

Company update

BUY (Unchanged)

Target: € 2.81 (Prev. € 2.60)

Risk: High

STOCK DATA

Price €	2.62
Bloomberg code	TIP IM
Market Cap. (€ mn)	357
Free Float	100%
Shares Out. (mn)	135.9
52-week range	1.53 - 2.78
Daily Volumes ('000)	472

PERFORMANCE

	1M	3M	12M
Absolute	10.3%	14.1%	64.0%
Rel. to FTSE all shares	7.6%	1.8%	33.2%

MAIN METRICS

	2012	2013	2014E
EPS - € cents	6.9	24.7	10.2
DPS ord - € cents	4.1	8.3	6.0

NAV

	2012	2013	2014E
Nav ps Adj - €	1.9	2.3	2.8

MULTIPLES

	2012	2013	2014E
PNAV Adj.	0.8	1.0	0.9
PBV	0.9	1.0	1.2

INDEBTEDNESS

	2012	2013	2014E
NFP	1.9	-38.8	-58.1
D/E	n.m.	0.1	0.2
Debt to assets	n.m.	0.1	0.1

PRICE ORD LAST 365 DAYS



ANALYSTS

Domenico Ghilotti - +39 026204.249 - d.ghilotti@equitasim.it

March 24, 2014

106

EATALY IS JUST THE APPETIZER OF A RICH BUFFET

2013 was characterised by significant investment and divestment activity and sharp increase in net profit and net equity. 2014 got off to a very dynamic start with already announced relevant investments (20% stake in Eataly and additional 10% stake in Roche Bobois) and divestments (Datalogic) and the launch of TIP Pre-IPO initiative. Issue of up to € 100 mn retail bond to fund further investment opportunities.

■ 2013 review: significant investment and divestment activity and sharp increase in net profit and net equity

2013 was characterised by some significant investments (Moncler and Roche Bobois, above all) **and divestments** (primarily Printemps). On aggregate, if we consider the entire amount of investments made by TIP through Club deals, the company activated **investments worth around € 150 mn in 2013, € 500 mn since 2010 and € 1.2 bn since 2002.**

The capital gain generated by the Printemps disposal and sound stock market performances of investee companies resulted in:

- 2013 net profit of € 32 mn vs € 30 mn estimate;
- Net equity attributable to the shareholders of the controlling company of € 290 mn (€ 2.25 PS), up 39% YoY;
- A proposed twofold YoY increase in the dividend to € 8.3 cents PS vs € 8.1 cent estimate (3.5% yield).

■ 2014 outlook: a very dynamic start

2014 got off to a very dynamic start, probably also thanks to the improved visibility generated by deals such as the investment in Moncler.

TIP has in fact already announced:

- **An investment with a 20% stake in Eataly, a high-end Italian food market/mall chain distributing products of the Italian food and wine excellence**, established in 2003 by Oscar Farinetti and rapidly expanding at a global level. TIP invested € 120 mn via Clubitaly (around 30% TIP – 70% other investors including some of the most representative Italian entrepreneurial families);
- **The launch of TIP Pre-IPO (TIPO)**, a special purpose vehicle to invest in top quality, growth companies to be floated within 4-5 years, but with a turnover range of € 30-200 mn, below TIP's minimum investment size. The first deal announced by TIPO was the **entry in Advanced Accelerator Applications**, a pharmaceutical and diagnostic company created in 2002 via the spin-off of CERN in Geneva.
- **An additional € 7.7 mn investment in Roche Bobois**, bringing the stake (indirectly controlled through TXR) to 29.7%
- **The disposal of the entire stake in Datalogic**, with a gross proceed of € 33.6 mn and a capital gain gross of PEX of € 15.8 mn

■ Up to € 100 mn bond issue to fund further investments

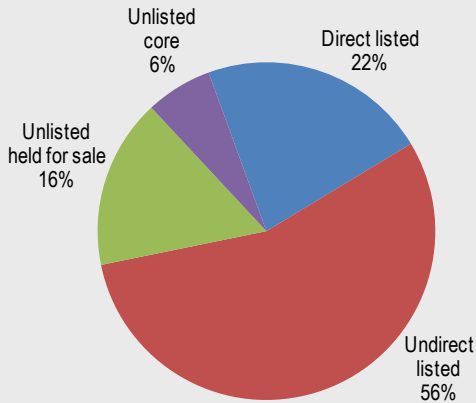
At the end of 2013, TIP holding's net cash amounted to € 33.1 mn (and net debt was € 9.9 mn). In light of the robust pipeline of investment opportunities (including the already announced investments in Roche Bobois and the launch of TIPO), partly fuelled by the visibility generated by the Moncler deal, **management approved the issue of a retail bond of up to € 100 mn in order to generate fresh capital for investments.** The bond will have a 6 year duration, a coupon of between 4.75% and 5.25%, will not be rated and is intended for listing on the MOT (Mercato Telematico delle Obbligazioni).

MAIN FIGURES € mn	2009	2010	2011	2012	2013	2014E
Rev from Sales&Serv.	3.2	5.8	5.5	4.7	4.3	4.7
Growth	-47.6%	79.1%	-5.3%	-13.8%	-9.5%	10.0%
EBITDA	-0.7	0.4	0.7	-0.9	-7.6	-2.2
Growth	n.m.	n.m.	55.6%	n.m.	n.m.	n.m.
Adjusted EBITDA	-0.7	0.4	0.7	-0.9	-7.6	-2.2
Growth	n.m.	n.m.	55.6%	n.m.	n.m.	n.m.
EBIT	-0.7	0.4	0.6	-1.0	-7.6	-2.3
Growth	n.m.	n.m.	59.0%	n.m.	n.m.	n.m.
Profit before tax	1.5	11.2	3.4	10.1	31.7	14.8
Growth	n.m.	626.3%	-69.8%	198.7%	213.8%	-53.5%
Taxes	-0.5	-1.0	-0.7	-0.9	0.1	-0.9
Tax rate	-33%	-9%	-22%	-8%	0%	-6%
Minority interests	0	0	0	0	0	0
Net income	1.0	10.2	2.6	9.3	31.9	13.8
Growth	n.m.	898%	-74%	251%	245%	-57%
Margin	28.8%	167.3%	46.4%	190.9%	723.6%	285.7%
Adj. net income	1.0	7.9	2.6	9.3	31.9	13.8
Growth	n.m.	669%	-67%	251%	245%	-57%
Margin	28.8%	128.9%	46.4%	190.9%	723.6%	285.7%
STOCK DATA	2009	2010	2011	2012	2013	2014E
EPS - € cents	1.0	8.8	2.0	6.9	24.7	10.2
Growth	n.m.	n.m.	-78%	255%	256%	-59%
Adj. EPS - € cents	1.0	6.8	2.0	6.9	24.7	10.2
Growth	n.m.	n.m.	-71%	255%	256%	-59%
DPS ord - € cents	3.0	3.5	3.5	4.1	8.3	6.0
Nav ps Adj - €	1.35	1.75	1.89	1.87	2.30	2.81
VARIOUS - € mn	2009	2010	2011	2012	2013	2014E
Capital employed	112	156	178	209	399	426
INDEBTNESS	2009	2010	2011	2012	2013	2014E
NFP	38	42	-3	2	-39	-58
D/E	n.m.	n.m.	0.02	n.m.	0.13	0.20
Debt to assets	n.m.	n.m.	0.0 x	n.m.	0.1 x	0.1 x
MARKET RATIOS	2009	2010	2011	2012	2013	2014E
PNAV Adj.	0.9 x	0.8 x	0.8 x	0.8 x	1.0 x	0.9 x
PBV	0.9 x	0.9 x	1.1 x	0.9 x	1.0 x	1.2 x
P/CF	n.m.	23.6 x	73.5 x	21.5 x	9.5 x	25.8 x
REMUNERATION	2009	2010	2011	2012	2013	2014E
Div. Yield ord	2.4%	2.5%	2.4%	2.8%	3.5%	2.3%
ROE	0.7%	5.9%	1.4%	4.8%	12.7%	4.7%

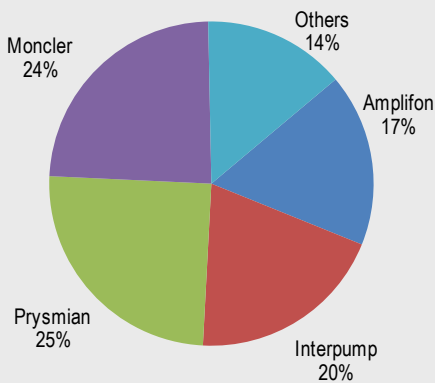
*assuming the issue of a € 100 mn retail bond in 2014

Source: Equita SIM estimates and company data

CURRENT ASSET BREAKDOWN



CURRENT BREAKDOWN OF LISTED SHAREHOLDINGS



TIP MAIN SHAREHOLDERS

d'Amico Società di Navigazione	10.2%
Gianni Tamburi	6.6%
Assicurazioni Generali	5.9%
Francesco Angelini	5.1%
Isabella Seragnoli	4.7%
Mario Davide Manuli	4.2%
Sandro Alberto Manuli	3.8%
Giuseppe Ferrero	3.6%
Francesco Baggi Sisini	3.4%
Carlo Alberto Marsiletti	2.0%
Finconcordia	2.0%

Source: Company data

TIP Group (TIP) is an independent investment / merchant bank focusing on medium-sized Italian companies. TIP is active in:

1. **Minority investments, as an active investor in (listed and unlisted) companies able to express "excellence" in their respective sectors;**
2. **Advisory activities** in corporate finance transactions, especially acquisitions and disposals through Tamburi & Associati division (T&A);
3. **Secondary private equity activities:** investing in holdings held by private equity funds, banks, or insurance companies and purchasing stakes of entities that operate in the private equity sector or similar activities.

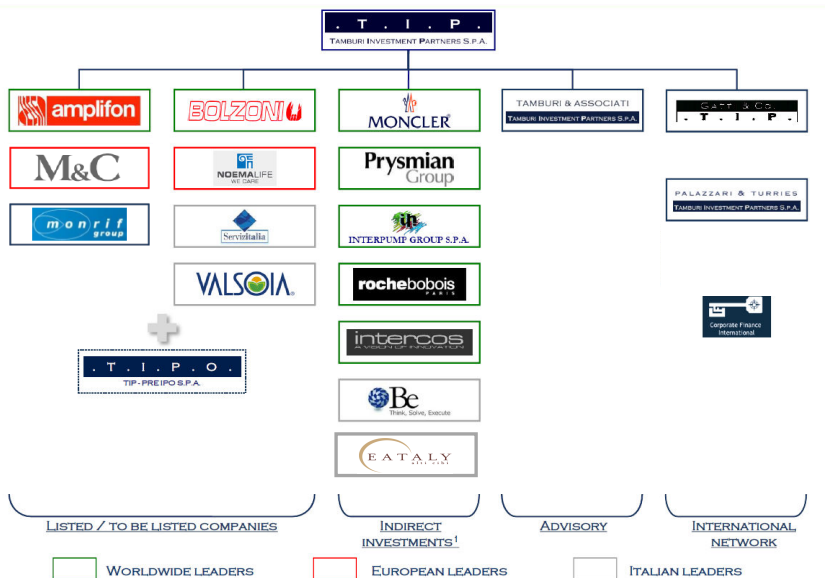
TIP usually operates as an active minority shareholder, leveraging its financial clout mobilising third-party assets via Club deals.

TIP has recently launched **TIPO (TIP Pre-IPO)** a new initiative to invest in **top quality, growth companies to be floated within 4-5 years**, but with a turnover range of € 30-200 mn, below TIP's minimum investment size.

TIP **business model is unique in Italy** because of:

- the specialisation in "excellent" small-mid caps
- the distinctive skills, experience and network
- the relevant financial resources internally available
- the capacity to leverage the financial resources via co-investments (Club Deals)
- the professional, confidential, flexible and rapid approach.

GROUP STRUCTURE



Source: Company presentation

TIP is a public company. The top management owns an 8% stake in the company. The shareholding structure foresees a significant presence of relevant entrepreneurial Italian families, representing a unique network of competencies and providing an opportunity to leverage TIP's financial resources via Club deals.

BUSINESS DESCRIPTION

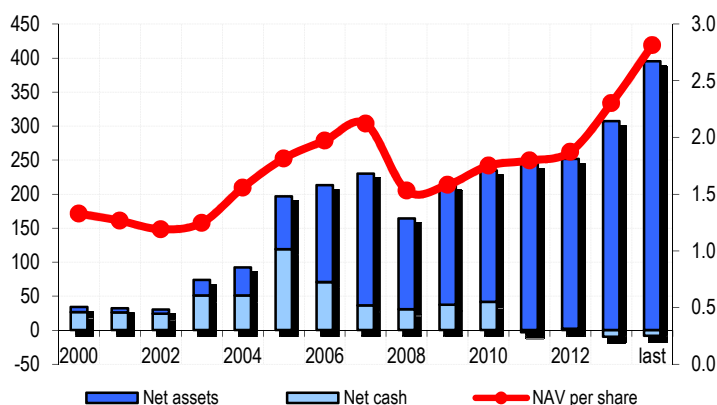
A TRACK RECORD OF STRONG SUCCESS AND HIGHLY COHERENT INVESTMENT STRATEGY

TIP ended the year 2013 with total consolidated assets of €464 mn and consolidated net equity of € 290 mn.

If we take a look at the company's achievements since the IPO, **TIP has a hugely successful track record in investment/divestment decisions**, generating a total return (including dividends and free warrants issued in 2010) higher than 60% (6% average yearly total return over more than 8-year vs. +1% for the Italian Mid Cap Index).

The company's investment strategy has generated **strong returns on investment with a limited risk and low NAV volatility**, as shown in the chart below.

ADJ NET ASSETS AND NET CASH EVOLUTION SINCE INCORPORATION (€ mn lhs - € PS rhs)



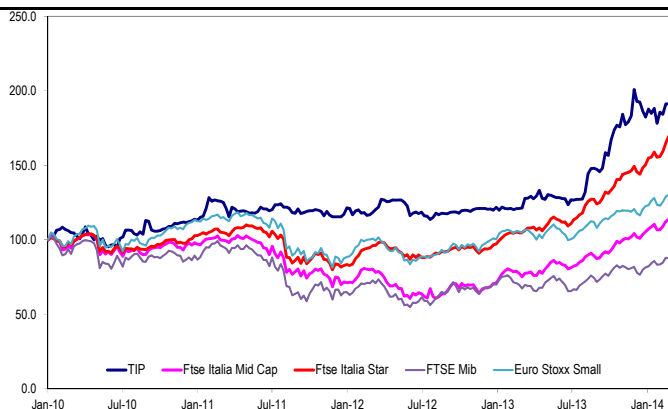
Source: Company data and Equita SIM estimates

Management have shown great discipline and coherence in their investment strategy, which is focused on minority interests in companies of excellence with strong management teams.

Over these past years, which have been hit by two severe market crises (bursting of the internet bubble and financial-real estate bubble), TIP has:

- **Avoided investing in sectors that are “hot” but have weak fundamentals** (such as investing in internet stocks in 2000-2001, just after TIP's first capital raising or investing in leverage buy-outs in 2006-2007);
- **Taken a highly prudent approach to its use of financial leverage** in order to ensure that investee companies maintain their **focus on growth**;
- **Selected high quality targets** that are able to withstand the impact of the financial crisis and exploit organic and external growth opportunities;
- Shown its **ability to attract qualified investors**, leveraging its financial clout.

TIP VS. MAIN COMPARABLE INDEXES



Source: Bloomberg Data

2013: SIGNIFICANT INVESTMENT AND DIVESTMENT ACTIVITY AND SHARP INCREASE IN NET PROFIT AND NET EQUITY

2013 was characterised by some significant investments (Moncler and Roche Bobois, above all) and divestments (primarily Printemps).

On aggregate, if we consider the entire amount of investments made by TIP through Club deals, **the company activated investments worth around € 150 mn in 2013 and € 500 mn in the last 3 years.**

■ Investments in Moncler and Roche Bobois, disposal of Printemps

A brief outline of the deals announced during the year 2013:

- TIP announced on 29 April 2013 that it had **acquired a stake in Roche Bobois, the world's leading distributor of luxury furniture** (€ 500 mn total retail turnover – direct and franchising). TIP invested through the vehicle TXR (51% TIP) about € 14.2 mn in a roughly 20% stake alongside the Roche and Couchan families, who founded and control the group;
- On 31 July 2013 the company announced that an agreement had been reached with a private Qatari investor for the **sale of the holdings that control Printemps, one of France's largest retail chains**. The deal enables TIP to sell its entire investment, generating a cash-in of around € 42 mn (return of about 5x on invested capital) and a capital gain of approximately € 33 mn;
- On 5 August 2013, **TIP announced it had bought a 14% stake in Ruffini Partecipazioni, a holding that owns 32% of Moncler** and is in turn controlled by the entrepreneur Remo Ruffini, architect of the brand's turnaround. The deal took place via Clubsette, a vehicle in which TIP holds 52.5% and 47.5% is held by TIP's shareholders (entrepreneurial families and family offices). TIP will invest roughly € 54 mn directly and has signed a 6 year lock-up agreement with Ruffini.

We believe the **key lessons of the 2013 deals** are as follows:

1. TIP has proved that it can **identify and enhance the value of investments in non-listed and foreign companies** (Printemps);
2. TIP has made **long term commitments** (e.g. 6 year lock-up in Moncler) to **outstanding entrepreneurs** who want to invest in the growth of their companies;
3. TIP confirms its **ability to identify new investment opportunities, in both Italy** (Moncler) **and abroad** (Roche Bobois), maintaining a healthy balance between listed and non-listed companies;
4. TIP confirms its **ability to raise financial resources in excess of its own means using club deals** (Moncler, Roche Bobois).
5. TIP is **building an investee portfolio well balanced between listed and non-listed, Italian and foreign assets**, with an attractive exposure to **industrial/technological companies** on one hand and **design/fashion/food groups at reasonable prices** on the other hand. This optimal combination of investee companies can provide very attractive future returns.

■ Sharp increase in net profit and net equity. Dividend doubled

The capital gain generated by the Printemps disposal and sound stock market performances of investee companies resulted in:

- 2013 net profit of € 32 mn vs € 30 mn estimate;
- Net equity attributable to the shareholders of the controlling company of € 290 mn (€ 2.25 PS), up 39% YoY;
- A proposed twofold YoY increase in the dividend to €8.3 cents PS vs €8.1 cent estimate (3.5% yield).

Net profit reflects the € 33.3 mn capital gains (of which € 32 mn generated on the Printemps disposal), € 1.3 mn of dividends received from investee companies, € 2.5 mn write-down on assets held for sale (mainly Monrif) and € 4.7 mn share of profits from equity-accounted investees.

In 2013, income from the advisory business (at € 4.3 mn, a 10% decrease on 2012) partially covered operating costs, which were impacted by the increase in labour costs arising from the stock option plan (€ 2.6 mn non-cash item booked in 2013) and higher variable compensation strictly linked to the performance (share of advisory revenues and adj. pre-tax profit).

2014 OUTLOOK: A VERY DYNAMIC START

2014 got off to a very dynamic start, probably also thanks to the improved visibility generated by deals such as the Printemps disposal and the investment in Moncler.

TIP has in fact also announced:

- **A € 120 mn investment for a 20% stake in Eataly**, company active in the distribution and marketing at a global level of products of the Italian food and wine excellence, established in 2003 by Oscar Farinetti. TIP invested via ClubItaly (around 30% TIP – 70% other investors including some of the most representative Italian entrepreneurial families);
- **The launch of TIP Pre-IPO (TIPO)**, a special purpose vehicle to invest in top quality, growth companies to be floated within 4-5 years, but with a turnover range of €30-200mn, below TIP's minimum investment size.
- **The disposal through an Accelerated Book Building of the entire stake in Datalogic (6.4% of the share capital)**, with a gross proceed of € 33.6 mn and a capital gain of € 15.8 mn gross of PEX (participation exemption)

TIP is therefore continuing to act as a **catalyst for investment opportunities**, proving able to mobilise significant funding for deals that are not accessible to all types of investors.

■ Eataly Investment

TIP announced on 10 March 2014 that it had invested in Eataly, a company owned by the Farinetti family that **distributes and sells the best food and wine products Italy has to offer on a global scale**. TIP invested a total of roughly € 120 mn for 20% of Eataly through ClubItaly (roughly 30% TIP – 70% other investors).

Eataly is expected to generate a turnover of approximately of € 400 mn and EBITDA of € 45 mn in 2014 (net of minorities). **Turnover growth was at 33+% in 2010-2013, which we believe may be sustainable in the next three years, and EBITDA growth above 75%.**

Eataly currently operates via 30 stores and in 2014 alone as already signed agreements to open new stores in Moscow, Sao Paulo, London and Milan, whereas the Los Angeles, Boston, Washington and New York stores are expected to open over three years in the wake of the excellent performance of the New York and Chicago locations.

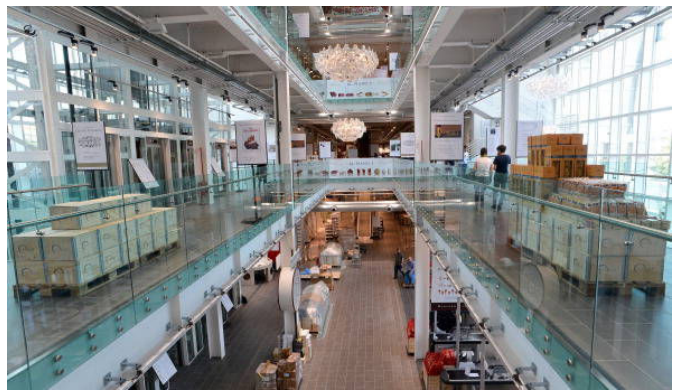
The deal fits perfectly with TIP's investment strategy, i.e. the cream of "Made in Italy" companies managed by top business people, with a clear worldwide growth project.

TIP values Eataly at € 600 mn, paying a multiple of roughly 13x 2014 EBITDA which reflects the asset's excellent growth prospects. TIP invested around € 35 mn directly and has involved a broad and qualified network of Italian wealthy entrepreneurial families in the initiative (including, among others, the Branca, Lavazza, Lunelli and Marzotto families, who, as far as we know, are not involved in any other club deals organised by TIP in the past).

The purpose of the investment is to float Eataly on the stock exchange within the next 2 to 3 years.

The investment includes a price adjustment mechanism based on the price of the subsequent IPO or monetization.

EATALY



Source: Web sites

■ Launch of “TIP pre-IPO” (TIPO)

On 27 January TIP launched “TIP pre-IPO” (TIPO), an initiative to invest in top quality micro caps with growth potential and willing to be listed on the stock exchange within 3 to 5 years.

The features of TIPO’s investment targets are:

1. Overall turnover of between € 30 mn and € 200 mn;
2. Sound profit levels (EBITDA margin of over 10%);
3. Limited financial leverage (Debt/EBITDA below 2x);
4. Clear growth strategies requiring fresh capital.

The sectors of reference are those in which TIP typically invests (manufacturing, luxury/design, technology).

TIP will invest up to € 25 mn in the initiative (to be drawn as investment opportunities arise) and in recent weeks has been raising funds from a maximum of roughly fifty institutional investors and family offices.

The purpose of the vehicle is to float the target companies on the stock exchange within 3 to 5 years, and – where possible – also offering TIPO’s shareholders a “pre-emptive right” to participate in the IPOs of the target companies and a guaranteed way-out option in the medium term in exchange for TIP shares.

The benefits of the initiative for TIP will be:

1. **to dominate a market segment that offers plenty of opportunities but no longer fits with the typical investment size sought by TIP** (which continues to directly invest in companies that generate turnover of over € 200 mn);
2. performance fees of roughly 5% of capital gains and a fixed fee to cover management costs.

The funding target announced in a recent interview by TIP co-CEO Alessandra Gritti is € 100-200 mn and we think this is within the group’s reach.

The first TIPO deal was announced on 4 March with the acquisition of a 1.6% stake in Advanced Accelerator Applications (AAA), a pharmaceutical and diagnostic company created in 2002 via the spin-off of CERN in Geneva.

AAA has an operating headquarter in Saint Genis Pouilly (France) and has a wide Pan-European network of R&D and manufacturing laboratories, with a direct presence 4 in France, Italy, Spain, Portugal and Switzerland and a distribution network in 16 countries. In January 2014 AAA had 17 R&D laboratories and had a headcount of 250 employees, 40 of which active in R&D. The company has a wide shareholding base, composed of more than 150 shareholders, and in 2013 it is forecasted to post revenues of approximately € 56.6 mn, with an EBITDA of approximately € 14 mn. AAA is targeting the listing on NASDAQ in a few years.

TIPO’s investment in AAA amounted to € 5 mn and is currently financed by a shareholder loan by TIP.

■ Increase in stake in Roche Bobois

In January 2014, TIP announced that it had **increased its investment in Roche Bobois to 29.37%** (from 19.8%), via the vehicle TXR. The additional investment by TXR was € 7.7 mn, of which 52% pertaining to TIP.

■ Disposal of entire Datalogic stake

On 11 March, **TIP sold its entire stake in Datalogic** (6.4% of share capital) on the market through an Accelerated Book Building exclusively addressed to institutional investors at a price of € 9.0 PS. The transaction was executed at a price of € 9.0 PS and generated **gross proceed of € 33.6 mn and a capital gain of € 15.8 mn gross of PEX** (participation exemption).

The deal is in line with the target to streamline the asset portfolio and to monetize some of the longest-held investments in order to invest in new growth opportunities.

RAISING FRESH FUNDS FOR FURTHER INVESTMENTS

At the end of 2013, TIP holding's net cash amounted to € 33.1 mn (and net debt was € 9.9 mn). In light of the robust pipeline of investment opportunities (including the already announced investments in Roche Bobois and the launch of TIPO), partly fuelled by the visibility generated by the Moncler deal, **management approved the issue of a retail bond of up to € 100 mn in order to generate fresh capital for investments.**

The bond will have a 6 year duration, a coupon of between 4.75% and 5.25%, will not be rated and is intended for listing on the MOT (Mercato Telematico delle Obbligazioni). See next section for more details on the bond issue.

The bond will be issued to finance investment activity, maintaining the usual selective approach to identifying targets and careful use of financial leverage.

■ € 12.5 mn proceeds from 2010-2015 warrant exercise

At the end of the subscription period for TIP 2010-2015 warrants (free issued in 2010), **TIP announced that 6.7 mn warrants had been exercised and that 6.7 mn new TIP shares had been issued, generating a cash-in of € 12.5 mn.**

Residual outstanding warrants (5.1 mn) may be exercised in June 2014 in exchange for TIP shares at a ratio of 1:1 and a price of €1.90 PS, or in June 2015 at € 2.00 PS.

■ Funding for TIP pre-IPO (TIPO)

In these weeks **TIP has been raising capital from a maximum of around fifty institutional investors and family offices interested in investing in TIP Pre-IPO (TIPO).** Management's funding target is € 100-200 mn. TIP will contribute with no less than € 25 mn to finance the TIPO initiative (TIP Pre-IPO) and TIPO's capital will be drawn as investment opportunities arise.

VALUATION RAISED TO € 2.81

We raise our valuation to € 2.81 to reflect:

- **The stock performance of the main listed assets** (which represent around 67% of the total net valuation);
- **The value of recent transactions** (mainly Eataly and Roche Bobois) or market multiples based on latest available data (Intercos) **for non-listed assets held for sale**;
- **The valuation of the advisory business** (5% of total value);
- The recent revision of our target prices on Prysmian (BUY rating – € 20.7 PS target), Amplifon (BUY rating - € 5.8 PS target) and Interpump (HOLD rating - € 10.8 PS target) and our new valuation on Moncler (BUY rating - € 16.5 PS target). **The valuation based on our fair value of the listed assets (compared to the market value) adds some 11% to TIP valuation.**

Our valuation is based on 2013 reported data and deals publicly announced so far in 2014.

TIP: VALUATION						
Asset	Stake	€ PS	€ mn	% of NAV	since	Valuation method
Amplifon	4.3%	4.6	43	11%	2010	market prices
Be (through Data Holding)	46.7%	0.4	8	2%	2007	NAV @ BET mkt price (incl. shareholder loan)
Interpump (through IPG Holding)	19.2%	10.8	51	13%	2003	NAV @ IP mkt prices (incl. shareholder loan)
Moncler (through Clubsette)	52.5%	13.1	63	16%	2013	NAV @ MONC mkt prices
Prysmian (through ClubTre)	35.0%	18.0	65	17%	2010	NAV @ PRY mkt prices
MAIN DIRECT AND UNDERICIT LISTED SHAREHOLDINGS			232	60%		
Dafe4000 (Intercos)	17.9%		26	7%	2011	mkt multiples (9x T12M EBITDA)
Furn-Invest (Roche Bobois)	29.4%		11	3%	2013	book value
Eataly (through ClubItaly)	30.0%		36	9%	2014	book value
MAIN UNLISTED SHAREHOLDINGS HELD FOR SALE			74	19%		
Other direct listed shareholdings	n.m.	n.m.	30	8%	n.m.	market prices
Other unlisted shareholdings held for sale	n.m.	n.m.	2	1%	n.m.	book value
OTHER LISTED/UNLISTED SHAREHOLDINGS			31	8%		
Tamburi & Associati (advisory)	100.0%		20	5%	2000	15x Adj PE 14E
Palazzari	30.0%		0	0%	2006	book value
Gatti & Co	30.0%		0	0%	2012	book value
TIP Pre-IPO (TIPO)	100.0%		5	1%	2014	shareholder loan
TOTAL OTHER UNLISTED SHAREHOLDINGS (4)			25	7%		
ATTRIBUTABLE NET CASH / (DEBT) (5)*			-9	-2%		
FINANCIAL ASSETS / (LIABILITIES) (6)			0	0%		
CAPITALISED HOLDING COSTS (7)			-8	-2%		
TAXES / TAX CREDITS (7)			-1	0%		
TOTAL NET ASSET VALUE (8) = (1+2+3+4+5+6+7)			344	89%		
Adjusted value of PRY stake (our valuation)			13	3%		
Adjusted value of AMP stake (our valuation)			12	3%		
Adjusted value of IP stake (our valuation)			0	0%		
Adjusted value of BET stake (our valuation = 6x ebitda 2014)			1	0%		
Adjusted value of M&C stake (our valuation)			2	1%		
Taxes/Tax credits on Adj fair value			-1	0%		
TOTAL ADJ NET ASSET VALUE			387	100%		
Fully diluted nr. shares outstanding (mn)			138			Assuming warrant exercise in June 2014 @ € 1.90 PS
Fully Diluted NAV per ordinary share €			2.50			
Fully Diluted Adj NAV per ordinary share €			2.81			
Current price (€)			2.62			
Current premium (discount) to NAV			5%			
Current premium (discount) to Adj NAV			-7%			

*adjusted for acquisition/disposals after December 31, 2013

Source: Equita SIM estimates

STATEMENT OF RISKS AND SENSITIVITY

The primary elements that **could impact TIP stock include:**

- Significant change in the main assets reference macroeconomic scenario;
- New accretive/dilutive M&A deals (acquisitions/divestitures);
- Significant change in the value of participations.

SENSITIVITY OF TIP VALUATION TO CHANGE ON MAIN ASSETS' VALUE

Asset	Change in asset value	Change in TIP value
Prysmian	-20%	-5%
	+20%	+5%
Moncler	-20%	-5%
	+20%	+5%
Interpump	-20%	-4%
	+20%	+4%
Eatly	-20%	-4%
	+20%	+4%
Amplifon	-20%	-3%
	+20%	+3%

Source: EQUITA SIM estimates

APPENDIX: A CLOSER LOOK AT 2013 RELEVANT DEALS

■ TIP enters Moncler's capital structure alongside skilled entrepreneur Remo Ruffini

On 6th August TIP announced that it had **acquired a 14% stake from Ruffini Partecipazioni, a company owned by Remo Ruffini who owns 32% of the Moncler group**. Moncler is a leading winter clothing company that generated a turnover of € 581 mn in 2013, via around 135 mono-brand stores (107 directly operated) and an extensive network of international wholesale operators.

TIP INVESTS IN MONCLER



MONCLER®



The deal was completed via Clubsette, a vehicle in which TIP holds 52.5% and 47.5% is owned by entrepreneurial families and family offices present in TIP's shareholding structure. Clubsette will invest € 103 mn as well as a price adjustment depending on the stock performance in the first 6 months after listing.

TIP also signed a 6-year lock-up agreement with Ruffini.

Under the helm of Remo Ruffini, who bought the brand in 2003, Moncler has become known for the rapid growth of its turnover (3-year sales cagr above +25%) and profitability (3-year EBITDA cagr close to +30%) and its position amongst the world's most prestigious brands.

We think Moncler is a very attractive investment. **TIP has made a long term commitment of considerable proportions (€ 54 mn for TIP) alongside a talented businessman in order to support him in the next stage of the group's expansion.**

■ Printemps disposal. Capital gain of over € 30 mn

The company announced on 31 July that it had reached an **agreement to sell the holdings that control the Printemps group, one of the biggest retail chains in France** with revenues of roughly € 1.5 bn, to a Qatari relevant private investor.

As part of the deal unveiled on July 31, **TIP will sell its entire investment, thus generating a cash-in of about € 42 mn and a capital gain of roughly € 33 mn.**

This is the largest capital gains TIP has ever made in a single deal in absolute terms (and a 5x return on invested capital), and was also generated on a non-listed, foreign asset.

The deal will enable TIP to **monetize an asset that accounts for roughly 20% of the group's valuation**, at a value that is in line with our estimates and **well above the book value**.

TIP thus demonstrates its distinctive ability to select and enhance the value of non-listed and foreign assets. The deal will also generate fresh financial resources for TIP at a time when we think the market offers attractive reinvestment opportunities, as confirmed by the subsequent investment in Moncler.

TIP SELLS ITS STAKE IN PRINTEMPS WITH A € 30+ MN CAPITAL GAIN



■ **TIP acquires a stake in Roche Bobois, world's leading luxury furniture distributor**

TIP announced on 29 April 2013 that it had **acquired 20% of Roche Bobois (RB), the world's leading luxury furniture distributor** (€ 500 mn total retail turnover – direct and franchising) in a club deal with other investors via the vehicle TXR (51% controlled by TIP).

In January 2014, TIP announced that it had **increased its investment in Roche Bobois to 29.37%** (from 19.8%), via the vehicle TXR. The additional investment by TXR was € 7.7 mn.

RB group controls (directly or franchising) 355 Roche Bobois stores in prestigious business locations (267 in Europe, 27 in North America, 41 in Asia and Latam) and 86 stores under the Cuir Center brand, France's top distributor of leather furniture products.

TIP has essentially entered the company's capital structure by buying stakes from private equity funds and partly from one of the funding families via a club deal. TIP's investment amounts to around € 7.5 mn.

TIP will now work alongside the reference shareholder (Roche and Chouchan families) and management to speed up the international expansion of the retail network, which has a strong brand and product positioning.

The deal, which involved a non-listed and international group, strengthens TIP's position on the international stage, confirming the group's focus on market leaders engaged in global expansion.

TIP INVESTS IN ROCHE BOBOIS



TIP

ITALY / Investment company

BOND ISSUE**TIP BOND MAIN CHARACTERISTICS**

Size (€ mn)	50-100
Maturity (# years)*	6
Face Value (€)	1000
Issue Price (%)	TBD
Annual Coupon (%)	4.75-5.25% - annual payment
Covenants	NFP/BV < 1.25x (0.04x at December 2013) Dividends paid < 10% of BV (with possibility to distribute profits eventually not distributed in previous years) Negative pledge on future bond issue
Rating	Not Rated
Market Exchange	Italian Stock Exchange - MOT

Source: Company data

**TIP BOND: MAIN CHARACTERISTICS**

TIP has announced a **public issue** of TIP bonds (**from € 50 mn to a maximum of € 100 mn**), with the following characteristics:

- Principal amount: up to a maximum of €100 mn;
- Issue Price: TBD;
- Tenor: 6 years;
- Annual coupon: 4-75-5.25% (annual payment);
- Covenants:
 - NFP/BV at holding level < 1.25x (0.04x at Dec-2013);
 - Dividends paid < 10% of BV (with possibility to distribute profits eventually not distributed in the previous years)
 - Negative pledge on future bond issue
- Rating: not rated;
- Listing on the MOT segment of the Italian Stock Exchange.

The bond issue will allow TIP to:

- **Finance new investment opportunities, including TIPO (TIP pre-IPO) and Eatly;**
- **Extend the debt maturities**
- **Diversify its sources of financing at a competitive cost.**

TIP – DEBT MATURITIES PRE BOND ISSUE (€mn)

	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Maturity schedule	3.4	0	0	0	0	40	0
% on total debt	8%	0%	0%	0%	0%	92%	0%

Source: EQUITA SIM estimates

TIP FINANCIAL STRUCTURE

Net debt at TIP holding level (TIP SpA) was € -9.9 mn at the end of December 2013, of which € 43.3 mn gross debt and € 33.4 mn cash and liquidity.

In more detail, TIP holding's financial structure at the end of 2013 was composed of:

- € 40 mn 7-year partially convertible bond in TIP shares, fully drawn during 2013 and bearing a 4.25% coupon. The bond will expire in 2019;
- € 3.4mn in bank loans, mainly comprised of a € 20 mn loan granted by Banco di Desio e delle Brianza and another € 10 mn granted by Banca Euromobiliare;
- € 33.4mn cash and liquidity, mainly composed of low risk bonds issued for liquidity investment and trading, expiring between 2016 and 2020.

FINANCIAL STRUCTURE AT HOLDING LEVEL AS OF DEC-2013				
	Drawn (€ mn)	Available (€mn)	Maturity	Cost
Bank loans	3.4	30		
Banco Desio e della Brianza	2.2	20	2014	n.a.
Banca Euromobiliare	1.2	10	2014	n.a.
Partially convertible bond	39.9	40	2019	4.25%
Total GROSS DEBT	43.3	70		
Short-term	3.4			
Long-term	39.9			
Cash and cash equivalent	33.1			
Net financial position (Holding)	-9.9			

Source: EQUITA SIM estimates

TIP also makes moderate use of financial leverage in the vehicles with shareholdings in the listed companies Moncler (Clubsette), Prysmian (Clubtre) and Interpump (IPG Holding). The company does not plan to use financial leverage for the ClubItaly vehicle, which will hold the stake in Eataly.

As far as we are aware, the bank debt in Clubtre, Clubsette and IPG Holding is well below 30% of the total value of the asset (at current market prices).

IPG Holding, Data Holding and TXR are also financed by shareholder loans. TIP's share of these loans amounted to € 12.2 mn, € 3.7 mn and € 7.3 mn respectively at the end of 2013. These loans are not included in the NFP of the holding company, but are accounted as non-current loans and receivables.

LTV (Net Debt/Total Asset ratio) was 0.04x at the end of 2013, a very low level that is consistent with TIP's historical approach of prudent use of financial leverage in its investment decisions. TIP also carefully managed the financial leverage in the main participated vehicles (IPG Holding, Clubtre, Data Holding).

We have calculated updated ratios to reflect the recently relevant news:

- Warrant exercise in February 2014 (€ 12.5 mn cash-in and net equity increase)
- Disposal of the entire stake in Datalogic (€ 33.6 mn gross cash-in and € 15.8 mn gross capital gain)
- Investments in Eataly (close to € 35 mn cash-out for TIP) and Roche Bobois (€ 4 mn related to TIP)
- Shareholder loan to TIPO (€ 5 mn) to finance AAA acquisition

TIP LOAN-TO-VALUE (€mn)	
Equita Estimate @ 21 March 2014	
NFP at holding level	-9
Book Value (Holding)	244
NAV	344
Adj. NAV (@ Equita fair value)	387
Total Asset (@ BV)	284
Total Asset (@ Equita fair value)	405
o/w direct listed assets	73
o/w underact listed assets	188
# of shares (mn)	143
Treasury shares (mn)	7
# of outstanding shares (mn)	136
NAV PS (€)	2.53
ADJ NAV PS (€)	2.85
BVPS (€)	1.80
LTV (NFP/Total Asset)	-0.03 x
NFP/NAV	-0.02 x
NFP/BV	-0.04 x

• All figures are based on reported 2013 data and Equita SIM estimates on 2014 announced deals
Source: EQUITA SIM estimates

LIQUID (DIRECT AND INDIRECT) LISTED ASSETS COVER SOME 75% OF NAV, CORRESPONDING TO AROUND 260% OF THE TOTAL NOMINAL MAXIMUM BOND AMOUNT

After the recently announced deals, **75% of TIP's NAV is represented by listed assets** (mostly Prysmian - via Clubtre, Moncler – via Clubsette, Interpump – via IPG Holding and Amplifon).

The net equity of listed participations (including direct and indirect holdings) **therefore covers around 260% of the total nominal maximum amount of the bond issue**. Directly listed shareholdings only cover around 70% of the maximum amount of the bond issued.

By valuing the listed investee companies at our target price, coverage rises to 300+%. **This implies that listed assets alone guarantee significant coverage of the commitments related to the bond, in terms of both payment of the coupon and repayment of capital.**

TIP LISTED ASSETS		
TIP listed holdings	@ mkt price (€ mn)	@ Equita target price (€ mn)
Direct listed shareholdings	73	87
Undirect listed shareholdings	188	217
Total direct and undirect listed shareholdings	261	304
Bond		
Maximum Nominal Amount (€ mn)	100	100
Coverage from direct listed assets	73%	87%
Coverage from direct and indirect listed assets	261%	304%

Source: EQUITA SIM estimates

About the holding's cash flows, we expect dividends to amount to € 0.7 mn in 2014E, mainly from investments in Amplifon, Bolzoni, Servizi Italia and Valsoia while the advisory business is expected to almost cover the operating costs.

The cash-in from warrant exercise in February 2014 is more than covering the cash-out related to 2013 dividends, to be distributed in 2Q14.

Proceeds from the disposal of Datalogic stake are almost fully covering the investments announced so far (entry in Eataly and increase in Roche Bobois stake).

Overall we expect modest cash absorption before investment/divestment activities (so far we estimate some € 44.9 mn investments – including the shareholder loan to TIPO - and € 33.6 mn divestments).

We expect also a relevant investment activity in 2014-2015, with a moderate usage of financial leverage, as in TIP's historical track record.

Our estimates do not include any extraordinary disposals, which could significantly reduce net debt.

TIP FCF 2014E (€mn)	
	FY14E
Dividend inflow	0.7
Right Issue/Warrant exercise	12.5
Dividend outflow	-11.3
Operating cashflow (including mgmt. variable compensation)	-7.4
Interest payments	-1.7
Others	-0.9
Operating Cash Flow	-8.0
Investments (already announced)	-44.9
Disposals (already announced)	33.6
Others	0.0
FCF	-19.3

Source: EQUITA SIM estimates, based on currently announced deals

BOND COMPARISON

The following tables show a comparison between the TIP bond and what we see as comparable bonds listed on the market.

We have selected two panels of bonds seen as most comparable:

1. Holding (Exor, CIR and Mittel), Private Equity (3i Group) and Investment Banking (Mediobanca) with comparable maturities
2. Generic listed unrated Italian industrial bonds with comparable maturities

MAIN COMPARABLE BONDS

Issuer	Coupon (%)	Yield (%)	Maturity date	S&P Rating	Industry	Curr.	Size (€ mn)	OAS (bps)	Payment Rank
Tier 1 - Main comparable bonds									
EXOR SPA	5.38	1.3	12/06/2017	BBB+	Diversified Operations	EUR	750	90	Sr Unsecured
EXOR SPA	4.75	2.1	16/10/2019	BBB+	Diversified Operations	EUR	150	112	Sr Unsecured
EXOR SPA	5.25	3.1	31/01/2025	BBB+	Diversified Operations	EUR	100	na	Sr Unsecured
CIR SPA	5.75	5.4	16/12/2024	BB	Diversified Operations	EUR	300	352	Sr Unsecured
3I GROUP PLC	5.63	1.8	17/03/2017	BBB	Private Equity	EUR	350	139	Sr Unsecured
3I GROUP PLC	6.88	4.5	09/03/2023	BBB	Private Equity	GBP	200	194	Sr Unsecured
3I GROUP PLC	5.75	5.1	03/12/2032	BBB	Private Equity	GBP	400	182	Sr Unsecured
MEDIOBANCA	3.80	2.9	20/06/2018	BBB	Commer Banks Non-US	EUR	375	214	Sr Unsecured
MITTEL SPA	6.00	5.0	12/07/2019	NR	Venture Capital	EUR	100	398	Sr Unsecured
Average	5.4	3.5					347	215	
Min	3.8	1.3					100	90	
Max	6.9	5.4					750	398	

Source: EQUITA SIM estimates on Bloomberg data

LISTED UNRATED ITALIAN INDUSTRIAL BONDS

Issuer	Coupon (%)	Yield (%)	Maturity date	Rating	Industry	Curr.	Size (€ mn)	OAS (bps)	Payment Rank
Tier 2 - Italian unrated bonds									
AMPLIFON SPA	4.88	3.4	16/07/2018	NR	Retail-Misc/Diversified	EUR	275	265	Sr Unsecured
BENI STABILI	4.13	3.1	22/01/2018	NR	REITS-Diversified	EUR	350	251	Sr Unsecured
CAMPARI MILANO	4.50	2.9	25/10/2019	NR	Beverages-Wine/Spirits	EUR	400	194	Sr Unsecured
FINCAN CAN NAV	3.75	3.2	19/11/2018	NR	Shipbuilding	EUR	300	236	Sr Unsecured
INDESIT CO SPA	4.50	3.4	26/04/2018	NR	Appliances	EUR	300	276	Sr Unsecured
MEDIASET SPA	5.13	3.6	24/01/2019	NR	Television	EUR	375	276	Sr Unsecured
Average	4.5	3.3					333	250	
Min	3.8	2.9					275	194	
Max	5.1	3.6					400	276	

TIP 4.75-5.25 Na 2020 NR Diversified Financial Services EUR 50-100 n.a. Sr unsecured

Source: EQUITA SIM estimates on Bloomberg data

INFORMATION PURSUANT TO ARTICLE 69 ET SEQ. OF CONSOB (Italian securities & exchange commission) REGULATION no. 11971/1999

This publication has been prepared by Domenico Ghilotti on behalf of EQUITA SIM SpA (licensed to practice by CONSOB resolution no. 11761 of December 22nd 1998 and registered as no. 67 in the Italian central register of investment service companies and financial intermediaries)

In the past EQUITA SIM has published studies on TIP.

EQUITA SIM is distributing this publication via e-mail to more than 700 qualified operators today: Monday, 24 March 2014

The prices of the financial instruments shown in the report are the reference prices posted on the day before publication of the same.

EQUITA SIM intends to provide continuous coverage of the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the issuer's periodical financial reporting and of any exceptional event occurring in the issuer's sphere of activity.

The information contained in this publication is based on sources believed to be reliable. Although EQUITA SIM makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information. If there are doubts in this respect, EQUITA SIM clearly highlights this circumstance. The most important sources of information used are the issuer's public corporate documentation (such as, for example, annual and interim reports, press releases, and presentations) besides information made available by financial service companies (such as, for example, Bloomberg and Reuters) and domestic and international business publications. It is EQUITA SIM's practice to submit a pre-publication draft of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. This note has been submitted to the issuer.

EQUITA SIM has adopted internal procedures able to assure the independence of its financial analysts and that establish appropriate rules of conduct for them.

Furthermore, it is pointed out that EQUITA SIM SpA is an intermediary licensed to provide all investment services as per Italian Legislative Decree no. 58/1998. Given this, EQUITA SIM might hold positions in and execute transactions concerning the financial instruments covered by the present publication, or could provide, or wish to provide, investment and/or related services to the issuers of the financial instruments covered by this publication. Consequently, it might have a potential conflict of interest concerning the issuers, financial issuers and transactions forming the subject of the present publication.

Equita SIM S.p.A. performs, or has performed in the last 12 months, the role of intermediary in charge of the execution of the buy back plan approved by the shareholders' meeting of Tamburi Investment Partners

Equita SIM S.p.A. performs, or has performed in the last 12 months, the role of global coordinator and bookrunner in the OPSO for financial instruments issued by Tamburi Investment Partners S.p.A.

Equita SIM S.p.A. performs, or has performed in the last 12 months, the role of specialist for financial instruments issued by Tamburi Investment Partners

In addition, it is also pointed out that, within the constraints of current internal procedures, EQUITA SIM's directors, employees and/or outside professionals might hold long or short positions in the financial instruments covered by this publication and buy or sell them at any time, both on their own account and that of third parties.

The remuneration of the financial analysts who have produced the publication is not directly linked to corporate finance transactions undertaken by EQUITA SIM.

The recommendations to BUY, HOLD and REDUCE are based on Expected Total Return (ETR – expected absolute performance in the next 12 months inclusive of the dividend paid out by the stock's issuer) and on the degree of risk associated with the stock, as per the matrix shown in the table. The level of risk is based on the stock's liquidity and volatility and on the analyst's opinion of the business model of the company being analysed. Due to fluctuations of the stock, the ETR might temporarily fall outside the ranges shown in the table.

EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

The methods preferred by EQUITA SIM to evaluate and set a value on the stocks forming the subject of the publication, and therefore the Expected Total Return in 12 months, are those most commonly used in market practice, i.e. multiples comparison (comparison with market ratios, e.g. P/E, EV/EBITDA, and others, expressed by stocks belonging to the same or similar sectors), or classical financial methods such as discounted cash flow (DCF) models, or others based on similar concepts. For financial stocks, EQUITA SIM also uses valuation methods based on comparison of ROE (ROEV – return on embedded value – in the case of insurance companies), cost of capital and P/BV (P/EV – ratio of price to embedded value – in the case of insurance companies).

MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE (OLD ONES IN BRACKETS):

Date	Rec.	Target Price (€)	Risk	Comment
nil				

DISCLAIMER

The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments.

EQUITA SIM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. Therefore, EQUITA SIM and/or the author of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

The estimates and opinions expressed in the publication may be subject to change without notice.

EQUITY RATING DISPERSION AS OF DECEMBER 31, 2013 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	41.3%	52.1%
HOLD	48.8%	41.7%
REDUCE	9.3%	6.3%
NOT RATED	0.6%	0.0%