

# MARCOLIN

**SEPTEMBER 30, 2013**

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MARCOLIN  
EYEWEAR

*Viva*  
INTERNATIONAL GROUP

MARCOLIN + VIVA

- 1 Marcolin USA acquisition of VIVA → Completed on Dec. 3rd 2013
- 2 Marcolin has signed all the three new licences in the luxury segment as was mentioned in the Offering Memorandum

### 3 **FINANCIALS**

▶ Combined Sales Q3:	€ 76,2m (+1,9%)	penalized by FX
• Marcolin	€ 42,8m (+4,4%)	
• VIVA	\$ 44,3m (+4,8%)	
▶ LTM Comb. Sales Sept:	€ 348,8 (+0,2% vs. LTM June)	
▶ LTM Comb. EBITDA Adj.	€ 39,3m (+4,9% vs. LTM June)	
▶ P/F C.Adj. Run rate EBITDA	€ 47,8m (+4,1% vs. LTM June)	
▶ Combined NET Financial Debt	€ 170,5m	
▶ Pro-forma Leverage	3,56x (vs. 3,68x as of June LTM)	

	Marcolin		VIVA		Combined	
	<i>LTM June</i>	<i>LTM Sept</i>	<i>LTM June</i>	<i>LTM Sept</i>	<i>LTM June</i>	<i>LTM Sept</i>
<b>EBITDA</b>	€ 7,4	€ 9,4	\$ 13,7	\$ 15,0	<b>€ 18,0</b>	<b>€ 20,8</b>
Adjustments	€ 16,8	€ 15,7			€ 16,8	€ 15,7
Management Fees					€ 1,8	€ 1,9
Germany J/V					€ 0,8	€ 0,9
<b>EBITDA Adjusted</b>	€ 24,3	€ 25,1	\$ 13,7	\$ 15,0	<b>€ 37,4</b>	<b>€ 39,3</b>
Synergies					€ 8,5	€ 8,5
<b>Combined Adj. Run-rate EBITDA</b>					<b>€ 45,9</b>	<b>€ 47,8</b>

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## 1 MARCOLIN FINANCIALS

- Q3 SALES: € 42,8 m, UP +4,4% driven by Export, growing +20% and USA growing +9,6%. Southern Europe still weak.
- Q3 EBITDA reported turning around the loss (0,6m) of 2012 into a profit of €1,4m.
- YTD: Sales at € 155m (vs. 162,5m of PY), down 4,6% vs. PY
- YTD EBITDA Adjusted € 18,6m (vs. € 23,4m PY) down 20,5%
- LTM Sept. 2013 EBITDA € 25,1m vs. 24,3 LTM June
- Orders collection as of week 50 +0,6% vs last year driven by export and USA

## 2

### NEW LICENCES

All three licences in the luxury segment signed

## 3

### CORPORATE EVENTS

- Marcolin USA acquisition of VIVA  Completed on Dec. 3st. 2013

	For the three months ended September 30			For the nine months ended September 30		
	2012	2013	Change py %	2012	2013	Change py %
<i>Revenue by Geographic Segment</i>						
<i>(In € million, except percentages)</i>						
Italy	14,6	16,1	10,3%	64,5	61,0	-5,4%
<i>Of which domestic market</i>	3,9	3,3	-16,5%	21,5	15,5	-28,2%
<i>Of which export market</i>	10,7	12,8	20,0%	42,8	45,5	6,2%
France	3,3	3,0	-9,1%	15,7	14,5	-7,6%
Rest of Europe	5,4	5,5	1,9%	23,9	21,4	-10,5%
North America	14,6	16,0	9,6%	52,2	52,7	1,0%
Rest of World	3,1	2,2	-29,0%	6,2	5,4	-12,9%
<b>Total</b>	<b>41,0</b>	<b>42,8</b>	<b>4,4%</b>	<b>162,5</b>	<b>155,0</b>	<b>-4,6%</b>
Luxury brands	22,3	26,2	17,5%	112,5	112,8	0,3%
Diffusion brands	18,3	17,0	-7,1%	52,4	44,5	-15,1%
Others <sup>(1)</sup>	0,4	(0,4)	-200%	(2,4)	(2,3)	-4,2%
<b>Total</b>	<b>41,0</b>	<b>42,8</b>	<b>4,4%</b>	<b>162,5</b>	<b>155,0</b>	<b>-4,6%</b>
Sunglasses	22,8	28,1	23,2%	94,9	93,9	-1,1%
Prescription frames	17,8	15,1	-15,2%	70,0	63,4	-9,4%
Other <sup>(1)</sup>	0,4	(0,4)	-200%	(2,4)	(2,3)	-4,2%
<b>Total</b>	<b>41,0</b>	<b>42,8</b>	<b>4,4%</b>	<b>162,5</b>	<b>155,0</b>	<b>-4,6%</b>

<sup>(1)</sup> Other primarily relates to unallocated end of period adjustments for discounts and to a lesser extent returns.

# Consolidated Income Statement. - Marcolin

	For the three months ended September 30,		Change	For the nine months ended September 30,		Change
	2012	2013	%	2012	2013	%
	(In € million)					
Revenue	41,0	42,8	4,4%	162,5	155,0	-4,6%
<b>Gross profit</b>	<b>24,9</b>	<b>25,4</b>	<b>2,0%</b>	<b>101,3</b>	<b>94,2</b>	<b>-7,0%</b>
<b>Gross margin</b>	<b>60,7%</b>	<b>59,3%</b>	<b>n.a.</b>	<b>62,3%</b>	<b>60,8%</b>	<b>n.a.</b>
Selling and marketing costs	(23,5)	(22,6)	-3,8%	(75,1)	(71,9)	-4,3%
General and administrative expenses	(3,8)	(3,3)	-13,2%	(12,1)	(14,1)	16,5%
Other operating income and expenses	0,6	0,4	-33,3%	2,7	1,6	-40,7%
<b>Operating profit</b>	<b>(1,8)</b>	<b>(0,1)</b>	<b>94,4%</b>	<b>16,8</b>	<b>9,8</b>	<b>-41,7%</b>
Net finance costs	0,1	(3,2)	(3,3)	(1,1)	(8,6)	681,8%
<b>Profit before taxes</b>	<b>(1,7)</b>	<b>(3,3)</b>	<b>-94,1%</b>	<b>15,7</b>	<b>1,2</b>	<b>-92,4%</b>
Income tax expense	0,7	0,7	-	(4,0)	(2,2)	-45,0%
<b>Net profit for the period</b>	<b>(1,0)</b>	<b>(2,6)</b>	<b>-160,0%</b>	<b>11,7</b>	<b>(1,0)</b>	<b>-108,5%</b>
<b>EBITDA</b>	<b>(0,6)</b>	<b>1,4</b>	<b>333,3%</b>	<b>20,1</b>	<b>14,0</b>	<b>30,3%</b>
EBITDA LTM JUN,30		7,4				
EBITDA LTM SEP,30		9,4				



# Consolidated Balance Sheet - Marcolin

	December 31, 2012	As of June 30, 2013	September 30, 2013
	<i>(In € millions)</i>		
Property, plant and equipment	20,3	19,7	19,6
Intangible assets	21,2	21,8	21,2
Goodwill	189,1	189,1	189,1
Inventories	46,9	39,9	40,0
Trade and other receivables	63,9	70,3	59,6
Cash and cash equivalents	45,2	21,4	19,2
Other current and non-current assets	32,2	31,6	32,5
<b>Total assets</b>	<b>418,8</b>	<b>393,8</b>	<b>381,2</b>
Long-term borrowings	101,8	98,8	106,7
Short-term borrowings	8,6	21,6	20,6
Trade payables	58,8	49,0	34,5
Other long-term and short-term liabilities	93,6	39,5	38,7
<b>Total liabilities</b>	<b>262,8</b>	<b>208,9</b>	<b>200,5</b>
<b>Total equity</b>	<b>156,0</b>	<b>184,9</b>	<b>180,7</b>
<b>Total liabilities and equity</b>	<b>418,8</b>	<b>393,8</b>	<b>381,2</b>

	As of and for the three months ended September 30,		As of and for the nine months ended September 30,		Last twelve months ended September 30,
	2012	2013	2012	2013	2013
	<i>(In € million, except percentages)</i>				
<b>EBITDA</b>	(0,6)	1,4	20,1	14,0	9,4
Early termination of license expenses	0,7	-	2,2	-	9,6
Costs related to Cristallo acquisition	0,2	-	0,7	1,5	2,0
Senior management changes	-	0,3	-	1,7	2,2
Exceptional termination of licenses	0,6	0,3	0,9	1,2	1,5
Other	0,1	-	-0,5	0,2	0,4
<b>Adjusted EBITDA</b>	<b>1,0</b>	<b>2,0</b>	<b>23,4</b>	<b>18,6</b>	<b>25,1</b>

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VIVA

	Three months ended September 30,		% change three months ended September 30, 2012 and 2013	Nine months ended September 30,		% change nine months ended September 30, 2012 and 2013
	2012	2013		2012	2013	
<i>Net Sales by Geographic Location</i>						
	<i>(In US\$ millions, except percentages)</i>					
North America	27,1	28,2	4,1%	95,7	92,1	-3,8%
UK	8,0	8,9	11,1%	27,2	27,8	2,1%
France	3,9	4,6	17,8%	17,6	18,4	4,1%
Rest of World	3,3	2,6	-20,9%	12,0	10,0	-15,9%
<b>Total</b>	<b>42,3</b>	<b>44,3</b>	<b>4,7%</b>	<b>152,5</b>	<b>148,3</b>	<b>-2,8%</b>
<i>Net Sales by Product Type</i>						
Sunglasses	13,2	11,6	-12,2%	54,5	50,9	-6,8%
Prescription frames	29,1	32,7	9,0%	98,0	97,4	-0,5%
<b>Total</b>	<b>42,3</b>	<b>44,3</b>	<b>4,7%</b>	<b>152,5</b>	<b>148,3</b>	<b>-2,8%</b>

	For the three months ended September 30,			For the nine months ended September 30,		
	2012	2013	Change three months ended September 30, 2012 and 2013	2012	2013	Change nine months ended September 30, 2012 and 2013
(In \$ millions)						
Net sales	42,3	44,3	4,7%	152,5	148,3	-2,8%
<b>Gross profit</b>	<b>22,4</b>	<b>24,9</b>	<b>11,2%</b>	<b>84,5</b>	<b>83,0</b>	<b>-1,8%</b>
			0			
Selling, general and administrative	(20,6)	(21,0)	-1,9%	(71,5)	(70,1)	-2,0%
Depreciation and amortization	(1,1)	(1,0)	9,1%	(3,4)	(3,3)	-3,7%
Equity in earnings of joint ventures	0,2	0,1	-50,0%	0,6	0,5	-21,3%
<b>Income from operations</b>	<b>0,9</b>	<b>3,0</b>	<b>233,3%</b>	<b>10,2</b>	<b>10,1</b>	<b>-0,8%</b>
Interest expenses	(0,6)	(0,5)	-16,7%	(1,8)	(1,6)	-10,8%
Other income (expenses)	-	(0,2)	n.a.	(0,4)	(0,3)	-38,3%
<b>Income before income taxes</b>	<b>0,3</b>	<b>2,3</b>	<b>666,7%</b>	<b>8,0</b>	<b>8,2</b>	<b>3,5%</b>
			0			
Income tax provision	(0,1)	(1,1)	1000%	(3,3)	(3,7)	12,4%
<b>Net income</b>	<b>0,2</b>	<b>1,2</b>	<b>500,0%</b>	<b>4,7</b>	<b>4,5</b>	<b>-2,9%</b>
Net sales Euro	33,8	33,4		119,1	112,6	

# Consolidated Balance Sheet - Viva

	As of		
	December 31, 2012	June, 30 2013	September, 30 2013
	<i>(In \$ millions)</i>		
Property and equipment	6,3	5,8	5,4
Goodwill	89,3	89,3	89,3
Intangible assets	22,3	20,9	20,5
Inventories	38,9	36,9	39,1
Accounts receivable, including related parties	19,2	25,1	20,8
Cash and cash equivalents	30,8	40,7	35,7
Other current and non-current assets	10,7	9,6	10,0
<b>Total Assets</b>	<b><u>217,5</u></b>	<b><u>228,3</u></b>	<b><u>220,8</u></b>
Trade and account payable	19,1	25,8	18,8
Short term borrowings	0,9	0,9	0,9
Long term borrowings	25,5	25,1	24,9
Other long-term and short-term liabilities	30,1	32,4	29,6
<b>Total Liabilities</b>	<b><u>75,6</u></b>	<b><u>84,2</u></b>	<b><u>74,2</u></b>
<b>Equity</b>	<b><u>141,9</u></b>	<b><u>144,1</u></b>	<b><u>146,6</u></b>
<b>Total liabilities and equity</b>	<b><u>217,5</u></b>	<b><u>228,3</u></b>	<b><u>220,8</u></b>

	For the three months ended September 30,		For the nine months ended September 30,		For the twelve months ended September 30,
	2012	2013	2012	2013	2013
	(\$ in millions)				
<b>Net income</b>	<b>0,2</b>	<b>1,2</b>	<b>4,7</b>	<b>4,5</b>	<b>5,5</b>
Income tax expense	0,1	1,1	3,3	3,7	2,5
Net finance costs	0,6	0,5	1,8	1,6	2,1
Amortization and depreciation	1,1	1,0	3,4	3,3	4,5
Bad debt provision	-	0,1	-	0,3	0,4
<b>EBITDA</b>	<b>2,0</b>	<b>3,9</b>	<b>13,2</b>	<b>13,4</b>	<b>15,0</b>

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PRO FORMA



## SALES

	As of and for the three months ended September 30,		As of and for the nine months ended September 30,	
	2012	2013	2012	2013
	<i>(In € million)</i>			
Viva net sales	33,8	33,4	119,1	112,6
Marcolin sales	<u>41,0</u>	<u>42,8</u>	<u>162,5</u>	<u>155,0</u>
<b>Pro forma combined sales</b>	<b><u>74,8</u></b>	<b><u>76,2</u></b>	<b><u>281,6</u></b>	<b><u>267,6</u></b>

## ADJUSTED EBITDA

	As of and for the three months ended September 30,		As of and for the nine months ended September 30,		Last twelve months ended September 30,
	2012	2013	2012	2013	2013
	<i>(In € millions)</i>				
Marcolin Adjusted EBITDA	1,0	2,0	23,4	18,6	25,1
Viva EBITDA	1,6	3,0	10,3	10,2	11,4
Management fee adjustment <sup>(a)</sup>	0,4	0,5	1,4	1,5	1,9
Joint venture adjustment <sup>(b)</sup>	<u>0,1</u>	<u>0,1</u>	<u>0,7</u>	<u>0,7</u>	<u>0,9</u>
<b>Pro forma combined Adjusted EBITDA</b>	<b><u>3,1</u></b>	<b><u>5,6</u></b>	<b><u>35,8</u></b>	<b><u>31,0</u></b>	<b><u>39,3</u></b>
Full year administrative synergies					8,5
<b>Pro forma combined adjusted run rate EBITDA</b>					<b><u>47,8</u></b>

## PRO FORMA COMBINED CASH AND CASH EQUIVALENTS

	As of September 30, 2013
	<i>(In € million)</i>
Marcolin Group cash and cash equivalents at September 30, 2013	19,2
Bond proceeds (net of estimated transaction costs of €7 million)	193,0
Repayment of Marcolin Group existing borrowings	(119,2)
Viva Acquisition	(65,1)
Closing cash of Viva	<u>11,5</u>
<b>Pro forma combined cash and cash equivalents</b>	<b><u>39,4</u></b>