



Joint Press Release

(pursuant to Article 114, Legislative Decree n. 58/1998)

Milan, 15 October 2012

Marcolin S.p.A.: PAI Partners to acquire a majority stake of the eyewear manufacturer

- PAI has reached an agreement for the acquisition of 78.39% of the share capital of Marcolin from all the parties to Marcolin's Shareholders' Agreement (Marcolin family, Della Valle brothers) and Antonio Abete
- Agreed price is EUR 4.25 per share
- The completion of the transaction is subject to approvals by relevant antitrust authorities and drawdown of the loan relating to the transaction, which agreement has already been entered into by the purchaser;
- The purchase will be carried out by Cristallo S.p.A., a company controlled by PAI Funds in which certain sellers will indirectly participate with a stake representing 15% of its share capital;
- Following the purchase, Cristallo will launch a mandatory public tender offer on Marcolin's shares at a price of EUR 4.25 per share, corresponding to the price paid by the purchaser to the sellers pursuant to the agreement signed today.

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PAI Partners SAS ("PAI Partners"), a leading European private equity firm, has reached an agreement to purchase a 78.39% stake in Marcolin S.p.A. ("Marcolin" or "the Company"), an Italian eyewear manufacturer, in a proprietary primary LBO transaction in one of its core investment sectors.

The purchase will be carried out by Cristallo S.p.A. ("Cristallo"), a company indirectly controlled by certain investment funds managed by PAI Partners (the "PAI Funds"), which has agreed to purchase a stake of n. 48,713,376 shares representing 78,39% of the share capital of Marcolin at a price of Euros 4.25 per share for an aggregate total price of Euro 207,031,848 (the "Transaction") from the parties to Marcolin's shareholders' agreement (Marcolin family and Della Valle brothers) and Antonio Abete (the "Sellers").

Pursuant to the Agreement entered into by the parties (the "Agreement"), the completion of the Transaction is subject to the following conditions precedent: approvals by relevant antitrust authorities and actual drawdown of the funds as per the credit facilities already entered into for the Transaction.

As of today, the Transaction is expected to be completed in late November.

Following the completion of the Transaction, Cristallo shall launch a mandatory public tender offer for the remaining share capital of Marcolin, which is publicly traded, at a price of EUR 4.25

per share, pursuant to article 106 of Legislative Decree 58/1998, as amended (the “Mandatory Tender Offer”). Cristallo aims at the delisting of the shares issued by Marcolin.

On completion of the Transaction, some of the Sellers (and, precisely, Giovanni, Cirillo and Maurizio Marcolin, Andrea and Diego Della Valle, and Antonio Abete) (the “Reinvesting Shareholders”) will subscribe an indirect stake, representing in the aggregate 15% of Cristallo, at the same economic terms and conditions as the PAI Funds.

The relevant investment agreement between the PAI Funds and the Reinvesting Shareholders regulate the terms and conditions of the respective investments in order to fund the Transaction, the Mandatory Tender Offer and the following steps to achieve the delisting of Marcolin, and provides *inter alia* the signing of a shareholders’ agreement at closing of the Transaction. Such agreement (to be published in accordance with art. 122 of of Legislative Decree 58/1998) will contemplate *inter alia*:

- the composition of the Board of Directors and of the Board of Statutory Auditors of Marcolin, Cristallo and the other companies of the acquisition structure so to ensure the appointment of members designated by the Reinvesting Shareholders;
- a three year lock-up, tag-along and drag-along, and pre-emption rights.

Marcolin is one of the largest and fastest growing eyewear manufacturers in Italy and is a leading global producer of glasses and sunglasses for such brands as Tom Ford, Roberto Cavalli and Just Cavalli, Diesel, Montblanc, Tod’s and Hogan, Balenciaga, Swarovski, Timberland, DSquared2 and Kenneth Cole. The Company was founded by Giovanni Marcolin in 1961 and is headquartered in Longarone, Italy. It has offices across Europe and in the United States, Hong Kong, Japan and Brazil.

The Company had sales of EUR 224.1 million and EBITDA of EUR 34.2 million in 2011, up 9% and 14% respectively from the previous year.

PAI Partners will support Marcolin through its next phase of growth, investing in the expansion of the Company’s international footprint and long-term contracts with major designer brands.

The consumer sector is one of PAI’s core target areas for investment, having successfully invested with leading consumer brands including: Gruppo Coin, a leading Italian fashion retailer; The Nuance Group, the third largest airport duty free retailer worldwide; United Biscuits the largest biscuits manufacturer in the UK; and Yoplait, one of the top 20 global consumer brands.

Raffaele R. Vitale, a partner at PAI Partners, said:

“We are delighted to invest in Marcolin which is a leader in its sector with excellent growth prospects and is a classic PAI investment in one of our core areas of expertise and focus. We see excellent potential to develop the business, both in Europe, the United States and particularly in emerging markets, where demand for these products is rapidly increasing. Our Partnership with the Marcolin family and Diego and Andrea Della Valle and Antonio Abete in this investment is very important to support the growth of the business. The Marcolin family has always shown strong commitment to the Company and we consider particularly important the current and future involvement of Maurizio Marcolin as head of licensing and relationship with

the brands. We are of course very pleased to pursue the development of the Company under the leadership of Giovanni Zoppas whom we know well and with whom we have successfully worked together in the past.”

Giovanni Marcolin Coffen, chairman of Marcolin, said:

“PAI Partners has a proven track record of working with businesses such as Marcolin. I am confident that they will add significant value to the Company, supporting our progression as we become increasingly international and continue to build on our strong position in this market.”

PAI Partners was advised by Mediobanca, Banca IMI and Unicredit on the transaction. Its legal advisors on the transaction were Pedersoli e Associati while the law firm Bonelli Erede Pappalardo, the firm Studio Macellari and the firm Zulli Tabanelli e Associati were appointed, in their different capacities, by the sell side. Banca IMI, Unicredit, Natixis and IKB provided financing. With regards to the financing, Linklaters was advisor to the financing banks while Allen & Overy represented PAI Partners. New Deal Advisors provided the accounting and tax due diligence.

About PAI Partners:

PAI is a leading European private equity firm with offices in Paris, Copenhagen, London, Luxembourg, Madrid, Milan and Munich. PAI manages and advises dedicated buyout funds with an aggregate equity value of EUR 3.9 billion. Since 1998, PAI has completed 42 LBO transactions in 9 European countries, representing over EUR 34 billion in transaction value. PAI is characterised by its industrial approach to ownership combined with strong sector expertise. PAI provides portfolio companies with the financial and strategic support required to pursue their development and enhance strategic value creation.

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