

FY14 Results

BUY (Unchanged)

Target: € 3.60 (Prev. € 3.40)

Risk: High

STOCK DATA

Price €	3.32
Bloomberg code	TIP IM
Market Cap. (€ mn)	451
Free Float	100%
Shares Out. (mn)	135.7
52-week range	2.1 - 3.37
Daily Volumes ('000)	353

PERFORMANCE

	1M	3M	12M
Absolute	6.5%	30.6%	28.7%
Rel. to FTSE all shares	2.6%	10.7%	21.1%

MAIN METRICS

	2013	2014	2015E
EPS - € cents	24.7	19.7	14.2
DPS ord - € cents	8.3	6.1	6.0

NAV

	2013	2014	2015E
Nav ps Adj - €	2.3	3.6	3.6

MULTIPLES

	2013	2014	2015E
PNAV Adj.	1.0	0.9	0.9
PBV	1.0	1.6	1.5

INDEBTEDNESS

	2013	2014	2015E
NFP	-38.8	-76.0	-99.1
D/E	0.1	0.3	0.3
Debt to assets	0.1	0.1	0.2

PRICE ORD LAST 365 DAYS



ANALYSTS

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A SUCCESSFUL 2014 AND EQUALLY PROMISING 2015

Year packed with important deals draws to a close and another equally promising one begins (Hugo Boss investment and Intercos disposal already completed). New 2015-2020 free warrants to be granted by the end of July.

■ **2014: a year of important deals draws to a close**

2014 was marked by various significant deals, in terms of both investments and divestments as well as raising new funds and developing new strategic initiatives. The most important deals of 2014 included:

- **Investment in Eataly**, a high-end Italian food market/mall chain that distributes products of Italian food and wine excellence;
- **Roughly € 100 mn investment** (via equity, bond and mandatory convertible bond) in **Fiat Chrysler Automobiles**;
- **Increase in stakes in Interpump** (via IPG Holding), **Roche Bobois and Moncler** (via Clubsette);
- **Creation of TIPO**, vehicle for investments in top quality pre-IPOs, with revenues of between € 30 mn and € 200 mn. In 2014, TIPO acquired a stake in AAA (a pharmaceutical and diagnostic company created in 2002 via the spin-off of CERN in Geneva) and signed an agreement to buy an interest in iGuzzini, a leading company in the sector of lighting equipment and lighting systems;
- **Disposal of entire stake in Datalogic**, with a pre-tax cash-in of € 33.6 mn and a pre-tax capital gain of € 15.8 mn;
- **Issue of a € 100 mn bond, completed in April 2014.**

■ **2015 outlook: year gets off to a very promising start**

The 2015 outlook appears to be highly promising thanks to the sound prospects of the equity market, the rich pipeline of deals planned by management and TIP's key position in various transactions, also thanks to its financial clout, both direct and via Club Deals.

Year to date, **the company has completed the sale of Intercos**, a global leader in the production and distribution of cosmetics, generating a pre-tax capital gain of roughly € 10 mn, and **a € 50 mn investment in Hugo Boss**, global leader in the high-end menswear and womenswear segment.

Due to stock performance and liquidity (trading volumes > € 1 mn/day) **the stock is expected to enter the FTSE Italia Mid Cap index on 7th April.**

■ **2014 results: net profit and dividend exceed estimates. New free warrants to be granted after the successful 2010 issue**

2014 results showed net profit of € 26.8 mn vs € 23.9 mn est., bolstered by a sharp increase in advisory revenues (+81% YoY to € 7.9 mn vs € 6.7 mn estimate) and high financial income (€ 31.4 mn vs € 27.1 mn expected).

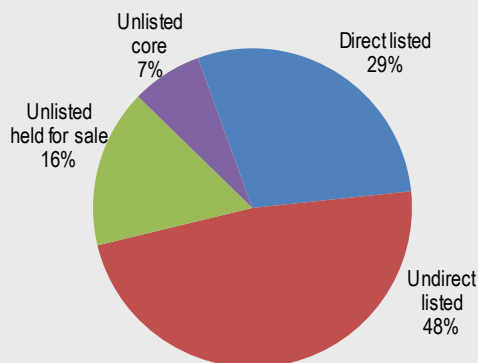
The BoD proposed a dividend of € 6.1 cents (€ 6.0 cent estimate), **and the issue of free warrants** whose holders will be entitled to new TIP shares at a ratio of 1 share per 4 warrants by the end of 2020 and at a price to be determined by the BoD before the end of July. **The warrants will enable 1) TIP to increase resources** (up to € 200 mn) **to finance investments and 2) TIP shareholders to support TIP's investment plans via a financial commitment that will be diluted over time** and subject to certain stock performance targets, also providing them with a liquid instrument which could find its own monetization as an alternative to subscription.

We have revised our valuation to € 3.60 thanks to the performance and improved outlook of assets and an increase in value of the Eataly investment.

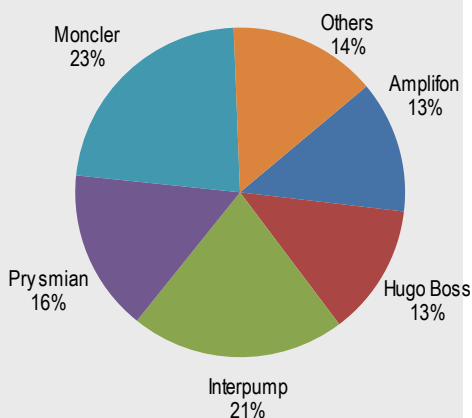
MAIN FIGURES € mn	2010	2011	2012	2013	2014	2015E
Rev from Sales&Serv.	5.8	5.5	4.7	4.3	7.7	6.7
Growth	79.1%	-5.3%	-13.8%	-9.5%	81.5%	-14.0%
EBITDA	0.4	0.7	-0.9	-7.6	-2.4	-1.0
Growth	n.m.	55.6%	n.m.	n.m.	n.m.	n.m.
Adjusted EBITDA	0.4	0.7	-0.9	-7.6	-2.4	-1.0
Growth	n.m.	55.6%	n.m.	n.m.	n.m.	n.m.
EBIT	0.4	0.6	-1.0	-7.6	-2.5	-1.0
Growth	n.m.	59.0%	n.m.	n.m.	n.m.	n.m.
Profit before tax	11.2	3.4	10.1	31.7	28.9	19.5
Growth	626.3%	-69.8%	198.7%	213.8%	-8.8%	-32.7%
Taxes	-1.0	-0.7	-0.9	0.1	-0.4	-0.2
Tax rate	-9%	-22%	-8%	0%	-1%	-1%
Minority interests	0	0	0	0	-2	0
Net income	10.2	2.6	9.3	31.9	26.8	19.2
Growth	898%	-74%	251%	245%	-16%	-28%
Margin	167.3%	46.4%	190.9%	723.6%	340.8%	283.4%
Adj. net income	7.9	2.6	9.3	31.9	26.8	19.2
Growth	669%	-67%	251%	245%	-16%	-28%
Margin	128.9%	46.4%	190.9%	723.6%	340.8%	283.4%
STOCK DATA	2010	2011	2012	2013	2014	2015E
EPS - € cents	8.8	2.0	6.9	24.7	19.7	14.2
Growth	n.m.	-78%	255%	256%	-20%	-28%
Adj. EPS - € cents	6.8	2.0	6.9	24.7	19.7	14.2
Growth	n.m.	-71%	255%	256%	-20%	-28%
DPS ord - € cents	3.5	3.5	4.1	8.3	6.1	6.0
Nav ps Adj - €	1.75	1.89	1.87	2.30	3.60	3.60
VARIOUS - € mn	2010	2011	2012	2013	2014	2015E
Capital employed	156	178	209	399	430	464
INDEBTNESS	2010	2011	2012	2013	2014	2015E
NFP	42	-3	2	-39	-76	-99
D/E	n.m.	0.02	n.m.	0.13	0.27	0.34
Debt to assets	n.m.	0.0 x	n.m.	0.1 x	0.1 x	0.2 x
MARKET RATIOS	2010	2011	2012	2013	2014	2015E
PNAV Adj.	0.8 x	0.8 x	0.8 x	1.0 x	0.9 x	0.9 x
PBV	0.9 x	1.1 x	0.9 x	1.0 x	1.6 x	1.5 x
P/CF	23.6 x	73.5 x	21.5 x	9.5 x	16.8 x	23.4 x
REMUNERATION	2010	2011	2012	2013	2014	2015E
Div. Yield ord	2.5%	2.4%	2.8%	3.5%	1.8%	1.8%
ROE	5.9%	1.4%	4.8%	12.7%	9.4%	6.7%

Source: Equita SIM estimates and company data

CURRENT ASSET BREAKDOWN



CURRENT BREAKDOWN OF LISTED SHAREHOLDINGS



TIP MAIN SHAREHOLDERS

d'Amico Società di Navigazione	11.5%
Gianni Tamburi	7.1%
Francesco Angelini	5.3%
Independent Fund Management	5.2%
Mario Davide Manuli	4.2%
Francesco Baggi Sisini	3.3%
Finconcordia	2.2%
Isabella Seragnoli	2.2%
Carlo Alberto Marsiletti	2.1%

Source: Company data

BUSINESS DESCRIPTION

TIP Group (TIP) is an independent investment / merchant bank focusing on companies expressing “excellence” in the industrial, fashion, design, retail and technology sectors.

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.

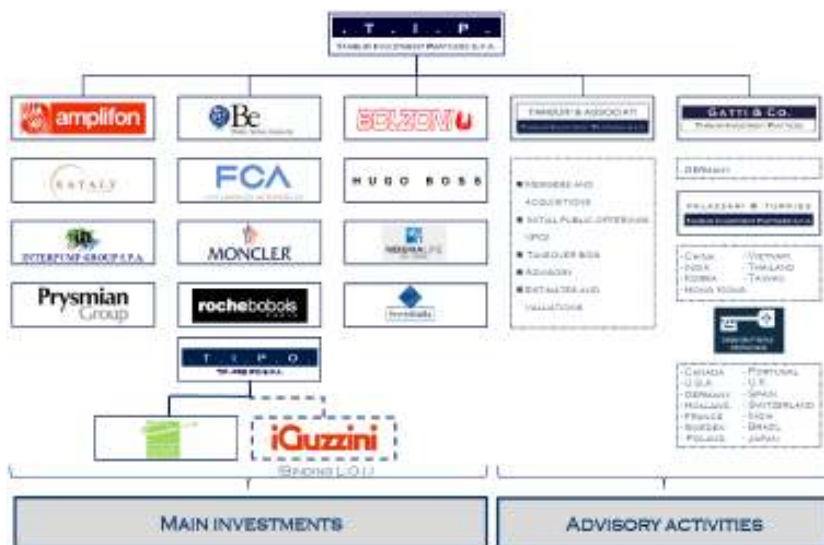
TIP usually operates as an active minority shareholder, leveraging its financial clout mobilising third-party assets via Club deals.

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. TIPO raised € 140 mn capital, of which € 40 mn provided by TIP.

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

- the specialisation in "excellent" 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 a 9.3% 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.

A YEAR OF IMPORTANT DEALS DRAWS TO A CLOSE

2014 was marked by various significant deals, in terms of both investments and divestments as well as raising capital and developing new strategic initiatives. The most important deals of 2014 included:

- **Investment in Eataly**, a high-end Italian food market/meal chain that distributes products of Italian food and wine excellence. TIP acquired 20% of Eataly via a Club Deal with another 19 investors;
- **Roughly € 100 mn investment (equity, bond and mandatory convertible bond) in Fiat Chrysler Automobiles**. The investment was made in August 2014, exploiting the weakness of the stock arising from the withdrawal rights exercise period, and is generating an excellent return (shares offer a potential capital gain of over 100% and we believe that the group is also generating a return of around 50% on the mandatory convertible bond).
- **Increase in stakes in Interpump** (via IPG Holding), **Roche Bobois and Moncler** (via Clubsette). These deals are proof of the support that TIP provides to subsidiary companies with solid growth potential;
- **Creation of TIPO**, vehicle for investments in top quality pre-IPOs, with revenues of between € 30 mn and € 200 mn. TIPO raised capital of around € 140 mn, of which € 40 mn from TIP itself. In 2014, TIPO acquired a stake in AAA (a pharmaceutical and diagnostic company created in 2002 via the spin-off of CERN in Geneva) and signed an agreement to buy an interest in iGuzzini, a leading company in the sector of lighting equipment and lighting systems.
- **Disposal of entire stake in Datalogic**, with a pre-tax cash-in of € 33.6 mn and a pre-tax capital gain of € 15.8 mn;
- **Issue of a € 100 mn bond at a rate of 4.75%, completed in April 2014.**

2015 OUTLOOK: YEAR GETS OFF TO A VERY PROMISING START

The 2015 outlook appears to be highly promising thanks to the sound prospects of the equity market, the rich pipeline of deals planned by management and TIP's key position in various transactions, partly thanks to its financial capacity, both direct and via Club Deals.

On 28th January **the company completed the sale of Intercos**, a global leader in the production and distribution of cosmetics, generating a pre-tax capital gain of roughly € 10 mn.

On 9th February, the company announced **a € 50 mn investment in Hugo Boss, global leader in the high-end menswear and womenswear segment and listed on the Frankfurt stock exchange**. TIP invested together with the Marzotto family (who bought a 7% stake in Hugo Boss investing € 500 mn) buying part of the stake placed by the Private Equity Permira.

On 18th March, Permira completed its exit from Hugo Boss, placing an additional 12% stake. TIP is rumoured to have bought additional 100-200K Hugo Boss shares at a price of € 113 (€ 11-22 mn additional investment). We have not included this investment in our valuation/estimates, pending official confirmation of the deal.

TIP saw Hugo Boss as a company with a high quality management team and growth opportunities, particularly in the womenswear segment and non-EU markets. TIP's investment is in line with its target to increase exposure to the fashion/luxury market and the company had been eyeing Hugo Boss for some time. Hugo Boss is TIP's largest deal outside Italy (such as Printemps and Roche Bobois).

HUGO BOSS



Source: Web sites

Among the achievements of 2015, **we also highlight the expected entry of TIP in the FTSE Italia Mid Cap index as of 7th April**, thanks to the stock performance and improved liquidity (trading volumes > € 1 mn/day).

2014 RESULTS: NET PROFIT AND DIVIDEND EXCEED ESTIMATES

2014 results included net profit of € 26.8 mn vs € 23.9 mn est., bolstered by a sharp increase in advisory revenues (+81% YoY to € 7.9 mn vs € 6.7 mn estimate) and high financial income (€ 31.4 mn vs € 27.1 mn expected).

The BoD proposed a dividend of € 6.1 cents (€ 6.0 cent estimate), **corresponding to a dividend yield of just under 2%**.

At the end of 2014, consolidated NFP amounted to € -76 mn including € 100 mn of debt arising from the retail bond issued in April and maturing in 2020, and € 40 mn partially convertible bond that expires in 2019.

As for the holding, the NFP was at € -55 mn at the end of 2014 and included liquidity and financial assets amounting to over € 100 mn.

ISSUE OF FREE WARRANTS TO FINANCE NEW INVESTMENT INITIATIVES

In addition to proposing an ordinary dividend distribution, **the BoD also proposed the issue of free warrants** whose holders will be entitled to new TIP shares at a ratio of 1 share per 4 warrants by the end of 2020 and at a price to be determined by the BoD before the end of July.

The warrants will enable 1) TIP to increase resources (up to € 200 mn) **to finance investments and 2) TIP shareholders to support TIP's investment plans via a financial commitment that will be diluted over time** and subject to certain stock performance targets, also providing them with a liquid instrument which could find its own monetization as an alternative to subscription.

Management's decision also reflects the **excellent success of the previous free warrant issue**, completed in 2010 at the time of the merger of TIP and SeconTIP (vehicle created by TIP to invest in the private equity secondary market). **The warrants have posted a performance of over 2000% since the grant date.** The final exercise period for 2010 warrants, exercisable at € 2.0 per share, ends in June 2015. We therefore expect that warrants will be fully exercised in June 2015, generating resources of roughly € 9 mn for TIP.

TIP 5-YEAR PERFORMANCE VS. MAIN REFERENCE MARKETS



Source: Equita SIM elaboration on Bloomberg data

TIP 2010-2015 WARRANT PERFORMANCE SINCE ISSUE (LHS: PERFORMANCE; RHS: € PRICE)



Source: Equita SIM elaboration on Bloomberg data

VALUATION INCREASED TO € 3.60 TO REFLECT ASSET PERFORMANCES AND INCREASE IN VALUE OF EATALY

We have revised our valuation to € 3.60 thanks to the performance and improved outlook of assets and an increase in value of the Eataly investment.

In more detail, our valuation reflects:

- **The market value of the main listed assets** (which represent around 84% of the total net valuation);
- **The value attributed to the main non-listed assets, based on the BV or value yielded by market multiples of comparable companies (which represent around 18% of total net valuation).** For Roche Bobois and, as of now, for Eataly, we used the market multiples of comparable companies,

applied to historical or – when available - prospective estimates based on public management indications;

- **The valuation of the advisory business** (7% of total net value);
- The prospects of the main listed assets, established using our fundamental valuations for listed stocks compared to market valuations. **The valuation based on our fair value of the listed assets** (compared to the market value) **adds some 6% to TIP's valuation.**

TIP: VALUATION

Asset	Controlling interest	Stake	€ PS	€ mn	% of NAV	since	Valuation method
Amplifon	4.3%	4.3%	6.0	57	11%	2010	market prices
Be (through Data Holding)	15.6%	46.7%	0.6	12	2%	2007	NAV @ BET mkt price (incl. shareholder loan)
FCA	0.2%	0.2%	15.0	29	6%	2014	market prices
Hugo Boss	0.7%	0.7%	116.2	57	11%	2015	market prices
Interpump (through IPG Holding)	6.4%	25.1%	14.0	93	19%	2003	NAV @ IP mkt prices (incl. shareholder loan)
Moncler (through Clubsette)	4.5%	52.5%	15.2	100	20%	2013	NAV @ MONC mkt prices
Prysmian (through ClubTre)	2.1%	35.0%	18.8	70	14%	2010	NAV @ PRY mkt prices
MAIN DIRECT AND UNDERLISTED SHAREHOLDINGS				418	84%		
Furn-Invest (Roche Bobois)		38.3%		31	6%	2013	mkt multiples (8x T12M EBITDA)
Eataly (through ClubItaly)		27.5%		61	12%	2014	13x EBITDA 2017 discounted to present
MAIN UNLISTED SHAREHOLDINGS HELD FOR SALE				91	18%		
Other direct listed shareholdings		n.m.	n.m.	23	5%	n.m.	market prices
Other unlisted shareholdings held for sale		n.m.	n.m.	1	0%	n.m.	book value
OTHER LISTED/UNLISTED SHAREHOLDINGS				25	5%		
Tamburi & Associati (advisory)		100.0%		32	7%	2000	15x Adj PE 14E
Palazzari		30.0%		0	0%	2006	book value
Gatti & Co		30.0%		0	0%	2012	book value
TIPO (TIP Pre-IPO)		28.6%		8	2%	2014	book value
TOTAL OTHER UNLISTED SHAREHOLDINGS (4)				41	8%		
ATTRIBUTABLE NET CASH / (DEBT) (5)*				-96	-19%		
FINANCIAL ASSETS / (LIABILITIES) (6)				0	0%		
CAPITALISED HOLDING COSTS (7)				-8	-2%		
TAXES / TAX CREDITS (7)				-4	-1%		
TOTAL NET ASSET VALUE (8) = (1+2+3+4+5+6+7)				467	94%		
Adjusted value of PRY stake (our valuation)				8	2%		
Adjusted value of AMP stake (our valuation)				7	1%		
Adjusted value of IP stake (our valuation)				3	1%		
Adjusted value of BET stake (our valuation = 6x ebitda 2014)				2	0%		
Adjusted value of M&C stake (our valuation)				10	2%		
Taxes/Tax credits on Adj fair value				0	0%		
TOTAL ADJ NET ASSET VALUE				497	100%		
Fully diluted nr. shares outstanding (mn)				138			Assuming warrant exercise in June 2015 @ € 2.0 PS
Fully Diluted NAV per ordinary share €				3.38			
Fully Diluted Adj NAV per ordinary share €				3.60			
Current price (€)				3.32			
Current premium (discount) to NAV				-2%			
Current premium (discount) to Adj NAV				-8%			

*adjusted for acquisition/disposals after December 31, 2014

Source: Equita SIM estimates and company data

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
Moncler	-20%	-4%
	+20%	+4%
Interpump	-20%	-4%
	+20%	+4%
Prysmian	-20%	-4%
	+20%	+4%
Hugo Boss	-20%	-2%
	+20%	+2%
Amplifon	-20%	-2%
	+20%	+2%
Eataly	-20%	-2%
	+20%	+2%

Source: EQUITA SIM estimates

APPENDIX

■ EATALY

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 (27.5% TIP – 72.5% other investors).

Eataly is expected to generate a turnover of approximately of € 350-400 mn and EBITDA of € 40-45 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 valued Eataly at € 600 mn, paying a multiple of roughly 13x 2014 EBITDA which reflects the asset's excellent growth prospects. TIP invested around € 33 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

Eataly's management publicly stated targets of an EBITDA in the € 100-150 mn range by 2017 from around € 40-45 mn in 2014. In spite of the limited information available, we attempted to establish our valuation for Eataly based on the market multiples of comparable companies.

We applied a target multiple of 13x EBITDA 2017 (similar to average 2015 market multiples of listed peers and to the entry multiple paid by TIP) **at the lower range of the guidance provided by management** (€ 100 mn), then discounted to present at a rate of 10%. **We calculated a value for the Clubtaly stake of around € 60 mn**, assuming that the company will be able to finance its store openings with internal cashflow and that targets provided by the management are net of minorities.

EATALY - PEER MULTIPLES

	Mkt cap (€ mn)	EV/SALES		EV/EBITDA		EV/EBIT		PE	
		2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Premium food retailers									
WHOLE FOODS	18556	1.2	1.1	13.5	12.2	19.0	17.2	31.5	28.3
SPROUTS FARMERS	4949	1.5	1.3	17.0	13.9	21.9	17.5	39.2	31.7
FRESH MARKET	1895	1.0	0.9	9.5	8.1	13.2	11.8	22.4	20.3
AVERAGE		1.2	1.1	13.3	11.4	18.0	15.5	31.0	26.8

Source: Bloomberg Estimates

■ Launch of "TIP pre-IPO" (TIPO)

On 27 January 2014 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).

TIPO raised € 140 mn commitments in the initiative (to be drawn as investment opportunities arise) of which € 40 mn from TIP.

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 first TIPO deal was announced on 4 March 2014 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 in 11 countries. The company has a wide shareholding base, composed of some 185 shareholders including management and employees, and in 2013 it posted a revenue growth of 32% to € 53.8 mn, with an EBITDA growth of 62% to approximately € 11 mn. AAA is targeting the listing on NASDAQ in a few years. TIPO's investment in AAA amounted to € 5 mn.

ADVANCED ACCELERATOR APPLICATIONS



Source: Web sites

On 11 December, TIPO (TIP Pre-IPO) announced it had invested in iGuzzini, leading company in the lighting equipment and lighting systems sector.

iGuzzini generated a turnover of € 199 mn in 2013, of which 75% overseas (mainly Europe), over 65% from products launched in the last 5 years and with projects completed with several top names in the architecture business.

We think this target is highly appealing, of a significant size (just within TIPO's means) and with an attractive product positioning and market. The price paid and iGuzzini's margins are not yet known, but we estimate an EBITDA margin of over 10% (minimum level required for TIPO investments).

TIPO acquired a stake of 14.29%, investing mainly via a capital increase launched for the purpose of accelerating group expansion. The aim is to list the asset within the next 5 years.

iGUZZINI

The collage features the iGuzzini logo at the top left. Below it are several project images: 'Bangladesh National Art Gallery' in Dhaka, Bangladesh; 'Rainbow Magic Land' in Raipur, India; 'New lighting for Piazza Duomo' in Florence, Italy; 'The Sanctuary of Eblaylat' in Raikis, Azerbaijan; and 'Special' popliteal shoe spaces in Mexico, Australia. A central grid of diagrams illustrates various lighting applications: Architectural lighting, Art and culture, Commercial spaces and shop lighting, Entertainment and recreation structures, Large areas and sports lighting, Offices and education lighting, Lighting for places of worship, Recreational lighting, Street lighting, and Green lighting.

Source: Web sites

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

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

Date	Rec.	Target Price (€)	Risk	Comment
nil				

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EQUITY RATING DISPERSION AS OF DECEMBER 31, 2014 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	42.5%	60.4%
HOLD	55.2%	39.6%
REDUCE	2.3%	0.0%
NOT RATED	0.0%	0.0%