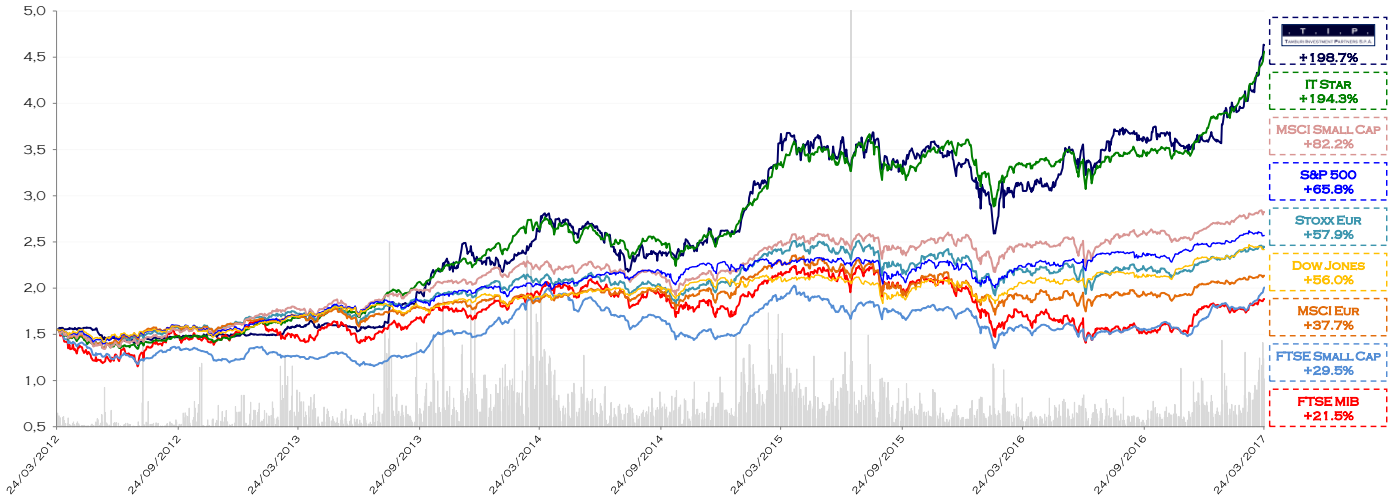


DEAR SHAREHOLDERS,

WITH A NET PROFIT OF 85.6 MILLION EURO, OF WHICH MORE THAN 51 ATTRIBUTABLE TO THE PARENT COMPANY TAMBURI INVESTMENT PARTNERS S.P.A., 2016 HAS BEEN A TRULY EXCEPTIONAL YEAR FOR TIP GROUP, THE BEST IN OUR HISTORY.

DESPITE THE GENERAL FEELING THAT THE CRISIS HAVE NOT BEEN OVERCOME, ADDITIONAL DIFFICULTIES IN THE RECOVERY, WITH A +1% OF EFFECTIVE ITALIAN GDP GROWTH THAT DOES NOT SATISFY ANYONE, TIP AND THE MAIN INVESTEE COMPANIES HAVE COMPLETED ANOTHER VERY SUCCESSFUL YEAR.

AS AT MARCH 24, 2017 THE FIVE YEARS TOTAL RETURN* FOR TIP SHAREHOLDERS HAS BEEN +222.7%, EQUAL TO AN AVERAGE YEARLY RETURN OF 44.5%; THE USUAL GRAPH THAT COMPARES TIP TO THE OTHER INDEXES:



THE QUALITY OF THE INVESTMENTS, THE PERFORMANCE OF THE GROUP AND THE PERSPECTIVES OF GROWTH ARE APPARENTLY GIVING TO TIP SHAREHOLDERS GOOD SATISFACTIONS.

* TIP STOCK PERFORMANCE, DIVIDEND DISTRIBUTION AND FREELY DISTRIBUTED WARRANT 2015-2020 PERFORMANCE

THE INFORMATION CONTAINED IN THIS LETTER IS INTENDED FOR PURELY INFORMATION PURPOSES; THIS LETTER IN NO WAY CONSTITUTES SOLICITATION OF PUBLIC INVESTMENTS, NOR INDICATION FOR EVENTUAL BUYS.

2016 INVESTMENTS AND DIVESTMENTS

IN 2016, INCLUDING THE EQUITY COMPONENT OF THE CLUBDEALS, TIP HAS FINALIZED ADDITIONAL INVESTMENTS FOR 191 MILLION EURO, FOLLOWING THE 175 OF 2015 AND 279 OF 2014, FOR A TOTAL OF 645 MILLION EURO IN THE LAST THREE YEARS.

THE INVESTMENT IN FURLA, THE INCREASE IN HUGO BOSS, INTERPUMP AND TALENT GARDEN AMONG TIP TRANSACTIONS, BUT ALSO THE INVESTMENT IN BETA UTENSILI AND THE SIGNIFICANT INCREASE IN THE GUZZINI GROUP THROUGH TIPO WERE THE MOST RELEVANT TRANSACTIONS.

2016 WAS ALSO A YEAR WITH TWO IMPORTANT DIVESTMENTS: **BOLZONI**, AFTER MANY YEARS OF DEVELOPMENT AND RATIONALIZATION WITH OUR CONSTANT ASSISTANCE, HAS ACCEPTED AN OFFER FROM THE WORLD'S SECOND LARGEST PRODUCER OF LIFT TRUCKS, ALLOWING ALL SHAREHOLDERS TO BENEFIT FROM A GOOD PREMIUM OVER THE MARKET PRICES, DUE TO THE REALLY STRATEGIC INTEREST OF THE BUYER.

WITH THE BUSINESS COMBINATION BETWEEN **NOEMALIFE** AND **DEDALUS** IT HAS BEEN CREATED THE LEADING EUROPEAN SOFTWARE PROVIDER FOR HEALTH CARE. TIP INVESTED IN NOEMA DURING THE IPO, THEN HAS INCREASED ITS POSITION SUBSCRIBING AND SOMETIMES EVEN GRANTING CAPITAL INCREASES, AS WELL AS FACILITATING THE CHANGE IN MANAGEMENT AND PROVIDING SUPPORT - NOT JUST FINANCIAL - ALMOST ON A DAILY BASIS.

2016 HAS BEEN STRONGLY CHARACTERIZED BY THE ALLOCATION TO SHAREHOLDERS OF **MONCLER** SHARES AFTER THE RELEASE FROM RUFFINI PARTECIPAZIONI. TIP FOUR YEARS AGO, I.E. BEFORE MONCLER IPO, ESTABLISHED CLUBSETTE, COMPANY IN WHICH TIP STAKE WAS 52.5%, IN ORDER TO BUY – TOGETHER WITH OTHER SIX FAMILY OFFICES – A 14% STAKE OF RUFFINI PARTECIPAZIONI THAT IN TURN HELD MORE THAN 30% OF MONCLER. THE INITIAL AGREEMENT FORESAW THE ATTRIBUTION OF MONCLER SHARES TO CLUBSETTE SHAREHOLDERS AFTER A THREE YEARS PERIOD. THIS TRANSACTION HAS GENERATED A CONSOLIDATED

CAPITAL GAIN OF 78 MILLION EURO; THE BOOK VALUE OF MONCLER FOR TIP IS NOW 15.66 EURO PER SHARE.

TODAY'S MAIN INVESTMENT PORTFOLIO:

LISTED COMPANIES			PRIVATE COMPANIES		
 ~100 MILLION EURO	 ~50 MILLION EURO	 ~10 MILLION EURO	 ~40 MILLION EURO	 ~10 MILLION EURO (VENDOR LOAN)	 ~120 MILLION EURO
 ~100 MILLION EURO INITIAL INVESTMENT	 ~20 MILLION EURO	 ~60 MILLION EURO	 15 MILLION EURO (+15 IN IPO)	 8 MILLION EURO (DEBT INSTRUMENT)*	 ~30 MILLION EURO
 ~550 MILLION EURO	 ~130 MILLION EURO	 ~235 MILLION EURO	 ~8 MILLION EURO	 550 MILLION EURO	 ADVISORY
			. T . I . P . O . TIP - PRE IPO S.P.A.		
			 ~25 MILLION EURO INITIAL INVESTMENT LISTED ON NASDAQ	 ~200 MILLION EURO	 ~75 MILLION EURO IN. INV. + GH

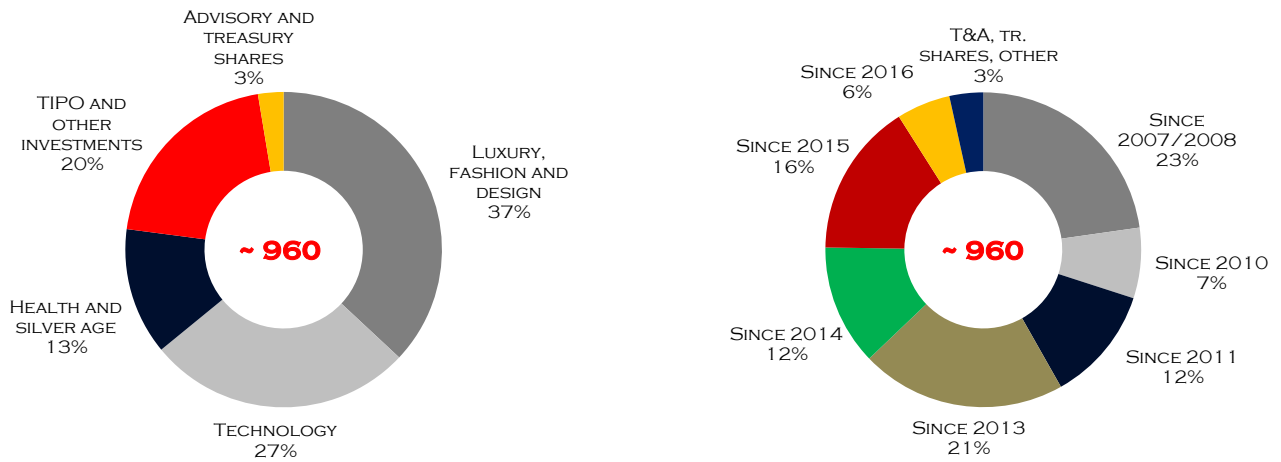
NOTE: LISTED COMPANIES ARE VALUED AT CONSENSUS (MARCH 24, 2017)
*PROVIDED TO MANAGEMENT INVESTMENT VEHICLE

AS USUAL WE HAVE UPDATED THE COMPARISON BETWEEN ANALYST CONSENSUS VALUE AND MID TERM INTRINSIC VALUE ESTIMATES* OF TIP ASSETS AND IF ONE YEAR AGO THE CONSENSUS WAS 660 MILLION EURO WITH AN INTRINSIC VALUE OF 835, NOW ARE RESPECTIVELY 783 MILLION AND 960 MILLION, WITH AN INCREASE OF MORE THAN 100 MILLION EURO FOR BOTH; IN RESPECT OF THIS PORTFOLIO THE INDEBTEDNESS IS ALMOST ENTIRELY BULLET, IN THE MEDIUM TERM, AND OF ABOUT 170 MILLION. THE FOLLOWING CHARTS REPORT THE INDUSTRY COMPOSITION AND THE "SENIORITY" OF THE INVESTMENTS.

* IT INCLUDES THE ANALYTICAL VALUATIONS OF EACH INVESTMENT ESTIMATED BY TIP CONSIDERING MID – LONG TERM PERSPECTIVE OF THE COMPANIES

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MID TERM INTRINSIC VALUE OF TIP ASSETS



SOME MORE SPECIFIC MENTION ON INVESTEE COMPANIES (AS AT MARCH 24, 2017):

AMPLIFON (+41.3% SINCE THE BEGINNING OF 2016) HAS HAD ANOTHER YEAR OF EXCELLENT PERFORMANCE AT EVERY LEVEL I.E. GROWTH, PROFITABILITY AND MARKET SHARE, THE COMPANY HAS IMPROVED ITS RESULTS AND , WITH REVENUES THAT REACHED 1,133 MILLION EURO AND AN EBITDA THAT EXCEEDS 190 MILLION EURO, THE GROUP HAS REPORTED A NEW RECORD YEAR.

BE (+109.7% SINCE THE BEGINNING OF 2016) CONTINUES ITS GROWTH IN REVENUES AND MARGINS. THREE YEARS PLAN IS VERY AMBITIOUS AND ALSO M&A DEALS CONTINUED. ONLY IN THE LAST WEEKS TWO ACQUISITIONS HAVE BEEN ANNOUNCED, ONE IN GERMANY AND ONE IN SPAIN, AS A FURTHER DEMONSTRATION OF THE STRONG DYNAMISM OF THE COMPANY. 2016 FIGURES, WITH REVENUES OF 137 MILLION EURO AND AN EBITDA ADJUSTED OF OVER 18 MILLION EURO, CONFIRM THAT THE COMPANY IS STILL IMPROVING ITS RECORD, AT EVERY LEVEL.

INTERPUMP (+60.6% SINCE THE BEGINNING OF 2016) INCREASED IN PROFITABILITY MORE THAN IN REVENUES, REACHING LEVELS OF ABSOLUTE EXCELLENCE FOR THE INDUSTRY, BUT MORE THAN ANYTHING ELSE IT HAS CONSOLIDATED AND INTEGRATED VERY WELL THE RECENT ACQUISITIONS

AND NOW IS EVEN MORE READY TO ABSORB ACQUISITIONS OF INCREASED SIZE. FEW WEEKS AGO A VERY IMPORTANT ACQUISITION IN SPAIN HAS BEEN FINALIZED. WITH REVENUES OF 923 MILLION EURO AND EBITDA OF 198.5 MILLION EURO, 2016 WAS ANOTHER RECORD YEAR. FEW DAYS AGO IPG HOLDING – INTERPUMP PARENT COMPANY OF WHICH TIP OWNS A 33.719% STAKE – ACQUIRED ADDITIONAL 2 MILLION SHARES OF INTERPUMP GROUP S.P.A., AS A FURTHER DEMONSTRATION OF THE INTEREST THAT MONTIPÒ FAMILY AND TIP HAVE IN THE GROUP.

MONCLER (+64.9% SINCE THE BEGINNING OF 2016) IMPRESSES ONCE AGAIN AS IT KEEPS GROWING, WITH ITALY AND EUROPE THAT – DESPITE INCREASING SALES – FELL SLIGHTLY IN TERMS OF WEIGHT, LEAVING ROOM TO THE CONSIDERABLE POTENTIALS OF OTHER CONTINENTS, BUT ABOVE ALL FOR MAINTAINING THE ALREADY HIGH LEVELS OF PROFITABILITY. SINCE TIP INVESTED IN THE GROUP, EBITDA MORE THAN DOUBLED, DEBT SHARPLY FELL AND TODAY ITS EVALUATION IN RELATIVE TERMS REMAINS AMONG THE MOST CONSERVATIVE IN THE LUXURY SEGMENT. PROBABLY THE STOCK MARKET KEEPS PRICING THAT SOON THE SECOND LARGEST SHAREHOLDER WILL SELL ITS STAKE. WITH REVENUES OF 1.040 MILLION EURO AND EBITDA ADJUSTED OF 355 MILLION EURO, 2016 WAS – ALSO IN THIS CASE – ANOTHER RECORD YEAR.

PRYSMIAN (+28.8% SINCE THE BEGINNING OF 2016) GIVEN THE SIZE OF THE GROUP IN ABSOLUTE TERMS – REVENUES EXCEEDED 7.5 BILLION EURO – OBVIOUSLY IT CAN NOT SHOW GROWTH RATES SIMILAR TO THOSE OF SMALLER COMPANIES, BUT NONETHELESS IT REPORTED, WITH EBITDA ADJUSTED OF 711 MILLION EURO (+14%), A RECORD YEAR. AT INDUSTRIAL LEVEL, THE RATIONALIZATION OF FACILITIES, NOW DECREASED TO 82, IS STILL IN PROGRESS AND AT TECHNOLOGICAL LEVEL, AMONG THE INNOVATIONS, IN RECENT DAYS HAS ANNOUNCED IT PRODUCED, FIRST IN THE WORLD, A WIRE WITH 1,728 FIBERS, INSTALLED BY THE PROVIDER SUPERLOOP.

HUGO BOSS (-3.4% SINCE THE BEGINNING OF 2016) IS THE GREATEST DISAPPOINTMENT OF THE PERIOD, ALTHOUGH WE ARE VERY PLEASED TO HAVE INCREASED OUR STAKE AT PRICES MUCH LOWER THAN THE CURRENT

ONES. IN RECENT DAYS THE COMPANY ANNOUNCED – FOR FISCAL YEAR 2016 – A SLIGHT DECREASE IN THE TOP LINE AND A MORE MARKED DECREASE IN PROFITABILITY, EVEN THOUGH WITH EBITDA ADJUSTED JUST BELOW 500 MILLION EURO. DURING THE LAST TWO YEARS THE ASPECT THAT STRIKES THE MOST IS THE DISASTROUS AND LARGELY UNEXPLAINED STOCK PERFORMANCE. TOP MANAGEMENT SEEMS TO CONTINUE TO PREFER CAUTIOUS COMMUNICATIONS TO REALISTIC ONES, EVEN IF QUARTERLY FIGURES ARE BETTER THAN WHAT OFFICIAL COMMUNICATIONS LET SUPPOSE. IN ANY CASE, DIVIDENDS RECEIVED HAVE GIVEN, AND WILL GIVE, A VERY GOOD YIELD, UNIQUE IN THE INDUSTRY.

AZIMUT BENETTI CONTINUED ITS STRATEGY OF MODELS RENEWAL AND HAS ENDED THE YEAR WITH AN INCREASE IN THE VALUE OF PRODUCTION AND A GOOD INCREASE AT EBITDA LEVEL. IN THE LAST MONTHS NUMEROUS INITIATIVES HAVE BEEN TAKEN IN ORDER TO STRENGTHEN TOP MANAGEMENT, COMMERCIAL PENETRATION, STRATEGIC AND OPERATIONAL MARKETING. THE INDUSTRY CONFIRMS TO BE IN A RECOVERY PHASE AND THE GROUP IS IN GOOD POSITION TO TAKE ADVANTAGE OF IT.

EATALY IN 2016 OPENED A LARGE NEW STORE IN NEW YORK, AFTER MORE THAN A YEAR OF DELAYS DUE TO EXTERNAL FACTORS, THEN ONE IN BOSTON AND A ONE IN COPENHAGEN, AFTER THE OPENINGS IN SÃO PAULO IN BRAZIL AND MUNICH OCCURRED IN 2015. IN JANUARY 2017 A STORE WAS OPENED IN TRIESTE. REVENUES REACHED ALMOST 400 MILLION EURO, ALTHOUGH PROFITABILITY - BECAUSE OF THE SIGNIFICANT "ONE OFF" AND DEVELOPMENT COSTS - IS STILL NOT WHAT WAS EXPECTED TO BE. THE STRENGTHENING OF TOP MANAGEMENT CONTINUED AND NOW SHOULD HAVE BEEN COMPLETED. 2017 IS EXPECTED TO BE A YEAR OF STRONG GROWTH.

FCA AND **FERRARI** - AS IN PREVIOUS YEARS, A SPECIAL MENTION GOES TO INVESTMENTS IN FCA AND FERRARI, THAT PROVED TO BE EXCELLENT TRANSACTIONS AND GAVE ADDITIONAL SATISFACTION, GIVEN THAT ARE COMPANIES WITH WHICH TIP HAS NEITHER RELATIONSHIPS NOR ROLES SIMILAR TO THOSE IT HAS WITH THE MAIN INVESTEE COMPANIES. THE PURCHASE OF FCA SHARES AND BONDS WERE INITIALLY A TEMPORARY USE

OF LIQUIDITY BUT THEN, WITH THE OPPORTUNITY TO UNDERWRITE THE 7.875% 2014-2016 FCA MANDATORY CONVERTIBLE BOND AND WITH FERRARI IPO, WE HAVE ASKED, GIVEN OUR BELIEFS, TO UNDERWRITE SIGNIFICANT AMOUNTS OF THE RELATED PUBLIC OFFERINGS, SUBSEQUENTLY ALSO INCREASED WITH PURCHASES ON THE MARKET.

OVER TIME, THE TOTAL AMOUNT INVESTED IN FCA AND FERRARI RANGED FROM ABOUT 50 AND 100 MILLION EURO; AT THE END OF MARCH 2017 TIP ACCUMULATED GROSS PROFITS, REGARDLESS OF ACCOUNTING PERIOD AND PRINCIPLES, EXCEEDING 30 MILLION EURO IN TOTAL.

FURLA IN 2016 REPORTED A TURNOVER INCREASE OF 24.5%, REACHING 420 MILLION EURO, EBITDA INCREASED TO ABOUT 60 MILLION EURO, PRODUCTS ARE NOW PRESENT IN OVER 1,200 STORES, IN 100 COUNTRIES AND MANAGEMENT TRANSITION IS PROCEEDING VERY SUCCESSFULLY.

OCTO TELEMATICS, COMPANY PARTICIPATED BY TIP THROUGH THE UNDERWRITING OF DEBT INSTRUMENTS PROVIDED TO THE MANAGEMENT INVESTMENT VEHICLE, REGISTERED ALSO IN 2016 AN OUTSTANDING GROWTH BOTH IN TERMS OF REVENUES AND PROFITABILITY, BUT MORE THAN ANYTHING ELSE IT STRENGTHENED ITS WORLDWIDE LEADERSHIP IN TELEMATICS SERVICES FOR THE INSURANCE MARKET. THE IPO PROCESS CONTINUES.

ROCHE BOBOIS DELIVERED ONCE AGAIN A STRONG PERFORMANCE AND EVEN THOUGH IS SUFFERING THE DIFFICULT SITUATION OF DURABLE GOODS EXPENDITURES IN FRANCE, WHERE THE GROUP IS PRESENT WITH ABOUT 150 STORES OUT OF THE TOTAL 317, RECOVERS AND EXCEEDS WITH THE SALES IN THE REST OF THE WORLD AND HAS ENDED 2016 WITH AGGREGATED REVENUES OF 550 MILLION EURO, 255 MILLION EURO AT CONSOLIDATED LEVEL AND EBITDA OF ABOUT 27 MILLION EURO – ALMOST DOUBLING THE ONE REGISTERED WHEN TXR – TIP SUBSIDIARY THAT OWNS THE STAKE – INVESTED IN ROCHE BOBOIS.

AMONG THE LESS RELEVANT INVESTMENTS IT SHOULD BE MENTIONED THE VENDOR LOAN DEDALUS 9%, MATURING IN 2018, UNDERWRITTEN AT THE TIME OF THE SALE OF NOEMALIFE, FOR OVER 9 MILLION EURO.

TIPO - TIP PRE-IPO

AMONG THE COMPANIES PARTICIPATED BY TIPO, BOTH **IGUZZINI** (REVENUES OF 232 MILLION EURO AND EBITDA OF 29 MILLION EURO IN 2016) AND **BETA UTENSILI** (REVENUES OF 130 MILLION EURO AND EBITDA OF 25 MILLION EURO IN 2016) PROCEED THEIR DEVELOPMENT PATHS WITH GOOD REVENUE, MARGINS AND CASH GENERATION INCREASES, DESPITE HAVING ABSORBED SIGNIFICANT ACCOUNTING EFFECTS RELATED TO SOME CURRENCIES DEVALUATION.

AAA - ADVANCED ACCELERATOR APPLICATIONS - CONTINUES TO HAVE A SOUND PERFORMANCE ON NASDAQ (+ 143.7% SINCE IPO) BUT RATHER TO GET SATISFACTION FROM ITS PRODUCT PORTFOLIO AND, IN THE YEAR, IT HAS ALSO FINALIZED WITH GREAT SUCCESS A CAPITAL INCREASE AIMED AT INCREASING THE FREE FLOAT AND AT PROVIDING MORE FINANCIAL RESOURCES IN ORDER TO COMPLETE THE INVESTMENTS CYCLE AT A FASTER RATE THAN PREVIOUSLY EXPECTED.

THE MOST RELEVANT DEAL FOR TIPO RELATES THE FURTHER INVESTMENT IN GUZZINI GROUP THROUGH THE PARENT COMPANY FIMAG; IN ORDER TO REALIZE SUCH INVESTMENT WAS ESTABLISHED - TOGETHER WITH SOME MEMBERS OF GUZZINI FAMILY - A NEW HOLDING COMPANY AND THE INITIAL CONTRIBUTION OF TIPO, MORE THAN 6 MILLION EURO, WAS CARRIED OUT WITHOUT OBTAINING CAPITAL FROM THE SHAREHOLDERS BUT THROUGH PART OF THE PROCEEDS COMING FROM THE SALES OF AAA SHARES. THE FINAL PAYMENTS TO COMPLETE THE ACQUISITION ARE EXPECTED BY NEXT SUMMER.

ASSET ITALIA

THE MOST SIGNIFICANT EVENT OF THE YEAR WAS UNDOUBTEDLY THE LAUNCH OF THE ASSET ITALIA PROJECT.

RAISING A COMMITMENT - IN ADDITION TO THE APPROXIMATELY 2 BILLION

EURO ALREADY INVESTED DIRECTLY AND / OR THROUGH CLUB DEALS - OF ADDITIONAL 550 MILLION EURO, WAS FOR THE TIP TEAM ON THE ONE HAND A GREAT SATISFACTION AND, ON THE OTHER, THE POSSIBILITY TO BUILD AN INNOVATIVE PLATFORM, NOT ONLY FROM THE CORPORATE STRUCTURE POINT OF VIEW, BUT ALSO, TO REALIZE OTHER SIGNIFICANT TRANSACTIONS, WITHOUT HAVING – EVERY TIME – ANY NEED TO FIND NEW INVESTORS.

IN THE RECENT DAYS ASSET ITALY SIGNED AN AGREEMENT FOR INVESTMENT IN **ALPITOUR** GROUP (REVENUES OF 1.1 BILLION EURO AND EBITDA OF 36 MILLION IN 2016) THROUGH A RESERVED CAPITAL INCREASE OF ABOUT 120 MILLION EURO (OF WHICH ABOUT 37 CONTRIBUTED BY TIP) THAT WILL BE ALLOCATED TO FUND FURTHER ACQUISITIONS AND INVESTMENTS.

ALPITOUR IS THE TOURISM LEADER IN ITALY WITH A SIGNIFICANT PRESENCE IN THE TOUR OPERATING (OFF-LINE AND ON-LINE), AVIATION WITH NEOS, HOSPITALITY, TRAVEL AGENCIES AND INCOMING.

PRICES & VALUES

A TOPIC DISCUSSED SINCE MANY YEARS IN THE WORLD OF FINANCE AND ECONOMY IN GENERAL IS RELATED TO THE PRICE LEVELS OF THE COMPANIES AND THE RELATED VALUATIONS, WHETHER THEORETICAL, ON THE STOCK MARKETS, AND / OR ON “MERGERS AND ACQUISITIONS” TRANSACTIONS.

THOSE LIKE US, WHO WORK DIRECTLY AS INVESTORS AND OFTEN HAVE THE RESPONSIBILITY TO PROPOSE TRANSACTIONS TO THIRD PARTIES, CAN'T FAIL TO PAY ENORMOUS ATTENTION ON THOSE ASPECTS. IT IS WELL KNOWN TO ANYONE AS IN RECENT YEARS THE COMPANY PRICES AND STOCK MARKET INDICES OF ALMOST ALL THE WORLD'S STOCK EXCHANGES STRONGLY INCREASED, WITH A STRONG ACCELERATION IN THE LAST MONTHS.

THIS HAS BROUGHT THE TIP TEAM IN A POSITION TO EVALUATE MORE CAREFULLY AND ANALYTICALLY EVERY ASPECT ALSO INDIRECTLY CONNECTED TO CORPORATE VALUATIONS.

AFTER ALMOST TWO YEARS OF WORK WE PUBLISHED A VOLUME: *PRICES & VALUES – TODAY AND TOMORROW – ENTERPRISE VALUE IN THE DIGITAL AGE – THE STOCK MARKET, PRIVATE EQUITY, M&A, PREMIUMS, DISCOUNTS, ERRORS AND PROSPECTS*, TRYING TO CRYSTALLIZE IN AN ESSAY, AS COMPLETE AS POSSIBLE, ALL THE ISSUES RELATED TO VALUES AND PRICES OF THE COMPANIES, LISTED OR NOT, AT AN INTERNATIONAL LEVEL.

THE CONCLUSIONS OF THIS WORK ARE THAT PRICES OF THE COMPANIES UNLIKELY WILL DROP SIGNIFICANTLY AND CONTINUOUSLY, AT LEAST IN A TIME PERIOD IDENTIFIED IN THE NEXT TWO YEARS. THIS FOR REASONS MAINLY RELATED TO THE CONSTANTLY INCREASING MONETARY MASSES DUE TO EASING POLICIES ADOPTED BY MANY CENTRAL BANKS OF THE MAIN COUNTRIES, TO THE AMOUNT OF BOND ISSUES AT VERY LOW INTEREST RATES, SOMETIMES EVEN NEGATIVE, TO THE PROGRESSIVE DESIRE OF EVERY TYPE OF INVESTOR TO GET CLOSER TO THE REAL ECONOMY AND, MORE GENERALLY, TO THE WILLINGNESS TO HAVE TOOLS ABLE TO DEFEND THEMSELVES IN THE BEST WAY FROM THE DYNAMIC - DIGITAL AND NOT - OF THE DEVELOPMENT OF THE ECONOMIES IN A PERIOD OF TIME WHEN INFLATION IN MOST INDUSTRIALIZED COUNTRIES HAS BEEN LOWERING.

AS HAPPENED YEARS AGO WITH THE PUBLICATION OF ASSET ITALIA, WE HAVE THE IMPRESSION THAT THESE CONSIDERATIONS ARE HAVING A GOOD RESPONSE, ALSO ABROAD.

2017

A YEAR AGO, ON THE OCCASION OF THE SHAREHOLDERS LETTER, WE COMMENTED THE BAD PERFORMANCE OF STOCK MARKETS IN THE BEGINNING OF THE YEAR INVITING, AS USUAL, TO REFLECT ON THE ESSENTIAL, FUNDAMENTAL, ASPECTS OF THE COMPANIES AND TO MAINTAIN ANYWAY A POSITIVE ORIENTATION.

THE FOLLOWING MONTHS DEMONSTRATED THAT INVESTING IN HEALTHY COMPANIES, SOONER OR LATER, THE RESULTS ARE ABOUT TO COME.

TODAY WE WOULD LIKE TO REITERATE ONCE AGAIN THE SAME CONCEPT, REGARDLESS THE LEVEL REACHED BY THE STOCK PRICES.

FOR THIS REASON IN 2017 WE WILL CONTINUE TO INVEST BOTH IN NEW PROJECTS AND - WHERE DEEMED TO BE INTERESTING IN TERMS OF “ADD-ON” ACQUISITIONS - IN PORTFOLIO COMPANIES.

AT THE SAME TIME WE WILL EVALUATE IF TAKE ADVANTAGE OF THE LEVELS REACHED BY VALUATIONS TO POSSIBLY LOWER THE RISK PROFILE WITH SOME PARTIAL LIGHTENING, IN A DIVERSIFICATION VIEW, ESPECIALLY ON TRANSACTIONS THAT HAVE REACHED, IN RELATIVE TERMS, A PARTICULARLY RELEVANT SIZE. IN THIS RESPECT IT HAS TO BE UNDERLINED THE DISPOSAL ON THE MARKET, IN JANUARY 2017, OF LESS THAN A THIRD OF THE POSITION THAT THE INVESTEE COMPANY CLUBTRE HAD IN PRYSMIAN, WITH A CAPITAL GAIN ATTRIBUTABLE TO TIP OF ABOUT TWENTY MILLION EURO; TWO-THIRDS OF THE REMAINING SHARES HAVE AN IMPLICIT NEGATIVE BOOK COST.

FEW DAYS AGO IT WAS PUBLISHED THAT A PANEL (BUSINESS ROUNDTABLE CEO ECONOMIC OUTLOOK) OF 141 CEOs OF THE MAIN AMERICAN COMPANIES EXPRESSED THE MOST POSITIVE FEELINGS ON THE DEVELOPMENT OF THE ECONOMY SINCE 2009, WITH AN INDEX INCREASE OF OVER 19% (OUT OF 100), COMPARED TO THE PREVIOUS SURVEY, SUPPOSING ALSO THAT THE 2017 UNITED STATES GDP GROWTH WILL BE HIGHER THAN EXPECTED IN DECEMBER 2016.

EVEN THE FIRST MONTHS OF 2016 WERE VERY ENCOURAGING IN TERMS OF BACKLOG AND REVENUES FORECAST, THEN THE YEAR HAS SLOWED, ESPECIALLY IN EUROPE. SOME OF THE COMPANIES IN WHICH TIP HAS INVESTED ARE CURRENTLY PROVIDING POSITIVE SIGNALS AND ALMOST ALL THE BUDGETS FOR 2017 SEEM TO BE IN FURTHER GROWTH. CONSEQUENTLY, CONSIDERING THE FEELINGS THAT COME FROM ABROAD AND WHAT WE ARE OBJECTIVELY DETECTING, WE MIGHT ASSUME A 2017 FINANCIAL YEAR THAT - AT LEAST IN CERTAIN SECTORS – COULD FURTHER IMPROVE 2016 RESULTS, BUT IT IS CERTAINLY TOO EARLY TO DRAW ANY REAL CONCLUSION.

INNOVATION

DURING 2016 AND THE FIRST MONTHS OF 2017 WE HAVE SIGNIFICANTLY INCREASED - NOT IN TERMS OF ABSOLUTE AMOUNTS, BUT CERTAINLY AS A LEVEL OF ATTENTION - OUR PRESENCE IN **DIGITAL MAGICS** - THE MAIN INCUBATOR FOR START UPS IN ITALY - AND IN **TALENT GARDEN (TAG)** - THE MOST IMPORTANT CO-WORKING INITIATIVE IN EUROPE.

THESE INVESTEE COMPANIES, LEADERS IN THE INNOVATION AND IN THE DIGITAL AREA, ALLOW TIP AND ITS NETWORK TO MONITOR AND PARTICIPATE WHERE POSSIBLE, WITH EVEN GREATER DETERMINATION, TO THE CHANGES THAT ARE CHARACTERIZING THE ECONOMY.

SPECIFICALLY **DIGITAL MAGICS** CONTINUED TO AGGREGATE REALITIES IN THE SECTOR IN ORDER TO POSITION ITSELF MORE AND MORE LIKE “THE ITALIAN REFERENCE POINT” FOR THE START-UPS - WITH SPECIAL ATTENTION TO THE DIGITAL AREA - AND IN RECENT DAYS HAS SUCCESSFULLY COMPLETED A FURTHER CAPITAL INCREASE TO COLLECT NEW RESOURCES AND TO CONTINUE WITH ITS POLICY OF CONSOLIDATION OF THE BEST DOMESTIC PLAYERS.

ALSO TAG HAS RECENTLY COMPLETED A SIGNIFICANT CAPITAL INCREASE, TO SUPPORT NEW DEVELOPMENT INITIATIVES, WITH THE PARTICIPATION – TOGETHER WITH TIP – OF MANY FAMILY OFFICES OF TIP NETWORK.

IN 2016 TIP HAS STRENGTHENED THE INTERACTION BETWEEN THESE COMPANIES, CERTAIN INVESTEE COMPANIES AND SOME GROUPS CONTROLLED BY TIP’S SHAREHOLDERS, IN THAT WAY INTENSIFYING THE ROLE OF “INNOVATION TRANSMISSION BELT” WITHIN THE NETWORK.

THANKS TO THOSE INITIATIVES, BUT ALSO THROUGH OTHERS UNDER DISCUSSION, TIP WANTS TO GRADUALLY INCREASE THE OVERALL WEIGHT OF ITS COMMITMENTS ON THE WORLD OF INNOVATION, THE EVOLUTION TOWARDS THE DIGITAL 4.0 ECONOMY SINCE THERE IS NO DOUBT THAT AN ESSENTIAL COMPONENT OF THE VALUE ADDED THAT TIP CAN GENERATE IN THE FUTURE FOR ITS STAKEHOLDERS WILL DEPEND ON THE ABILITY TO

BETTER UNDERSTAND THESE PHENOMENA, LEAVING ASIDE THE SHORT-TERM MONETARY RETURNS.

IN THIS CONTEXT ALSO THE SIZE AND THE CAPABILITIES OF TIP CAN CONTRIBUTE TO THE DEVELOPMENT OF A SEGMENT IN WHICH FINANCE, IN ITALY, HAS ALWAYS BEEN PARTICULARLY WEAK.

TEAM

EVEN IN 2016 ALL OUR ACHIEVEMENT HAVE BEEN POSSIBLE THANKS TO THE GREAT TEAM OF PEOPLE WORKING FOR TIP GROUP, INCLUDING OUR BOARD OF DIRECTORS, AND TO ALL OF THEM THE DEEPEST AND STRONGEST GRATITUDE, ALSO ON BEHALF OF THE SHAREHOLDERS, IS ADDRESSED.

THE CURRENT STRUCTURE, COMPARED TO THE PAST, HAS POSITIVELY EVOLVED, HAS GROWN AND IS ALSO ENHANCED IN TERMS OF QUALITY TO MEET THE GROWING CHALLENGES THAT WE HAVE ESTABLISHED, IN ORDER TO ALWAYS MAINTAIN THE HIGHEST LEVELS OF COHESION, MUTUAL RESPECT AND TECHNICAL COMPETENCE OF EACH OF THE COMPONENTS OF OUR FANTASTIC TEAM.

CONCLUSIONS

AS IT APPEARS FROM THE PREVIOUS PAGES 2016 HAS BEEN A VERY EXCITING YEAR, REALLY INTERESTING AND RICH OF GREAT SATISFACTIONS.

AT THE END OF SUCH PERIODS, A QUESTION OF HOW TO FACE THE FUTURE ARISES, BOTH NEXT AND LESS IMMINENT, AND ALWAYS KEEPING VERY HIGH CHALLENGES. TODAY IT IS NOT EASY AT ALL TO FIND THE COURAGE TO CONTINUE INVESTING WITH THE INCREASINGLY GLOOMY ENVIRONMENT AROUND US, WITH THE CURRENT INTERNATIONAL GEOPOLITICAL SITUATION, WITH THE THREATEN OF THE TERRORISM, WITH THE POLITICAL, SOCIAL AND ECONOMIC CONTEXT OF OUR COUNTRY, BUT ALSO WITH THE INCREASINGLY UNPREDICTABLE DYNAMICS OF THE CONSUMPTIONS, OF THE INVESTMENTS AND ALL THIS WITH COMPANY PRICES TO LEVELS THAT NO ONE WOULD HAVE NEVER EVEN ASSUMED TO BE POSSIBLE, IN THE PAST.

A YEAR AGO WE WROTE SIMILAR THINGS, AND EVEN BEFORE. SUBSEQUENTLY NOT ONLY WE FOUND SUCH A COURAGE, BUT THE BEST ASPECT IS THAT WE ALREADY SEE, WITHIN THE PERFORMANCES OF MANY COMPANIES, THE POSITIVE EFFECTS OF SUCH A DETERMINATION.

WE WEIGHTED EVERY SINGLE WORD WHEN WE WROTE THE PAGES OF **PRICES & VALUES** ON THE PERMANENCE IN THE FUTURE OF THE CURRENT LEVELS OF MULTIPLES AND EVEN MORE WHEN WE EXAMINED IN DEPTH THE DISCOUNT OF THE EUROPEAN COMPANIES COMPARED TO THOSE IN OTHER CONTINENTS AS WELL AS WHEN – PRODUCING DOZENS OF COMPARISONS – WE DEALT WITH THE “ITALY DISCOUNT”.

NOW, FEW MONTHS LATER (THE VOLUME WENT TO PRESS IN EARLY NOVEMBER) A PARTIAL REDUCTION IN THE LEVEL OF DISCOUNTS ON CERTAIN COMPANIES SEEM TO HAVE ALREADY BEEN COMPLETED, ALMOST ALL THE COMPANIES ANALYZED HAD GOOD AND SOMETIMES EXCELLENT PERFORMANCE, ALTHOUGH IT IS OBVIOUSLY TOO EARLY TO PULL THE STRINGS OF AN ARGUMENT SO COMPLEX AND SUBJECT TO MANY DIFFERENT VARIABLES. THE STAR INDEX OF THE ITALIAN STOCK EXCHANGE (AND ALSO THE LISTING OF TIP, BEING NOW A RELEVANT INVESTOR IN THIS SPECIFIC SEGMENT), HAS REACHED PEAKS THAT COULD BE CONSIDERED TOO HIGH. BUT CARRYING OUT A REAL IN-DEPTH ANALYSIS A WISE INVESTOR WOULD NOTE THAT THE GAP THAT FOR TOO LONG - INEXPLICABLY – HAS CHARACTERIZED THE PRICES OF ITALIAN COMPANIES, HAS NOT YET BEEN RECOVERED.

TIP BELIEVES TO HAVE CORRECTLY INTERPRETED - AT LEAST UNTIL NOW - THESE CRITERIA AND TO HAVE POSITIONED ITSELF AS AN INVESTOR WHO TRIES TO LOOK BEYOND THE SIMPLE PARAMETER OR COMPARISONS (NEVER PERFECTLY HOMOGENEOUS), ESPECIALLY NEVER CONDITIONED BY THE PESSIMISM AND THAT SKEPTICISM TOO OFTEN STUFFING EVERY TYPE OF REASONING, ALSO ON CORPORATE VALUATIONS.

BASED ON THE ABOVE, TIP WILL CONTINUE TO ANALYZE CAREFULLY AND WITH A POSITIVE ATTITUDE ALL THE OPPORTUNITIES; WE ARE CONVINCED THAT THE REAL RETURNS ON INVESTMENT, EVEN MORE NOW WITH

ISSUANCE OF TRILLION OF BONDS AT NEGATIVE RATES AND THE IMMENSE MASS - AND “FALSE” - MONEY THAT FLOODS THE MARKETS, ONLY HEALTHY COMPANIES, THE REAL ECONOMY AND REALLY GOOD ENTREPRENEURS WILL BE ABLE TO GENERATE REAL AND SOLID VALUE FOR ITS SHAREHOLDERS.

IN THIS CONTEXT WE STILL DO NOT BELIEVE IN AUTOMATIC NOR THAUMATURGIC EFFECTS - IN ONE DIRECTION OR ANOTHER - OF TRUMP OR BREXIT, REFERENDA OR ELECTIONS, WHEREVER IN THE WORLD; LET’S LEAVE SUCH STATEMENTS TO THE *MEDIA* AND EVEN MORE TO THE SUPERFICIALITY OF *SOCIAL NETWORKS* AND LET US CONSIDER THAT - BY EMPIRICAL OBSERVATIONS, BUT REALLY DETACHED AND MAINLY TECHNICAL, ON ECONOMIES, COMPANIES AND MARKETS - THE EFFECTS OF PURE POLITICS ARE PARTIAL AND INDIRECT, IF ANY. WE PREFER TO CONTINUE STUDYING, AS RIGOROUSLY AS POSSIBLE, MARKET SHARES AND BALANCE SHEETS, COMPETITIVE POSITIONING AND DIFFERENTIAL CAPACITY OF INNOVATION, BUT RATHER THE INDIVIDUAL, SPECIFIC CAPACITY TO BE ENTREPRENEURS IN THE DEEPEST SENSE OF THE TERM.

WE MADE - LIKE EVERYBODY - MISTAKES AND WE WILL CONTINUE; INDEED, WITH THE INCREASE IN THE SIZE OF TIP AND RELATED VEHICLES, THE PROBABILITY OF COMMITTING MISTAKES CAN INCREASE. HOWEVER, IN ADDITION TO THE ENTHUSIASM ALREADY MENTIONED, THE DESIRE TO CONTINUE TO HAVE INTERESTS ALIGNED WITH THOSE OF SHAREHOLDERS, TOGETHER WITH OUR CONSTANT, DAILY DETERMINATION AND ATTENTION IN TRYING TO DO OUR JOB PROPERLY, SHOULD HELP US TO LIMIT THEM. AND TO CONTINUE TO GIVE YOU NICE SATISFACTIONS.

GIOVANNI TAMBURI

MILAN, MARCH 28TH, 2017