MARCOLIN

TRADING UPDATE AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

DISCLAIMER

The following information is confidential and does not constitute an offer to sell or a solicitation of an offer to buy any securities of Marcolin S.p.A. or any of its subsidiaries or affiliates.

Statements on the following pages which are not historical facts are forward-looking statements. All forward-looking statements involve risks and uncertainties which could affect Marcolin's actual results and could cause its actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Marcolin.

The financial information contained herein has not been subject to audit procedures, and has been derived from the management accounts, which could differ in some instances from the statutory financial statements.

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INTRODUCTION

OVERVIEW

We are a leading global designer, manufacturer and distributor of branded sunglasses and prescription frames. We believe that we are the world's fourth largest eyewear wholesale player by revenue, with a broad portfolio of 21 licensed brands (including Viva) that appeal to the key demographics across five continents. For the twelve months ended September 30, 2013, as adjusted on a pro forma basis for the Viva Acquisition, we had pro forma combined revenue of €348.8 million and pro forma combined adjusted run rate EBITDA of €47.8 million compared to respectively €348.2 million pro forma combined revenues and €45.9 million pro forma combined adjusted run rate EBITDA for the twelve months ended June 30, 2013.

KEY HIGHLIGHTS AND EVENTS

CRISTALLO ACQUISITION OF MARCOLIN

On December 5, 2012 Cristallo S.p.A. acquired 78.601% of the issued share capital Marcolin S.p.A. , following which, in accordance with the Italian Stock Exchange market rules, Cristallo performed a mandatory full public tender offer for the entire issued share capital of Marcolin. On February 8, 2013, through the tender offer, the Company acquired an additional 16.685% of the share capital of Marcolin, then, in accordance with the Italian legislation, acquired the remaining share capital.

As a result of these transactions Cristallo became the sole shareholder of Marcolin and on February 14, 2013 Marcolin was delisted from the Italian Stock Exchange. The total consideration paid for the acquisition amounted to €261.2 million.

On October 29, 2013 Cristallo merged with and into Marcolin in connection with a corporate re-organization.

MARCOLIN AQUISITION OF VIVA (the "Viva Acquisition")

In December 2013, Marcolin completed its acquisition of Viva Optique Inc. Viva is a leading eyewear wholesale designer and distributor of premium eyewear, which we believe to currently be the second largest U.S. based eyewear wholesale player, with a portfolio of eight licensed brands and three proprietary brands. Viva's net sales are concentrated mainly in the diffusion category and a strong position in prescription frames. For the twelve months ended September 30, 2013 Viva's net sales and EBITDA were US$186.7 million (€142.3 million) and US$15.0 million (€11.4 million), respectively.

SENIOR SECURED NOTES ISSUANCE (the "Offering")

In November 2013 we completed the issuance of €200 million senior secured notes. The proceeds from the Offering were used to refinance our existing date and to partially finance the Viva Acquisition.

NEW LICENCES

As also indicated in the Offering Memorandum relating to the bond offering, Marcolin has signed three new licence agreements.

PRESENTATION OF INFORMATION

This report has been prepared in 3 main sections as discussed below.

MARCOLIN

The financial information of the Marcolin Group has been provided in millions of euro, unless otherwise specified.

The income statement information provided for the nine months ended September 30, 2013 includes the consolidated results of the Marcolin Group, including Cristallo, while income statement information provided for the nine months ended September 30, 2012, relates only to the Marcolin Group. The balance sheet information provided as of December 31, 2012, June 30, 2013 and September 30, 2013 relates to the Marcolin Group, including Cristallo.

VIVA

The financial information of the Viva Group has been provided in millions of US dollar, unless otherwise specified.

PRO FORMA

This document includes certain pro forma information which has been prepared to simulate the main effects of the Viva Acquisition and the Offering, including the application of the proceeds therefrom, on the Marcolin Group's consolidated balance sheet and consolidated income statement. In particular the following pro forma financial information is included:

- Selected pro forma balance sheet information as of September 30, 2013 which has been prepared assuming that the Viva Acquisition and the Offering took place on September 30, 2013
- Selected pro forma income statement information for the nine months ended September 30, 2012 and 2013 and twelve months ended September 30, 2013 which has been prepared assuming the Viva Acquisition and the Offering took place on 1 January 2012, 1 January 2013 and 1 October 2012, respectively.

The pro forma financial information provided has been expressed in millions of euro, unless otherwise specified. The pro forma financial information has been presented for illustrative purposes only and does not purport to represent what the actual results of operations would have been if the events for which the pro forma adjustments were made occurred on the dates assumed, not does it purport to represent our results of operations for any future period or our financial condition at any future date. Our future operating results may differ materially from the pro forma amounts included in this document due to various factors, including changes in operating results.

EXCHANGE RATES

The financial information of Viva used to calculate the pro forma financial information set forth on Pages 25 to 29 of this document has been translated into Euro using the following rates per $1.00

Three months ended September 30,		Nine months ended September 30,		Last twelve months ended September 30,	As of September 30, 2013
2012	2013	2012	2013	2013	
1.250	1.324	1.281	1.317	1.312	1.3505

MARCOLIN

CONSOLIDATED INCOME STATEMENT

	For the three months ended September 30,		Change	For the nine months ended September 30,		Change	Last twelve months ended September 30,
	2012	2013		2012	2013		2013
	(In €million, except percentages)						
Revenue	41.0	42.8	1.8	162.5	155.0	(7.5)	206.5
Cost of sales	(16.1)	(17.4)	(1.3)	(61.2)	(60.8)	0.4	(81.9)
Gross profit	**24.9**	**25.4**	**0.5**	**101.3**	**94.2**	**(7.1)**	**124.6**
Gross margin	***60.7%***	***59.3%***	***n.a.***	***62.3%***	***60.8%***	***n.a.***	***60.3%***
Selling and marketing costs	(23.5)	(22.6)	0.9	(75.1)	(71.9)	3.2	(95.4)
General and administrative expenses	(3.8)	(3.3)	0.5	(12.1)	(14.1)	(2.0)	(18.9)
Other operating income and expenses	0.6	0.4	(0.2)	2.7	1.6	(1.1)	(6.3)
Operating profit/(loss)	**(1.8)**	**(0.1)**	**1.7**	**16.8**	**9.8**	**(7.0)**	**4.0**
Net finance costs	0.1	(3.2)	(3.3)	(1.1)	(8.6)	(7.5)	(9.4)
Profit/(loss) before taxes	**(1.7)**	**(3.3)**	**(1.6)**	**15.7**	**1.2**	**(14.5)**	**(5.4)**
Income tax expense	0.7	0.7	-	(4.0)	(2.2)	1.8	(1.3)
Net profit/(loss) for the period	**(1.0)**	**(2.6)**	**(1.6)**	**11.7**	**(1.0)**	**(12.7)**	**(6.7)**

Revenue – Nine months ended September 30, 2012 Vs Nine months ended September 30, 2013

Revenue amounted to €155.0 million for the nine months ended September 30, 2013, a decrease of €7.5 million, or 4.6%, from €162.5 million for the nine months ended September 30, 2012. Such decrease was primarily attributable a 4.1% decrease in the average price per unit sold, from €39.5 for the nine months ended September 30, 2012, to €37.9 for the nine months ended September 30, 2013. Sales volumes were substantially unchanged, amounting to 4,112 thousand units in the nine months ended September 30, 2012 compared to 4,091 thousand units in the nine months ended September 30, 2013.

The decrease in average price per unit is mainly attributable to the combined effect of a shift in sales mix towards sunglasses which generally have a lower price per unit, and a shift in sales channels to Distributors and Key Accounts which sell at lower prices than direct sales to opticians. In particular, sunglasses accounted for 63.7% of units sold in the nine months ended September 30, 2012 compared to 65.9% for the same period in 2012. Additionally, the decrease in average price per unit sold has been driven by a decrease in the average price for diffusion brands, from €18.9 in the nine months ended September 30, 2012 to €16.3 for the same period in 2013, due to an increased sales of products in close out phase.

The decrease in revenues was primarily attributable to the lower performance of the first six months of the year, particularly in Italy and Rest of Europe, which has been partially offset by growth in the third quarter. In particular, revenues for the three months ended September 30, 2013 increased by €1.8 million, or 4.4%, from € 41.0 million for the three months ended September 30, 2012 to €42.8 million for the three months ended September 30, 2013. The increase in revenues in the three months ended September 30, 2013

compared to the same period in 2012 is mainly due to the increase in the average price per unit, from €38.8 to €41.6.

ANALYSIS OF REVENUE

	For the three months ended September 30		Change	For the nine months ended September 30		Change	Last twelve months ended September 30,
	2012	2013	(amount)	2012	2013	(amount)	2013
Revenue by Geographic Segment				*(In € million)*			
Italy	14.6	16.1	1.5	64.5	61.0	(3.5)	84.0
Of which Italy domestic [(1)]	3.9	3.3	(0.6)	21.6	15.5	(6.1)	22.3
Of which Italy export [(2)]	10.7	12.8	2.1	42.9	45.5	2.6	61.7
France	3.3	3.0	(0.3)	15.7	14.5	(1.2)	19.8
Rest of Europe	5.4	5.5	0.1	23.9	21.4	(2.5)	27.4
North America	14.6	16.0	1.4	52.2	52.7	0.5	66.8
Rest of World	3.1	2.2	(0.9)	6.2	5.4	(0.8)	8.5
Total	**41.0**	**42.8**	**1.8**	**162.5**	**155.0**	**(7.5)**	**206.5**
Revenue by Brand Type							
Luxury brands	22.3	26.2	3.9	112.5	112.8	0.3	161.0
Diffusion brands	18.3	17.0	(1.3)	52.4	44.5	(7.9)	48.5
Others[(1)]	0.4	(0.4)	(0.8)	(2.4)	(2.3)	0.1	(3.0)
Total	**41.0**	**42.8**	**1.8**	**162.5**	**155.0**	**(7.5)**	**206.5**
Revenue by Product Type							
Sunglasses	22.8	28.1	5.3	94.9	93.9	(1.0)	127.1
Prescription frames	17.8	15.1	(2.7)	70.0	63.4	(6.6)	82.4
Other[(3)]	0.4	(0.4)	(0.8)	(2.4)	(2.3)	0.1	(3.0)
Total	**41.0**	**42.8**	**1.8**	**162.5**	**155.0**	**(7.5)**	**206.5**

(1) Italy domestic relates to the revenue generated by the Marcolin Group through sales of products to the Italian market.

(2) Italy Export relates to the revenue generated by the Marcolin Group though sales of products to the markets outside of Italy in which the Marcolin Group does not have an operating subsidiary, mainly in Asia and the Middle East.

(3) Other primarily relates to unallocated end of period adjustments for discounts and to a lesser extent returns.

Analysis of Revenue by Geographic Segment– Nine months ended September 30, 2012 Vs Nine months ended September 30, 2013

Italy

Italy revenue amounted to €61.0 million for the nine months ended September 30, 2013, a decrease of €3.5 million, or 5.4%, from €64.5 million for the nine months ended September 30, 2012. Such decrease was primarily attributable to a decrease in sales volumes, as a result of the weakness of the Italian market and vacancy of the Head of Italy Sales which has been hired in September 2013. The decrease in Italy revenue was particularly prevalent in the first six months of the year. In fact, Italy revenues in the third quarter of 2013 increased from €14.6 million for the three months ended September 30, 2012 to €16.1 million for the three months ended September 30, 2013. The increase in the third quarter is due to a €2.1 million increase in the Export market (from €10,7 million September 30,2012 to €12.8 million September 30,2013) driven in particular by U.A.E., Japan and Korea. Domestic market is still weak even if the decrease

in the third quarter is significantly lower than the first semester and orders collection is positive in the last weeks compared with same period in the previous year

France

France revenue amounted to €14.5 million for the nine months ended September 30, 2013, a decrease of €1.2 million, or 7.9%, from €15.7million for the nine months ended September 30, 2012. Such decrease was primarily attributable to an 8.2% decrease in sales volumes, which was only partially offset by a 0.3% increase in average price per unit. France revenues for the third quarter of the year were substantially unchanged, amounting to €3.3 million and €3.0 million for the three months ended September 2012 and 2013, respectively.

Rest of Europe

Rest of Europe revenue amounted to €21.4 million for the nine months ended September 30, 2013, a decrease of €2.5 million, or 10.4%, from €23.9 million for the nine months ended September 30, 2012. Such decrease was primarily attributable to an 11.0% decrease in sales volumes, which was only partially offset by a 0.7% increase in average price per unit. The decrease in Rest of Europe revenue was particularly prevalent in the first six months of the year. In particular, performance improved in the third quarter of 2013 and as a result revenues for the three months ended September 30, 2013 were in line with those for the same period of 2012 (€5.5 million and €5.4 million, respectively).

North America

North America revenue amounted to €52.7 million for the nine months ended September 30, 2013, an increase of €0.5 million, or 1.0%, from €52.2 million for the nine months ended September 30, 2012. Such increase was attributable to the combined effects of a 5.4% increase in sales volumes, which was partially offset by a 4.2% decrease in average price per unit. North America revenue in the third quarter of 2013 was particularly strong, showing an increase of €1.4 million or 9.7%, from €14.6 million for the three months ended September 30, 2012 to €16.0 million for the three months ended September 30, 2013.

Rest of World

Rest of World revenue, mainly relating to revenues in Brazil, amounted to €5.4 million for the nine months ended September 30, 2013, a decrease of €0.8 million, or 14.0%, from €6.2 million for the nine months ended September 30, 2012. Such decrease was primarily attributable to a decrease in the average price per unit sold.

Gross profit & Gross margin – Nine months ended September 30, 2012 Vs Nine months ended September 30, 2013

Gross profit amounted to €94.2 million for the nine months ended September 30, 2013, a decrease of €7.1 million, or 7.0%, from €101.3 million for the nine months ended September 30, 2012, attributable to the €7.5 million decrease in revenue which was partially offset by a €0.4 million decrease in cost of sales, primarily attributable to decreases in sales volumes.

Gross margin amounted to 60.8% for the nine months ended September 30, 2013, compared to 62.3% for the nine months ended September 30, 2012.The decrease in gross margin was primarily attributable to the decrease in average price and a change in the channel mix, with increased sales to Distributors and Key

Accounts which have lower gross margin percentage compensated by lower selling costs (agents and distribution costs). Gross margin for the three months ended September 30, 2012 and 2013 was substantially consistent, amounting to 60.7% and 59.3%, respectively.

Operating profit - Nine months ended September 30, 2012 Vs Nine months ended September 30, 2013

Operating profit amounted to €9.8 million for the nine months ended September 30, 2013, a decrease of €7.0 million, or 41.7%, from €16.8 million for the nine months ended September 30, 2012. The decrease in operating profit is primarily attributable to the previously explained €7.1 million decrease in gross profit. Operating costs were substantially unchanged as a €3.2 million decrease in selling and marketing costs was fully offset by the €2.0 million increase in general and administrative expenses and €1.1 million in other operating income and expenses.

Operating loss for the three months ended September 30, 2013 amounted to €0.1 million, an improvement of €1.7 million compared to €1.8 million loss for the three months ended September 30, 2012. The improved performance in the third quarter of 2013 is mainly attributable to a €0.5 million increase in gross profit, together with a €0.9 million decrease in selling and marketing costs, mainly due to lower advertising costs and €0.5 million decrease in general and administrative costs.

Net finance costs - Nine months ended September 30, 2012 Vs Nine months ended September 30, 2013

Net finance costs amounted to €8.6 million for the nine months ended September 30, 2013, an increase of €7.5 million, from €1.1 million for the nine months ended September 30, 2012, primarily driven by an increase in the average borrowings of the Group during the nine months ended September 30, 2013 as compared to the nine months ended September 30, 2012. In particular, in order to finance part of the acquisition of Marcolin, Cristallo obtained credit facilities totaling €55.0 million on December 5, 2012. The net finance costs for the three months ended September 30, 2013 and 2012 were also impacted by the Cristallo credit facilities obtained in December 2012, and as a result, net finance costs amounted to €3.2 million for the three months ended September 30, 2013 compared to net finance income of €0.1 million for the three months ended September 30, 2012.

Net profit for the period – Nine months ended September 30, 2012 Vs Nine months ended September 30, 2013

Net loss for the period amounted to €1.0 million for the nine months ended September 30, 2013, compared to net profit of €11.7 million for the nine months ended September 30, 2012. The net loss for the three months ended September 30, 2013 amounted to €2.6 million compared to €1.0 million for the three months ended September 30, 2012. The net loss for the three months 2013 was driven by the increased finance costs, in fact operating loss for the period decreased, from an operating loss of €1.8 million for the three months ended September 30, 2012 to €0.1 million for the three months ended September 30, 2013.

CONSOLIDATED BALANCE SHEET

	As of		
	December 31, 2012	June 30, 2013	September 30, 2013
		(In € million)	
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
Total assets	**418.8**	**393.8**	**381.2**
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
Total liabilities	**262.8**	**208.9**	**200.5**
Total equity	**156.0**	**184.9**	**180.7**
Total liabilities and equity	**418.8**	**393.8**	**381.2**

Goodwill

Goodwill as of September 30, 2013, June 30, 2013 and December 31, 2012 amounted to €189.1 million, and relates to the provisional determination of goodwill arising from Cristallo's acquisition of Marcolin in December 2012.

Cash and cash equivalents

As of December 31, 2012, Cristallo had cash and cash equivalents of €31.8 million, relating to cash to be used for the mandatory tender offer.

Other long and short term liabilities

Other long and short term liabilities as of December 31, 2012 includes €53.6 million, related to the obligation to launch the tender offer for the remaining 21.4% of the Issuer's share capital.

Borrowings

For further information on the borrowings, see "***Net indebtedness***" in the "***Other Financial Information***" section.

CONSOLIDATED CASH FLOW STATEMENT INFORMATION

	For the nine months ended September 30, 2012	2013
	(In € million)	
Net cash from/(used in) operating activities	0.9	(3.5)
Net cash (used in) investing activities	(7.7)	(57.0)
Net cash from/(used in) financing activities	(12.7)	34.7
Effect of foreign exchange rate changes	-	(0.2)
Net increase/(decrease) in cash and cash equivalents	**(19.5)**	**(26.0)**

Net cash from operating activities

Net cash used in operating activities amounted to €3.5 million in the nine months ended September 30, 2013 compared to cash generated of €0.9 million in the nine months ended September 30, 2012. The movements in operating cash flows is driven mainly by a €6.1 million decrease in EBITDA, which was partially offset by a decrease in cash absorbed from movements in working capital from €14.7 million for the nine months ended September 30, 2012 to €11.0 million for the nine months ended September 30, 2013.

Net cash used in investing activities

Net cash used in investing activities amounted to €57.0 million for the nine months ended September 30, 2013, an increase of €49.3 million, from €7.7 million for the nine months ended September 30, 2012. Investing activities in the nine months ended September 30, 2013 mainly related to Cristallo's acquisition of the minority interest in Marcolin, for an amount of €53.6 million which was completed and settled during the six months ended June 30, 2013. Other investing activities primarily relate to intangible assets, production and industrial equipment and leasehold improvements.

Net cash from financing activities

Net cash from financing activities amounted to €34.7 million for the nine months ended September 30, 2013, compared to net cash used of €12.7 million for the nine months ended September 2012. In the nine months ended September 30, 2013 we received a capital contribution of €27.3 million to finance the mandatory tender offer and drew down funds under our revolving credit facility to meet our temporary liquidity requirements.

OTHER FINANCIAL INFORMATION

	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
	(In € million, except percentages)				
EBITDA [1]	(0.6)	1.4	20.1	14.0	9.4
Adjusted EBITDA[2]	1.0	2.0	23.4	18.6	25.1
Adjusted EBITDA margin [3]	2.2%	4.7%	14.4%	12.0%	12.2%
Capital expenditures[4]	1.4	0.7	7.7	3.4	5.1
Net indebtedness[5]	n/a	108.1	n/a	108.1	n/a
Movements in working capital[6]	n/a	n/a	(14.7)	(11.0)	n/a

(1) EBITDA

We define EBITDA as profit for the period plus income tax expense, net finance costs, amortization and depreciation and bad debt provision. EBITDA is not a recognized financial measure under IFRS. The following table sets forth the calculation of EBITDA from net profit for the periods indicated:

	For the three months ended September 30,		For the nine months ended September 30,		Last twelve months ended September 30,
	2012	2013	2012	2013	2013
	(In € million)				
Net profit for the period	(1.0)	(2.6)	11.7	(1.0)	(6.7)
Income tax expense	(0.7)	(0.7)	4.0	2.2	1.3
Net finance costs	(0.1)	3.2	1.1	8.6	9.4
Amortization and depreciation	1.1	1.3	3.0	3.9	5.0
Bad debt provision	0.1	0.2	0.3	0.3	0.4
EBITDA	**(0.6)**	**1.4**	**20.1**	**14.0**	**9.4**

EBITDA amounted to €14.0 million for the nine months ended September 30, 2013, a decrease of €6.1 million, or 31.0%, from €20.1 million for the nine months ended September 30, 2012.

(2) Adjusted EBITDA

We define Adjusted EBITDA as EBITDA adjusted, for the effect of several non-recurring transactions which primarily relate to one-off charges, one-off costs in relation to changes in management arising from the Cristallo acquisition of Marcolin and other extraordinary charges. The following table sets forth the calculation of Adjusted EBITDA for the periods indicated:

	For the three months ended September 30, 2012	2013	For the nine months ended September 30, 2012	2013	Last twelve months ended September 30, 2013
	(In € million, except percentages)				
EBITDA	(0.6)	1.4	20.1	14.0	9.4
Early termination of license expenses[(a)]	0.7	-	2.2	-	9.6
Costs related to Cristallo acquisition[(b)]	0.2	-	0.7	1.5	2.0
Senior management changes [(c)]	-	0.3	-	1.7	2.2
Exceptional termination of licenses[(d)]	0.6	0.3	0.9	1.2	1.5
Other[(e)]	0.1	-	(0.5)	0.2	0.4
Adjusted EBITDA	**1.0**	**2.0**	**23.4**	**18.6**	**25.1**

(a) *Early termination of license expenses* relate to the amendment and extension of the TOD'S license, and the termination of the Hogan license prior to its contractual expiration date (both of which occurred in 2012) . The adjustment relates to the pro forma effect of the application of the new contractual conditions to the TOD'S license and the exclusion of losses generated on the Hogan agreement.

(b) *Costs related to Cristallo* acquisition for the nine months ended September 30, 2013 include advisory fees and expenses incurred in relation to the Cristallo and the difference between the legacy board of director expenses and the comparative expenses of the board appointed after the acquisition.

(c) *Senior management changes* relate to expenses which we incurred in connection with the change of top management relating to the Cristallo acquisition of Marcolin.

(d) *Exceptional termination of licenses* relate primarily to the expenses and losses incurred on the John Galliano and Miss Sixty licenses that were terminated prior to their contractual expiration date.

(e) *Other costs* include costs incurred in the development of the operations in Asia, including the setup of a show room in Hong Kong and other sundry income and expenses deemed to be extraordinary.

(3) Adjusted EBITDA margin

We define Adjusted EBITDA margin as Adjusted EBITDA divided by revenue.

(4) Capital expenditures

Capital expenditure consists of investments for the period in property, plant and equipment and intangible assets, as presented in our cash flow statement. The table below sets forth a breakdown of capital expenditure for the periods indicated:

	For the three months ended September 30,		For the nine months ended September 30,		Last twelve months ended September 30,
	2012	2013	2012	2013	2013
	(In € million)				
Property, plant and equipment	1.0	0.6	2.7	1.6	2.4
Intangible assets	0.4	0.1	5.0	1.8	2.7
Total capital expenditure	**1.4**	**0.7**	**7.7**	**3.4**	**5.1**

In 2011, we renegotiated a license agreement and invested in an option to renew such license beyond its original expiration date. The consideration for such option amounted to €10.0 million, €6.0 million of which was paid in 2011, and €4.0 million during the nine months ended September 30, 2012.

(5) Net indebtedness

We define Net indebtedness as the total long-term borrowings and short-term borrowings net of cash and cash equivalents. The table below sets forth the calculation of net indebtedness for the periods indicated.

	As of		
	December 31, 2012	June 30, 2013	September 30, 2013
	(In € million)		
Cash and cash equivalents	(45.2)	(21.4)	(19.2)
Long-term borrowings	101.8	98.8	106.7
Short-term borrowings	8.6	21.6	20.6
Net indebtedness	**65.2**	**99.0**	**108.1**

(6) Movements in working capital

We define Movements in working capital as the movements in trade and other receivables, inventories, trade payables, other liabilities, tax liabilities and use of provisions.

	For the nine months ended September 30,	
	2012	2013
	(In € millions)	
(Increase)/decrease in trade receivables	10.7	9.6
(Increase)/decrease in other receivables	(4.2)	0.6
(Increase)/decrease in inventories	(8.5)	6.8
(Decrease)/increase in trade payables	(7.8)	(24.2)
(Decrease)/increase in other liabilities	0.2	0.4
(Decrease)/ increase in current tax liabilities	(0.7)	(2.2)
(Use) of provisions	(4.4)	(2.0)
Movements in working capital	**(14.7)**	**(11.0)**

SEGMENT INFORMATION

	Italy		France		Rest of Europe		North America		Rest of the World		Other		Marcolin Group	
In € million	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net sales	93.1	94.6	14.5	15.7	21.4	23.9	52.7	52.2	5.4	6.3	(32.1)	(30.2)	155.0	162.5
Intersegment sales	0.1	*0.0*	0.0	*0.0*	0.0	*0.0*	0.0	*0.0*	0.0	*0.0*	(0.1)	*0.0*	0.0	0.0
Net sales third parties	93.0	94.6	14.5	15.7	21.4	23.9	52.7	52.2	5.4	6.3	(32.0)	(30.2)	155.0	162.5
Gross profit	40.7	44.0	7.8	8.3	11.5	13.0	30.4	31.9	2.3	3.1	1.5	1.0	94.2	101.3

CONSOLIDATED INCOME STATEMENT

	For the three months ended September 30, 2012	For the three months ended September 30, 2013	Change	For the nine months ended September 30, 2012	For the nine months ended September 30, 2013	Change	For the twelve months ended September 30, 2013
				(In $ millions)			
Net sales	42.3	44.3	2.0	152.5	148.3	(4.2)	186.7
Cost of goods sold	(19.9)	(19.4)	0.5	(68.0)	(65.3)	2.7	(83.9)
Gross profit	**22.4**	**24.9**	**2.5**	**84.5**	**83.0**	**(1.5)**	**102.8**
Selling, general and administrative	(20.6)	(21.0)	(0.4)	(71.5)	(70.1)	1.4	(89.1)
Depreciation and amortization	(1.1)	(1.0)	0.1	(3.4)	(3.3)	0.1	(4.5)
Equity in earnings of joint ventures	0.2	0.1	(0.1)	0.6	0.5	(0.1)	0.6
Income from operations	**0.9**	**3.0**	**2.1**	**10.2**	**10.1**	**(0.1)**	**9.8**
Interest expenses	(0.6)	(0.5)	0.1	(1.8)	(1.6)	0.2	(2.1)
Other income (expenses)	-	(0.2)	(0.2)	(0.4)	(0.3)	0.1	0.3
Income before income taxes	**0.3**	**2.3**	**2.0**	**8.0**	**8.2**	**0.2**	**8.0**
Income tax provision	(0.1)	(1.1)	(1.0)	(3.3)	(3.7)	(0.4)	(2.5)
Net income	**0.2**	**1.2**	**1.0**	**4.7**	**4.5**	**(0.2)**	**5.5**

Net sales

Net sales amounted to $ 148.3 million for the nine months ended September 30, 2013, a decrease of $4.2 million, or 2.8%, from $152.5 million for the nine months ended September 30, 2012, attributable to the combined effects of a 6.2% decrease in sales volumes, which was only partially offset by a 3.7% increase in average price per unit sold attributable to prescription frames, driven by a shift in brand mix, with a greater proportion of sales generated through brands which sell at higher prices. See "***Analysis of Net Sales***" for further detail.

Net sales amounted to $44.3 million for the three months ended September 30, 2013, an increase of $2.0 million, or 4.7%, from $42.3 million for the three months ended September 30, 2012 attributable to a 6.2% decrease in sales volumes which was more than offset by a 9.5% increase in average price per unit sold, driven particularly by prescription frames.

ANALYSIS OF NET SALES

	Three months ended September 30, 2012	Three months ended September 30, 2013	Nine months ended September 30, 2012	Nine months ended September 30, 2013	For the twelve months ended September 30, 2013	% change three months ended September 30, 2012 and 2013	% change nine months ended September 30, 2012 and 2013
Net Sales by Geographic Location	*(In US$ millions, except percentages)*						
North America	27.1	28.2	95.7	92.1	114.4	4.1%	-3.8%
UK	8.0	8.9	27.2	27.8	35.7	11.1%	2.1%
France	3.9	4.6	17.6	18.4	23.5	17.8%	4.1%
Rest of World	3.3	2.6	12.0	10.0	13.1	-20.9%	-15.9%
Total	**42.3**	**44.3**	**152.5**	**148.3**	**186.7**	**4.7%**	**-2.8%**
Net Sales by Product Type							
Sunglasses	13.2	11.6	54.5	50.9	62.9	-12.2%	-6.8%
Prescription frames	29.1	32.7	98.0	97.4	123.8	9.0%	-0.5%
Total	**42.3**	**44.3**	**152.5**	**148.3**	**186.7**	**4.7%**	**-2.8%**

Net Sales by Geographic Location

The $4.2 million decrease in net sales for the nine months ended September 30, 2013 was primarily attributable to the performance of the North America, and to a lesser extent, the Rest of World locations. In particular, North America net sales amounted to $92.1 million for the nine months ended September 30, 2013, a decrease of $3.6 million, or 3.8%, from $95.7 million for the nine months ended September 30, 2012. The decrease in North America net sales was mainly related to a decrease in sales volumes, primarily attributable to the industry conditions during 2013, in which the optical market experienced market saturation as a result of the discounts applied to branded products under competitors expiring licenses.

Net sales from the Rest of World amounted to $10.0 million for the nine months ended September 30, 2013, a decrease of $2.0 million, or 15.9%, from $12.0 million for the nine months ended September 30, 2012. The decrease in Rest of World net sales was primarily related to the Hong Kong business, resulting from a decrease in sales volumes, which was partially offset by an increase in average price per unit. Viva is continuing to intensify its efforts to capture a larger share of the competitive Asian market by planning future increases in the number of Asian fitting collections (frames developed specifically for the Asian markets).

Net sales amounted to $44.3 million for the three months ended September 30, 2013, an increase of $2.0 million, or 4.7%, from $42.3 million for the three months ended September 30, 2012. The increase in net sales in the three months ended September 30, 2013 was particularly attributable to strong performance in North America, United Kingdom and France, which more than offset a decrease in net sales in the Rest of the World. In particular, net sales in North America, United Kingdom and France increased by $1.1 million, $0.9 million and $0.7 million, respectively, whilst net sales in Rest of the World decreased by $0.7 million. In

regards to the Rest of the World, the decrease is mainly due to the performance of the Hong Kong subsidiary. Viva is continuing to intensify its efforts to capture a larger share of the competitive Asian market by planning future increases in the number of Asian fitting collections (frames developed specifically for the Asian markets), the key driver relates to decreases from the Asian distributors.

Net Sales by Product Type

The $4.2 million decrease in net sales for the nine months ended September 30, 2013 was attributable to both sunglasses and prescription frame net sales. The decrease in sunglasses net sales was driven by a decrease in sales volumes, attributable to the previously described industry trading conditions. The decrease in prescription frames was attributable to the combined effects of a decrease in sales volumes, which was partially offset by an increase in the average price per unit sold, due to a shift in brand mix, with a greater proportion of sales generated by brands which sell at higher prices.

Net sales of sunglasses for the three months ended September 30, 2013 decreased by $1.6 million, or 12.2%, from $13.2 million for the three months ended September 2012 to $11.6 million for the three months ended September 30, 2013. The decrease in net sales of sunglasses in the three months ended September 30, 2013 was partially due to timing of shipments in North America shifting from Q3 to Q4 and partially due to the performance of the Hong Kong subsidiary. The decrease in sunglasses sales was more than offset by an increase in net sales from prescription frames, which increased by $3.6 million, or 12.3%, from $29.1 million for the three months ended September 30, 2012 to $32.7 million for the three months ended September 30, 2013 due predominantly to an increase in North America from significant purchases by a key account.

Gross profit & Gross margin

Gross profit amounted to $83.0 million for the nine months ended September 30, 2013, a decrease of $1.5 million, or 1.8%, from $84.5 million for the nine months ended September 30, 2012.

Gross margin for the nine months ended September 30, 2013 was 56.0% compared to 55.4% for the nine months ended September 30, 2012. The improvement in gross margin is primarily due to markdowns provided to a major customer in the first nine months of 2012, not repeated in the comparative period of 2013.

Gross profit for the three months ended September 30, 2013 increased by $2.5 million, or 11.3%, from $22.4 million for the three months ended September 30, 2012 to $24.9 million for the three months ended September 30, 2013. The increase in gross profit was primarily related to the increase in net sales. Gross margin increased from 52.9% for the three months ended September 30, 2012 to 56.3% for the three months ended September 30, 2013.

Net income

Net income amounted to $4.5 million for the nine months ended September 30, 2013, a decrease of $0.2 million, or 2.9%, from $4.7 million for the nine months ended September 30, 2012.

Net income amounted to $1.2 million for the three months ended September 30, 2013, an increase of $1.0 million from $0.2 million for the nine months ended September 30, 2012.

CONSOLIDATED BALANCE SHEET

	As of		
	December 31, 2012	June, 30 2013	September, 30 2013
		(In $ millions)	
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
Total Assets	**217.5**	**228.3**	**220.8**
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
Total Liabilities	**75.6**	**84.2**	**74.2**
Equity	**141.9**	**144.1**	**146.6**
Total liabilities and equity	**217.5**	**228.3**	**220.8**

Total Assets

Total assets amounted to $220.8 million as of September 30, 2013 compared to $228.3 million as of June 30, 2013. The decrease in Total Assets of $7.5 million is mainly attributable to the decreases in cash of $5.0 million and accounts receivable of $4.3 million, offset by an increase in inventory of $2.2 million.

Borrowings

Total borrowings amounted to $25.8 million as of September 30, 2013 compared to $26.0 million as of June 30, 2013. The decrease of $0.2 million relates to payments of capital lease. For a description of the short term and long term borrowings, see "Net indebtedness" in the "***Other Financial Information***" section.

CONSOLIDATED CASH FLOW STATEMENT INFORMATION

	For the nine months ended September 30,	
	2012	2013
	($ in millions)	
Cash flow provided by operating activities	6.1	5.5
Cash flow (used in) investing activities	(1.0)	(0.5)
Cash flow (used in) financing activities	(0.8)	(0.6)
Effect of exchange rate changes on cash and cash equivalents	0.5	0.6
Increase in cash at banks	**4.8**	**5.0**

Net cash provided by operating activities

Net cash provided by operating activities amounted to $5.5 million for the nine months ended September 30, 2013, compared to $6.1 million for the nine months ended September 30, 2012. The increase in cash provided by operating activities was attributable to the combined effects of a $1.4 million increase in cash absorbed by movements in working capital (See "***Other Financial Information***"), which was partially offset by a $0.7 million increase in cash generated from adjustments to non-cash items, related to deferred taxes.

Net cash used in investing activities

Net cash used in investing activities relates to capital expenditures (additions to property, plant and equipment and intangible assets). For further analysis of the capital expenditures, see "***Other Financial Information***"

Net cash (used in) financing activities

Net cash used in financing activities amounted to $0.6 million for the nine months ended September 30, 2013, compared to $0.8 million for the nine months ended September 30, 2012. In both periods cash used in financing activities related to principal repayments on capital lease obligations.

OTHER FINANCIAL INFORMATION

	As of and for the three months ended September 30,		As of and for the nine months ended September 30,		For the twelve months ended September 30,
	2012	2013	2012	2013	2013
	($ in millions, except percentages)				
EBITDA [(1)]	2.0	3.9	13.2	13.4	15.0
EBITDA Margin [(2)]	4.8%	9.4%	8.6%	9.1%	8.0%
Capital expenditures[(3)]	0.1	(0.6)	1.0	0.5	0.6
Net indebtedness [(4)]	n.a.	n.a.	n/a	(9.9)	n.a.
Movements in working capital [(5)]	n.a.	n.a.	(1.7)	(3.1)	n.a.

(1) EBITDA

Viva defines EBITDA as profit for the period plus income tax expense, net finance costs, amortization and depreciation and bad debt provision. EBITDA is a Non-GAAP Financial Measure. The following table sets forth the calculation of EBITDA for the periods indicated.

	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)				
Net income	**0.2**	**1.2**	**4.7**	**4.5**	**5.5**
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	0.0	0.3	0.4
EBITDA	**2.0**	**3.9**	**13.2**	**13.4**	**15.0**

EBITDA amounted to $13.4 million for the nine months ended September 30, 2013, an increase of $0.2 million, or 2.0%, from $13.2 million for the nine months ended September 30, 2012. The increase in EBITDA was primarily attributable to decreases in selling, general and administrative expenses.

(2) EBITDA margin

Viva defines EBITDA margin as EBITDA divided by net sales.

(3) Capital expenditures

Capital expenditure consists of investments for the period in property, plant and equipment and intangible assets, as presented in Viva's cash flow statement. Viva has limited capital expenditure requirements, as all of Viva's products are manufactured externally.

(4) Net indebtedness

Viva defines net indebtedness as the total long term borrowings and short term borrowings net of cash and cash equivalents. The table below sets forth the calculation of net indebtedness for the periods indicated.

	As of December 31, 2012	As of June 30 2013	As of September 30 2013
		($ in millions)	
Cash and cash equivalents	(30.8)	(40.7)	(35.7)
Long term borrowings	25.5	25.1	24.9
Short term borrowings	0.9	0.9	0.9
Net debt	**(4.4)**	**(14.7)**	**(9.9)**

(5) Movements in working capital

Viva defines movements in working capital as movements in accounts receivable, inventories, prepaid expenses and other assets, accounts payable, accrued expenses and other liabilities and income taxes payable/receivable. The table below sets forth movements in working capital for the periods indicated.

	For the nine months ended September 30, 2012	2013
	($ in millions)	
(Increase)/ decrease in accounts receivable	(4.2)	(2.7)
(Increase)/ decrease in inventories	6.0	(0.2)
(Increase)/ decrease in prepaid expenses and other assets	1.4	0.3
(Decrease)/ increase in accounts payable	(5.8)	1.7
(Decrease)/ increase in accrued expenses and other liabilities	1.1	(4.9)
(Decrease)/ increase in income taxes payable/receivable	(0.2)	2.7
Movements in working capital	**(1.7)**	**(3.1)**

Movements in working capital absorbed cash of $3.1 million for the nine months ended September 30, 2013 compared to net cash absorbed of $1.7 million for the nine months ended September 30, 2012.

Movements in accounts receivable absorbed cash of $4.2 million in the nine months ended September 30, 2012 compared to absorption of $2.7 million in the nine months ended September 30, 2013.

Movements in inventories generated cash of $6.0 million in the nine months ended September 30, 2012, attributable to an initiative implemented by Viva to sell off inventory at discount prices as a consequence of the challenging market conditions, compared to absorption of $0.2 million for the nine months ended September 30, 2013 which is more in line with the ordinary seasonality of the business.

Movements in accounts payable absorbed cash of $5.8 million in the nine months ended September 30, 2012 compared to generating cash of $1.7 million in the nine months ended September 30, 2013, relating to a shift in inventory purchases.

Movements in accrued expenses and other liabilities generated cash of $1.1 million in the nine months ended September 30, 2012 compared to absorbing cash of $4.9 million in the nine months ended September 30, 2013. The movement in accrued expenses and other liabilities in 2012 is related to an increase in accrued royalties. The movement in 2013 is primarily related to a significant licensor payment.

PRO FORMA INCOME STATEMENT INFORMATION

	For the three months ended September 30,		For the nine months ended September 30,		Last twelve months ended September 30,
	2012	2013	2012	2013	2013
	(In € million, except percentages)				
Pro forma combined revenue [1]	74.8	76.2	281.6	267.6	348.8
Pro forma combined EBITDA [2]	1.0	4.4	30.4	24.2	20.8
Pro forma combined Adjusted EBITDA[3]	3.1	5.6	35.8	31.0	39.3
Pro forma combined Adjusted EBITDA margin [4]	4.1%	7.4%	12.5%	11.3%	11.0%
Pro forma combined Adjusted run-rate EBITDA[5]	n/a	n/a	n/a	n/a	47.8

(1)Pro forma combined revenue

The following table sets forth the calculation of Pro forma combined revenue for the periods indicated.

	For the three months ended September 30,		For the nine months ended September 30,		Last twelve months ended September 30,
	2012	2013	2012	2013	2013
	(In € million)				
Viva net sales [1]	33.8	33.4	119.1	112.6	142.3
Marcolin revenue	41.0	42.8	162.5	155.0	206.5
Pro forma combined revenue	**74.8**	**76.2**	**281.6**	**267.6**	**348.8**

(1) Viva net sales are calculated by translating the applicable amounts denominated in US$ as set forth on Page 18 of this document into Euro using the exchange rate for the applicable period as set forth on page 6.

(2)Pro forma combined EBITDA

The following table sets forth the calculation of Pro forma combined EBITDA for the periods indicated.

	For the three months ended September 30,		For the nine months ended September 30,		Last twelve months ended September 30,
	2012	**2013**	**2012**	**2013**	**2013**
			(In € million)		
Marcolin EBITDA	(0.6)	1.4	20.1	14.0	9.4
Viva EBITDA	1.6	3.0	10.3	10.2	11.4
Pro forma combined EBITDA	**1.0**	**4.4**	**30.4**	**24.2**	**20.8**

(a) See Viva – Other Financial Information for the calculation of Viva EBITDA. Viva EBITDA is calculated by translating the applicable amounts denominated in US$ set forth on page 22 of this document into Euro using the exchange rate for the applicable period as set forth on page 6.

(3), (4), (5) Pro forma combined Adjusted EBITDA and Pro forma combined Adjusted run-rate EBITDA

The following table sets forth the calculation of Pro forma combined Adjusted EBITDA and Pro forma Adjusted run rate EBITDA for the periods indicated.

Pro forma combined Adjusted EBITDA margin represents Pro forma combined Adjusted EBITDA divided by Pro forma combined revenues.

	For the three months ended September 30,		For the nine months ended September 30,		Last twelve months ended September 30,
	2012	**2013**	**2012**	**2013**	**2013**
			(In €millions)		
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[(a)]	0.4	0.5	1.4	1.5	1.9
Joint venture adjustment[(b)]	0.1	0.1	0.7	0.7	0.9
Pro forma combined Adjusted EBITDA	3.1	5.6	35.8	31.0	39.3
Full year administrative synergies					8.5
Pro forma combined adjusted run rate EBITDA					**47.8**

(a) Relates to the elimination of fees charged by the Seller and Highmark (the Seller's parent company) to Viva for services relating to tax, commercial insurance and administration and technical accounting support. Viva incurred costs relating to management fees of $1.7 million for the nine months ended September 30, 2012, $2.0 million for the nine months ended September 30, 2013,

$0.5 million for the three months ended September 30, 2012, $0.6 million for the three months ended September 30, 2013 and $2.4 million for the twelve months ended September 30, 2012.

(b) As Marcolin currently operates in Germany, management are planning to absorb Viva's joint venture in Germany into Marcolin Germany. The adjustment reflects the contribution of 100% of the EBITDA of Viva's joint venture in Germany.

OTHER PRO FORMA INFORMATION

	As of September 30, 2013
	(In €million)
Pro forma combined cash and cash equivalents [(6)]	39.4
Pro forma combined total financial debt [(7)]	209.9
Pro forma combined net financial debt [(8)]	170.5
Pro forma combined cash interest expense [(9)]	13.1

(6)Pro forma combined cash and cash equivalents

Pro forma combined cash and cash equivalents represents the consolidated cash and cash equivalents adjusted for the effects of the Viva Acquisition, the Offering and the application of the proceeds therefrom. The pro forma combined cash and cash equivalents has been calculated as follows:

	As of September 30, 2013
	(In €million)
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 [(a)]	(119.2)
Viva Acquisition [(b)]	(65.1)
Closing cash of Viva	11.5
Pro forma combined cash and cash equivalents	**39.4**

(a) Relates to the termination of certain existing borrowings of the Marcolin Group which were repaid from the proceeds of the Offering.

(b) The cash paid for the Viva Acquisition has been calculated as follows:

	(in $ million)	(in €million)
Total purchase price	142.0	
Guess payment	2.5	
Cash rolled over	15.9	
Capital leases rolled over	(3.7)	
Working capital adjustment	(0.9)	
Total purchase consideration	**155.8**	**113.3** [(1)]
Transaction costs		3.0
Equity contribution[(2)]		(24.0)
Vendor Loan contribution[(3)]		(22.1)

Deferred compensation[4]	(5.1)
Net cash outflow	65.1

(1) Marcolin entered into foreign currency contracts for a notional amount of $125 million at a forward exchange rate of $/Euro 1.379. The unhedged portion of the purchase consideration has been translated using the spot rate as of December 3, 2013 (the closing date) of $/Euro 1.360.
(2) Comprising the capital injection of €24 million by Marmolada.
(3) Relating to the capital injection in Marmolada of €22.1 million, indirectly driven from the Vendor Loan of $30 million granted to HVHC to 3 Cime S.p.A.
(4) Comprising deferred compensation of $7 million (equal to €5.1 million based on the applying the $/Euro exchange rate of 1.360 applicable on the closing date of December 3, 2013).

The Viva Acquisition is subject to certain adjustments as contained in the Acquisition Agreement related to changes in Viva's working capital, closing cash and debt and certain other items, including tax liabilities.

(7)Pro forma combined total financial debt

The Pro forma combined total financial debt comprises the following:

	As of September 30, 2013
	(In €million)
Bond issue [a]	200.0
Viva Capital Leases [b]	2.7
Existing debt [c]	7.2
Pro forma combined total financial debt	**209.9**

(a) Relates to the issuance of the Notes offered in November with nominal value of € 200.0 million.

(b) Relates to the Viva Capital Leases outstanding of $3.7 million translated into euro using the exchange rate of $1.3505 per €1.00 as of September 30, 2013.

(c) Relates to the existing debt of the Marcolin Group as of September 30, 2013 which remained outstanding following the completion of the transactions.

(8)Pro forma combined net financial debt

Pro forma combined net financial debt represents Pro forma combined total financial debt less Pro forma combined cash and cash equivalents.

(9)Pro forma combined cash interest expense

Pro forma combined cash interest expense represents the interest expense in connection with the Notes offered hereby and the commitment fee on the Revolving Credit Facility as if the Transactions had taken place on October 1, 2012. The interest expense does not include the amortization of the transaction costs

in connection with the Offering. Pro forma combined cash interest expense does not include costs of the Viva Capital Leases and does not include any costs for debt factoring or use of local credit facilities going forward.