, Via Mazzini 40

Ravenna, Via Cavour 95

Bari, via Sparano 23

Lecce, Via Trinchese 69

Brescia, Sh. Mall "Freccia Rossa"

Torino, Sh. Mall "Le Gru" Grugliasco

Modena, Sh. Mall "Grande Emilia"

Busnago (MI), Sh. Mall "Il Globo"

Peschiera (MI) Sh. Mall Galleria Borromeo

Limbrate (MI), Sh. Mall "Carrefour"

Orio al Serio (BG), Sh. Mall "Orio Center"

Stezzano (BG), Sh. Mall "le due Torri"

Valmontone (RM), Outlet

Madrid, Airport Barajas

Vienna, International Airport

Mosca, Russia MEGA Shp Mall

Mosca, Russia Sokolniki Shp Mall

Mosca, Russia Sh. Mall European

Mosca, Russia Sh. Mall Atrium

Mosca, Russia Sh. Mall Metropolis

Mosca, Russia Petrovski Passage

Mosca, Russia Sh. Mall Mega Belaja

Mosca, Russia Shop. Mall "Kapitoly"

Mosca, Russia Shop. Mall "Las Vegas"

Mosca, Russia Shop. Mall "Afimall"

Belgrado, Serbia Delta City

Belgrado, Serbia USCE Center

Belgrado, Serbia Fashion park Outlet

Sarajevo, Bosnia Sh. Mall BBI Center

Kiev, Ukraina Shop. Mall "Ukraina"

Odessa Ukraina Shop. Mall "Srednefontanskaya"

Astana, Kazakhstan Keruen Trade Center





THE ITALIAN MARKET

PIQUADRO TODAY: LEADER IN THE MAN/BUSINESS SEGMENT

- Man/Business assortment worth 20 to 60% of wholesale clients' turnover in a fast growing men's accessory segment.
- Highly recognizable, accessible luxury brand in the “business/life style accessories” segment.
- Disorganized competitors with small market shares.
- Highly specializing brand with a wide range of products/assortment.
- High complexity in terms of seasonal and permanent collections plus several sales campaigns.





THE ITALIAN MARKET

THE COMPETITORS ARENA

- Decline in consumption; financial problems of the wholesale retailers.
- Wholesalers compete with on-line store and outlets.
- In the end Piquadro will reduce the number of trade clients to about 400 (from 600).
- *Who will capture the end-customer buying from the lost trade clients?*
- A part of these customers will be captured by the on-line store (now is worth 2,5% of total sales..then twice) ;
- **The trade customers surviving could enjoy a double market share.**





THE ITALIAN MARKET

E-COMMERCE: A SHARED STRATEGY WITH OFF-LINE

- E-commerce as a fast growing channel.
- Piquadro enjoys high awareness and it does not need to be tried (like clothing).
- Target audience are internet users; technological mood .
- Technological product ... it needs to be explained.
- Tech cases represent a very good business opportunity because of the high rotation of the products.
- Availability of the whole Piquadro assortment.
- Personalization service.

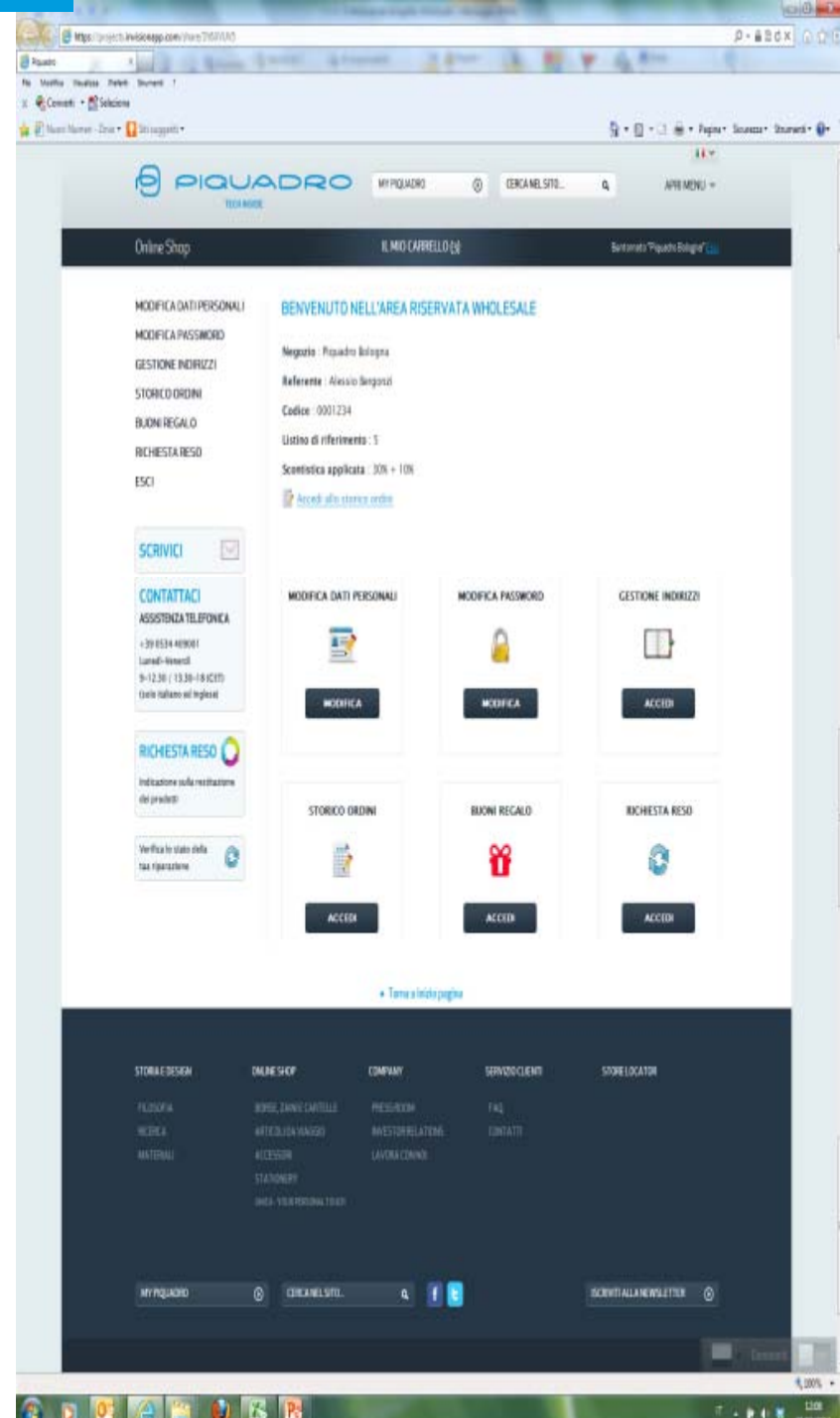




THE ITALIAN MARKET

E-COMMERCE: INTEGRATE WHOLESALE WITH ON-LINE PLATFORM.

- To allow wholesale POS to order for the end consumer on the Piquadro on-line shop, with the assistance of the staff ... **a mix of on-line and off-line.**
- All the advantages of the assisted purchase, from the range to the personalization service.
- Wholesale POS will receive payment from the end-customer and Piquadro will deliver the item either to the POS or to the end-customer's address.





GLAMOUR & INTERNATIONAL

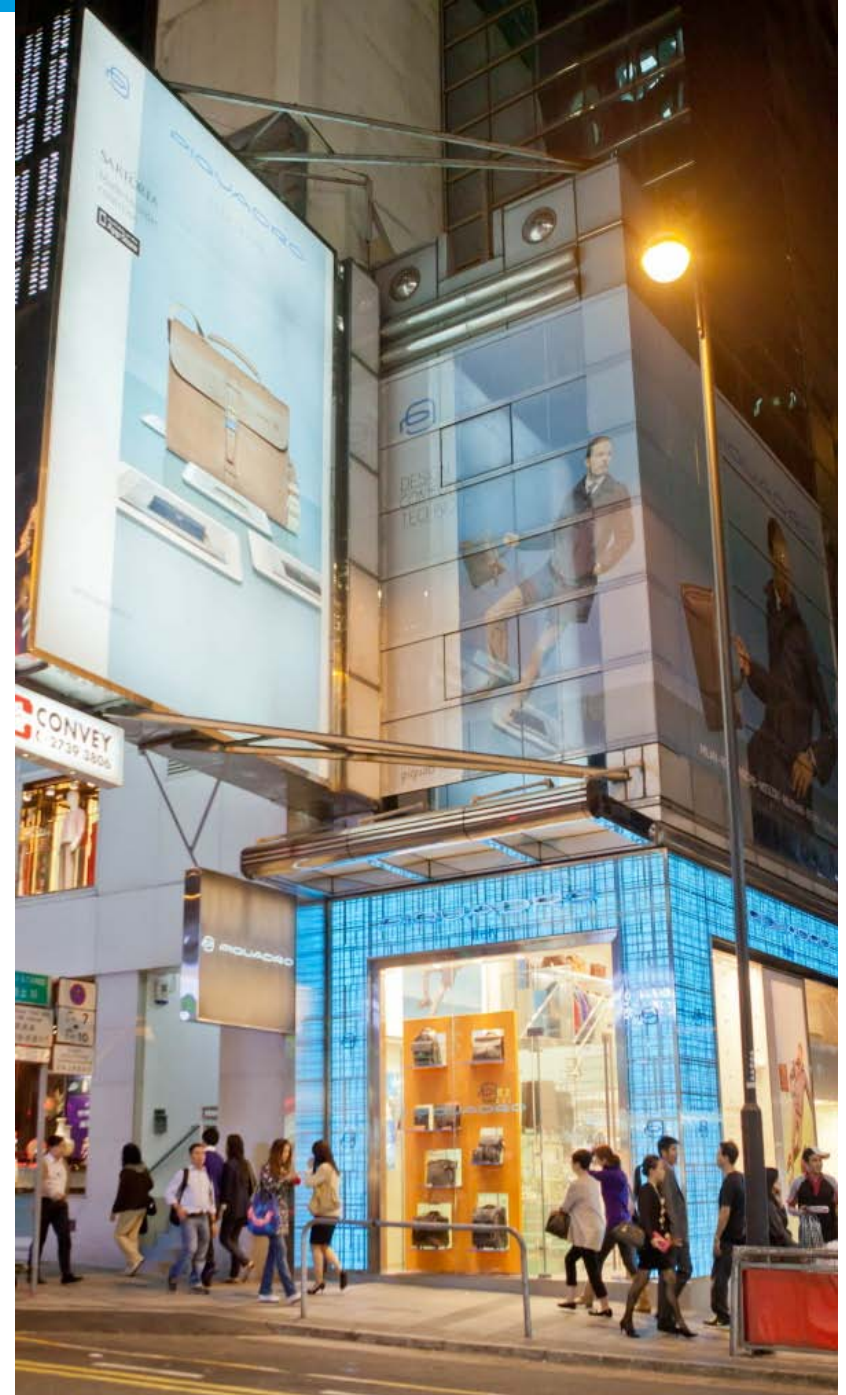
INTERNATIONAL FLAGSHIPS

Piquadro is doing some important steps for becoming more **glamour**, increasing **international brand awareness** and, at the end, **attract** both **international buyers** and **customers** through:

Flagship openings in top international cities

- Hong Kong, Queens' Road – inaugurated in autumn 2011;
- Paris, Rue Saint-Honorè – grand opening in November 2012;
- London, Regents Street under negotiation;

to capture and attract **international travel and business customers**.



Piquadro Flagship store in Hong Kong



GLAMOUR & INTERNATIONAL

NEW MANAGEMENT TEAM

- **International Sales:** New Head of International Brand Development and new team;
- **Travel Retail:** new Travel Retail Manager APAC;
- **Retail:** new Head of Retail for Europe and new team.



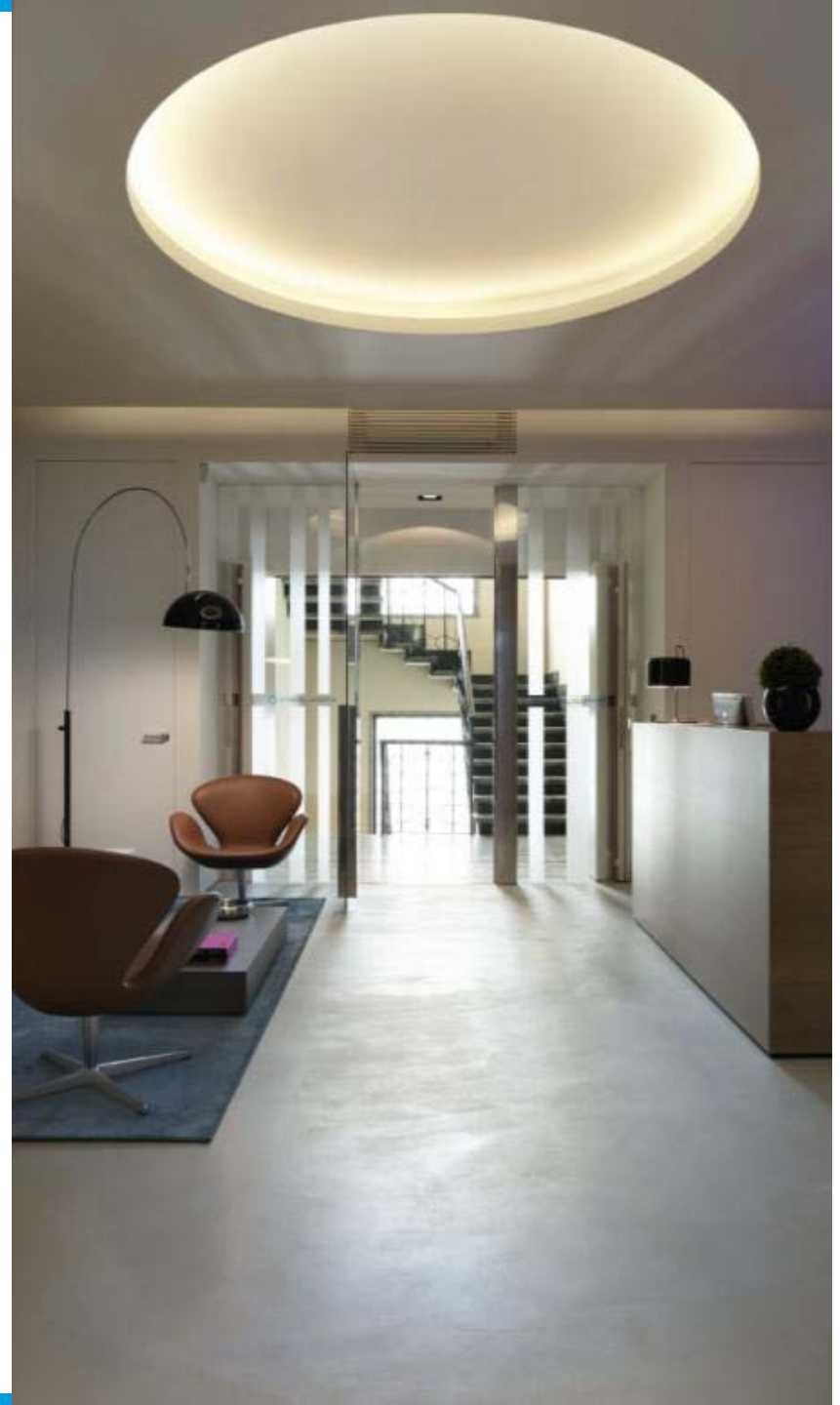


GLAMOUR & INTERNATIONAL

THE NEW SHOWROOM IN MILAN

In September Piquadro opened its Milan showroom, 500 square meters in the **heart of the Milan fashion district.**

The new showroom, which will be inaugurated with a **grand opening in January 2013** during the Milan Fashion Week, is meant to become the heart of the export development.





GLAMOUR & INTERNATIONAL

THE MARRAS CAPSULE COLLECTION

Piquadro has recently announced an agreement with world famous designer **Antonio Marras** for the creation of a **capsule collection**.

The collection, a mini-line of unisex bags signed by Antonio Marras, will be presented in January 2013 at the Milan Men's Fashion Week.

The launch of the capsule collection represents another essential step in the Piquadro **internationalization strategy**, aimed at increasing the brand awareness on foreign markets by positioning itself in the segment of accessible luxury.



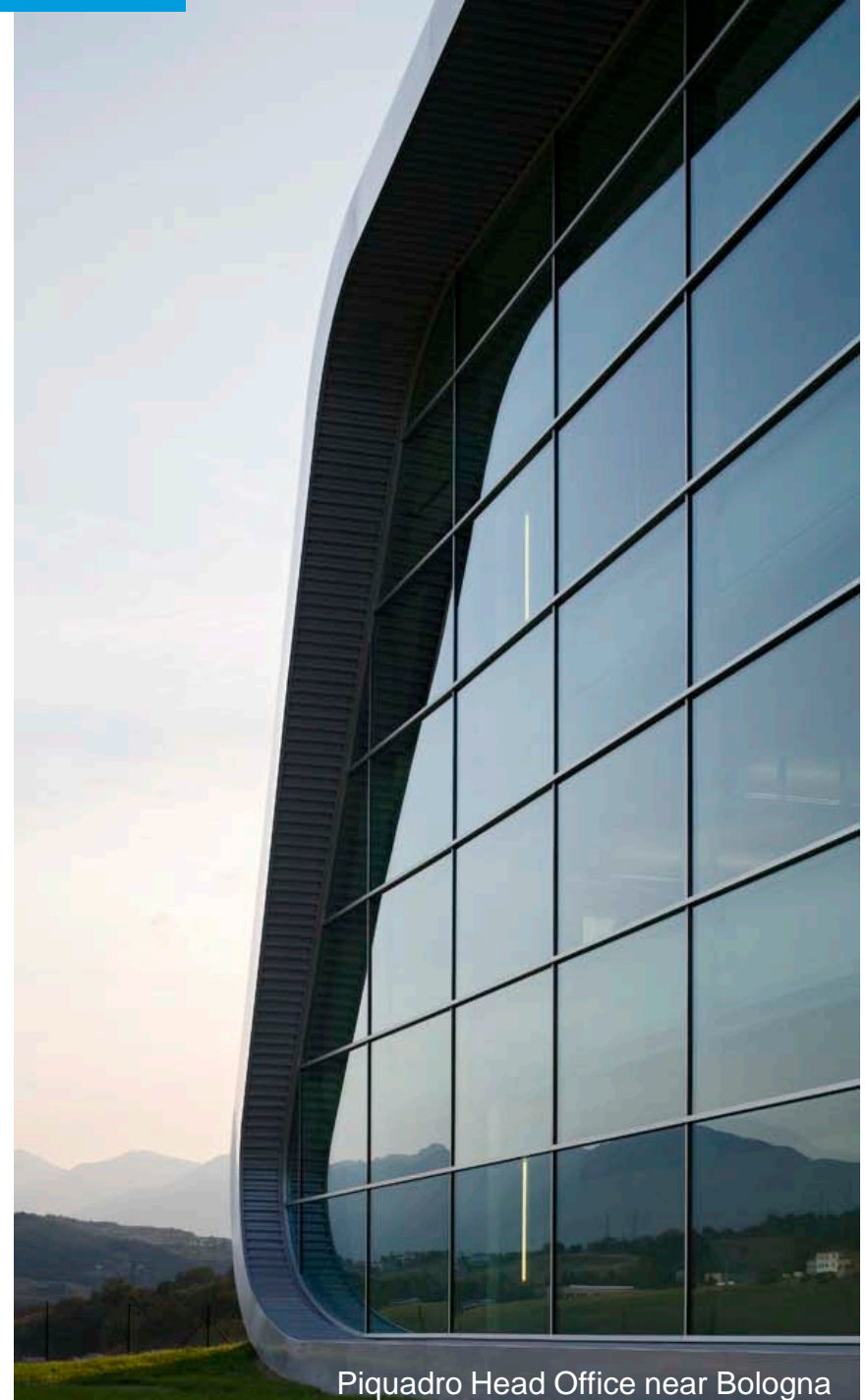


GLAMOUR & INTERNATIONAL

THE NEW STORE DESIGN CONCEPT

Piquadro has just launched a tender for the renovation of the interior design of **its stores around the world**.

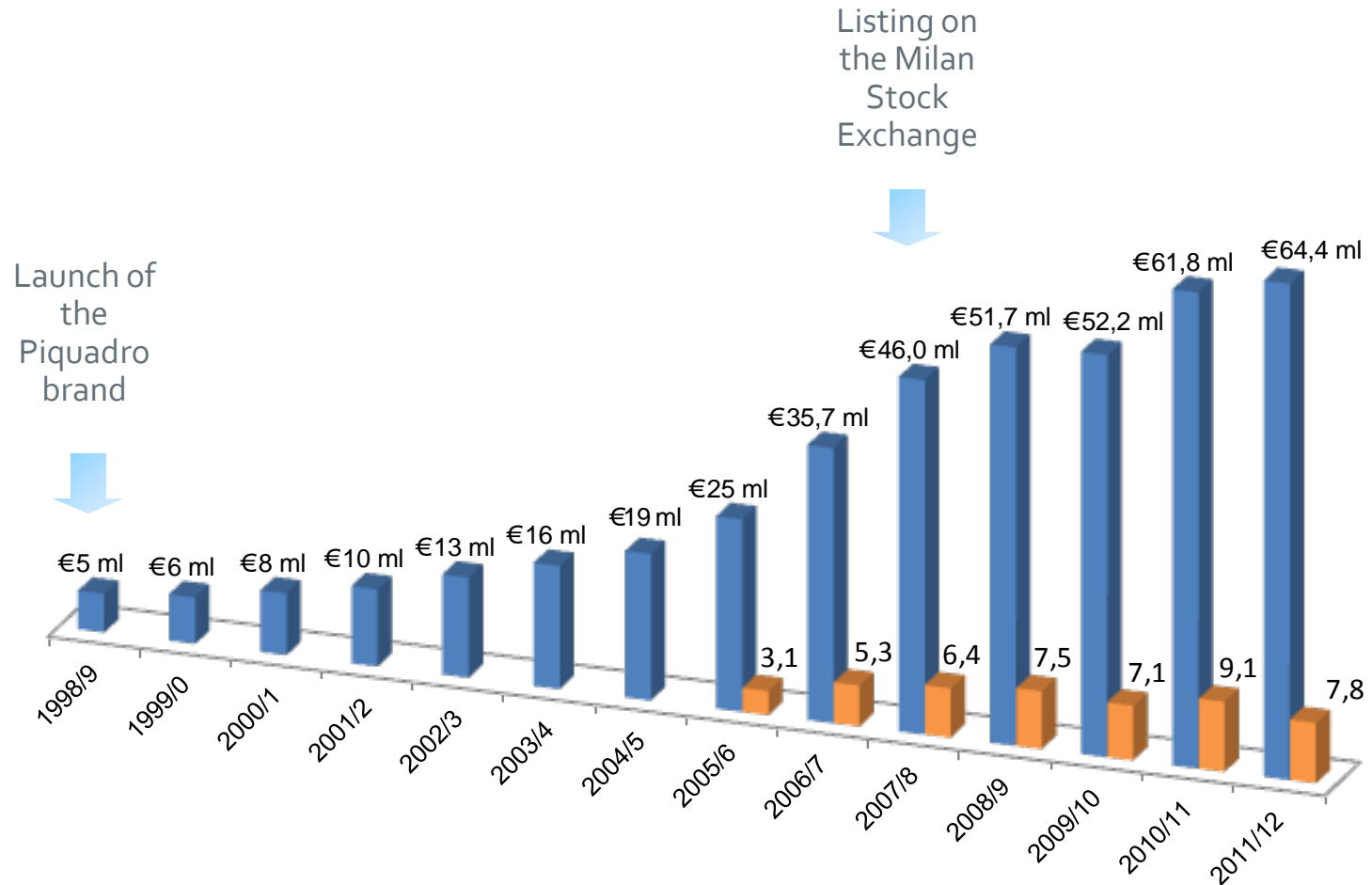
The architects (names blind at the moment) participating in the tender are four world famous archistars.



Piquadro Head Office near Bologna



PIQUADRO STEADY SALES/PROFIT GROWTH SINCE 1998





INCOME STATEMENT

	FY Ending March 31		
(€m)	2010A	2011A	2012A
Net Sales	52.2	61.8	64.4
% growth	+1,0%	+18,4%	+4,3%
Other revenues	0.8	1.4	0.7
Material costs	(8.4)	(9.3)	(10.4)
Service costs	(22.5)	(27.8)	(28.3)
Personnel costs	(8.0)	(9.3)	(11.5)
Other operating expenses	(0.3)	(0.3)	(0.7)
EBITDA	13.8	16.5	14.2
Margin (% of net sales)	26.4%	26.6%	22.0%
Depreciation	(2.0)	(1.9)	(2.4)
EBIT	11.8	14.6	11.8
Margin (% of net sales)	22.6%	23.6%	18.2%
Net interest income(exp.)	(0.4)	(0.6)	(0.1)
EBT	11.4	14.0	11.7
Margin (% of net sales)	21.8%	22.7%	18.1%
Taxes	(4.2)	(4.9)	(3.9)
Net Income(loss) before minorities	7.1	9.1	7.8
Margin (% of net sales)	13.6%	14.7%	12.1%
Minority interests	(0.1)	(0.0)	(0.0)
Net Income(loss)	7.2	9.1	7.8
Margin (% of net sales)	13.9%	14.7%	12.1%





SUMMARY BALANCE SHEET

	FY Ending March 31		
(€m)	2010A	2011A	2012A
Net Working Capital	13.9	16.1	20.3
Net Tangible Assets	11.5	12.1	12.1
Net Intangible Assets	0.6	0.8	1.5
Net Financial Assets	1.6	2.2	2.4
Several Staff, Provisions & Others	(1.4)	(1.6)	(1.4)
Net Capital Employed	26.3	29.6	35.0
Group Shareholders' Equity	20.9	25.9	28.8
Minorities	0.1	0.0	0.0
Shareholders' Equity & Minorities	21.0	25.9	28.8
Net Debt	5.3	3.7	6.2
Net Debt and Shareholders' Equity	26.3	29.6	35.0





CASH GENERATIVE BUSINESS MODEL

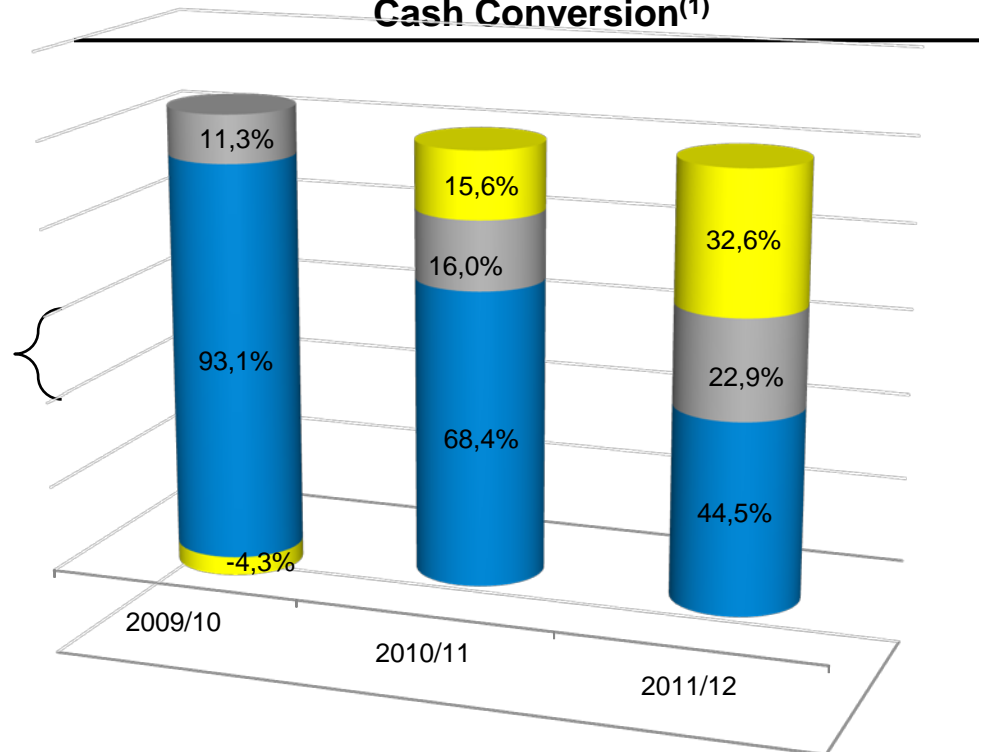
The Company has high conversion of EBITDA into operating cash flow:

- Limited Capex requirement
- Efficient working capital management

March 12 performance affected by increase in NWC above the previous averages mainly due to inventory and receivables and investments.



Cash Conversion⁽¹⁾



■ cash conversion ■ investments ■ NWC

(1) Cash conversion is defined as $[EBITDA - Capex (including leasing) - Change in Working Capital]/EBITDA$.
Working Capital is defined as $Inventories + Accounts receivables - Accounts payable$



THE INVESTMENT VALUES

Net Profit generated in the last 3 years*
24.1 mln €

Dividends paid in the last 3 years** equal
to
12.1 mln €

Investments effected in the last 3 years*
equal to
7.4 Mln €

Net Debt increased in the last 3 years* by
0,9 Mln €



*Based on FY ending March 2012, 2011, 2010

** Not included 3,0 mln relevant to FY 2011/12



PIQUADRO LISTED ON THE MILAN STOCK EXCHANGE SINCE 2007

