1Q16 FINANCIAL RESULTS

June, 2016

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The manager in charge of preparing corporate accounting documents, Nicola Perin, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the accounting figures, books and records.

This investor presentation contains measures that were not prepared in accordance with IAS/IFRS.

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1Q16 Highlights

Strong sales growth 5,4% driven by network expansion

Network expanded by 56 stores, of which 9 Full Format DOS

Further market share increase to 7.1% (+10bps vs. Jan 2015 and +60 bps vs. Apr 2015)

€26.3m EBITDA, €2.8m higher than 1Q15 (+11.9%), with EBITDA margin increasing to 8.8% of sales (+50 bps) driven by higher GM%, operating leverage, and cost control

€10.7m EBT, €6m higher than 1Q15, benefitting also from the improved capital structure

+5.4%

Increase in Net Sales

+9

Full format DOS

+47 other stores
mainly Kids in franchising

+11.9%

EBITDA Growth

Source: Sita Ricerca for market share

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Key Income Statement Items
Positive performance confirmed in 1Q16

Key Metrics*	1Q16 € mln	1Q16 % of Net Sales	1Q15 € mln	1Q15 % of Net Sales	Growth
Net Sales	299.9		284.6		*5.4%*
EBITDA	26.3	*8.8%*	23.5	*8.3%*	*11.9%*
EBIT	14.4	*4.8%*	12.3	*4.3%*	*17.7%*
PBT	10.7	*3.6%*	4.7	*1.7%*	*128.2%*

- 1Q16 Net Sales increased by 5.4% mainly driven by expanded selling area. The period was characterized by (i) adverse weather conditions, and (ii) an unfavorable Easter timing, occurring early in the year; (iii) on the other hand, sales benefitted from one more day in the month of February.
- EBITDA increased by 11.9% vs. 1Q15 and EBITDA margin grew by approx. 50bps to 8.8%, driven by (i) increased GM, (ii) improved operating leverage and (iii) cost control
- PBT increased by €6.0m thanks to the positive operating results and lower financial expenses (-€3.7m), mainly as a result of the debt refinancing in March 2015

(*) Excluding extraordinary costs

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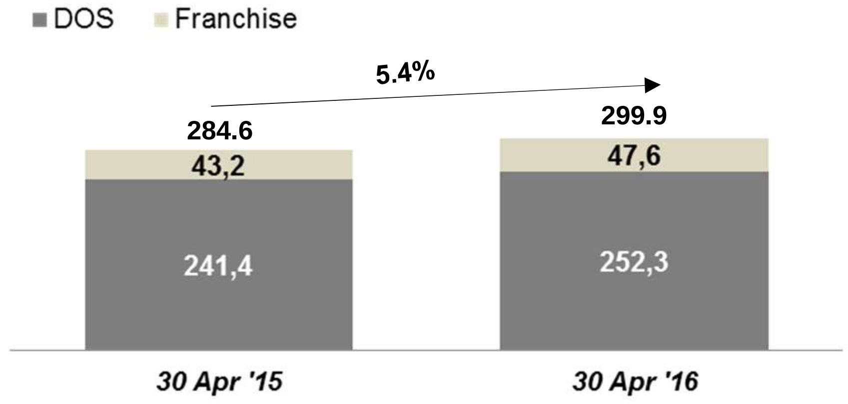
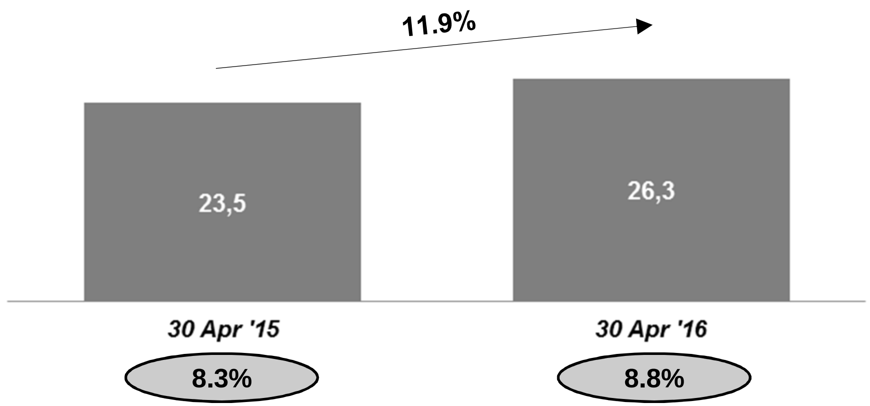
Sales and EBITDA Performance in 1Q16

Aggregate Performance

Net Sales (€mln)



EBITDA (€mln)



Performance By Brand

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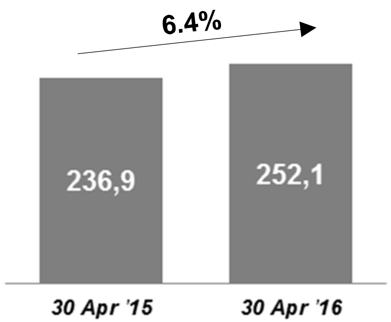

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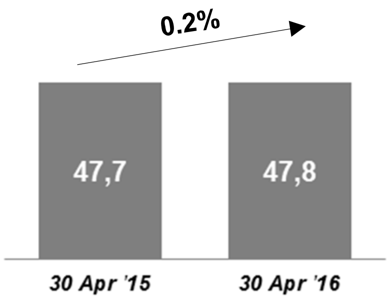

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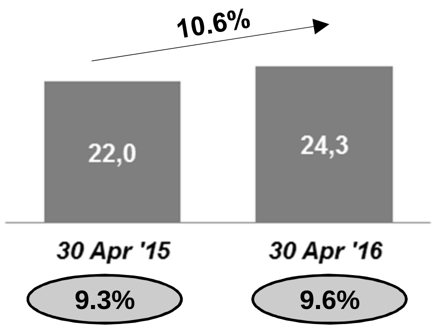

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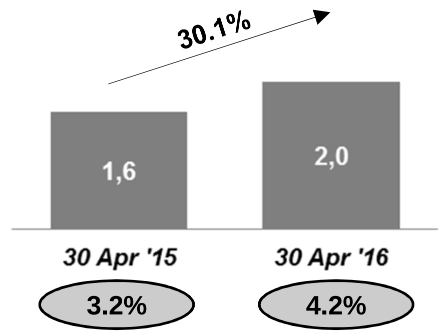

Margin %

Consolidated Net Working Capital

€ mln	30 April '16	30 April '15	Change
Accounts Receivable	92.3	95.8	(3.6)
Inventory	290.3	291.1	(0.8)
Accounts Payable	(325.9)	(344.6)	18.7
Net Working Capital	56.7	42.4	14.3

- The working capital structure remained substantially stable vs. April last year:
  - Slightly lower account receivables (-€3.6m vs 30th April 2015), notwithstanding the growth experienced by the franchise network due to a continuous focus on credit management
  - Inventory substantially flat in value in spite of the store expansion thanks to improved planning/purchasing and in-season inventory management resulting also in a better ageing profile
  - Accounts payables decrease mainly due to certain capex related non-recurring payables included in 1Q15 figures (LED and logistics projects)

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Capex

1Q 2016 Capex split (*€ mln)*

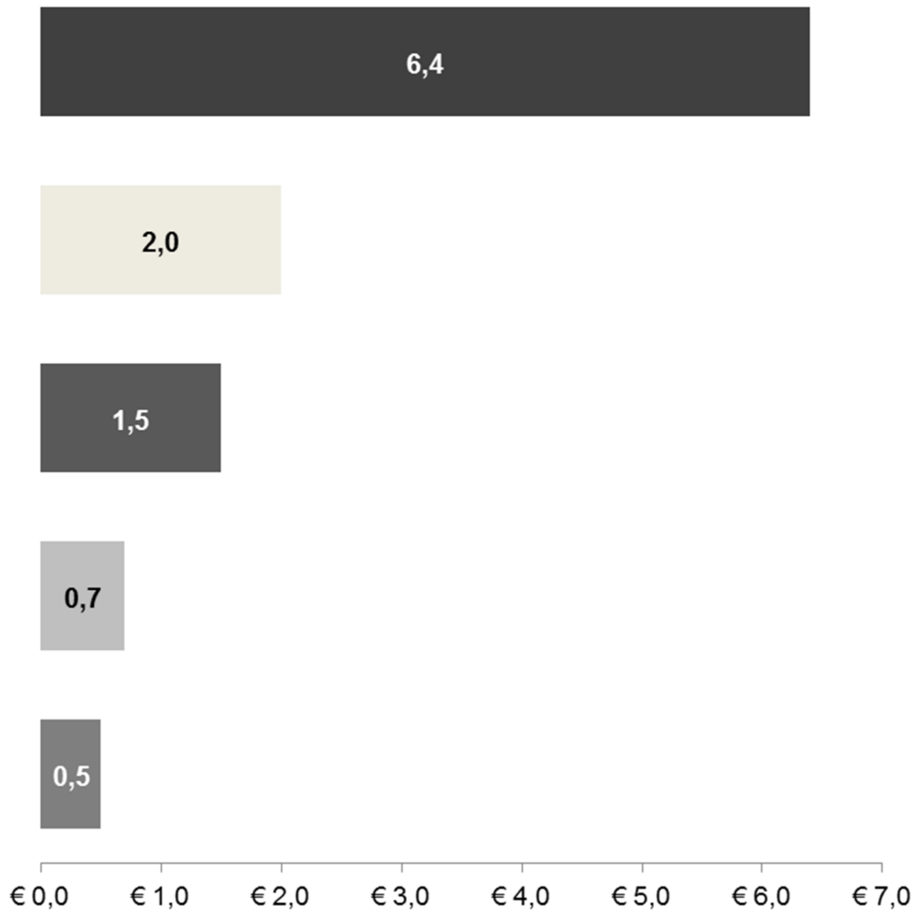
New openings (c. 58% of total)

IT and special projects (c. 18%), mainly related to operational projects

Refurbishment of the existing network (c. 14%)

Capex for a new **show room** and the **headquarter building** (c. 6%)

Automated logistics equipment (c. 5%), mainly related to a project dedicated to support the replenishment activities (increasing speed, efficiency and capacity)



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Net Debt and Leverage

€ mln	30 April '16	30 April '15
Net Debt	319.3	349.0
EBITDA LTM	182.4	161.2
Leverage on EBITDA	1.8x	2.2x

- In the last 12 months, EBITDA leverage declined by 0.4x vs. 30 April 2015 mainly due to the strong operating cash generation
- The interest rate of the period was 3.00% + Euribor 3m, now declined to 2.50% + Euribor 3m (since May 2016)

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Consolidated Cash Flow Statement

- Seasonality must be taken into account when considering quarterly cash generation: the business is usually cash absorbing in 1Q, slightly cash generative in 2Q and then progressively more cash generative in 3Q and 4Q. This trend is mainly driven by the seasonality of sales and payments to suppliers.

- Given this seasonal pattern, the quarterly cash absorption and the change in working capital are in line with management expectations.

€ mln	1Q16	1Q15
EBITDA	**26.3**	**23.5**
Change in Net Working Capital	(64.8)	(56.2)
Change in other assets (liabilities)	(9.8)	(1.6)
Capex	(11.1)	(10.6)
Operating Cash Flow	**(59.4)**	**(44.8)**
Financial Expenses	(3.9)	(7.6)
TFR (Employees' leaving indemnity)	(0.3)	(1.3)
Taxes	0.0	0.0
IPO costs (excl. bank commissions)	0.0	(3.2)
IPO proceeds (net of bank fees)	0.0	349.1
Other	0.9	0.0
Net Cash Flow (before MtM derivatives and amortized costs)	**(62.8)**	**292.2**

Outlook

- Despite the unfavourable weather in May, management confirms its targets for the fiscal year 2016.
- The network expansion plan continued during the second quarter with an additional 14 new store openings, 3 of which directly operated.
- In May, OVS launched “Arts of Italy”, a limited-edition capsule collection to promote Italian artworks, endorsed by well known brand ambassadors and an excellent media coverage.

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Consolidated Balance Sheet Statement

€ mln	30 April '16	30 April '15	Change
Receivables	92.3	95.8	(3.6)
Inventory	290.3	291.1	(0.8)
Payables	(325.9)	(344.6)	18.7
Net Operating Working Capital	**56.7**	**42.4**	**14.3**
Other Short-term Non-financial Receivables (Payables)	(78.5)	(71.6)	(6.9)
Net Working Capital	**(21.7)**	**(29.2)**	**7.5**
Net Assets	1,354.2	1,341.2	13.0
Net Deferred Taxes	(142.4)	(160.8)	18.4
Other Short-term Non-financial Receivables (Payables)	(6.5)	(4.5)	(1.9)
Severance Indemnity Provision and Other Provisions	(48.3)	(53.0)	4.7
Net Invested Capital	**1,135.2**	**1,093.6**	**41.6**
Equity	815.9	744.6	71.3
Net Debt	319.3	349.0	(29.7)
Total Source of Funding	**1,135.2**	**1,093.6**	**41.6**