

Building better companies

Investindustrial™



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COVER IMAGE:
B&B Italia Mart armchairs designed by Antonio Citterio and Flos Taraxacum 88 Suspension lights designed by Achille Castiglioni among other products in the recently opened B&B Italia flagship store in Madison Avenue (New York City).



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STRATEGIC COMMENTARY

The leadership position Investindustrial has established by focusing on Southern Europe, and opportunistically on other geographies, has been achieved through a long-term dedication to the design and implementation of industrially-driven transformations of select quality companies.

Alongside another highly active year for our portfolio companies, 2017 was a period of innovation, talent acquisition and leadership recognition for Investindustrial.

◆ Active ownership

Building Better Companies is the motto that drives our organisation and the companies in which we invest and work. As long-term owners, we partner with companies and managers that have the potential to lead their industries while making a positive impact. This approach has enabled our strong organisation of more than 100 professionals to support 14 companies, as at the end of 2017, with aggregate sales of €7 billion, EBITDA of €940 million and 28,800 employees.

Industrially-driven plans and **product-led growth** are central to the investment theses for our portfolio companies. In aggregate, the 14 companies have invested over €2 billion (including expansion capex) in their businesses since Investindustrial's entry. Many of these investment programmes have continued to mature during 2017, for example with the further success of Aston Martin's DB11 sports car and the launch of the new Vantage, the launch of Sergio Rossi's new collections, and the first season of Ferrari Land within the destination resort PortAventura. During the year, the Artsana investment was separated into its two core business units - Chicco (baby care) and PIC (self-medication) to allow the respective management teams to focus on further internationalising the businesses and complete transformative acquisitions. The interior design investments, B&B Italia and Flos, continue to perform well, driven by the strong underlying global demand for high-quality and iconic interior design products. Polynt-Reichhold, the specialty chemicals combination closed in 2017 which has created a global leader in composites and coatings, performed above plan having

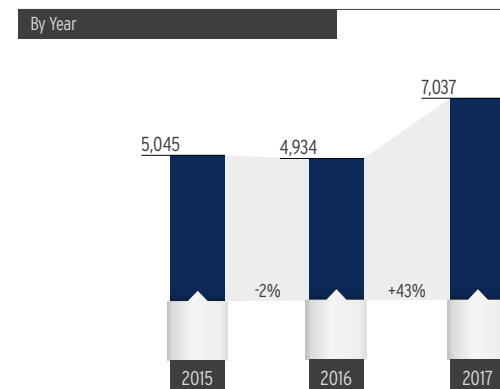
experienced strong current trading and securing synergies above the level identified at entry.

In addition to Polynt-Reichhold, we are pleased to welcome **five new companies to our portfolio**, including those signed in 2017 and closed post year-end. At entry, these companies had a combined enterprise value of €1.3 billion and were completed at attractive valuations, despite a generally competitive market, and with moderate levels of leverage: Benvic - a leading specialty chemicals player in the European PVC market (France); CEME - a leader in highly engineered pressure valves and systems, including a 55% market share in the steam systems for single serve coffee machines (Italy); HTL - a leading global healthcare provider of proprietary blood sampling and injection devices, to be combined with PIC; lifebrain - a leader in the highly fragmented Italian blood diagnostics market (Italy); and OKA - a leading high-end interiors design retailer in the UK.

One realisation was made during the year - the sale of Goldcar, Europe's largest value car rental company, to Europcar (ENXTPA: EUCAR), a leading global car rental firm with a presence in more than 140 countries.

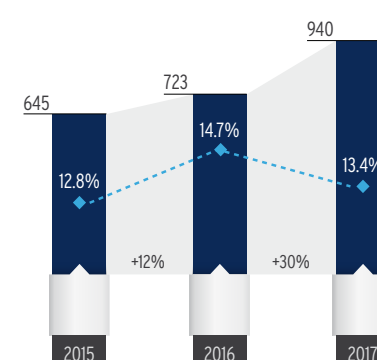
► 2017 Portfolio figures

Sales (€m)



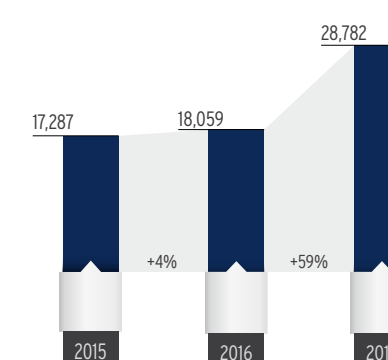
Investment companies as of December 2017 generated sales of more than €7 billion in 2017, 43% higher than the prior year.

EBITDA (€m) and Margin (%)



Investments generated an aggregate EBITDA of €0.9 billion in 2017, a 30% increase compared to the prior year.

Total Employees (nr.)



At the end of 2017 the portfolio companies employed approximately 28,800 people, representing an increase of 59% compared to the prior year.



In 2017, Investindustrial's profitable portfolio companies performed strongly with an 30% increase in EBITDA delivering a 13.4% margin and an increase of approximately 10,700 employees.

◆ Innovation

In early 2017, Investindustrial led a transaction to transfer all assets, including PortAventura, from a successful legacy investment programme to a new investment programme. This has provided additional time and capital to these companies and their quality management teams, in line with industrial logic, to realise their full potential through ambitious new business plans that have underwritten the next phase of growth. At closing, the transaction was the largest of its kind in Europe.

At the end of 2017, Investindustrial started preparations to establish a new lower mid-market investment programme (Investindustrial Growth) to further target the significant pipeline of lower mid-market opportunities that routinely emerge through Investindustrial's proprietary networks. The capital raising for this programme was concluded post year-end at the hard cap of €375 million. OKA and Benvic were the first two investment opportunities.

◆ Investment in people

In 2017, Investindustrial grew from 84 to more than 100 professionals, including hires identified in 2017 that joined post year-end. The key areas that have been strengthened include business development, environmental and lower mid-market professionals, complementing Investindustrial's already broad and deep teams of functional specialists and investment advisory teams.

◆ Recognised leadership

Investindustrial fundamentally believes that incorporating sustainability considerations in its business decisions is essential in creating value for its stakeholders and that commerce can be used as a force for good as well as profit. In 2017, Investindustrial began the search for an environmental engineer to support portfolio companies in more responsibly engaging with the environments in which they operate. For Investindustrial, building better companies has always involved ensuring that portfolio companies are well positioned for long-term sustainability beyond Investindustrial's ownership. Our Head of Sustainability has joined post year-end and will build on Investindustrial's strong work in this field in recent years, that has included new milestones reached and goals set in the area of sustainability.

Investindustrial works to ensure that portfolio companies can measure and be mindful of their carbon emissions and that they actively work to reduce their footprint while making a positive impact to society and their nearby community. We reached several sustainability milestones during 2017 through a close engagement with portfolio companies, including via our annual ESG Summit. Our dedicated ESG team works closely with the companies in the production of their CSR reports and as a result, we are now able to report a consolidated view of the portfolio's greenhouse gas emissions (539k tCO₂e) as well as a number of other important environmental, social and governance performance indicators.

Investindustrial has been carbon neutral as an organisation for the last nine years, and can now use the aggregate portfolio emissions data to offset the emissions of our share as an investor in the portfolio companies, thus meeting our own expectations.

In the sustainability section of this document you will be able to read more about how we actively work with our companies to improve ESG performance, benchmark best practices and set goals, as well as how we are developing a proprietary strategy to achieve carbon neutrality. The Investindustrial Foundation amplifies the Firm's efforts in sustainability by focusing on environmental protection and conservation, as well as the promotion of education and diversity.

Investindustrial's focus in this area has been recognised at The Private Equity Awards 2018, an industry-leading award ceremony, where Investindustrial received the Environmental, Social and Governance Award, in front of more than 800 people.

At the same event, Andrea C. Bonomi was honoured to be inducted into the 'Hall of Fame', recognising his contribution to the industry, including representation to government, business and the public, and work in improving the fiscal and legal environment for the industry.

Beyond our environmental focus we remain committed to Invest for children (www.investforchildren.org), a corporate foundation set up in 2000 and dedicated to supporting under-privileged and differently-abled children. Contributing to the community is an integral part of being a responsible long-term investor and Investindustrial and the team have committed to contributing a further €5 million by 2020 to Invest for children to continue its work on improving the quality of people's lives.

◆ Conclusions

With €6.8 billion of raised fund capital, of which €1.9 billion is equity available for new investments, Investindustrial commands a compelling leadership position as a European mid-market investment group, with a particular focus on Southern Europe. This has been achieved through a long-term dedication to building better companies through the design and implementation of industrially driven plans. A key contributor to Investindustrial's long-term success since inception in 1990 has been the significant upfront and ongoing investment in best-in-class advisory and functional specialist teams. We continue to work relentlessly to drive positive change and results throughout our portfolio and look forward to reporting on further progress next year.



The DB11 is the first new model produced by Aston Martin after Investindustrial invested in the company.

► 2017 KEY EVENTS

► €1.9bn

€1.9 billion of equity for investments

At the end of 2017, Investindustrial had approximately €1.9 billion of equity to make further acquisitions. Investindustrial remains balanced between a high quality private market portfolio and capital available for new investments.

► > 100 people

More than 100 professionals

A strong organisation with more than 100 professionals to support a well-diversified portfolio of 14 companies with aggregated global sales of more than €7 billion as of the end of 2017.

► €2.2bn

2017 refinancings

During 2017 the Group debt team has supported two refinancings and three acquisition debts for a total consideration of €2.2 billion.

► 13%

A highly profitable portfolio

Investindustrial has a solid portfolio of profitable companies with an overall EBITDA margin of 13%. During 2017 EBITDA grew by 31% compared to the prior year and the growth was mainly due to the contribution of Aston Martin and Polynt-Reichhold.

► 5 new investments

Three new investments closed and two signed

During 2017 Investindustrial completed three new investments (Polynt-Reichhold, OKA and Benvic) and signed two new investments (lifebrain and CEME). In addition, HTL was signed and closed post year-end.

A LEADING EUROPEAN INVESTMENT GROUP

- ▶ Providing industrial expertise, operational focus and global platforms to accelerate value creation and international expansion.

Investindustrial is one of Europe's leading independent investment groups and provides industrial solutions and capital to medium-size companies that are leaders in their fields. Founded from an industrial conglomerate, today Investindustrial has a dominant leadership position in Southern Europe with the longest history (established in 1990), the deepest track record (56 portfolio investments), the largest team (more than 100 professionals across three continents), and has become the largest private equity investor of institutional capital (€6.8 billion of raised fund capital) in this region.

Investindustrial uses proprietary networks developed over several cycles to identify high-quality, often complex, investment opportunities in sectors well-known to the Firm and pursues a consistent, industrially-driven investment approach to build better companies. Active ownership and operational improvement remain at the core of Investindustrial's value creation strategies which typically focus on accelerating growth and profitability through globalisation and/or industrial repositioning.

Investindustrial advocates the use of moderate leverage, commensurate with each company's growth and capex ambitions, to build sustainable businesses. This approach resonates well with industrial trade buyers, often a preferred exit route for portfolio companies. Investindustrial has demonstrated discipline across cycles by continuing to focus on the quality end of the mid-market.

Investment funds are managed in the interest of the limited partners by investment managers authorised and regulated by the Financial Conduct Authority in the United Kingdom and therefore in an autonomous and independent manner from the other Group

companies. Investments and divestments are made (and shares in portfolio companies are held) by the applicable investment or holding companies of each fund. Decisions over investments and divestments, including the exercise of the voting rights over the shares of the portfolio companies, are made by the applicable investment or holding company board of directors in an autonomous and independent manner, consistent with the applicable corporate governance rules and by-laws. It is the responsibility of the management of each portfolio company to operate that company on a day-to-day basis.

Recent recognitions of Investindustrial excellence

- ◆ Andrea C. Bonomi inducted into the “Private Equity Hall of Fame” at The Private Equity Awards 2018
- ◆ Investindustrial won “The Environmental and Social Governance (ESG) Award” at The Private Equity Awards 2018
- ◆ Italian Firm of The Year (Private Equity Exchange, Silver Award)

- ▶ Originated from a successful industrial group
 - ▶ Operating as a Firm since 1990
 - ▶ > 100 professionals on three continents
 - ▶ Industrially driven approach
- 28** years of investments in leading brands and companies

- A history with a consistent strategy



- An investment strategy refined from success and experience from previous **partnerships** such as...



- ...was applied to the 2017 portfolio of **leading brands and companies**



The armchair Serie Up designed by Gaetano Pesce is one of the iconic product of the leading design company B&B Italia.

INVEST IN QUALITY BUSINESSES

- ◆ Quality management team
- ◆ Focus on reinforcing research and development
- ◆ Optimisation and rationalisation of product mix
- ◆ Improvement of working capital management

DRIVE MARKET LEADERSHIP

- ◆ Create international leaders through organic growth and new acquisitions
- ◆ Maximise profitability by leveraging synergies and developing restructuring or cost-cutting plans
- ◆ Capture international growth opportunities
- ◆ Business line diversification

CAPTURE GLOBAL OPPORTUNITIES

- ◆ Capture international sales growth opportunities that are not easily accessible for mid-market companies
- ◆ Use the Group's global network to facilitate access to new markets
- ◆ Increase competitiveness in emerging markets by adapting manufacturing and R&D locally

CREATE TOMORROW'S LEADERS

- ◆ Integrate product development, production and supply chain capabilities with international distribution capacity
- ◆ Capture both geographical and product growth opportunities
- ◆ Building a digital strategy adequate to changing market and customer behaviors

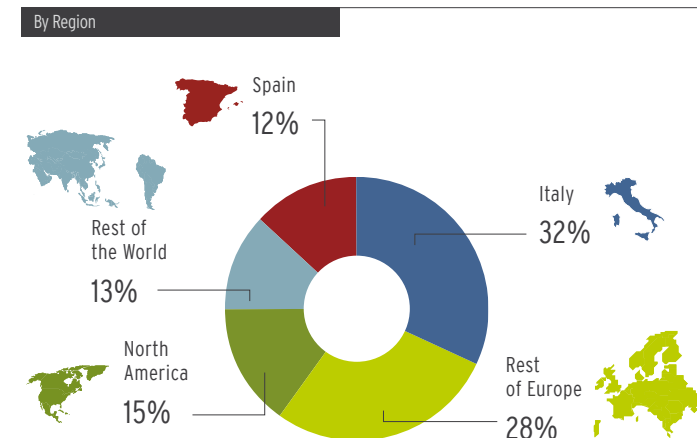
► Leading European footprint with a growing international presence

Investindustrial has considerable international exposure and combines a global vision with capital and local insight to drive growth initiatives in its companies.

Investindustrial's portfolio companies have a global footprint, with more than half of the 2017 sales coming from outside Southern Europe.

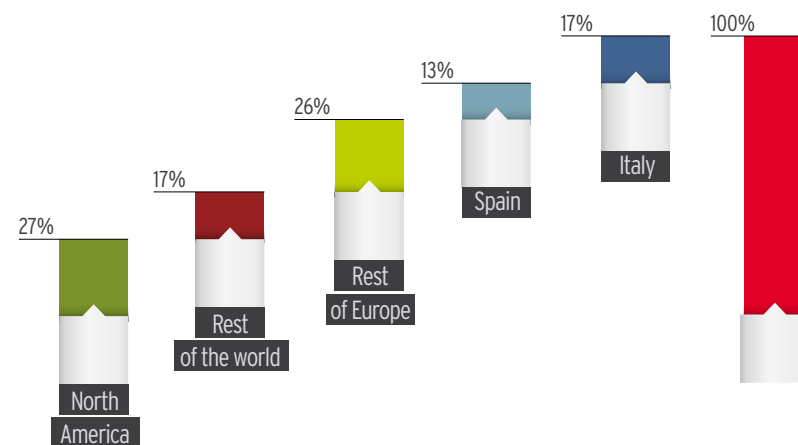
Since inception, non-Southern European countries have contributed to 70% of the growth of portfolio companies' sales.

2017 Sales⁽¹⁾ (%)



2017 Sales Variance¹ (%)

By Region since Investindustrial entry



70% of the portfolio growth since inception has come from markets outside of Southern Europe and 44% of this growth has been driven from non-European countries.

⁽¹⁾ Sales weighted by shareholding of the companies present in the portfolio at the end of 2017.



The headquarters of Benvic Europe in Chevigny, France.

Flos Aim lamps created by the Bouroullec brothers.



Investindustrial is a global provider of employment

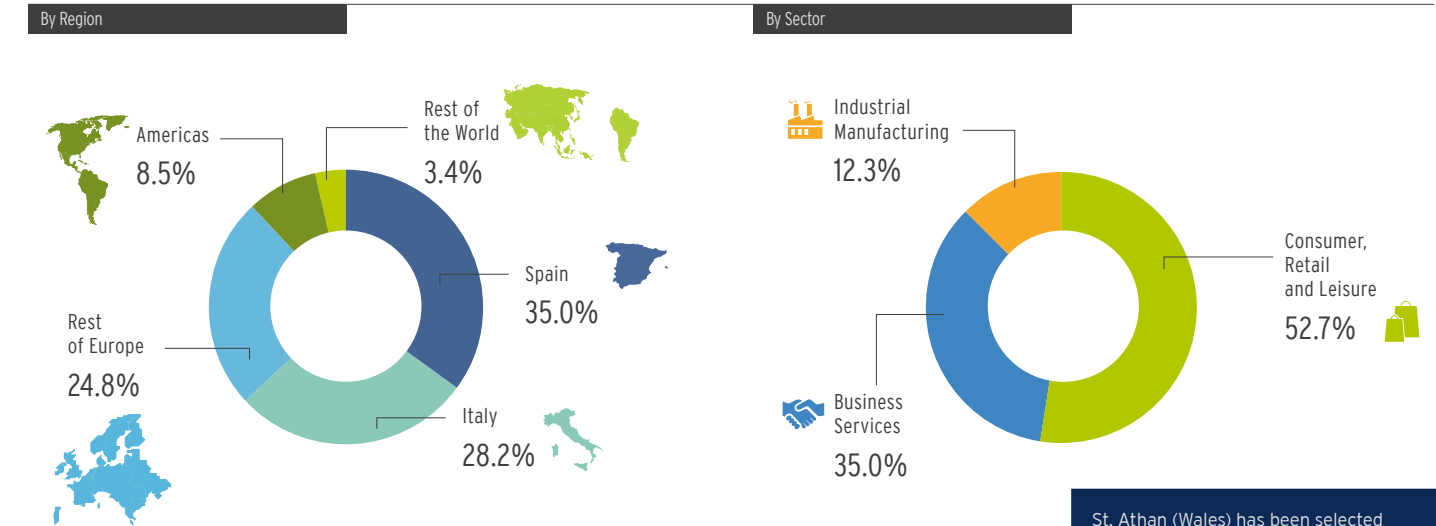
Investindustrial's portfolio companies have approximately 28,800 employees, based mostly in Europe, across a wide range of sectors and countries.

Investindustrial considers the skills of its portfolio companies' employees as an asset to be developed and shared while respecting and safeguarding individuals. Furthermore, the Group is committed to offering equal opportunities in employment and in career development, avoiding every form of discrimination, including discrimination based on race, sex, sexual orientation, age, nationality, religion and personal beliefs.

The companies in which Investindustrial invests endeavor to maintain and improve training and further develop the know-how of their employees. In 2017, the total workforce reached approximately 28,800 employees of which approximately 10,600 are outside of Southern Europe. Manufacturing and commercial activities are present across 31 countries and five continents.

One of our portfolio companies, Aston Martin, selected St. Athan (Wales) as the second manufacturing location for the new cross-over vehicle and up to 1,000 new jobs will be created across St. Athan and Gaydon between now and 2020. Across the supply chain and local businesses a further 3,000 jobs will likely be created as a direct result of these investments.

Total Investindustrial Companies Employees (%)



St. Athan (Wales) has been selected as the manufacturing location for the production of the Aston Martin DBX cross over to be launched in 2019.

Investindustrial investments have a direct presence through manufacturing facilities or subsidiaries in 31 countries.



GROUP DIRECT PRESENCE IN 31 COUNTRIES:

ARGENTINA	NORWAY
AUSTRALIA	POLAND
BELGIUM	PORTUGAL
BRAZIL	ROMANIA
CANADA	RUSSIA
CHINA	SINGAPORE
CROATIA	SOUTH AFRICA
FRANCE	SOUTH KOREA
GERMANY	SPAIN
HONG KONG	SWEDEN
INDIA	SWITZERLAND
ITALY	TURKEY
JAPAN	UAE
MALAYSIA	UK
MEXICO	USA
NETHERLANDS	



► A leading investment advisory team in Europe

Investindustrial is one of the largest and most experienced groups of investment professionals focused on Europe.

Investindustrial operates through a series of investment funds, holding companies and financial advisory firms, each managed independently and established in the United Kingdom, Spain, Switzerland, Luxembourg, the Netherlands, the United States and China. Talent management is a key strategic goal of Investindustrial which has a team of more than 100 professionals combining local insight with global perspective. Having the right people at the right place at the right time is critical to building better companies. To recruit and retain talented people with the highest ethical standards and to create an attractive workplace in which to develop them is vital for Investindustrial. Investindustrial professionals, who typically remain with the Firm for many years, have demonstrated major achievements in their professional and academic past and are therefore best placed to nurture and integrate the high calibre incremental personnel improvements that are regularly made to the Firm.

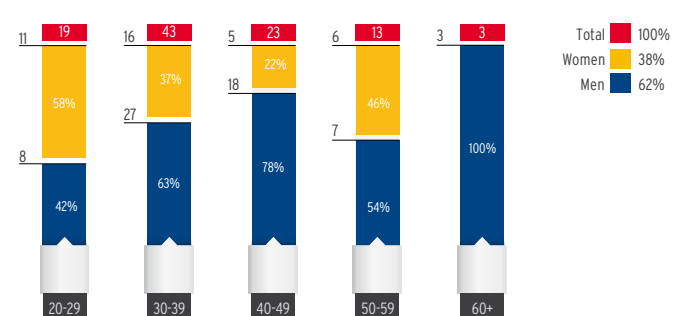
Investindustrial professionals represent 17 languages and 15 nationalities (with 41% of employees speaking 3 languages or more), reflecting the importance the Firm places on being a transparent and dynamic organisation with global views and capabilities.

Investindustrial has invested in a broad team of functional specialists who support the Firm's investment activity: globalisation, digitalisation, operational and change management, ESG, legal & compliance, investor relations & syndication, debt as well as a finance, risk and operations team. This exceptional resource pool is led by a senior team of 10 Managing Principals and Senior Principals.

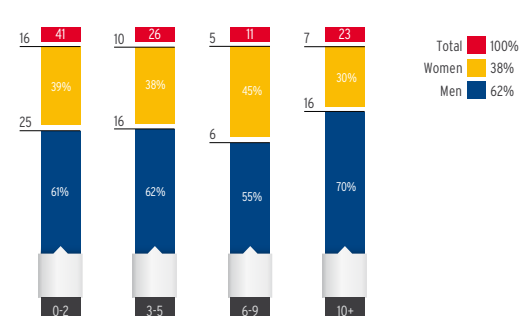
Investment and divestment activity is decided and undertaken by the applicable holding and investment companies pursuant to their respective board of directors' decisions. See under "Governance" for more details. Certain Group companies are authorised and subject to the supervision of the Financial Conduct Authority in the United Kingdom, the Commission de Surveillance du Secteur Financier in Luxembourg and the Federal Authority for Financial Market Supervisory Authority in Switzerland.

Investindustrial Employees (nr. and %)

By Age and Gender Distribution

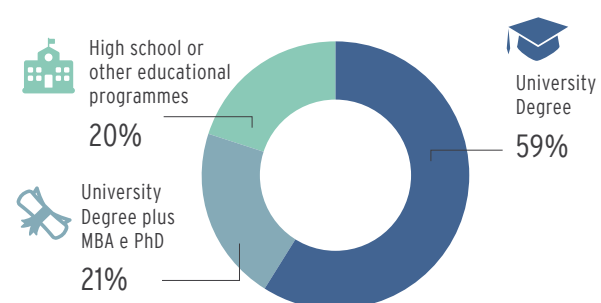


By Years of Employment at Investindustrial



38% of Investindustrial's employees are women. Investindustrial is committed to having a more balanced gender distribution in the Firm, especially at the senior positions.

By Educational Programmes



41% of the employees speak 3 languages or more

17 languages
15 nationalities



► An organisation tailor-made for active ownership throughout the investment process

Investindustrial leverages proprietary networks to source attractive investment opportunities typically unavailable to the broader market. Since inception the vast majority of portfolio investments have been sourced through proprietary channels, including family and corporate vendors, Public-to-Privates and public situations.

Investindustrial allocates resources to a concentrated group of investee companies but actively seeks to mitigate risks, and control returns, by holding a portfolio of assets that exhibits natural diversity. Target companies are typically in growth or mature phases of their lifecycle with the level of support required categorised in the following ways: consolidate position as local leader, strategic repositioning, international expansion, accelerate growth through acquisition and/or new products and markets.

Investindustrial provides hands-on support to portfolio companies through the team's breadth and depth of expertise. The advice from our teams enables management teams and board of directors to make better informed decisions about the direction they want to give to their company.

The ability to deliver complex operational and organisational plans is underpinned by the broad and deep internal sector expertise developed across many business cycles and is actively supported by the internal business development team, which includes offices in New York and Shanghai.

A unique network of Industrial Advisors

To help its portfolio companies achieve their full potential, and in support of the active ownership approach, Investindustrial can count on the valuable commitment of its Industrial Advisors. These seasoned executives bring industrial expertise in a wide range of sectors and are closely linked to the Group's industrially-driven operational model.

The Industrial Advisors concentrate their advice on maintaining best practice corporate governance, stress testing industrial plans and identifying global value creation opportunities.

The team's advisory experience combines strong local investment insight with a global perspective which is leveraged to ensure the successful execution of the industrially-driven approach. As active investors Investindustrial works closely with key management throughout the ownership phase to drive product growth and/or market expansion. This includes actively advising on how best to secure industrial, branding and financial partners from inside, or selectively from outside, our network. These proprietary relationships, which have been developed over many cycles, are inherently interlinked and underline Investindustrial's reputation as the preferred partner for high-quality mid-market businesses in Southern Europe and opportunistically across the rest of Europe.

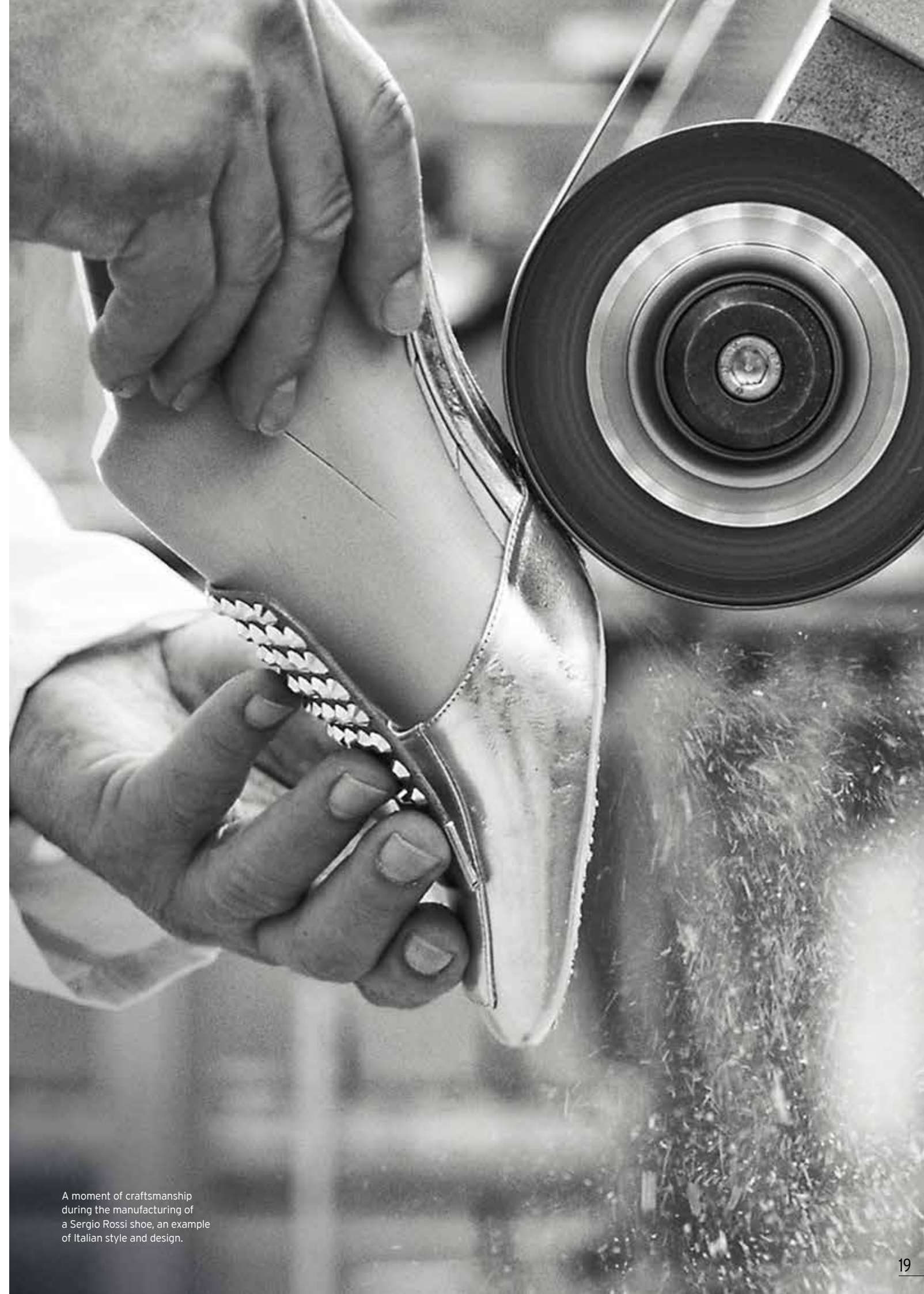
The industrially driven, responsible and active ownership approach of Investindustrial creates a natural allegiance with corporate players who are looking to acquire high quality strategic assets. As part of the value creation process Investindustrial identifies potential trade buyers with which there may be valuable synergies and actively engages in dialogue throughout the holding period. Strategic buyers have accounted for nearly two thirds of Investindustrial exits to date.

The Industrial Advisory Board

The broad network of Industrial Advisors has specific industrial expertise in its sectors, a history of strong relationships with Investindustrial, and is coordinated by the Industrial Advisory Board. The Industrial Advisory Board provides industry expertise, views, opinions and strategic advice on industrial and business plans to the boards of the investment managers and holding companies. Its members act as consultants and do not take investment or divestment decisions.

They are an integral part of Investindustrial's business model and industrial approach, providing competence from operational and strategic issues in their fields of expertise.

The Industrial Advisory Board is chaired by Andrea C. Bonomi and is composed of five seasoned executives who bring valuable insights in a wide range of industries. Industrial Advisory Board Members are appointed from the broader network of Industrial Advisors.



A moment of craftsmanship during the manufacturing of a Sergio Rossi shoe, an example of Italian style and design.

► An internationally recognised sustainable investment approach

Investindustrial's leadership as a successful investor is routinely recognised by industry institutions. Some examples of this recognition in 2017 are:

Investindustrial has been recognised as the leading private equity firm for ESG at The Private Equity Awards 2018 and Andrea C. Bonomi is inducted into the 'Hall of Fame'.

Post year-end, in April 2018, Investindustrial won 'The Environmental and Social Governance (ESG) Award' at the 16th edition of The Private Equity Awards, an industry-leading award ceremony hosted by trade publication Real Deals.

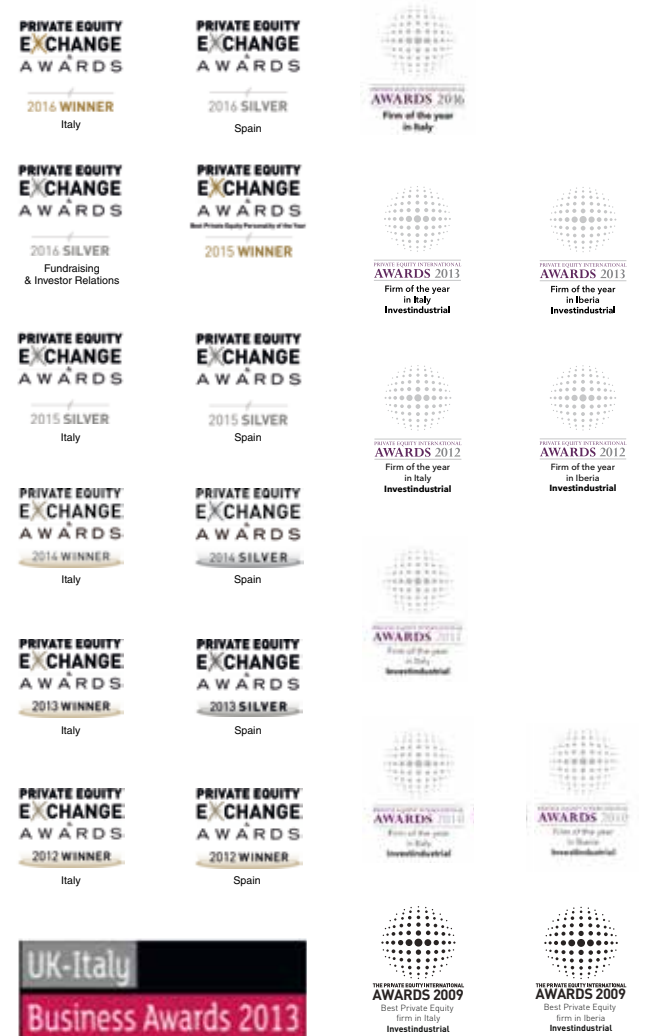
The award was made to Investindustrial for its long history on engaging in ESG issues and its leadership in driving the ESG agenda in the industry. Investindustrial believes that incorporating sustainability considerations in its business decisions is essential in creating value for its stakeholders and that commerce can be used as a force for good as well as profit.

Additionally, at the same event, Andrea C. Bonomi was inducted into the 'Hall of Fame', the special recognition of the ceremony. The Hall of Fame recognises the contribution of an individual to the private equity industry, including their representation of the industry to government, business and the public, their work in improving the fiscal and legal environment for the industry, and success in their own field.

In December 2017, Investindustrial was shortlisted for the Best Italian LBO Fund at the 16th edition of the Private Equity Exchange Awards hosted in Paris, and won the Silver Award.



► Selective Investindustrial recognitions

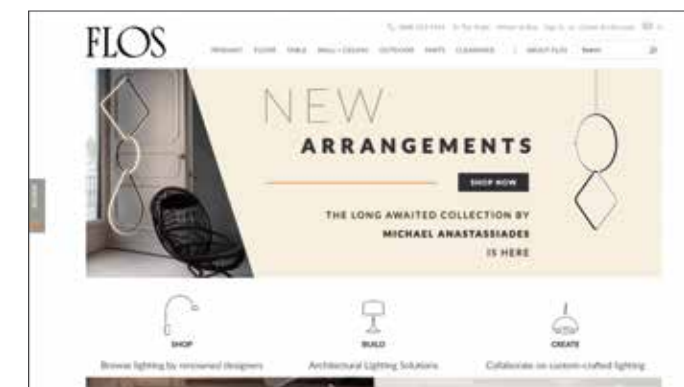


► Investindustrial further accelerates digitalisation, technological and operational change

Since its inception in 1990, Investindustrial has invested in numerous companies that have themselves been at the cutting edge of development, and other more traditional businesses which have incorporated new technologies both to defend and gain market share. Today, and increasingly so in the future, scalable technology is a powerful tool for portfolio companies to accelerate internationalisation; and a disruptive element for those not adapting.

Investindustrial is determined to capture the benefits of technological innovation for its portfolio companies and for the Group itself through a proactive approach and a dedicated business development team. The Group's technology and digitalisation centre of excellence is based in the New York office, complementing the other business development activities carried out from London and Shanghai. The team provides advisory services supporting due diligence reviews and benchmarks the digital strategy of new investments and add-on acquisitions.

Investindustrial continues to invest in the technology team and is expected to add further professionals to the team. The investment in digitalisation follows similar investments made in other areas of business development in recent years (corporate development, debt, investor relations & syndication, legal & compliance, risk management).



In 2017, Investindustrial also created a new Operational and Change Management team, which advises actively portfolio companies to support the realisation of their ambitious internationalisation plans by addressing operational challenges faced by successful, growing companies. The team's head joined the Firm post year-end and began supporting portfolio companies.

The technology and operational and change management teams further strengthen the exceptional pool of resources which Investindustrial can provide to portfolio companies to support industrial and international growth ambitions.

Below are some examples of what portfolio companies have recently developed through their digital strategies. Flos redesigned its website and customer experience for the US market. PortAventura is developing a new CRM system to maximise the full life-cycle value of the consumer and is analysing all the different technologies that might enhance the customer experience in the entertainment park. Sergio Rossi launched the new e-commerce website globally. Artsana is developing a 360 degrees strategy involving e-commerce, CRM and mobile.



CASE STUDY:

Aston Martin

An iconic sports car brand with a rich 104-year heritage

Harnessing the valuable automotive sector investment expertise, Investindustrial made a bold but carefully planned investment in Aston Martin in 2012.

Aston Martin (www.astonmartin.com), established in 1913 and headquartered in Gaydon (UK), designs, manufactures and distributes luxury performance motor cars. Aston Martin is one of the most exclusive sports car brands in the world, operating with a global dealer network which currently covers over 170 locations. Its iconic status and global footprint has been built through its performance and elegant design, successfully marketed by featuring as James Bond's car in many 007 movies over the past 50 years. The group includes a JV, which restores and trades heritage Aston Martin vehicles in the historical factory in Newport Pagnell (UK), as well as dedicated large cars factory in St. Athan (Wales).

Since Investindustrial's entry, the Aston Martin business plan has been based on three distinct phases:

- ◆ Stabilisation: while developing the future generation of vehicles, the company focused on cash flows by efficiently managing its existing product range and by launching special editions;
- ◆ Core strengthening: introduction of an entirely new range of sport models from 2016 to 2018 (DB11 replacing DB9, Vantage replacement, Vanquish replacement);

- ◆ Portfolio expansion: launch of the DBX SUV in 2019. And development of eco-friendly engines.

"Aston Martin Lagonda is 104 years old and is one of the most desirable luxury brands in the world. However it required a major investment to launch its new generation of models. The investment programme initiated by Investindustrial, in conjunction with its Kuwaiti partners, has allowed Aston Martin management to reposition the company and return the company to profit. DB11 was the first tangible fruit of that labour and the tremendous uptake from our customers following the launch at the end of 2016 is a testament to the hard work that has been undertaken in partnership with Investindustrial. In Q3 2017 we announced new Vantage with production successfully commencing in Q2 2018. This journey continues with the DBS Superleggera going into production towards the end of next year. The company is now profitable and in a significantly stronger position. With the emerging line of next generation sports cars and a sports utility vehicle, we have started our Second Century in style and look forward to continuing success."



Andy Palmer,
Aston Martin CEO

The new Vantage launched in 2017, one of a series of new models produced by Aston Martin after Investindustrial invested in the company.



Aston Martin 2017 EBITDA Margin

▶ 24%

Developments since entry:

Sales growth	90%
EBITDA growth	197%
EBITDA Margin growth	56%

Stabilization

Since Investindustrial's entry, the company has successfully managed the run-off of the old generation of cars, while investing each year on average £130 million into new models.

In 2017 DB9 model ended production following DB11 start of production. Supporting the new line of sports cars, the brand appeal and positioning were further improved through numerous successful initiatives:

- ◆ A pre-DB11 concept car, the DB10, featured in the most recent James Bond movie, Spectre;
- ◆ Special editions models, such as the Vulcan, Zagato and GT8/12, were successfully launched and all promptly sold out;
- ◆ A partnership with Red Bull Racing was secured for the development of a hypercar, the Valkyrie; and
- ◆ Formula One participation with Aston Martin Red Bull Racing.

Core strengthening

Driven by the strong customer support for the DB11, launched at the end of 2016, the company in 2017 surpassed the 5,000 unit delivery mark for the first time since 2008. In Q3 2017 the new Vantage was presented, with first deliveries expected by the end of H1 2018, with the outgoing Vantage having been the most successful car in Aston Martin's history.

Post year-end, the new DBS *Superleggera* was announced to the public and is expected to be presented in Q2 2018, following the launch of the new DB11 Volante, also announced in Q3, which represents a key model for the US market.

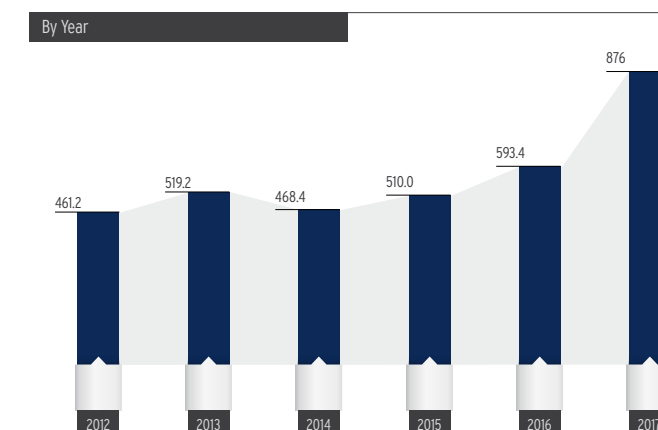
The result of these launches is a very modern range of sports cars, further enhancing the traditional Aston Martin brand attributes.

The order book of DB11 and V8 Vantage is strong with almost entire 2018 production covered. With the DB11 launch, key improvements were made in the factory to combine advanced technologies, for example in bodywork, with Aston Martin's traditional exquisite craftsmanship, for example in interiors.

Portfolio Expansion

Phase three of the business plan is based around the sports utility vehicle (SUV) programme, with the DBX cross-over vehicle expected to be launched in 2019, as announced at the Geneva Motor Show in 2015. The issue of £200 million of preference shares in 2015 ensured the funding required for the development and manufacturing facility. Post-year end, we proudly presented at the 2018 Geneva Motor Show, the Lagonda Vision Concept, with the aim to be the world's first zero emissions vehicle, taking advantage of latest advances in electrification and autonomous driving technologies.

Sales (£)



As part of the DBX production, an agreement has been reached with the UK and Welsh Government for the acquisition of the factory in St. Athan (Wales), a former hangar in a military airport with ample space for future developments. A sale and lease-back agreement was signed in 2016 with construction works having begun this year.

In choosing St. Athan, a strong partnership has been developed with both the UK Ministry of Defence, which previously operated the site as a Royal Air Force base, and the Welsh Government, which is providing valuable support in the recruitment of the 750 employees required at the facility.

Initial recruitment began in September with the hiring of 40 people. The workforce is being trained in Gaydon on the DB11 production line and is expected to grow, resulting in the creation of 3,000 jobs in the local area as a result of the investment.

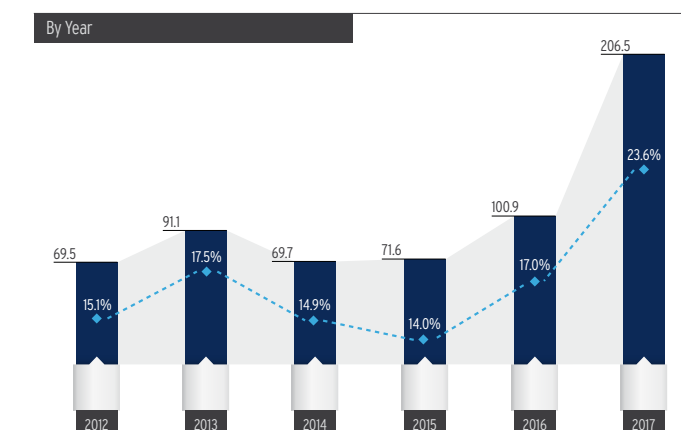
The DBX product has now been substantially defined and the engineering and design work are proceeding well. The powertrain portfolio will include a hybrid variant in addition to a traditional combustion engine. Special editions also continue to represent an important pillar of Aston Martin's model range expansion - the Valkyrie, a supercar limited to 150 units, had a list price of £2.5 million and was sold out prior to its announcement.

A Luxury Brand

Aston Martin's status as a luxury brand has never been stronger. The strong early support that the DB11, new Vantage and special editions have received from customers old and new is a testament to the brand's heritage, global presence and pricing power.

Through strategic licensing agreements the company is also selectively expanding its product portfolio to other luxury segments.

EBITDA (£) and Margin (%)



In 2016, the 37-foot Aston Martin AM37 powerboat made its world debut at the Monaco Yacht Show, marking the luxury British brand's entry into the nautical world. The new day-cruiser is offered in two versions with the AM37S expected to reach speeds of 50 knots. Sharing creative expertise and specialist skills, a partnership allowed Quintessence Yachts to engineer the Aston Martin design into an innovative powerboat for the yachting world.

Last year, Aston Martin also announced a partnership with G&G, a property group, for the design and branding of a 66-storey luxury residential tower in Miami.



The Valkyrie hypercar, developed in partnership with Red Bull Racing.

Aston Martin's first brand experience boutique, opened in the heart of London's Mayfair district, is a destination for design master classes, art exhibitions, dinner series and other exclusive events.



CASE STUDY:

PortAventura Parks & Resort

A European leader in the leisure and entertainment industry

Building on the successful previous investment in Italian theme park operator Gardaland, Investindustrial acquired PortAventura in 2009.

PortAventura is a fully integrated, family oriented destination resort with a balanced business model that encompasses a full range of entertainment, hospitality and events offerings. The entertainment segment comprises three gates: one theme park "PortAventura Park", one water park "Caribe Aquatic Park" and "Ferrari Land". Guests can enjoy an abundance of daily shows and special events, and have an extensive choice of food, beverage and retail options. The hospitality segment comprises five themed hotels and cabañas (with four to five star accommodation) as well as a 4,000 person capacity convention centre hosting conferences and events all year long. The resort also benefits from a number of ancillary services and facilities including three golf courses and a beach club, included in the hotel packages.

The acquisition was made possible through the close relationship with La Caixa, Europe's leading savings bank, and its majority-owned investment company Criteria Caixa Corp.

Since Investindustrial's entry, PortAventura has performed well despite a very difficult economic environment initially. The company's positive performance is a result of the industrially-driven approach of Investindustrial and the introduction of a proven management team from Gardaland. The key drivers of the outperformance to date are the successfully repositioned commercial strategy, improvements

in the park offerings of shops and food, the addition of a new kids' area and the tallest rollercoaster in Europe, the opening of a themed aquatic park, and an efficiency programme that has significantly increased the profitability. The opening of Ferrari Land, a theme park dedicated to the prestigious automotive and racing brand, demonstrates the company's commitment to unique attractions, after PortAventura entered a European-wide exclusivity agreement with Ferrari for attractions of this kind.

In early 2017, Investindustrial led a transaction to transfer all assets, including PortAventura, from a legacy investment programme to a new investment programme. This has provided additional time and capital to realise PortAventura's full potential through an ambitious new business plan focused on resort development.

"After the successful experience with Gardaland, the largest Italian theme park, it is a great pleasure for me to continue partnering with Investindustrial on PortAventura. During nine years of close collaboration, PortAventura has undergone a significant transformation - from a theme park into Europe's second largest integrated destination resort. A strong repositioning plan has been implemented based on strengthening the product offering, delivering a carefully crafted commercial strategy and optimising the cost base. The company's commitment to unique attractions and premium experiences ensures that it continues strongly along the path to long term value creation."

Sergio Feder,
PortAventura Executive Chairman



PortAventura is the largest destination resort in southern Europe.



PortAventura 2017 EBITDA Margin

▶ 45%

Developments since entry:

Sales growth	71%
EBITDA growth	198%
EBITDA Margin growth	75%

► A successful development strategy

Since Investindustrial's entry at the end of 2009, PortAventura has performed strongly: EBITDA has more than tripled to approximately €110 million with a best-in-class margin of 45% and the number of visits has increased by approximately 49% as a result of new park offerings and a relaunched commercial strategy. PortAventura has approximately five million visits per year and more than 80 million visits since inception. The management of the company has focused on the following areas in recent years:

- ◆ New park offerings: the new kids' area, SesamoAventura, and the new roller-coaster, Shambhala, in addition to the recently opened Ferrari Land, have continued to attract both repeat and new visitors throughout 2017. In 2013, PortAventura opened the doors to its refurbished attraction, the Costa Caribe Aquatic Park and more recently to the Angkor Boat ride attraction.
- ◆ Marketing strategy: the company has refocused on traditional values, entertainment and family. As a result, the company is achieving a substantial increase in visitors from abroad (over 50% of international hotel guests in 2017).

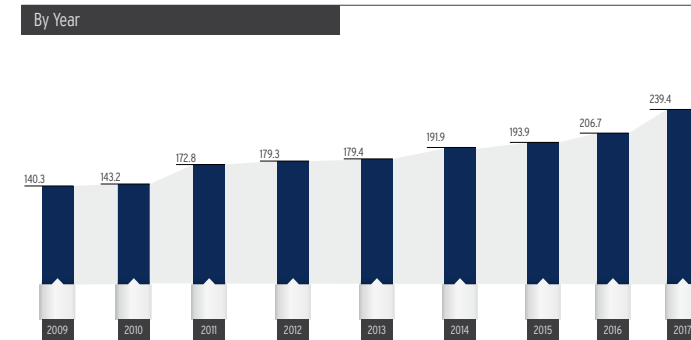
In the hotels business, the company has worked very closely with major tour operators both in Spain and internationally to develop a cohesive marketing strategy to increase hotel bookings since 2009. In addition, the implementation of a new website, a stronger direct selling, booking engine and the introduction of call centre best practices, have significantly improved yield, with direct bookings having increased from 30% of total bookings to 45% in 2017, more closely aligning with benchmarks in the hotel industry.

► Brand partnerships with Ferrari

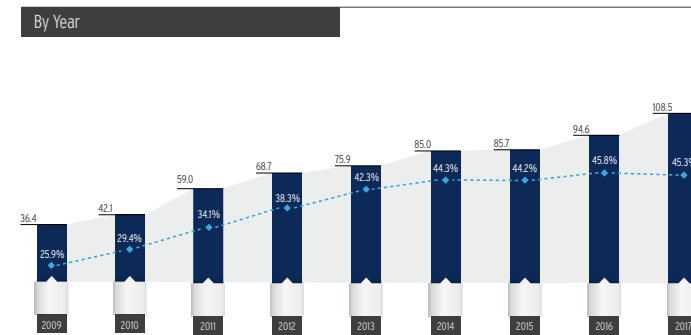
PortAventura is continuing to strengthen its position in the premium tourism segment by increasing the international image and branding of the park.

In April 2017, Ferrari Land opened to the public. The new site, within PortAventura, is a themed amusement park dedicated to the luxury automotive brand. PortAventura has a European-wide exclusivity agreement with Ferrari, ensuring the attraction is the only one of its kind in the region.

Sales (€m)



EBITDA (€m) and Margin (%)



Ferrari Land is built on a total surface area of 75,000 square meters and benefits from several rides (including the highest and fastest vertical accelerator in Europe), restaurants, large simulation areas for car racing and shops.

The park has a total capital investment of €88 million and further enhances PortAventura's position as a leading European destination resort.



In its mission of building better companies, Investindustrial supported PortAventura in the creation of Ferrari Land which was inaugurated in April 2017.

CASE STUDY: B&B Italia

Internationalisation of a leading design furniture company

Investindustrial aims to further consolidate the international expansion of a great designer furniture brand.

In 2015, Investindustrial acquired the majority shareholding of B&B Italia, a leading international design furniture company. The company has an excellent reputation worldwide in the high-end design furnishings sector, for both the retail and corporate markets, and has been known for its strong focus on research and innovation, and its ability to combine industrial expertise and corporate management since its creation over 50 years ago. The company operates in over 80 countries on five continents through a distribution network that includes seven directly managed stores, 71 third party mono-brand stores and over 800 multi-brand stores. B&B Italia is known as a leader in the contemporary design furniture sector at the international level with an authentic collection of iconic furniture that has contributed to enriching the history of Italian design. B&B Italia's

success is based on a unique combination of creativity, innovation and industrial capabilities aimed at creating timeless products that stand the test of time.

Technological research has always been a key element of the company's development policy. The company has an in-house Research & Development centre that works with famous international designers such as Antonio Citterio, Naoto Fukasawa, Piero Lissoni and many others to support a creative development process that has allowed it to set itself apart in the sector as a highly innovative and technologically advanced company. Its numerous awards include four Compassi d'Oro (the most prestigious industrial design award), the most significant of which was the first award of this type ever given to a company rather than a product in 1989 for the "ongoing integration work to combine aspects of technical and scientific research with those needed to ensure product functionality and character".

B&B
ITALIA

"The strong desire to guarantee the continuity of this extraordinary company in a way that will ensure its further growth and expansion at the international level in keeping with its mission and history led us to consider the partnership with Investindustrial. Due to its experience in the high-end design segment, Investindustrial will be able to provide us with the expertise and resources needed to pursue our long-term strategies of internationalisation and industrial development".

Giorgio Busnelli,
B&B Italia Chairman



B&B Italia 2017 EBITDA Margin

▶ 19%

Developments since entry:

Sales growth	50%
EBITDA growth	60%
EBITDA Margin growth	6%

► Strong progress since entry with international growth

Flagship Stores

The company operates seven flagship stores and has achieved significant expansion of third party mono-brand stores network, increasing from 59 stores to 71 since entry.

A key pillar of the value creation plan for B&B Italia has been to increase the company's footprint in the North America. The company has now opened flagship stores in Austin, Dallas, Los Angeles, Mexico City, Miami, New York, San Francisco, Seattle, Sun Valley, Washington and, most recently, Chicago, where, post year-end Armin Broger (CEO), Giorgio Busnelli (Chairman) and Gianni Fortuna (Arclinea CEO) inaugurated the store. These directly operated stores complement a smaller dealer network in the central United States and overall support increased penetration, by being strategically located in key cities to maximise the significant effect that prescribers, such as designers and architects, have on revenues in the US market.

The flagship store in Shanghai has undergone a complete renovation and in February re-opened its doors to the public. The 750 square meters store was entirely designed by Antonio Citterio. In addition, the set up process of a local operating branch in Shanghai with a dedicated team of four people is currently ongoing. This opening complements the 2016 openings of the 800 square meters flagship store at 135 Madison Avenue Manhattan, New York and the 700 square meters flagship store at Rue du Bac, Paris.

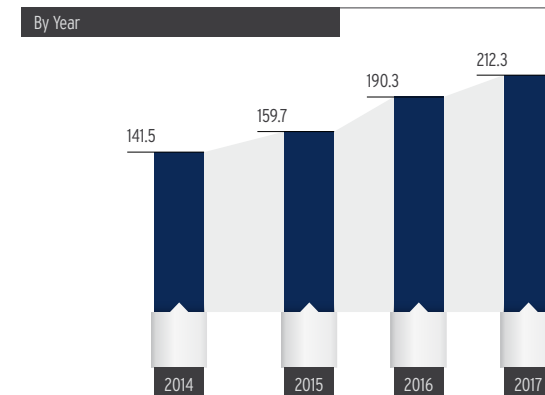
The architectural concept of the stores were also designed by Antonio Citterio and have set a new benchmark in the high-end design furniture industry.

Contract Business

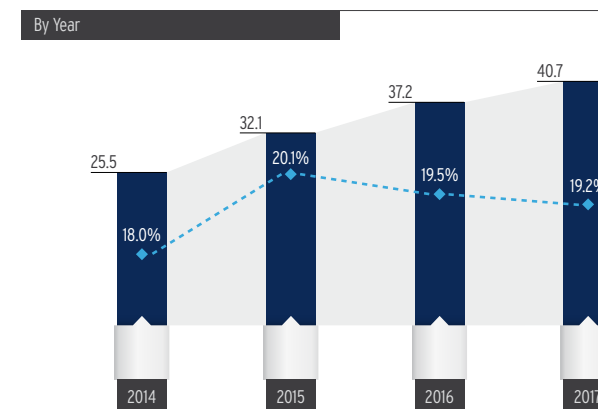
The repositioning strategy of the contract business has already achieved significant and encouraging results through the acquisition of several important and profitable projects worldwide.

Following the successful contracts with Apple in 2016, which chose B&B Italia as furniture provider for its new 260,000 square meters headquarter in Cupertino, California, and the Bulgari Hotel in Dubai, large projects in 2017 included W Hotel, Blue Lagoon and Bentley.

Sales (€m)



EBITDA (€m) and Margin (%)



Digital

B&B Italia's website is currently the most visited website amongst all the high-end design furniture corporate websites, with approximately 2 million unique visitors per year and supported by the new website, which went live with a number of new key features at the end of 2016.

Partnership

During the year, B&B Italia reached an agreement under exclusivity with the Caccia Dominioni family to produce and market a portfolio of more than 20 products (including chairs, sofas and tables), designed by Luigi Caccia Dominioni, one of the most highly recognised Italian designers and a prominent ambassador of the Italian design culture and architectural heritage.

The "Caccia Dominioni Collection" will become the fourth brand to join the B&B Italia product portfolio, alongside B&B Italia, Maxalto and Arclinea, allowing the company to further strengthen its position as a top design player with production expected to begin by the end of 2018.

► The Arclinea acquisition - stepping into the kitchen

In 2016, B&B Italia acquired a 70% stake in Arclinea, an Italian leading high-end designer kitchen brand, with a 30% shareholding remaining in the hands of the founders (Fortuna family).

Arclinea represents B&B Italia's first majority acquisition in its 50-year history, achieved within the first year of Investindustrial's ownership. Founded in 1925 near Vicenza by the Fortuna family, Arclinea is a luxury brand with a top of the range positioning and a strong fit with the B&B Italia and Maxalto brands. Arclinea has a strong international presence, generating approximately 50% of its sales outside Europe and one third in North America.

This acquisition allows B&B Italia to widen its portfolio of products by entering into the luxury design kitchen segment, as part of the strategic growth plan formulated at the time of the investment which is based on a more integrated product proposition

The acquisition also generates significant potential synergies:

- ♦ Arclinea will have the opportunity to accelerate its international expansion by leveraging B&B Italia's strong distribution platform;
- ♦ Cross-selling opportunities within B&B Italia's stores;
- ♦ More competitive positioning in order to secure new profitable contract projects;
- ♦ Simplify access to high potential markets such as Asia and the US.

Despite the short timeframe since the acquisition, a number of synergies have already been identified such as the opening of an Arclinea flagship store within B&B Italia's flagship store in London and the opportunity to bid for a large contract project in the US, as a result of the new combined product offering.

During its first full year Arclinea has recorded positive results, strongly supported by the implementation of a number of selected initiatives with B&B Italia, such as the completion of the full refurbishment of B&B Italia's flagship store in London, now including Arclinea products, and the ongoing works to prepare the opening of a new mono-brand store in Milan just opposite B&B Italia's flagship store in Via Durini.



Italy, one of the iconic kitchen of Arclinea. The company was acquired by B&B Italia during 2016.

CASE STUDY:

Artsana

A leading international consumer goods company

Investindustrial plans to open up new markets for a company with impressive existing international presence alongside professionalising the existing business.

Artsana, founded in 1946 in Como (Italy) by Pietro Catelli, is a leading international consumer goods company, focusing on baby-care and self-medication products through Chicco, Prenatal Retail Group and PIC. Over the years the business expanded applying advanced manufacturing technologies, developing the PIC brand into other product categories and launching the Chicco baby care brand in 1958. The group originally included the cosmetics brand Lylia, which was successfully sold to Sodalis in December 2016. Artsana is headquartered in Grandate (Como), operates three production facilities in Italy and one in Romania, and has approximately 8,000 employees worldwide (of which 50% in PRG).

In Q3, Artsana acquired the remaining 50% stake in PRG from its joint venture partner, financing the transaction entirely with cash and an additional debt facility. PRG is a leading European retailer active in the baby-care and toys products business with a network of approximately 450 directly managed points of sales and 200 between franchised and indirect stores. The company operates under four main brands: Toys Center (Italy), King Jouet (France and Switzerland), Prénatal (Italy, Spain, Portugal and Greece) and Bimbo Store (Italy).



In 2017, Investindustrial concluded that to maximise value Chicco and PIC should be formally separated, allowing the respective management teams to more sharply focus on growth in two very different sectors. At initial entry, the due diligence on Artsana highlighted this as one option following a process which focused on a sum-of-the-parts valuation. Post year-end, the separation began and allowed PIC to promptly deliver on its new and separate growth initiative by completing a transformative combination with HTL Strefa to create a global leader in medtech and diabetes care.

"At Investindustrial's entry, we developed a quality, industrially-driven plan for the company in the years ahead. The plan continues to leverage our existing strengths - such as the Chicco brand and our best-in-class manufacturing capabilities - and Investindustrial's global network, and now extends into another exciting new stage of development. In 2017 we made a decision to separate the baby care and self-medication units, which are clearly very different businesses. This will optimally position each business to achieve further international growth, both organically and through acquisition, by enabling the respective management teams to think about each operation even more strategically"

Claudio De Conto,
Artsana CEO

The Chicco Next2Me side sleeping crib, one of the company's successful recent product launches.



PORTFOLIO DEVELOPMENTS

Investindustrial's business focus and global drivers

At the end of 2017, Investindustrial's portfolio was well balanced across three main industry platforms and consisted of a concentrated group of 14 portfolio companies to which significant resources are dedicated on an ongoing basis.

1 Consumer Retail and Leisure Platform

Leading companies which operate in markets with long-term growth underpinned by positive trends in demographics and consumption patterns. The underlying industries need to be mature but are often still fragmented, giving the companies attractive opportunities to consolidate their markets. Growth is typically scalable on an international level.

2 Business Services Platform

Leading providers of critical or high value-added services. The companies are typically beneficiaries of a growing global outsourcing trend. Their asset-light capital structures give them a high cash conversion rate and an ability to expand internationally without undertaking major capital investments.

3 Industrial Manufacturing Platform

Global leaders in the design and manufacturing of specialty products. The underlying markets are mature and often consolidated with high barriers to entry for new competition. New markets are key in offering future growth opportunities and possibilities for operational improvement.

Three stunning Aston Martin sports cars took over the iconic Harrods storefront in a month-long celebration of the British marques' 'DB' nameplate.

► Global growth drivers and industrial opportunities

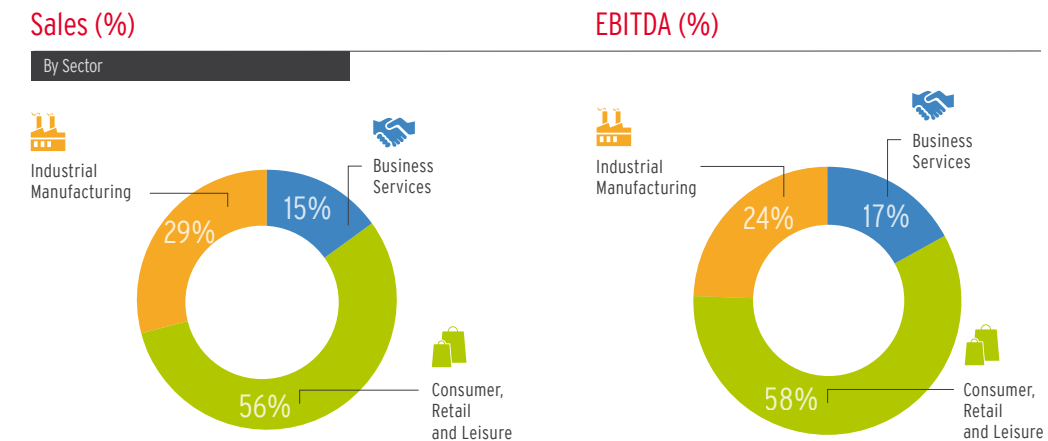
Each of the three industry platforms have different growth drivers and opportunity sets, as summarised below.

CONSUMER, RETAIL AND LEISURE	BUSINESS SERVICES	INDUSTRIAL MANUFACTURING
<ul style="list-style-type: none"> Globalisation of consumer trends Aging population Changing consumer purchasing behaviour Digitalisation 	<ul style="list-style-type: none"> Economies of scale Outsourcing Increased need for information and communication technology Global need for infrastructure investments Digitalisation 	<ul style="list-style-type: none"> Globalisation Growth in new markets Cost efficiency Resource constraints Commodity valueability Digitalisation
<ul style="list-style-type: none"> Add-on acquisitions Capturing growth opportunities in new markets Improving the marketing mix Product development Digital Transformation 	<ul style="list-style-type: none"> Expanding service offering into adjacent fields Synergistic add-on acquisitions Capturing growth in developing markets High visibility on concessions 	<ul style="list-style-type: none"> Improving operational efficiency of mid-market companies Relocation of manufacturing to more value added jurisdictions Add-on acquisitions Resource efficiency and supply chains

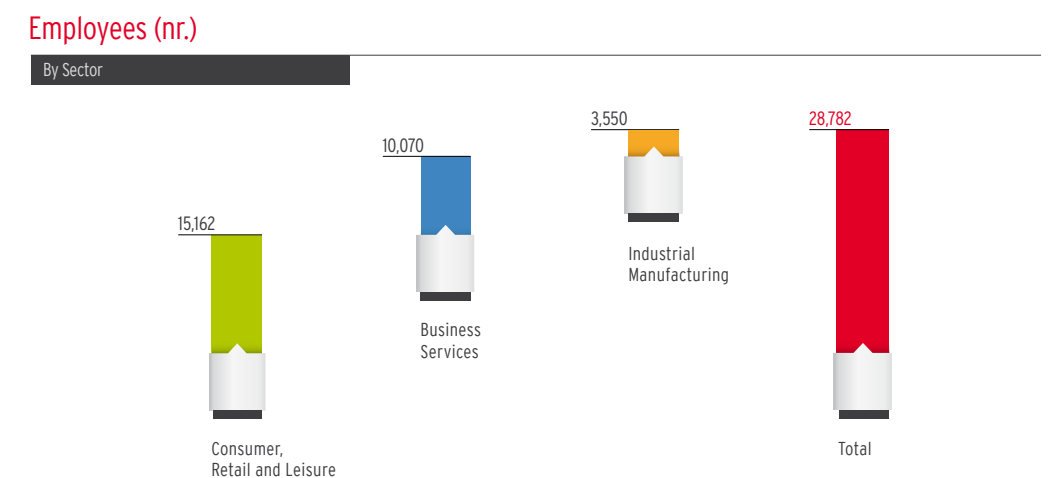
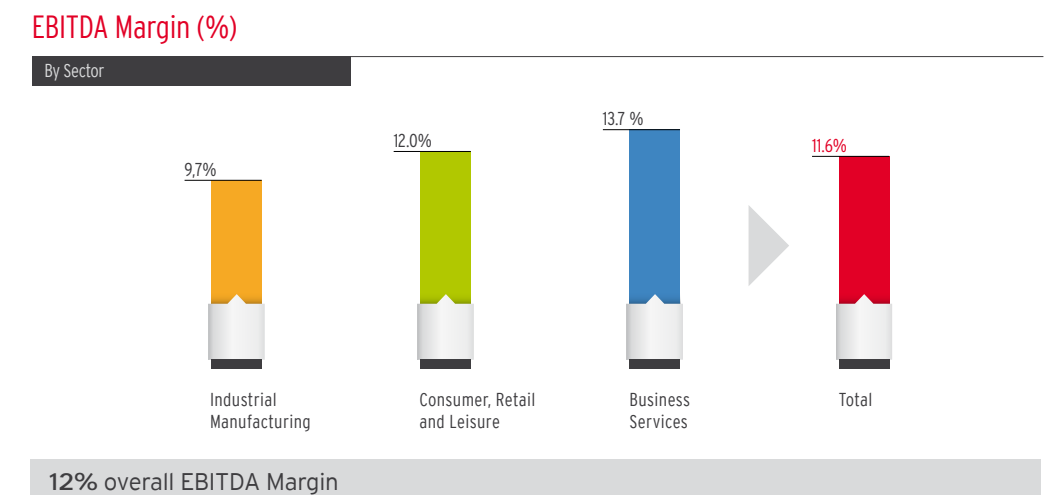
GLOBAL GROWTH DRIVERS

INDUSTRIAL OPPORTUNITIES

At the end of 2017, Investindustrial's portfolio comprised 14 investments, balanced across the three industry classifications with a stronger emphasis (> 50%) on consumer brands ripe for internationalisation.



In this section sales and EBITDA are considered weighted by Investindustrial's shareholding and considering the portfolio companies owned as of December 2017.



Flos Superloon: the serene, harmonious glow of the moon inspired this innovative and first-of-its-kind design from Jasper Morrison.



1 Consumer, Retail and Leisure

Investindustrial's Consumer, Retail and Leisure sector currently comprises the following companies:

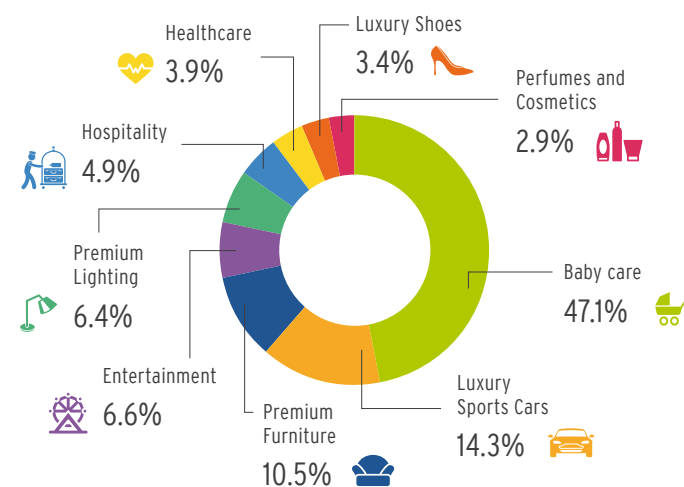
- ♦ **Aston Martin**, luxury sports cars manufacturer
- ♦ **B&B Italia**, high-end design furniture brand
- ♦ **Chicco**, international infant and baby care company
- ♦ **Flos**, Italian high-end lighting brand
- ♦ **OKA**, high-end interiors lifestyle brand

Sales (%)

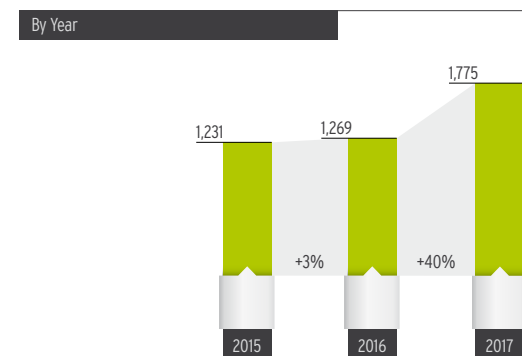
By Segment

At year-end 2017, **nine segments** represent Investindustrial's Consumer, Retail and Leisure sector.

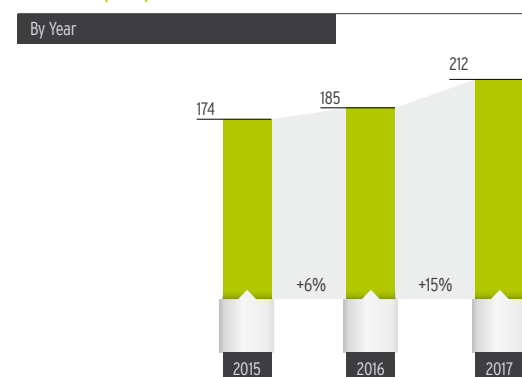
- ♦ **Perfume Holding**, producer and marketer of perfumes and cosmetics
- ♦ **PIC**, healthcare and diabetes care company
- ♦ **PortAventura**, leading European destination resort
- ♦ **Sergio Rossi**, leading international luxury shoes brand
- ♦ **Valtur**, leading hospitality group in Italy



Sales (€m)

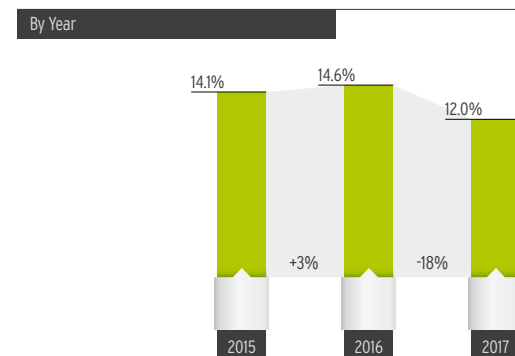


EBITDA (€m)

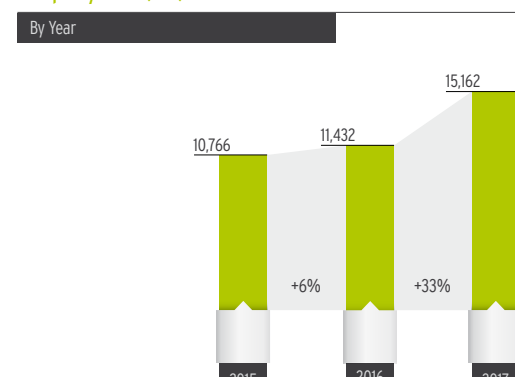


In 2017 sales increased by **40%** while earnings increased by **15%**, due to the different sector mix.

EBITDA Margin (%)



Employees (nr.)



The total number of employees increased by **33%** in 2017 reaching approximately **15,200** people.

2017 main events in Consumer, Retail and Leisure

During 2017, Investindustrial completed the acquisitions of OKA, a leading British high-end interiors lifestyle brand, and exited Goldcar to Europcar, a leading global car rental firm with a presence in more than 140 countries and with an average fleet of 200,000 vehicles.



Artsana, founded in 1946 in Como (Italy) by Pietro Catelli, is a leading international group with well-established consumer brands in infant care, self-medication and cosmetic products and solutions through a number of consumer brands, most importantly Chicco and Prenatal Retail Group (toys and infant care) and PIC Solution (self-medication). Investindustrial acquired Artsana during 2016 with the aim of leveraging on its strong product portfolio in order to further consolidate the international leadership of the company by developing an expansion plan based both on organic growth and add-on acquisitions. As part of an overall strategic assessment of the Artsana investment, in 2017 was decided to develop PIC as a separate and independent business from the rest of the group.



PIC has a leading market share in all product categories in which it operates in the pharmacy channel (pen needles for diabetes, venipuncture, diagnostic, dressings), coupled with advanced manufacturing capabilities. Post year-end Investindustrial reached an agreement for the acquisition of HTL Strefa in order to create a leading global medical devices and self-medication player.

www.picsolution.com



Chicco, differently from its competitors that typically focus on one product category, is an "umbrella brand" covering all baby-care product categories (juvenile, nursing, toys, apparel and shoes) with 380 mono-brand stores globally.

www.chicco.com

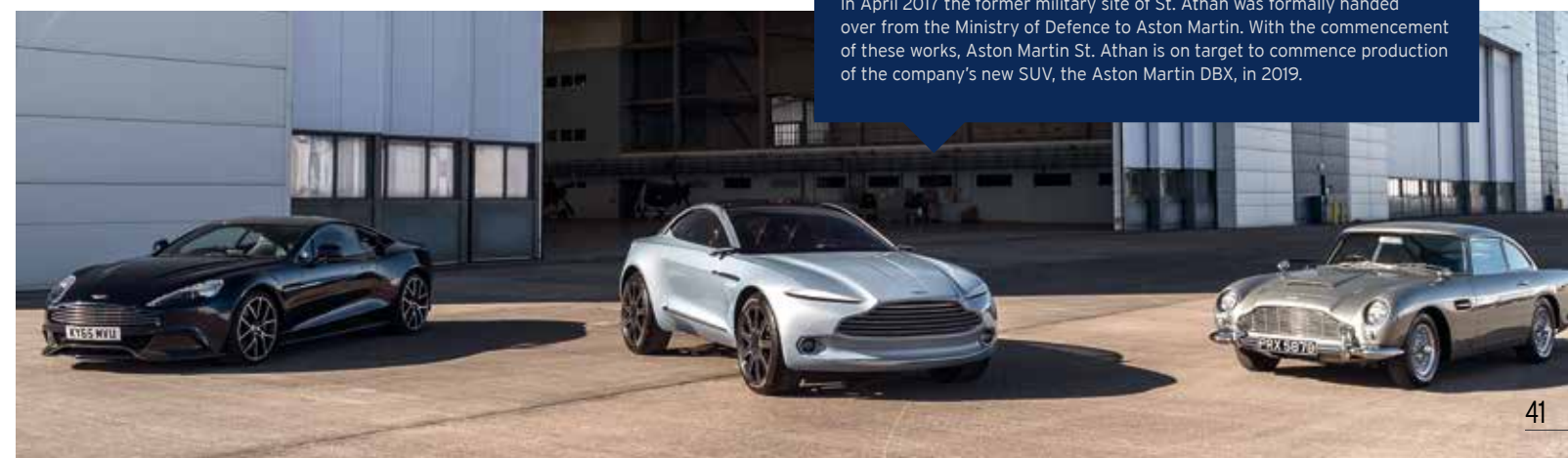
Prenatal Retail Group has one of the largest European network of 650 stores, under the brands Toys Center (Italy), King Jouet (France and Switzerland), Prenatal (Italy, Spain, Portugal and Greece) and Bimbo Store (Italy).

www.prenatalretailgroup.com



Aston Martin is a leading luxury car manufacturer and one of the most exclusive sports car brands in the world. Established in 1913 and headquartered in Gaydon (UK), Aston Martin designs, manufactures and distributes luxury performance motor cars. Its iconic status and global footprint has been established through its performance and elegant design and through the successful marketing as James Bond's car in many 007 movies over the past 50 years. At the beginning of 2017, Aston Martin started conversion of the St. Athan (Wales) facility ahead of SUV production in 2019. At the end of March 2017 Aston Martin priced a refinancing transaction to replace its senior secured notes and subordinated PIK notes due 2018, in a successful and oversubscribed dual-currency issue on the back of its strong financial performance following the DB11 launch and the continued overall execution of Investindustrial's business plan. The DB11 constituted the basis for other future sport car models such as the new Vantage that has been recently launched. The new Vantage is the second in a line of seven new models to be launched over a period of seven years, in line with the company's 'Second Century Plan', which takes the 104-year-old company into its next century of operation.

www.astonmartin.com



In April 2017 the former military site of St. Athan was formally handed over from the Ministry of Defence to Aston Martin. With the commencement of these works, Aston Martin St. Athan is on target to commence production of the company's new SUV, the Aston Martin DBX, in 2019.



B&B Italia is the leading Italian high-end design furniture brand, globally recognised for its iconic products. The company has a unique product portfolio and has been awarded with many design prizes over the years. B&B Italia has developed longstanding partnerships with world-renowned designers and architects such as Antonio Citterio, Naoto Fukasawa, Gaetano Pesce and many others which have positioned the company at the forefront of technological innovation. State of the art integrated design, R&D and manufacturing capabilities have allowed B&B Italia to combine high quality with process efficiency. The company has captured different and complementary styles through two renowned and established brands – B&B Italia (contemporary innovative) and MAXALTO (classic traditional) – which comprise its Home division, and additionally provides bespoke design furnishing solutions through its Contract division. After having acquired the leading high-end Italian kitchen brand Arclinea in 2016, B&B Italia widened its portfolio of products by stepping into the luxury design kitchen segment and further consolidated its leadership in the luxury furniture market. In 2017 B&B Italia reached an agreement to produce and market a portfolio of several products designed by Luigi Caccia Dominioni, one of the most iconic Italian designers and a prominent ambassador of the Italian design culture and architectural heritage. In the past months B&B Italia further strengthened both its management team and the international network with the opening of the redesigned flagship stores around the world.

www.bebitalia.com

FLOS

Flos is the leading Italian high-end lighting brand, known globally for its unique design and technological innovation, both in the decorative and architectural segments. Since its founding in 1962, Flos products have been recognised with a number of design awards and collection items for leading museums such as the MoMA in New York, the Victoria & Albert Museum in London and Le Centre Pompidou in Paris. Flos' long-standing relationship with world-renowned designers, such as the Castiglioni brothers, Philippe Starck and Antonio Citterio, is a unique feature of the company. The company is continuing its strategy of international and product expansion following the acquisition of Lukas Lighting in the USA, a company specialised in the design, manufacturing and installation of customised lighting solutions, and Ares, the leading Italian company in the premium outdoor lighting market. In 2017 Flos completed the acquisition of KKDC France, the sole distributor in France for high-quality linear LED products and solutions. These transactions enable Flos to cover all key premium lighting products and are generating significant synergies with Flos' operating model. In 2017 the Company launched the new "Flos Outdoor" catalogue by Piero Lissoni, with very positive feedback from the market, and presented nine new products at the Euroluce fair.

www.flos.com

OKA

Founded in 1999 by Lady Annabel Astor, Sue Jones and Lucinda Waterhouse, **OKA** is a leading high-end interiors lifestyle brand headquartered in London (UK). The company is renowned for creating interior designed homes featuring curated collections of British designed furniture and home accessories. OKA's philosophy centres on the entire finished article, the 'room set', which combines not only the larger furniture pieces but also a rapidly growing home accessories collection that bring a room to life. OKA has a strong omnichannel direct to consumer offering. A destination retail portfolio of 14 strategically placed showrooms is supported by a successful interior design service, a well-established online platform representing approximately 30% of sales, a strong mail order catalogue offering and a complementary trade division. The strength and resilience of the company's business model is underpinned by its established brand and design-led reputation for developing and curating a range of high-quality lifestyle interiors.

www.oka.com



Perfume Holding produces and markets perfumes for a number of well-known brands. The license portfolio includes Ferrari, Iceberg, Sergio Tacchini, Liu Jo and Fiat 500. In addition, the group owns the Atkinsons, I Coloniali and Morris brands. The company has a direct presence in Italy, Germany, UAE, USA, UK, Russia and Singapore. The company is consolidating its strategy of creating the first alternative to multinational perfume companies through the development of its owned brands and through the acquisition of small-medium size brands and companies. In particular the company is focusing on the development of the Atkinsons brand in the niche perfumery segment and in the launch of the new I Coloniali products for skincare, body care and hair treatment. In November 2017 the company opened its first Atkinsons flagship store in Mayfair in London. Perfume Holding is continuing to focus on capturing growth in existing markets and product segments that leverage the established international distribution network, and on developing the new acquired licenses.

www.perfumeholding.com

Perfume Holding during 2017 opened its Atkinsons flagship boutique in the prestigious Burlington Arcade in Mayfair (London).



Investindustrial has completed the acquisition of OKA, a leading high-end interiors lifestyle brand.



PortAventura World, is the largest destination resort in Southern Europe and the number two in Europe by number of rooms. Investindustrial invested in PortAventura at the end of 2009 and offered the support of the former managers of Gardaland, who now work closely with the company. In recent years the company has implemented a development strategy based on product innovation (a new aquatic park, Costa Caribe, a new kids' area, Sesamo Adventure, the tallest rollercoaster in Europe, Shambhala, and the longest boat ride circuit in Europe, Angkor), a new marketing strategy focused on traditional values, entertainment and family, and improvement of efficiency. PortAventura owns and manages 5 hotels with 2,100 rooms providing an integrated holiday offering for families. At the beginning of 2017 Ferrari Land opened within PortAventura. Ferrari Land is the sole Ferrari theme park in Europe and includes Red Force, the park's signature ride - now the tallest and fastest roller coaster in Europe reaching a height of 112 metres and a speed of 180km/h. Ferrari Land has been developed within a tasteful setting of an Italian town and contains two simulator attractions (Flying Dreams and Racing Legends) and a unique exhibition showcasing Ferrari's history. PortAventura also has an agreement with Cirque du Soleil which performs at the park over the summer months.

www.portaventuraworld.com



Piero Ferrari, the son of the brand's eponymous founder, Enzo, officially opened Ferrari Land on April 7th 2017.

sergio rossi

Sergio Rossi is a prominent Italian luxury footwear brand, long known for its high quality production. The company has built its credibility on its unique craftsmanship and on the creativity that characterises its designs. Sergio Rossi has a significant international presence across EMEA, South East Asia and Japan with over 55 stores (a mix of directly operated stores and franchised stores). Sergio Rossi has a modern and best-in class factory located near Rimini on the north-eastern coast of Italy (within an industrial region with a very strong shoemaking heritage). After the acquisition by Investindustrial at the end of 2015, a new management team was recruited as part of the brand re-launch and repositioning strategy.

The company is focused on successfully implementing its strategy of international brand repositioning and sales growth.

The company is strengthening its commercial network by opening new flagship stores, most recently on Via Condotti in Rome, an outlet in Hiroshima and a pop-up store in Hong Kong, in addition to the refurbishment of key flagship stores such as Montenapoleone and La Rinascente in Milan.

www.sergiorossi.com



Established in 1964, **Valtur** operate 15 resorts (11 seaside and four mountain) across Italy and Croatia at year end 2017. Valtur is a well-recognised brand and the clear leader in the resorts chain category in Italy with a significant market share and is the fourth largest hotel group overall in Italy by number of keys. Investindustrial acquired the company in the first half of 2016 with the aim to create the premier Mediterranean all-inclusive hospitality group. Valtur operates in a growing and fragmented industry with a rising demand for affordable luxury resorts. The Southern European region is one of the most visited destinations in the world with approximately 215 million of international visitors (similar number of visits as the entire Asian region) in addition to local population. Post year-end and in conjunction with the worsening of its financial performance the company entered into a court protection procedure.

www.valtur.com



The sr1 Crystals shoes by Sergio Rossi, part of the new collection.

2 Business Services

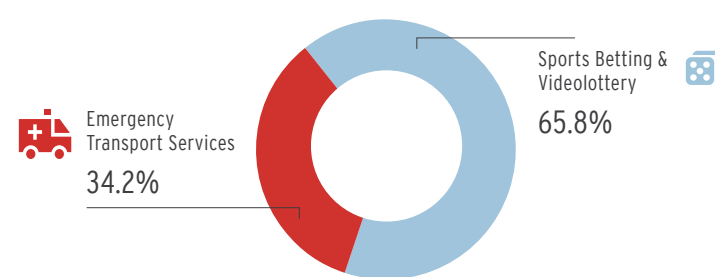
Investindustrial's Business Services sector comprises the following companies:

- ♦ **SNAITECH**, leading Italian operator in sports betting & video lottery
- ♦ **Emeru and Ambuibérica**, leading Spanish ambulance services companies

Sales (%)

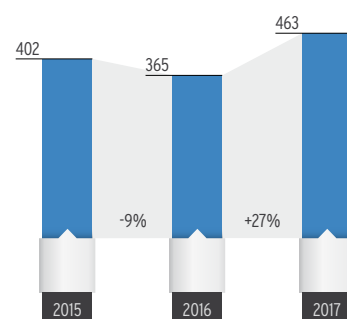
By Segment

At year-end 2017, **two segments** represent Investindustrial's Business Services sector.



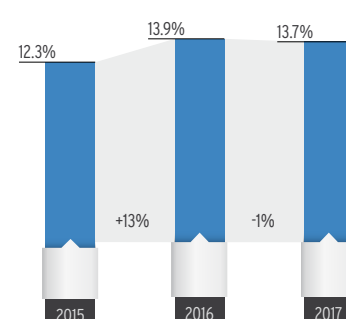
Sales (€m)

By Year



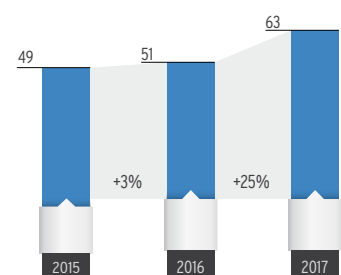
EBITDA Margin (%)

By Year



EBITDA (€m)

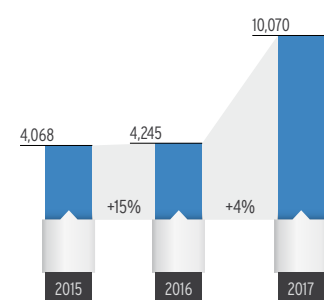
By Year



In 2017 sales increased by 27% and EBITDA by 25% maintaining a stable 14% EBITDA margin.

Employees (nr.)

By Year



In 2017 employees reached almost 10,100% mainly due to the integration with Ambuibérica.

2017 main events in Business Services

SNAITECH

Following the 2015 integration of SNAI and **Cogetech**, **Snaitech** became the largest listed group in Italy dedicated to the entertainment sector with a leading position in sports betting, virtual events and horse races. The integration is an industry-shaping transaction for the Italian market: the new group has the largest betting network in Italy with almost 700 shops and owns the rights for approximately 900 betting corners as well as the concession to operate more than 10,000 video lottery terminals. The gaming industry has high barriers to entry arising from its concession nature and thus provides good revenue visibility. Today the group is well placed to benefit from the ongoing trend towards online due to its strong brand awareness and leading market position. Post year-end Snaitech was sold to Playtech PLC (LSE: PTEC), the world's largest online gaming software supplier.

www.snaitech.it



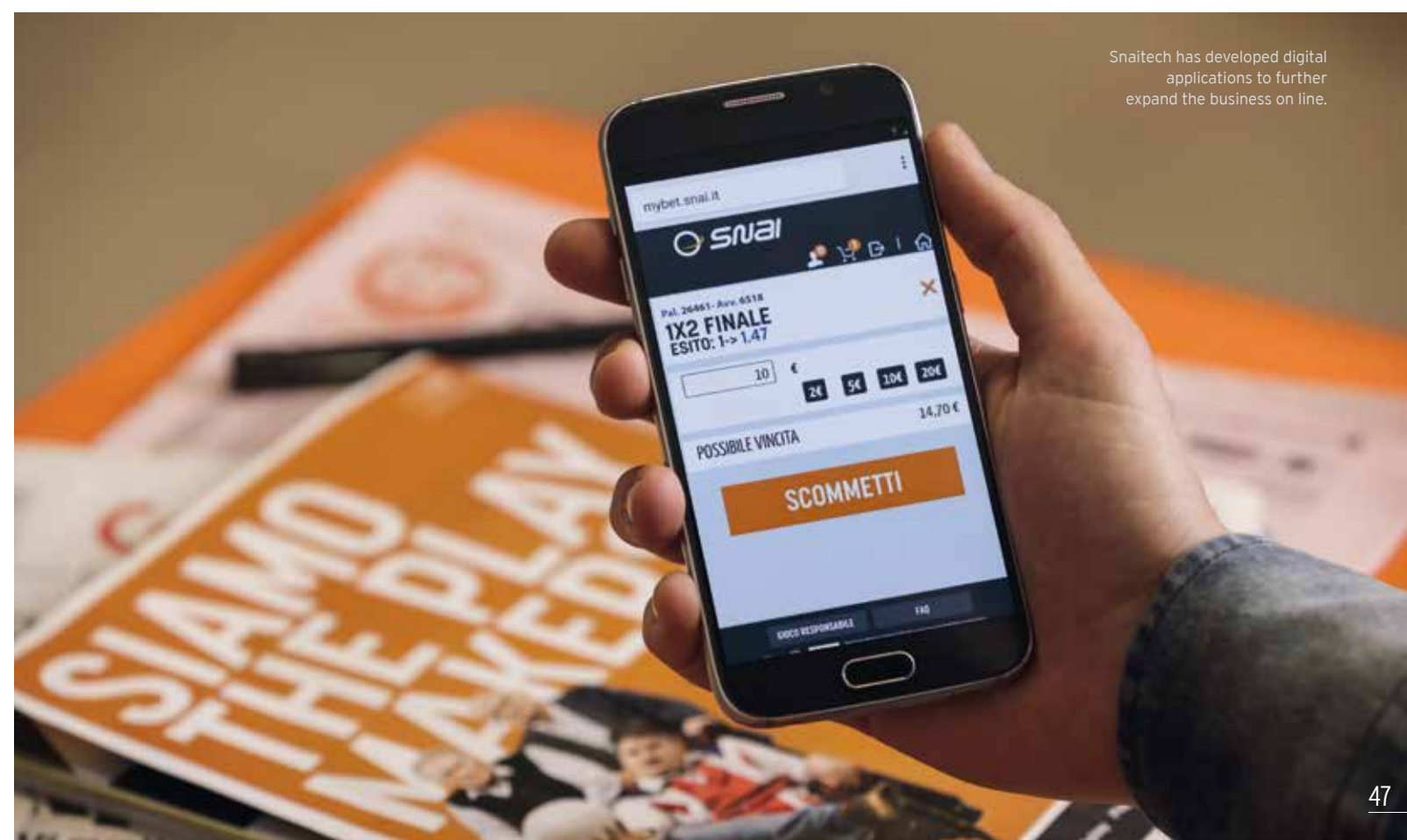
During 2017, **Emeru** completed the merger with **Ambuibérica**, a leading ambulance operator in Spain, with approximately €175 million of revenues, a fleet of more than 2,000 ambulances and presence in Spain and Latin America. Following the merger, the combined group is the largest provider of outsourced mission-critical ambulance services in Spain and number two in Europe with a total fleet of approximately 3,350 vehicles and 9,000 employees. The company provides emergency and scheduled patient transportation services for Spanish regional governments and the British National Health Service under a portfolio of more than 50 long-term concessions ranging from 4 to 10 years that represent over 85% of the company's total sales as well as for private customers predominantly in Spain, the UK and Brazil.

The merger has allowed Emeru to diversify the contract portfolio, enhance the company's position as a leading provider of mission-critical ambulance services in Europe, reinforce the market position of the combined business for upcoming tenders with public administrations as well as with private customers and increase the effectiveness of the services offering. Following the merger the management team has been strengthened with a new CEO, a new CFO and a new head of international business development.

www.emeru.net

www.ambuibérica.com

Snaitech has developed digital applications to further expand the business on line.



3 Industrial Manufacturing

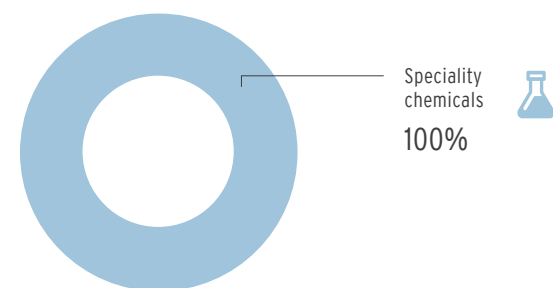
The Industrial Manufacturing Sector comprises the following companies:

- ♦ **Polynt**, global leader in the production of specific polymer intermediates and derivatives.
- ♦ **Benvic**, developer and producer of innovative PVC-based thermoplastic solutions.

Sales (%)

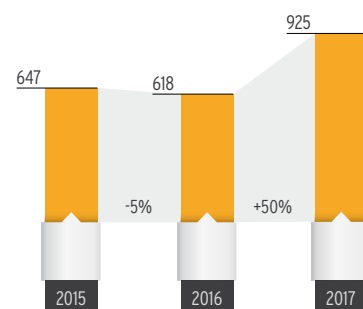
By Segment

At year-end 2017, **one segment** represents Investindustrial's Industrial Manufacturing sector.



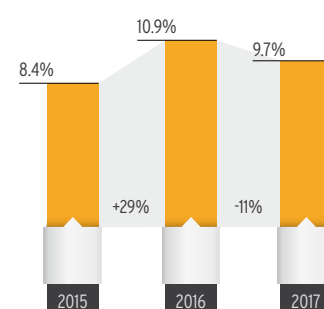
Sales (€m)

By Year



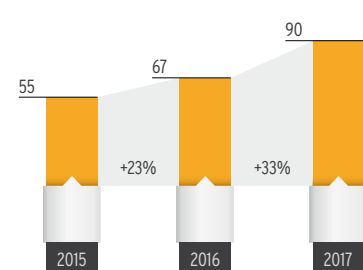
EBITDA Margin (%)

By Year



EBITDA (€m)

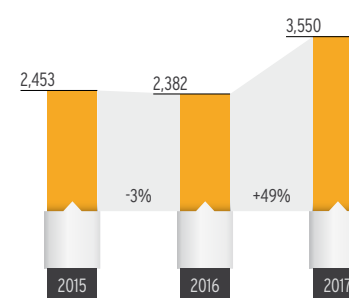
By Year



In 2017 sales increased by 50% and earnings increased by 33% mainly due to the merger between Polynt and Reichhold.

Employees (nr.)

By Year



The merger with Reichhold also impacted profitability and number of employees that increased by 49%.

2017 main events in Industrial Manufacturing



Founded in 1963, **Benvic** develops, produces and markets highly customised, innovative PVC-based thermoplastic solutions in the form of powders and compounds that are utilised across a wide range of rigid and flexible end-applications including building and construction, automotive and aerospace, cabling, packaging and fluid transport. Headquartered in Chevigny (France) with production facilities in France, Italy and Spain, the company is Europe's leading PVC compounder, with a leadership position in Southern Europe where it is the number one in France, Spain and Belgium and the number two in Italy. Benvic has an increasingly diversified global customer base, selling into 50 countries, with France, Iberia, Italy, the UK/Eire, Germany and the Benelux being the most important markets. Investindustrial completed the acquisition of Benvic in December 2017.

www.benvic.com



REICHHOLD

The **Polynt Group** is one of the world's leading manufacturers of composites and coatings resins as well as intermediate and specialty chemical polymers. The end markets are primarily construction, electric/electronics, transportation and, to a lesser extent, household applications, paints and sporting goods. Following the acquisition of PCCR (the North American coatings and composites resins business of Momentive Specialty Chemicals) and CCP Composites (a company specialised in composite resins) in France, Polynt became a truly global player with a manufacturing presence in Europe, Asia and North America and a critical mass from which to further consolidate the market. During 2017, Polynt completed the merger with Reichhold and today the group has been repositioned to be a global specialty player with a worldwide footprint and business presence. Polynt is starting to significantly benefit from the synergies of the new merger and registered record profitability in 2017 while being positioned for further attractive strategic opportunities through combinations with other specialty chemicals leaders.

www.polynt.com

Polynt Group, an integrated global player in the coating and composite resins industry with a variety of end markets: construction, transportation, housing appliances, electrical, marine, food and others.



RESPONSIBLE INVESTING

Investindustrial firmly believes that managing ESG issues is a vital part of creating value for its stakeholders and of developing more sustainable, long-term strategies for its portfolio companies. In accordance with this belief, Investindustrial was the first private equity operator with a focus on Southern Europe to subscribe to the UN Global Compact Ten Principles (www.unglobalcompact.org) in 2008 and then subsequently to the Principles for Responsible Investment (PRI – www.unpri.org) in 2009.

As a member of the UN Global Compact, Investindustrial adheres to its ten principles which include, but are not limited to, respect for human rights, ensuring appropriate labour conditions, respect for the environment and the application of anti-corruption measures. Investindustrial uses these principles as guidelines and requires all of its portfolio companies to do the same.

PRI, an initiative launched in April 2006 at the New York Stock Exchange by the UN Secretary-General and coordinated by the United Nations Environment Programme (UNEP) and the UN Global Compact, presents its own six interconnected principles which act as a franchise for global best practices in responsible investment. Investindustrial fully supports and incorporates these measures into its own mission statement and values as well as its everyday approach to business. For 2017, Investindustrial received an A+ score on PRI's Private Equity module.



Mission statement

- To maximise returns for our investors in a manner that reflects our Firm values.
- To pursue a sustainable, industrially-driven strategy to build better companies for the long-term.
- To work relentlessly towards leaving no trace (environmentally) whilst leaving a positive mark (socially).

Firm values

Team

The most important asset is our people and the experiences we accumulate as a team.

Relationships

Strong and supportive relationships, whether with our managers, investors, team or our broader community, form the bedrock for our success.

Entrepreneurial

Ambitious targets coupled with our hands-on, industrially-driven approach reflect our innate entrepreneurial spirit.

Respectful

Respecting the environment in which we operate and the people who we impact is more than just being a good corporate citizen but is central to running best-in-class business.

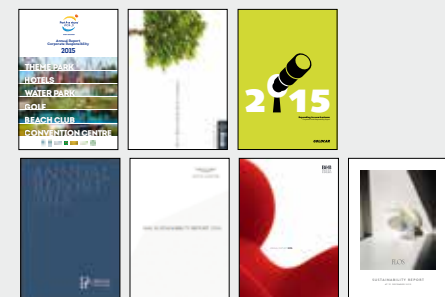
Lagonda Vision Concept - emission free



Aston Martin presents the Lagonda Vision Concept, marking the beginning of a new range of state of the art, emission-free luxury vehicles.

Investindustrial's ESG Evolution

Investindustrial has a long history in addressing ESG issues starting in 2000 with the establishment of its corporate foundation Invest for children and then more actively from 2008 onwards.



2008

- ◆ Investindustrial signs the UN Global Compact
- ◆ 1st Annual Review and Sustainability Report
- ◆ Introduction of external ESG consultants in the pre-investment DD stage
- ◆ Appointment of ESG Officer
- ◆ Disclosure of ESG activity on the company website

2009

- ◆ Investindustrial subscribes to the Principles for Responsible Investment (PRI)
- ◆ Investindustrial becomes a carbon neutral company

2010

- ◆ Introduction of the CSR Toolkit and first portfolio company with a dedicated ESG section

2011

- ◆ Incorporation of systematic ESG DD in the investment process

2013-14

- ◆ First stand-alone sustainability report by a portfolio company

2015

- ◆ Majority of portfolio companies produce stand-alone sustainability reports

2016

- ◆ Establishment of Investindustrial Foundation
- ◆ First Annual ESG Summit
- ◆ Portfolio company ESG benchmarking analysis
- ◆ First portfolio company carbon footprint assessment
- ◆ Carbon Neutral Policy
- ◆ Dedicated ESG Team

2017

- ◆ Portfolio company ESG KPIs
- ◆ Winner of Real Deals Private Equity Award for ESG



In 2017 Investindustrial continued to formalise its ESG efforts and was awarded The Environmental and Social Governance Award at the Real Deals Private Equity Awards.

Throughout 2017 the ESG Team continued to support the portfolio companies with the publication of their sustainability reports (resulting in 10 of the 12 companies producing a report), providing industry research and analysis via the benchmark mapping exercise, organising an ESG Summit and assisting in the finalising of KPIs.

Additionally, Investindustrial was recognised for its contribution and pioneering work in the ESG space at The Private Equity Awards held in London.

Best-Practice KPI Setting

As a continuum of the desk based and onsite benchmark mapping analysis conducted by the ESG Team in recent years, the focus in 2017 was turned to working with the portfolio companies and helping them to finalise their medium-long term KPIs.

Each portfolio company created its objectives per pillar (environmental, social and governance) that were impactful to their businesses whilst also being mindful of the broader Investindustrial goals.

Below is an example of some portfolio companies' short and medium-term KPIs.



Andrea C. Bonomi and the Investindustrial ESG team accepting the Private Equity Awards ESG award for which eight firms were shortlisted.

Portfolio Company	ESG Sector	Material ESG opportunity/issue identified	Objective	Year to reach objective
B&B ITALIA	Environment	Eco-sustainability product	Implementation of a project to eliminate chemical treatments for making fabrics used in the water-resistant outdoor sector. Targets for 2019: 100% of fabrics' codes and meters.	2019
ASTON MARTIN	Environment	Carbon emissions	Source 100% of all electricity used by AML, from renewable sources.	2018
FLOS	Social	Professional development	25% increase of training expenditures (base year: 2015) for Flos S.p.A. Total training hours in 2015: 606 Total training expenditures in 2015: 42.020 € (including cost of personnel trained and cost of training courses).	2019
PortAventura WORLD PARKS & RESORT	Social	Philanthropy	Launch PortAventura Dreams project in 2017. Providing cost-free vacations to children with life-threatening illnesses and their families.	2018
chicco pic	Governance	ESG Policy	Definition and implementation of Artsana Group's ESG policy, based on the material issues identified by the Group.	2018
ASTON MARTIN	Governance	Human Rights	Ensure UN Guiding Principles on Business and Human Rights are embedded in our policies, procedures and culture. Comply with all compulsory reporting requirements as a minimum.	2019

Annual ESG Summit

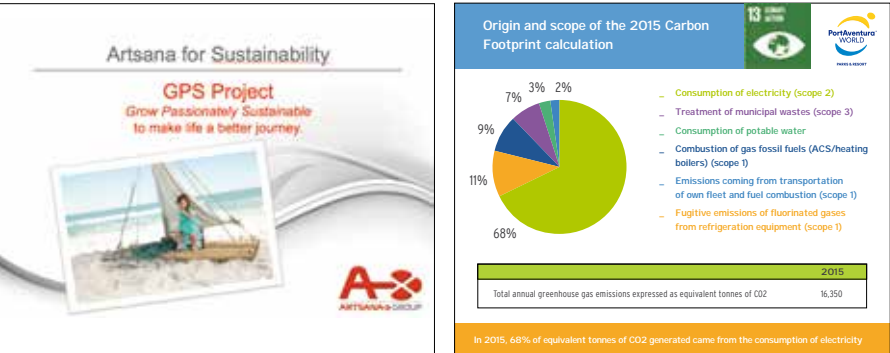
In September 2017 Investindustrial held its annual ESG Summit at the Investindustrial offices in Lugano. In attendance were the ESG representatives from all of the portfolio companies, Investindustrial's ESG and legal and compliance teams as well as half of the Investindustrial senior management team.

As with each year, the Summit provides a forum for the ESG representatives to exchange ideas and best practices as well as for Investindustrial management to share the Firm's broader ESG objectives.

Topics of focus were finalising KPIs, cyber-security and renewable energy. The Artsana team presented their approach on developing their in-house sustainability program and PortAventura presented their efforts in green energy.



Legal and Compliance workshop at the 2017 ESG Summit.



Portfolio company ESG representatives and the Investindustrial ESG and Legal and Compliance teams at the Lugano office for the 2017 ESG Summit.

ESG Data collection

For the year ending 2017, Investindustrial and its active portfolio companies² (Benvic and OKA were not considered active portfolio companies for ESG purposes in 2017) reported on key ESG metrics such as greenhouse gas (GHG) emissions, energy consumption, diversity and other pressing environmental, social and governance issues. Similar to last year, for the GHG emissions assessment, Investindustrial and its portfolio companies used a methodology that was in accordance with the Greenhouse Gas Protocol and most of the portfolio companies, in addition to Investindustrial, worked with external ESG consultants to collect and assess the data.

The data presented in the table at the end of the Responsible Investment section provides a transparent and accurate status on the total portfolio's ESG efforts. This data is presented by company, with the aggregated data for key metrics provided on the relevant ESG introductory pages.

Investindustrial KPIs

In addition to the ESG metrics published at the end of this section, Investindustrial also shares its medium-long term KPIs in the chart below which fully reflect the Firm's mission statement and are supported at both a Firm and portfolio company level as well as through the corporate foundations.

Material ESG opportunity issue identified	Reference KPI	Objective	Year to reach objective	Status
Environment	GHG Emissions	Carbon neutrality at an Investindustrial level ¹ .	2009	Achieved
	GHG Emissions	Carbon neutrality for the Sponsor shareholding of the active portfolio companies ² in the portfolio.	2015	Achieved
	GHG Emissions	Carbon neutrality through a proprietary carbon capture/ displacement project at an Investindustrial, Sponsor and Fund level executed according to the below steps and timeline, and certification of carbon capture/ displacement into carbon credits as soon as feasibly possible: a) Definition and implementation of project strategy (2017) b) Carbon neutrality via the project's production of carbon capture or displacement (2027)	a) 2017 b) 2027	Under review due to a delay in hiring Investindustrial's Head of Sustainability who starts June 2018. The KPI should be met for 2018.
	Renewable energy	Reduction of electricity consumption for Investindustrial and its active portfolio companies ² by replacing 50% of their electricity requirements with renewable energy by 2018, 75% by 2020, and 100% by 2025.	2018 2020 2025	In progress
	Energy consumption	Creation of KPIs, for active portfolio companies ² , that are challenging, yet achievable, and address the reduction of energy consumption. Specific targets to be set at a company level.	2017	Partly achieved with 81% of active portfolio companies ² creating KPIs addressing energy consumption reduction.
Governance	Reporting	Investindustrial and the majority of its active portfolio companies ² to: a) publish a CSR report; b) assess and report their GHG emissions.	a) 2015 b) 2016	a) Achieved b) Achieved
	Reporting	Investindustrial and all of its active portfolio companies ² to: a) publish a CSR report; b) assess and report their GHG emissions.	a) 2017 b) 2017	a) Partly achieved with 83% of active portfolio companies ² and Investindustrial completing a CSR report. b) Partly achieved with 92% of active portfolio companies ² and Investindustrial assessing and reporting their GHG emissions. ¹
	Diversity	Increase the number of women on the board of all Investindustrial entities and active portfolio companies ² to 33% (base year 2016 for the entire portfolio is 19%).	2020	In progress
	Governance Policies	Establish an Environmental Policy, Diversity Policy and a Corporate Governance Policy for Investindustrial and all of its active portfolio companies ² .	2018	In progress
Social	Sustainable Philanthropy	Increase the number of differently-abled young people placed into the ordinary workplace year-on-year by 5%.	2012	Achieved
	Sustainable Philanthropy	Sponsor the advancement of ESG measurement and accountability via collaboration with academia and industry specialists.	2017	Achieved
	Employee Training	Increase training opportunities and time dedicated to professional development including staff rotation between offices and company sponsored higher learning (university lectures, MBA,...).	2019	In Progress

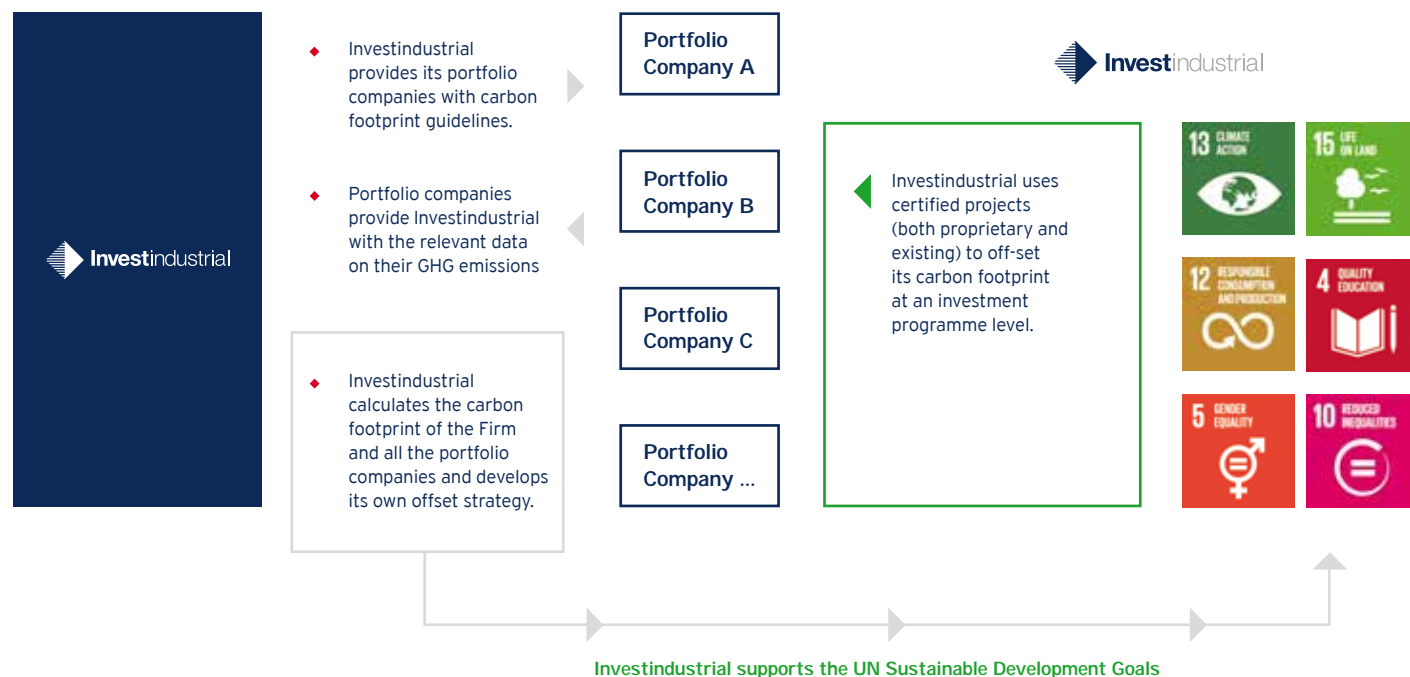
¹ Investindustrial includes Investindustrial Private Equity, StrategicCapital and Thalia. The Private Equity firm has been carbon neutral since 2009 and StrategicCapital since its inception in 2014. Thalia was acquired at the end of 2013 and became carbon neutral from 2015.

² Active portfolio companies is defined as those companies that have been in the portfolio for at least half of the stated year and are still active at the end of the year.

At the core of Investindustrial's conviction in ESG issues is the need to reduce carbon emissions, which has societal benefit and commercial value. Investindustrial, carbon neutral since 2009, aims to take a fresh approach to reducing carbon emissions by pursuing innovative and bold measures.

In 2016, Investindustrial created a Carbon Neutral Policy that provides guidelines to improve the carbon footprint of its portfolio companies. Investindustrial believes that by taking the first step in measuring its carbon footprint, the investee companies are now furnished with vital information that will allow them to act on crucial carbon emissions issues and reduction opportunities via carefully structured KPIs, as Investindustrial has done for itself.

Whilst Investindustrial's primary goal is carbon reduction and ultimately carbon neutrality, this is not always immediately possible. As such Investindustrial is in the process of developing carbon reduction projects to offset GHG emissions in order to achieve carbon neutrality at an investment programme level.



Given the size and variable nature of the portfolio, Investindustrial seeks an innovative solution to carbon offsetting that is sustainable, flexible and most effective over time. After careful consideration of multiple options Investindustrial decided that, not dissimilar to its portfolio investments, it should be both owner and manager of the initiative and will work with experienced practitioners to develop

a project to meet 100% or more of its offsetting needs in the long-term. In the interim, Investindustrial will continue to invest in established and reputable global carbon reduction programmes to meet its offset requirements; however, as Investindustrial's own project matures, there will be less and less reliance on external offsetting.

SHORT to MEDIUM TERM: Offsetting via established, GLOBAL CARBON reduction programmes

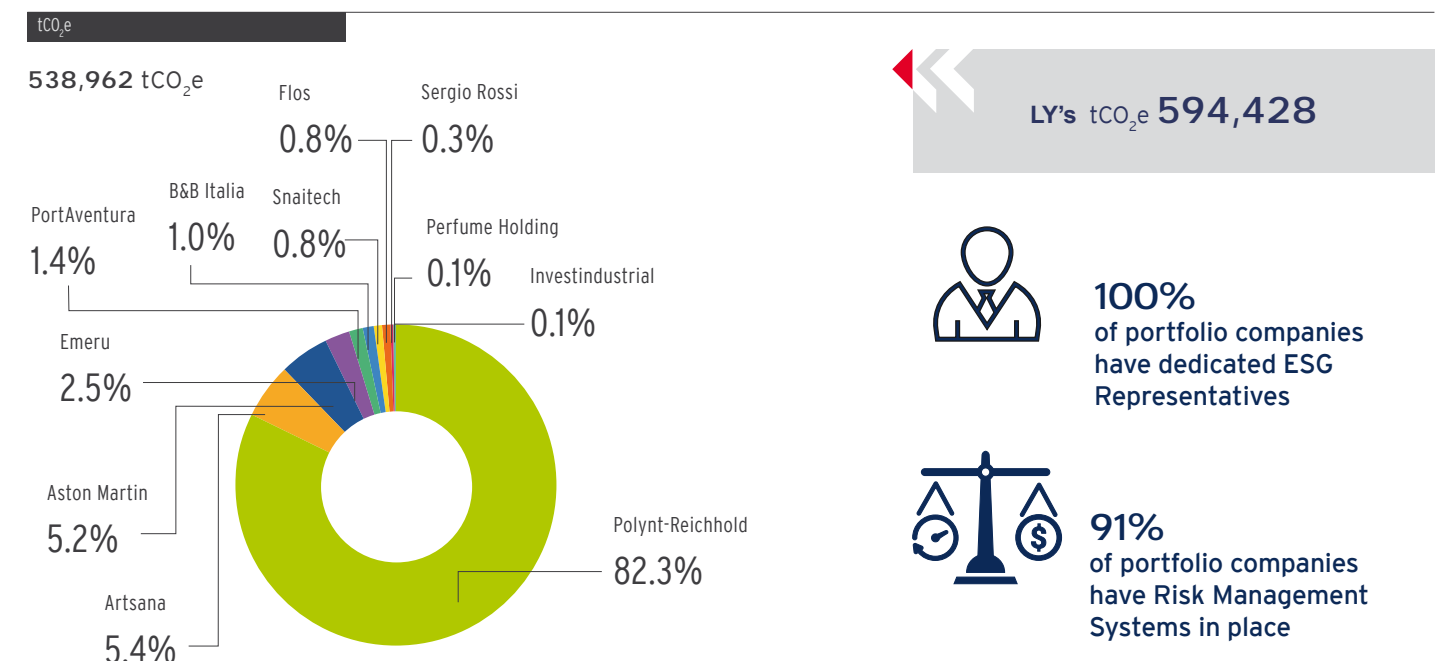
MEDIUM to LONG TERM: Offsetting via proprietary CARBON reduction programmes

ENVIRONMENT

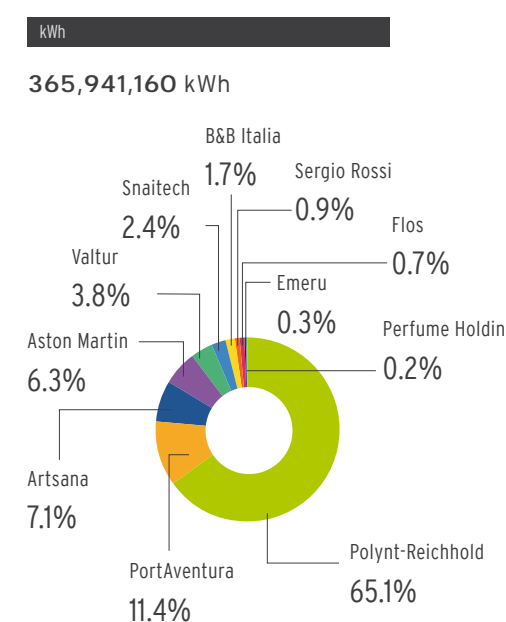
Investindustrial continues its focus on data capture and has worked with the portfolio companies to improve their ESG assessments and to help them to better understand how they perform on key environmental issues.

The below pie charts reflect the data captured for each portfolio company and Investindustrial in aggregate for the year ending 2017⁽¹⁾ and the following pages feature those environmental issues most relevant to the portfolio companies.

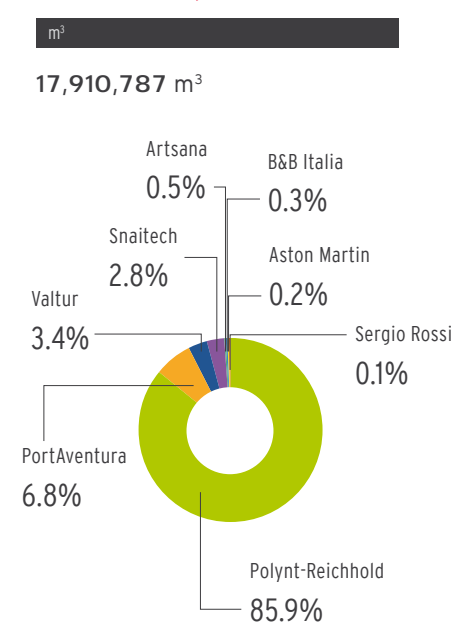
Carbon Footprint ⁽²⁾



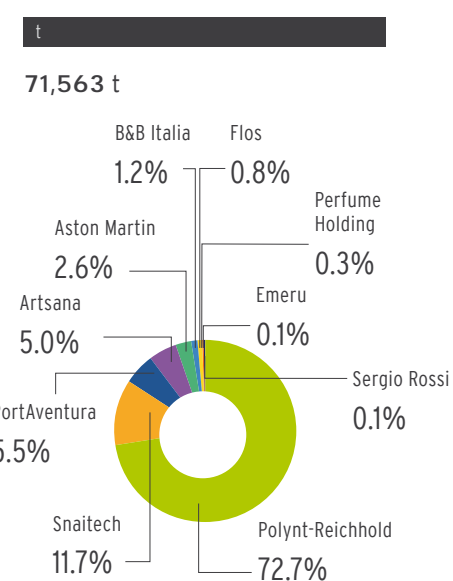
Electricity Consumption ⁽³⁾



Water Consumption ⁽⁴⁾



Total Waste ⁽⁵⁾



⁽¹⁾ Data figures reflected for Valtur are as of year ending 2016.

⁽²⁾ GHG emissions data was not available for Valtur.

⁽³⁾ Electricity consumption data for Investindustrial is not reflected as it is insignificant when considered on an aggregate basis. Also, 100% of PortAventura's electricity consumption is supplied via renewable energy.

⁽⁴⁾ Water consumption data not available for Flos and is insignificant for Emeru, Investindustrial and Perfume Holding when considered on an aggregate basis.

⁽⁵⁾ Waste data not available for Valtur and is insignificant for Investindustrial when considered on an aggregate basis.

Carbon Emissions Reduction

Carbon emissions reduction for all operational sites has been an aim of Emeru over the past few years with company wide targets and the implementation of mitigation measures in order to optimise the efficient use of natural resources and fuel consumption.

Emeru uses environmental criteria when renewing a large part of their Urgent Medical Transport Vehicles including important features such as: roofs with aerodynamic foam (reduces fuel consumption); LED lighting for vehicles; interiors made of recyclable materials; adjustable sound amplification system to adapt the vehicle's siren to different times and zones; systems to reduce nitrogen oxides contained in exhaust fumes. They also continuously work to increase the percentage of Euro6 vehicles owned for a more eco-friendly fleet.

Emeru Spain also established new communication channels to spread environmental commitment and practices to their employees and suppliers, and launched internal campaigns focused on the rational use of electricity consumption at all sites.

In addition to screening suppliers according to environmental criteria and supporting employee education, Emeru has also developed a circular economic strategy by selling-on their vehicles once they have reached the internal 10 year cut-off, thereby giving the vehicles a second useful life.



Vehicle from Emeru's Euro6 eco-fleet with aerodynamic roof and light panel design.



Renewable Energy

PortAventura seeks to improve its environmental impact by managing its energy consumption and, where possible, using renewable energy. The company aims to be a Smart Resort, based on the Smart City concept, by implementing various strategies and smart control systems to improve its energy efficiency as well as to minimise greenhouse gas emissions (this is in accordance with the principles of the Global Compact and commitment to SDG 13 on climate action). Actions of particular note are:

- ♦ **Use of an energy management system:** located in its operation control centre, to monitor, control, and optimise the use of solar energy according to the season. In the theme park, this centre has more than 2,500 automatic on/off controls, which operate the retail and food and beverage business units.
- ♦ **Contracting of a green energy supply that is free from CO2 emissions:** 100% of the electricity is supplied by energy marked as of renewable origin (GoO = Guarantee of Origin) which is an instrument used to certify the quantity of electricity produced from renewable sources or by high-efficiency cogeneration in any part of the country.
- ♦ **Sustainable mobility project:** the growth of the resort with new hotels, the convention centre and the increase in visitors



to the parks has resulted in more activity and consequently a higher number of vehicles circulating around the resort. As such, this project is targeted at the company's different stakeholders.

Employees:

- ♦ Implementation of a digital platform to arrange carpooling to work.
- ♦ Availability of electric vehicles for staff to use within the resort.
- ♦ Visitors: electric vehicle charging points in the parking area, convention centre and Hotel PortAventura for use by park visitors.
- ♦ Provision of electricity for clients' electric vehicles free of charge.

Suppliers:

- ♦ Promoting the use of electric vehicles by positively evaluating in the tenders the use of electric vehicles to carry out services at the resort.
- ♦ Provision of electricity for suppliers' electric vehicles free of charge.

The project includes a five year term investment that covers number, type and place to install the electric charging points in the resort. The project includes also an on-grid solar charging station for visitors.



Free of charge electric charging station, part of PortAventura's sustainable mobility project.

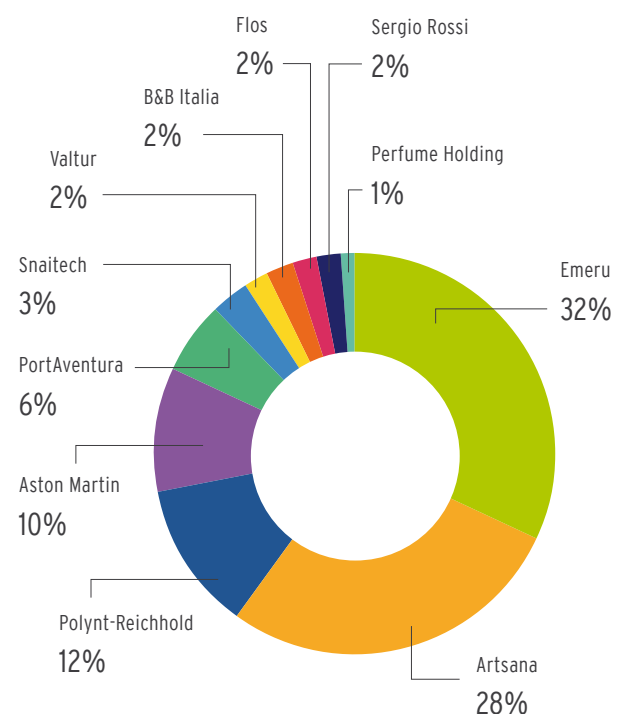
SOCIAL

Leaving a positive mark on the communities in which the Firm operates is integral to Investindustrial's strategy and is highlighted in the Firm's Mission Statement.

Headcount ⁽¹⁾

Employees

28,424 employees

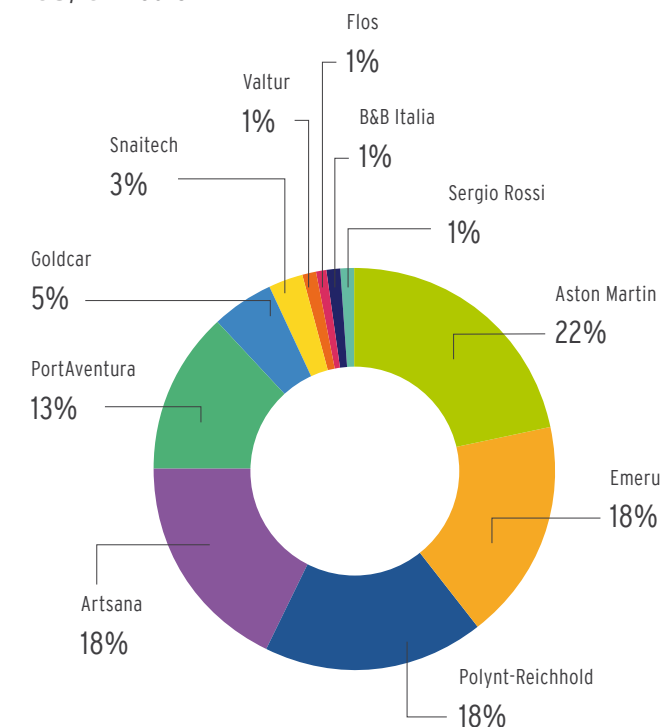


91%
of companies
have a Workers
Council

Employee Training Hours ^{(1) (2)}

Hours

258,167 hours



92%
of the companies
pursue charitable
giving

Customer Satisfaction

During 2017, Sergio Rossi's EMEA & Worldwide Retail Function carried out the development of "Retail Excellence", a project aimed at turning the shopping occasion into a client-tailored moment and at creating an emotional and exclusive bond with each client. The key starting point of the project was the implementation of the srAcademy and the Sergio Rossi Selling Ceremony workshop week, conducted in Milan, Paris, London and Hong Kong.

The aim of the srAcademy is twofold: the first one is that of training and coaching the store staff all around the world to create coherence between production, product, sales and communication. Starting from the Selling Ceremony workshop, the sales teams learn how to interpret client needs and to create trust with the customer. They also study how to adapt to different requests and situations in a proactive manner and how to use their product knowledge in the most personalised way possible to create Moments of Wonder for the clients.

The second aim of srAcademy is to convey and spread among the retail staff Sergio Rossi's new omnichannel commercial approach,

thus reconfirming the client-centric approach. This enables customers to buy Sergio Rossi products where most convenient whether in the physical store, Sergio Rossi's online e-commerce platform or other leading international fashion e-tailers.

To truly personalise the shopping experience, customers have the opportunity to enjoy #yourownsergirossi, a service enabling them to create their own sr1 model by selecting materials, colours, accessories, sizes and initials which they can receive within just 5-6 weeks. This customisation option is available both online and in-store, given the digitalisation strategy in-store with touchscreens providing product information and access to iPads.

In June 2017 Sergio Rossi introduced a new service called Client Service Management (CSM) where customers can contact Sergio Rossi for any information or assistance they might need, spanning from requests on products to suggestions to further improve their overall Sergio Rossi experience.

sergio rossi



Sergio Rossi shop in Milan with a digital screen and promotional material for the new #yourownsergirossiservice.



⁽¹⁾ Numbers relate to aggregate employees of portfolio companies held by investment companies indirectly participated in by funds managed by Investindustrial, in addition to individuals directly employed by Investindustrial and its affiliates.

⁽²⁾ Valtur figures are as of year ending 2016.

Ethics and Community

Artsana believes in creating long-lasting supplier relationships, based on trust and collaboration and with this, their suppliers are required to adhere to Artsana's Code of Ethics, both to build a positive business relationship and to demonstrate their corporate responsibility.

In addition, as a demonstration of their continuous effort to ensure a responsible supply chain management, Artsana endorses the Bangladesh Accord (www.bangladeshaccord.org), which was established in 2013, and the International Council of Toy Industries (ICTI) association (www.toy-icti.org), two multi-stakeholder and collaborative initiatives established for the Apparel and Toys industries respectively.

All Artsana suppliers undergo an assessment according to Artsana conduct rules following the ILO convention on Human Rights. In particular, Artsana recognises International ethical manufacturing schemes (ICTI, BSCI, SEDEX, SA8000) on specific product categories or audit reports issued by recognised international auditing companies.

In terms of community and giving back, Artsana has donated more than €530,000 through the Mission Bambini Foundation to screen and treat children with congenital heart disease in developing countries. To date, the program has provided 861 hours of training to local doctors, has screened 7,074 children and has operated and saved 245 children with serious heart conditions.



GOVERNANCE

Investindustrial uses the below governance points to monitor the engagement and progress of its portfolio companies in effort to minimise downside risks and improve growth.

Aggregate Portfolio Company Data

CODE OF CONDUCT	HEALTH & SAFETY POLICY	ANTI-CORRUPTION POLICY
100%	100%	100%
CSR REPORT	CORPORATE GOVERNANCE POLICY	ENVIRONMENTAL POLICY
83%	75%	67%
WASTE MANAGEMENT POLICY	EXECUTIVE COMMITTEE MEMBER IN CHARGE OF CSR	DIVERSITY POLICY
67%	50%	50%

Investindustrial Governance

Investindustrial's multi-layered approach to governance aims at a stringent segregation and allocation of roles and responsibilities among advisory teams, general partners and investment managers of the funds, investment and holding companies and, ultimately, management of each portfolio company.

The general partners and investment managers manage each of the funds in the interest of the respective limited partners and therefore in an autonomous and independent manner from other funds and portfolio companies. The investment manager of the funds is

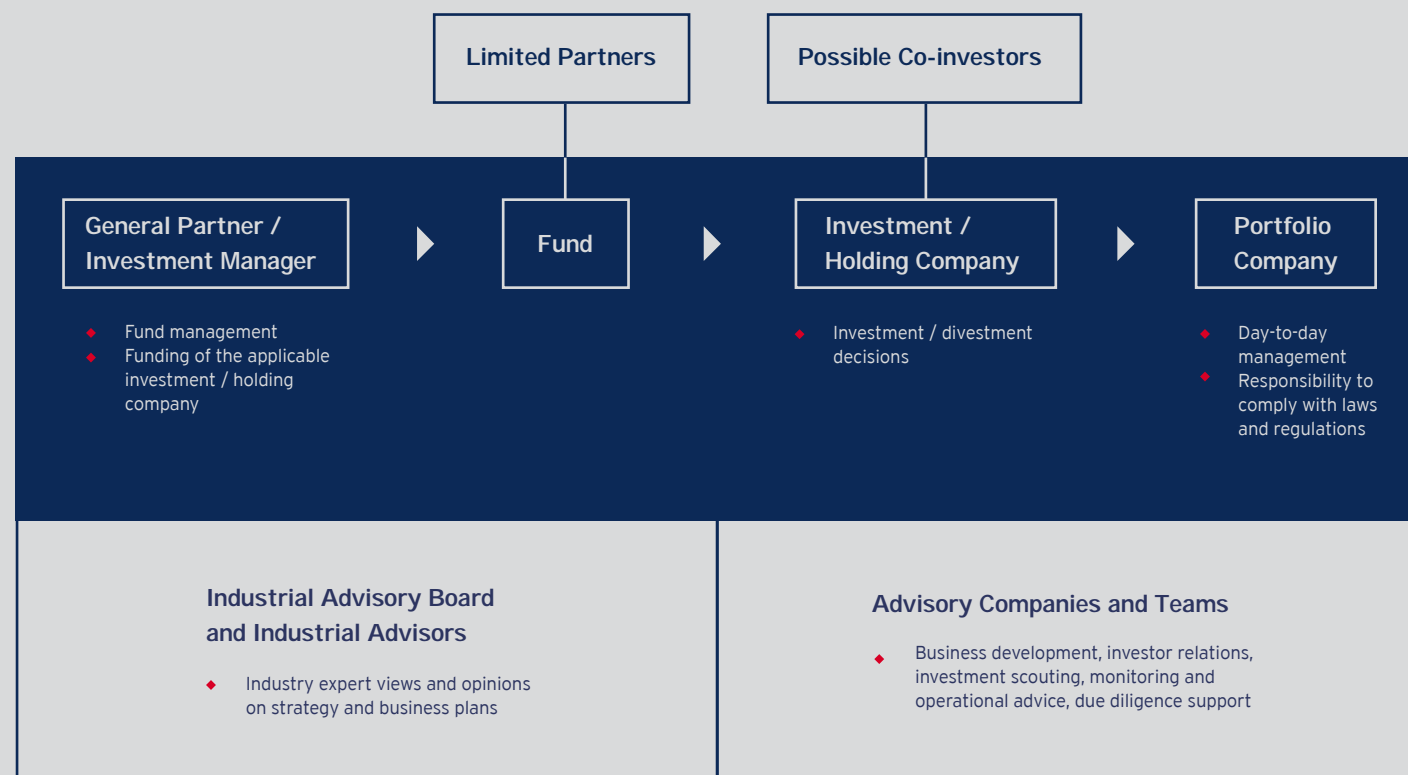
an entity regulated and supervised by the Financial Conduct Authority in the United Kingdom pursuant to the EU Alternative Investment Fund Manager Directive and has in place arrangements to deal appropriately with conflicts of interest. Investments and divestments are made (and shares in portfolio companies are held) by the applicable investment or holding company of each fund.

Decisions over investments and divestments, including the exercise of the voting rights over the shares of the portfolio companies, are made by the applicable investment

or holding company board of directors in an autonomous and independent manner, consistent with the applicable corporate governance rules and by-laws. It is the responsibility of the management of each portfolio company to operate the company on a day-to-day basis and implement rigorous compliance system and procedure.

Investindustrial expects that portfolio companies apply a rigorous and conservative approach to Corporate Governance based on clear roles and with full accountability.

Corporate Governance Model



Sustainability Strategy

As a producer of luxury products, Aston Martin Lagonda takes a responsible approach to sustainability. In the past this has been done in an ad-hoc and siloed manner, generating improvements across the business, but with little opportunity for individual departments to share best practice and effect wider societal benefit.

In 2017 the company took steps to assess where it could make further improvement and drive effective change within the organisation. This analysis culminated in the development of a detailed Sustainability Strategy, which aims to 'deliver stakeholder value through ethical and sustainable excellence, creating long term competitive advantage.



This is achieved through four sustainability strategic goals:

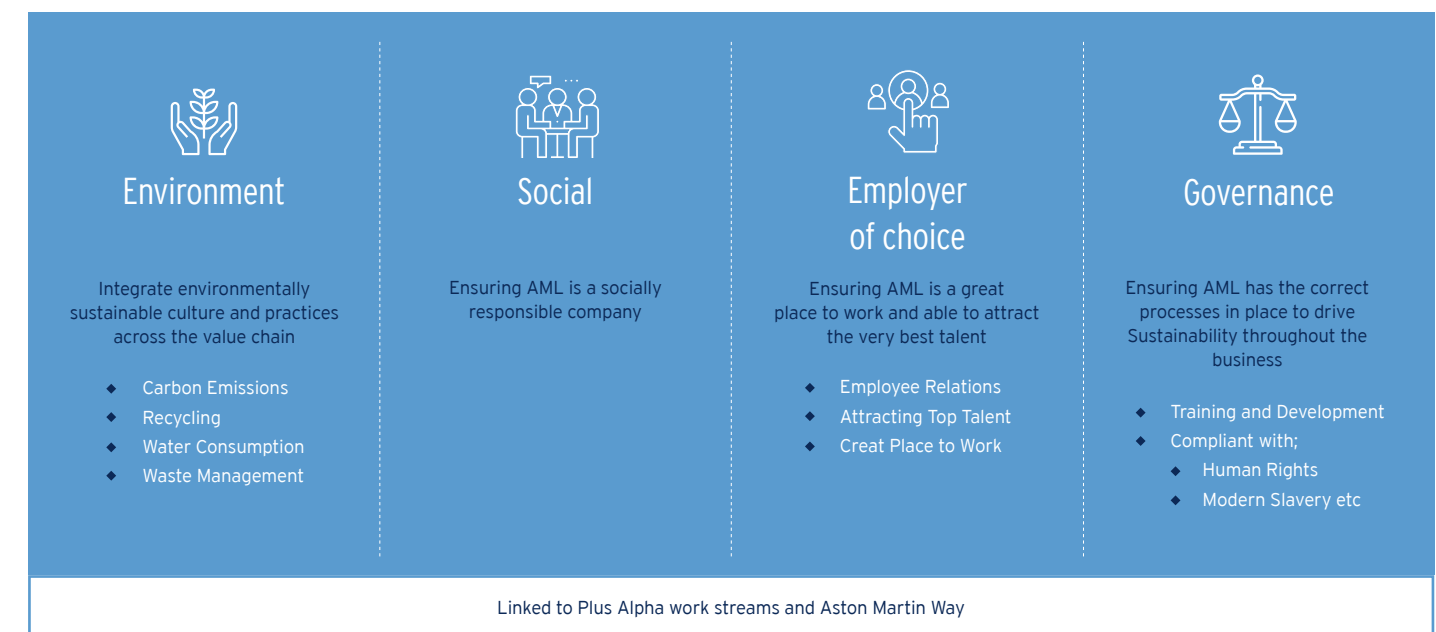
- ♦ **Environment** - Integrating environmentally sustainable culture and practices across the value chain.
- ♦ **Social** - Ensuring Aston Martin Lagonda is a socially responsible company.
- ♦ **Employer of Choice** - Ensuring the company is a great place to work and is able to attract the best talent.
- ♦ **Governance** - Ensuring the company has the correct process and procedures in place to drive sustainability throughout the business.

This strategy defines the corporate philosophy and ensures that sustainability becomes an integral part of day to day business, rather than simply the right thing to do.

Sustainability Mission

Deliver stakeholder value through ethical and sustainable excellence, creating a long term competitive advantage

Sustainability Strategic Goals



Portfolio ESG Data Reporting

Below is the ESG Data collected for Investindustrial and its portfolio companies.

<div><div></div><div><div><div><div></div><div>Invest</div><div>industrial</div></div></div><div><div><div><div></div><div>PERFUME</div><div>HOLDING</div></div></div><div><div><div><div></div><div>EMER</div><div></div></div></div><div><div><div><div></div><div>SNAITECH</div></div></div><div><div><div><div><div>PortAventura</div><div>WORLD</div><div>PARKS & RESORT</div></div></div><div><div><div><div></div><div>ASTON MARTIN</div></div></div><div><div><div><div></div><div>FLOS</div></div></div><div><div><div><div><div>B&B</div><div>ITALIA</div></div></div><div><div><div><div></div><div>sergio rossi</div></div></div><div><div><div><div><div>valtur</div></div></div><div><div><div><div>chicco</div><div>PIC</div></div></div><div><div><div><div><div>Polynt</div></div></div><div><div><div><div></div><div>REICHOLD</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>																												
ENVIRONMENT	GHG emissions (tons)																											
	Scope 1	21	151	13,201	1,145	5,677	7,331	751	2,990	280	-	8,734	437,593															
	Scope 2	69	254	198	2,936	-	8,045	1,172	2,296	1,275	-	11,223	-															
	Scope 3	432	54	109	142	1,729	12,091	2,423	239	201	-	16,199	-															
	Total GHG emissions (tons)	522	459	13,508	4,223	7,406	27,467	4,346	5,525	1,756	n/a	36,156	437,593															
	Electricity Consumption (Kwh)	69	678,337	1,046,397	8,728,648	41,186,063	22,884,682	2,568,603	6,126,156	3,399,480	13,796,279	30,825,156	234,701,290															
	Energy Consumption met via Renewable Energy (%)	2%	0%	1%	37%	82%	0%	0%	0%	11%	0%	0%	0%															
	Water Consumption (m³)	7,7	5,772	7,506	504,437	1,212,648	36,500	n/a	55,124	13,833	600,400	101,809	15,372,750															
	Total Waste (tons)	31	208	93	8,265	3,889	1,865	555	850	42	n/a	4,415	51,351															
	Total Waste to Recycling or Reuse (% of total Waste)	n/a	60%	20%	99%	89%	43%	56%	68%	52%	n/a	85%	9%															
Current Risk Management Systems and Procedures (Yes/No)	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes															
Environmental Manager on staff (Yes/No)	n/a	Yes	Yes	No	Yes	Yes	No	No	No	No	No	No	Yes															
SOCIAL	Male %	62%	27%	73%	52%	34%	86%	59%	66%	28%	56%	27%	84%															
	Female %	38%	73%	27%	48%	66%	14%	41%	34%	72%	44%	73%	16%															
	Total Employees	101	191	9,222	848	1,620	2,767	609	618	491	696	7,931	3,330															
	Employee Training (hours)	650	587	45,924	11,682	32,231	57,125	3,260	1,461	3,018	8,772	48,661	44,797															
	Absenteeism ¹³ (%)	1.0%	2.6%	6.8%	3.8%	3.2%	1.1%	3.4%	3.5%	5.4%	n/a	3.6%	4.9%															
	Voluntary Turnover ¹⁴ (%)	8.9%	5.6%	2.1%	17%	15.5%	13.0%	7.2%	5.3%	6.3%	1.0%	15.9%	3.7%															
	Workers Council (Yes/No)	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes															
	Philanthropy (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes															
GOVERNANCE	Code of Conduct/Ethics (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes															
	Diversity Policy (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No															
	Female Board Members (%)	20%	29%	0%	36%	0%	0%	11%	0%	0%	57%	11%	0%															
	Health and Safety Policy (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes															
	Environmental Policy (Yes/No)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	No	Yes	Yes															
	Waste Management Policy (Yes/No)	No	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes															
	Executive Committee Member in Charge of CSR (Yes/No)	Yes	Yes	Yes	No	No	Yes	No	No	Yes	No	Yes	No															
	Anti-corruption Policy (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes															
	Corporate Governance Policy (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes															
	CSR Report (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No															

¹ **Investindustrial:** GHG emissions figure includes the following by scope: **Scope 1:** refrigerant gas losses and company vehicles; **Scope 2:** electricity consumption; **Scope 3:** water, waste, staff commuting and business travel.

² **Perfume Holding:** GHG emissions figure includes the following by scope: **Scope 1:** gas for heating the workplaces; **Scope 2:** electricity consumption; **Scope 3:** company fleet emissions. Reported figures are based on Morris Profumi Spa with the exception of 'Total Employees' which is for the Perfume Holding Group.

³ **Emeru:** GHG emissions figure includes the following by scope: **Scope 1:** gas, fuels used for ambulance fleet, fugitive emissions air conditioning systems; **Scope 2:** electricity consumption; **Scope 3:** water, paper and chemical products consumption as well as waste generation. Reported figures are based on Emeru Spain with the exception of 'Total Employees' which also reflects Emeru UK + the Ambuiberica Group (gender breakdown still reflects Emeru Spain only).

⁴ **Snaitech:** GHG emissions figure includes the following by scope: **Scope 1:** methane for heating, gasoline for generators, LPG for heating, diesel for vehicles, gasoline for vehicles; **Scope 2:** electricity consumption; **Scope 3:** air and train travel for most of the year. Reported figures are based on company entities SNAITECH + SNAI Rete Italia + Trenno and scope 3 figures have not been certified.

⁵ **PortAventura:** GHG emissions figure includes the following by scope: **Scope 1:** transport of own fleet and the combustion of fossil fuels (ACS/heating boilers), fugitive emissions of fluorinated gases from refrigeration equipment; **Scope 2:** electricity sourced from renewable energy; **Scope 3:** treatment of municipal waste and consumption of drinking water. 'Total Employees' reflects FTE employees whereas the gender split is based on the annual average employees.'

⁶ **Aston Martin:** GHG emissions figure includes the following by scope: **Scope 1:** Gas consumed for all sites, diesel usage for delivery of product and production parts, assembly/engineering - petrol usage; **Scope 2:** energy consumption; **Scope 3:** employee commuting (personal car mileage, management car mileage, air travel). 'Total Employees' reflects permanent employees + contractors whereas the gender split is based on permanent employees only.

⁷ **Flos:** GHG emissions figure includes the following by scope: **Scope 1:** fuels used for Company's car fleet (including long term leasing), fuels used for Company's truck fleet, refilling of air conditioning systems, fuels used for heating and production processes; **Scope 2:** electricity purchased from national grid, district heating purchased from a waste

to energy plant; **Scope 3:** business travels by air and train, logistics of purchased goods and logistic of sold products. Reported figures are based on Flos, Antares and Ares with 'Total Employees' reflecting all operations.

⁸ **B&B Italia:** GHG emissions figure includes the following by scope: **Scope 1:** fuel consumption for heating and other uses (natural gas, wood offcuts, gasoline, BTZ) and the diesel consumption related to the car fleet; **Scope 2:** electricity consumption; **Scope 3:** business travel. Reported figures are based on B&B Italia S.p.A., Arclinea and the French affiliates.

⁹ **Sergio Rossi:** GHG emissions figure includes the following by scope: **Scope 1:** fuels used for heating and other purposes, fuels used for the Company's car fleet (including long term leasing), refilling of air conditioning systems; **Scope 2:** electricity consumption; **Scope 3:** business travel. Data reflects Sergio Rossi S.p.a. (San Mauro Pascoli headquarter and Milan offices) as well as EMEA Direct Retail Network whilst the 'Total Employee' figure reflects total employees globally.

¹⁰ **Valtur:** 2017 data was not available, as such, the reported figures are based on year ending 2016 data with the exception of 'Total Employees' which reflects year end 2017 (gender split still remains based on 2016).

¹¹ **Artsana:** GHG emissions figure includes the following by scope: **Scope 1:** fuels used for heating and other purposes, fuels used for Company's car fleet (including long term leasing), refilling of air conditioning systems; **Scope 2:** electricity consumption; **Scope 3:** business travel as well as inbound and outbound transportation of products. Data, including gender split, reflects babycare area and includes commercial & production sites (Italy, Romania), commercial subsidiaries in Spain, Portugal, France, USA and also the Artsana headquarters and Italian owned shops. 'Total Employees' is at a Group level.

¹² **Polynt-Reichhold:** GHG emissions figure includes the following by scope: **Scope 1:** emissions generated by the production processes. Data reflects Polynt EMEA whilst 'Total Employees' reflects the global operation for both Polynt and Reichhold.

¹³ **The absenteeism rates** are calculated as the total days lost due to sickness over the number of total working days for the workforce (this will vary from company to company depending on holiday policies, etc).

¹⁴ **Voluntary turnover** is calculated as the number of departures for the year over the end of year employee headcount or in some cases the peak employee headcount.

OUR FOUNDATIONS



Investindustrial's long history of engaging in ESG issues began in 2000 when the Firm established its corporate foundation, **Invest for children**, whose mission is to help differently-abled people and underprivileged children achieve a better quality of life.

Annual end of year prize giving dinner for Aura Foundation with over 160 participants.



The **Investindustrial Foundation** is primarily focused on the promotion of education, diversity, environmental protection and conservation, and the promotion of arts, culture, heritage and science.



UN World Down Syndrome Day

The Aura Foundation was invited to participate at the United Nations World Down Syndrome Day in New York City.



► Sustainable philanthropy

In 2016 the Investindustrial Foundation started working with the NYU Stern Center for Sustainable Business (“CSB”) as sponsor to pilot a new methodology in the automotive industry. In the following article Investindustrial speaks to Elyse Douglas, Senior Research Scholar at CSB, for an overview and update on the project and to see how the CSB team is making an impact in the automotive industry.



Elyse Douglas,
CSB Senior Research Scholar.

♦ Q1. Describe the project.

Business leaders today have to manage for growing environmental and social challenges, radical transparency and increasing expectations for positive societal impact by investors, employees, consumers, and government. This requires sophisticated, sustainability-based management. Yet executives are often reluctant to place sustainability at the core of their company's business strategy in the belief that the costs outweigh the benefits. Fortunately, CSB research finds that embedding sustainability in core business strategy drives “mediating factors” such as innovation, employee engagement and retention, risk reduction, improved operational efficiencies, and increased consumer and supplier loyalty, which leads to better financial performance.

CSB has designed and is piloting a methodology that both analyses investment in addressing material sustainability factors by a company, cross-referenced with key mediating factors (e.g. innovation, risk reduction, operational efficiencies) and also sets key metrics for benchmarking and ongoing assessment.

The value proposition for participating companies is based on improvements in risk management systems, creating better decision-making practices around investments in sustainability, stakeholder engagement (supply chain, employees, regulators and investors), innovation, operational efficiency and growth opportunities, and the company's ability to respond to potential disclosure requirements.

♦ Q2. Why did you choose the automotive industry for the focus of this study?

Road vehicles account for 72% of all GHG emissions for the transportation sector globally which itself makes up 14% of all GHG emissions globally⁽¹⁾. As such, not only does the automotive industry represent an important industry to understand better given its carbon contribution, but also it provides a meaningful test case for our study as it:

- ♦ is under pressure to implement strong sustainability targets,
- ♦ has been under siege for the actions of companies such as Volkswagen, and
- ♦ its business model is being disrupted by the sharing economy, electrification, and automation. In addition, its material sustainability factors are relatively straightforward. Key issues include waste, energy, critical materials and conflict mineral, fleet efficiency, labor relations, and product safety.

♦ Q3. What are you hoping to achieve?

We aim to understand the ROI on sustainability investments in the automotive sector and create a model and set of metrics for auto companies to incorporate into their current reporting, in order to enable improved decision-making. To date we have:

- ♦ designed and operationalised the methodological framework for assessing the ROI on sustainability for the automotive sector
- ♦ documented the key sustainability strategies and benefits for Aston Martin, GM and VW based on publicly available information and information provided by the company,
- ♦ interviewed C-suite leaders concerning where they saw financial value being created by their sustainability strategies, and
- ♦ worked with the firms to begin to populate the monetisation framework.

Over the next six months, we aim to finalize the monetisation analysis and provide the firms with recommendations on how they can track these factors on an ongoing basis. Once that work is completed we will write a business management and scholarly paper on the results as well as promote the results at relevant conferences.

♦ Q4. What is the most valuable lesson learned thus far during your research?

C-Suite leaders across divisions recognise that sustainability brings them ROI in terms of risk reduction and mitigation, health and safety and employee engagement (though they do not generally monetise the benefits), but in general they are less aware of the significant financial opportunities presented by operational efficiencies and innovation.

The Investindustrial Foundation also supports diversity and education through its involvement in Level20 (www.level20.org), a not-for-profit organisation formed to inspire women to join and succeed in the private equity industry, as well as the D Club, an organisation that aims to increase the visibility of women in finance and support their development into senior roles.



Invest for children operates in Europe with a special focus on Southern Europe, is a full member of EVPA (European Venture Philanthropy Association), and is audited by KPMG.



Invest for children has collaborated with GiGi's Playhouse New York since 2013 and currently helps to fund the Summer Clubhouse for children and youth. GiGi's Playhouse Down Syndrome Achievement

Center's mission is to change the way the world views Down syndrome through national campaigns, educational programs, and by empowering individuals with Down syndrome, their families and the community.



In 2017, Investindustrial started working with Team Domenica, an organisation based in Brighton,

UK whose aim is to provide employment programmes to young adults with a wide range of ability. Team Domenica operates through a unique three-tier set-up of Training Centre, Training Café (Café Domenica) and Employment Centre. Through this they have achieved an impressive 33% employment rate, more than five times higher than the national (UK) employment statistic (6%) for people with learning disabilities.

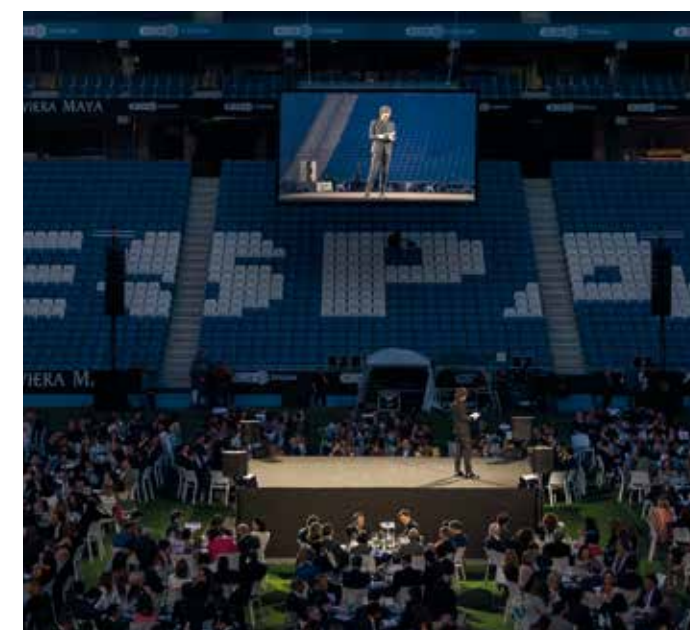


Urbano Gropello from Invest for children
with Frank Sawyer, Board President
of GiGi's Playhouse NY, in New York City.

SOMOS UNO

The annual charity event **SOMOS UNO** took place on June 8, 2017 at the RCDE Stadium in Barcelona (Spain) and was

attended by over 1,000 guests. As per previous years, sponsoring companies participated in a football tournament with winners playing against former RCD players. The dinner, which is the main event, was hosted by Spanish actors Santi Millán and Javi Sánchez and all funds raised went to the work placement project of Aura Fundació as well as research on Alzheimer's and children's rare diseases.



► Invest for children's Aura Foundation Project

Pioneer in placing differently-abled persons into quality jobs



Since 2012 Aura Foundation has been supported financially and operationally by Invest for children which has enabled them to achieve their target of doubling participation in all programmes earlier than expected.

The Aura Foundation (www.aurafundacio.org) was established in October 1989, through the initiative of professionals from the area of integration education. Aura Foundation is the first programme of Supported Employment, a pioneer in the implementation and development of this methodology.

The aim of this programme is to integrate people with special needs, mostly with Down's syndrome, to the ordinary labour market via the Supported Employment methodology.

To date, over 120 leading companies have joined Aura Foundation's initiative to facilitate the integration of differently-abled people

into the working environment. Since 1989 more than 190 young people have joined the ordinary working world and in 2017, 23 renewals and 30 new contracts were added.

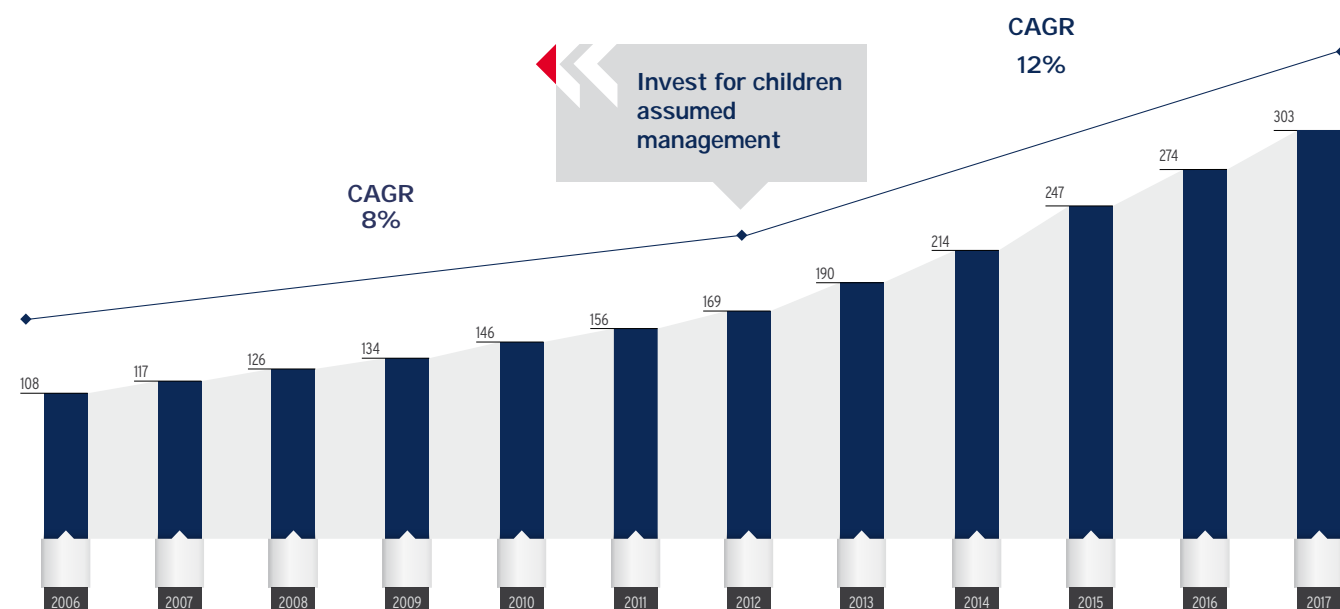
Also, post year-end, the Aura Foundation was invited to participate at the United Nations World Down Syndrome Day Conference for being a pioneer in the use of the Employment with Support Methodology in Europe. The World Down Syndrome Day Conference is held every year at the headquarters of the United Nations, and the subject for 2018 was, "What I bring to the workplace?". This conference brought together a diverse group of people both globally and from different backgrounds such as those with down syndrome, employers, experts in work placement inclusion of people with learning difficulties, government workers and UN workers.

Aura Foundation is audited by KPMG on an annual basis.



Contracts signed

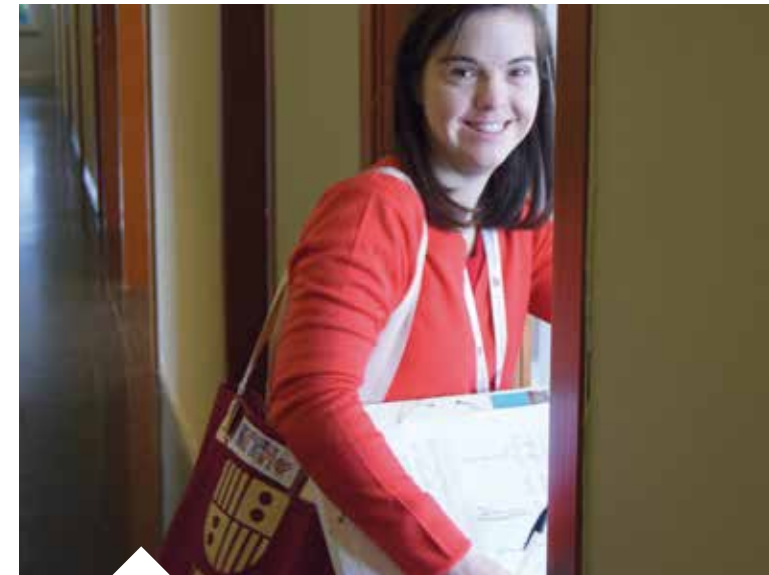
By Year



Letizia Navarro employed by Cerveceria Catalana.



Jordi Messeguer being welcomed by Fernando Sacristán on his first day at Adidas.



Beth Viñas going to work at IESE.



Oscar with Mirko Scaletti, Manager of Panasonic Spain.

► Participating Companies



SUMMARY GROUP INFORMATION ⁽¹⁾

- During 2017, group sales increased by 43% and EBITDA by 30% with a positive contribution across all industry platforms. This growth has been driven by a combination of organic expansion and follow-ons/mergers events.

The overall financial position of the group has improved with an overall debt / EBITDA ratio at 3.0x.

Total number of employees increased by 59% reaching approximately 28,800 people.

During 2017 Investindustrial and its portfolio companies assessed for the second time their carbon footprint, estimating total GHG emissions for approximately 538k tCO₂e, an 9% decrease compared to prior year.

- Business Services
- Consumer Retail and Leisure
- Industrial Manufacturing

Total

- Business Services
- Consumer Retail and Leisure
- Industrial Manufacturing

Total

Senior Debt/EBITDA
Mezzanine/EBITDA

- Business Services
- Consumer Retail and Leisure
- Industrial Manufacturing

Total

- Scope 1
- Scope 2
- Scope 3

Total

Sales (€ M)

By Sector		Variance	
2016	2017	€m	%
1,012	1,206	194	19%
2,554	3,678	1,129	44%
1,368	2,152	784	57%
4,934	7,037	2,103	43%

EBITDA (€ M)

By Sector		Variance	
2016	2017	€m	%
142	170	28	20%
420	553	133	32%
161	217	56	35%
723	940	217	30%

Net Debt Ratios

By Sector		Variance	
2016	2017	X	%
3.2x	3.0x	-0.2x	-6%
0.2x	0.1x	-0.1x	-54%

Employees (nr.)

By Sector		Variance	
2016	2017	Employees	%
4,245	10,070	5,825	137%
11,432	15,162	3,730	33%
2,382	3,550	1,168	49%
18,059	28,782	10,723	59%

GHG Emissions (tCO₂e)

By Scope		Variance	
2016	2017	€m	%
452,131	477,874	25,743	6%
26,465	27,469	1,004	4%
115,832	33,619	82,213	-71%
594,428	538,962	55,466	-9%

⁽¹⁾ Aggregate numbers considering 100% of the companies present in the portfolio at the end of 2017. Investindustrial's funds typically own a majority position.



Some iconic products from the recent investment Louis Poulsen.



The PH Artichoke an iconic product of the high-end design brand Louis Poulsen. An agreement to acquire the company has been signed by a subsidiary of Investindustrial post year-end.

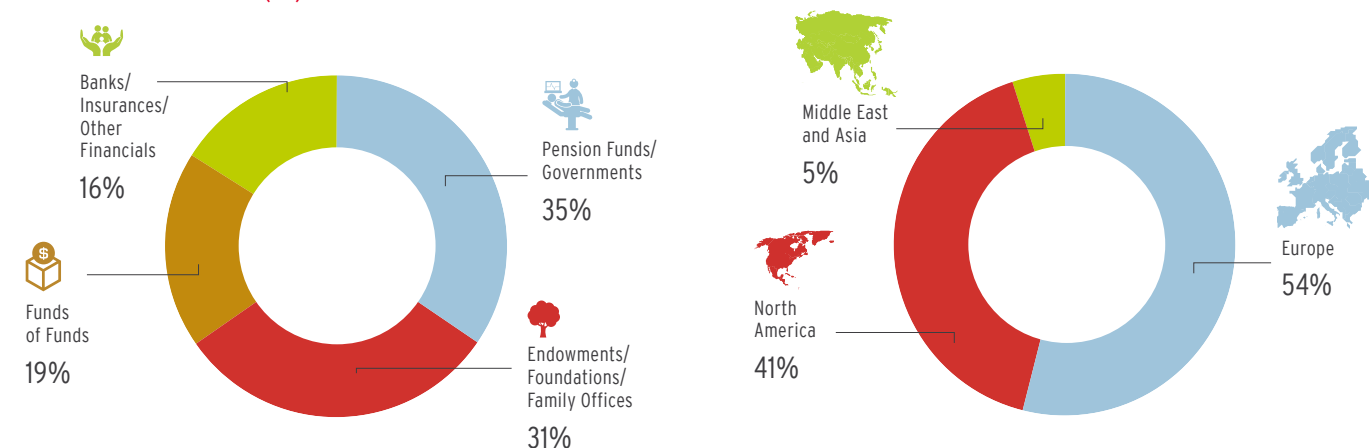
► Our investors

While Investindustrial itself is the single largest provider of capital, approximately fifty institutional investors from around the world form the capital and client base of the Group. During the first quarter of 2017, Investindustrial finalised the raising of its Fund IV Build-Up for approximately €0.9 billion.

Investindustrial ended the year with approximately €1.9 billion of capital available in addition to the capabilities of its co-investment partners. The Firm's objective is to remain active

across business cycles by focusing on long-term value creation, an approach shared by our high quality investor base. The strong support our investors have shown us throughout the recent recession has started to be rewarded as the impact of the European recovery feeds through into portfolio companies and as attractive new opportunities emerge from the investment landscape. Furthermore, this support now places us in a privileged position to take advantage of restored M&A activity in the region.

Breakdown of Investors (%)



Emeru staff in operation. Approximately two thirds of the capital that Investindustrial manages is on behalf of pension funds and universities, benefitting workers and students across the world.



The partially post-consumer recycled paper used for printing this document has resulted in CO₂ emissions of approximately 3.2 tonnes. Since 2009 Investindustrial reviewed its overall carbon footprint and invested in renewable energy projects to offset the emissions and achieve carbon neutrality.



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