

DEAR SHAREHOLDERS,

THIS YEAR WE HAVE DELAYED THE RELEASE OF THE SHAREHOLDERS LETTER SINCE WE WANTED TO PROVIDE YOU WITH A MORE UPDATED PICTURE FOLLOWING THE MARKET TURBULENCE OF THE LAST FEW WEEKS. IN FACT, IT WOULD HAVE BEEN HARDLY PROFESSIONAL TO STOP OUR ANALYSIS AT DECEMBER 31<sup>ST</sup> CONSIDERING WHAT HAPPENED ON THE STOCK MARKETS SHORTLY AFTER.

WHAT MATTERS MOST IS THAT IN 2015 ALL OUR KEY INVESTEE COMPANIES - AS WELL AS TIP - CONTINUED TO PERFORM WELL AND THIS IS CONFIRMED BY THEIR FINANCIALS AS OF SEPTEMBER 30<sup>TH</sup>; IN THE LAST QUARTER WE HAVE NOT NOTICED ANY RELEVANT CHANGE IN THEIR INDUSTRIAL PERFORMANCE.

IN 2015 TIP GENERATED A TOTAL RETURN ABOVE 30%. FROM THE BEGINNING OF 2016 UNTIL FEBRUARY 19<sup>TH</sup> TIP LOST 7%, THE FTSE-MIB 18%. THE TIP WARRANT EXPIRED IN JUNE 2015 GAVE A RETURN OF 3.370%.

THE USUAL 5-YEAR CHART (UNTIL 22/02/2016) SHOWS THAT TIP SHARES HAVE GAINED A NICE 101,6% OVERPERFORMING ALMOST ALL THE MAIN ITALIAN, EUROPEAN AND GLOBAL STOCK INDEXES; THE TOTAL RETURN HAS BEEN OF 118,1%, (ANNUAL AVERAGE 23,6%).



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AS WE WILL SEE IN THE FOLLOWING PAGES, THE RECENT SLUMP IN ASSET PRICES HAS NOT SPARED ANY INVESTOR, ALTHOUGH THERE SEEMS TO BE NEITHER RHYME NOR REASON - FOR COMPANIES LIKE TIP - FOR SUCH A PERFORMANCE.

IN 2015 AND ALSO IN THE LAST FEW DAYS, TIP'S MANAGEMENT HAVE FURTHER INCREASED THEIR STAKE IN THE COMPANY, NOW AROUND 10%.

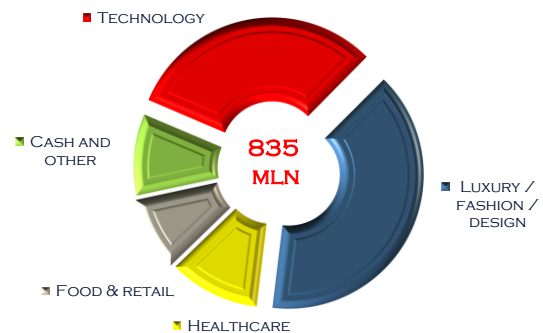
FOR MOST OF 2015 THE MARKET CAPITALIZATION OF TIP (STOCK & WARRANT) EXCEEDED HALF BILLION EURO AND CURRENT TARGET PRICES IMPLY A 27,1% PREMIUM VS. THE STOCK PRICE AS AT FEBRUARY 22<sup>ND</sup>, 2016. THE AVERAGE DAILY TURNOVER ALSO INCREASED (+59% VS. 2014).

THE CHARTS COMPARING THE CONSENSUS VALUES IMPLIED BY THE MARKET WITH OUR INTERNAL ANALYSES ON THE MEDIUM-TERM INTRINSIC VALUE OF OUR ASSETS CONTINUE TO SIGNAL, ALSO AS AT DECEMBER 31<sup>ST</sup> 2015, A GOOD POTENTIAL FOR FURTHER APPRECIATION. AS AN ADDITIONAL INDICATOR, IT SHOULD BE NOTED THAT IN JULY 2015 WE HAVE PLACED - VIA AN ACCELERATED BOOK-BUILDING - THE ENTIRE STAKE OF TREASURY SHARES WE OWNED AT THAT DATE AND THIS OCCURRED - TYPICALLY - AT A PREMIUM VS. THE STOCK PRICE LEVEL AS OF THE TRANSACTION DATE.

**CONSENSUS VALUE OF THE ASSETS**



**INTRINSIC VALUE OF THE ASSETS IN THE MID TERM**



IN 2015 WE DIRECTLY INVESTED 162 MILLION EURO, EXCLUDING THE BUY-BACK PROGRAM. THE DIVESTMENTS WERE ONCE AGAIN LIMITED GIVEN OUR STRONG CONVICTION - TODAY EVEN STRONGER - THAT THE POTENTIAL APPRECIATION OF OUR ASSETS OUTWEIGHS THE BENEFITS FROM MONETIZING OUR GAINS.

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OVER THE LAST FEW DAYS, MR ROBERTO CICERI AND TIPO HAVE AGREED TO ACQUIRE THE 100% OF **BETA UTENSILI**, ANOTHER LEADER IN ITS SECTOR; IT HAS BEEN A SIZEABLE TRANSACTION, APPROXIMATELY 200 MILLION EURO, BUT MOST IMPORTANTLY AN INNOVATIVE DEAL - BOTH WITH RESPECT TO THE MARKET AND OURSELVES - GIVEN THAT OUR CLUB DEAL INVESTED 70 MILLION EURO VS. A SIGNIFICANTLY LOWER CONTRIBUTION BY THE ENTREPRENEUR, WHO WILL RETAIN BOTH THE MAJORITY OF VOTING RIGHTS AND THE OPPORTUNITY TO INCREASE HIS STAKE AT A PRE-AGREED VALUATION AND REACH MORE THAN 50% OF THE SHARE CAPITAL AHEAD OF THE PROJECTED IPO.

### OUR ASSETS - KEY DEALS



FOLLOWING THE RECENT INVESTMENTS TIP AND TIPO ARE CONSOLIDATING THEIR ROLE AS CATALYSTS FOR EXCELLENT COMPANIES AND ENTREPRENEURS SEEKING PARTNERS ABLE TO SUPPORT THE ACCELERATION OF THEIR GROWTH

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PLANS AND PROVIDE SOLUTIONS RELEVANT TO THEIR FAMILY-RELATED AND GOVERNANCE DYNAMICS, GIVEN THAT OUR OPERATING MODEL, TRUE MEDIUM TO LONG-TERM PERSPECTIVE AND STRONG ENTREPRENEUR-BASED SHAREHOLDING ARE MET WITH AN INCREASINGLY GROWING INTEREST.

WITH BETA UTENSILI THE AMOUNT OF INVESTMENTS PROMOTED BY TIP AND TIPO - INCLUDING CLUB DEALS - REACHED APPROXIMATELY 1.9 BILLION EURO.

**AMPLIFON** (+63,2% IN 2015) CONFIRMED ITS STRONG TRENDS OF INCREASE IN PROFITABILITY AND MARKET SHARE GROWTH IN SEVERAL GEOGRAPHIES. THE INDUSTRY LEADERSHIP IS CONFIRMED AND THE PLANNED TOP-MANAGEMENT TURNOVER IS PROCEEDING EFFECTIVELY AND SATISFACTORILY.

**INTERPUMP** (+19,6% IN 2015) CONTINUES TO BE THE LONGEST-STANDING STAKE - 13 YEARS - AND IN 2015 RECORDED THE HIGHEST PROFITABILITY IN ITS HISTORY, AFTER COMPLETING OTHER HIGHLY SYNERGETIC ACQUISITIONS. TODAY, TIP AND THE MONTIPÒ FAMILY OWN THE ENTIRE SHARE CAPITAL OF IPGH, THE INVESTMENT VEHICLE WHICH OWNS OVER 20% OF INTERPUMP.

**MONCLER** (+16,7 IN 2015) DELIVERED ONCE AGAIN AN ABOVE-EXPECTATION PERFORMANCE AS AT SEPTEMBER 30TH, DESPITE A MULTI-FACETED YEAR FOR THE LUXURY INDUSTRY; IF THE LAST QUARTER HAD NOT CAUSED A PARTICULARLY NEGATIVE IMPACT DUE TO THE CONSUMPTION SLOWDOWN IN CERTAIN COUNTRIES AND THE EXTRAORDINARILY WARM WEATHER IN MANY PARTS OF THE WORLD, THE RESULTS COULD HAVE BEEN THE UMPTEENTH RECORD IN TERMS OF PROFITABILITY AND CASH FLOW GENERATION.

WITH REGARDS TO **PRYSMIAN** (+33,2% IN 2015), THE LARGEST COMPANY WE HAVE INVESTED IN, TIP'S IMPLIED STAKE IN THE INVESTMENT VEHICLE CLUBTRE INCREASED DURING 2015 THANKS TO A BUY-BACK TRANSACTION. PRYSMIAN AS WELL SHOULD BE ABLE TO END 2015 WITH VERY SIGNIFICANT PROFITS, ERASING THE NEGATIVE IMPACT OF THE CONTRACT WHICH AFFECTED ITS 2014 RESULTS, ALSO HAVING COMPLETED TWO IMPORTANT ACQUISITIONS.

**BE** (+3,3% IN 2015) HAS GROWN BOTH IN REVENUES AND PROFIT, HAS PERFORMED OTHERS STRATEGIC AGREEMENTS AND HAS COMPLETED THE GOVERNANCE STRUCTURE WITH TIP AS FIRST SHAREHOLDER WITH 23,41%.

**EATALY** CLOSED A TRANSITION YEAR, WITH THE MILANO 2015 EXPO EXPLOIT AND TWO REMARKABLE OPENINGS IN SÃO PAULO (BRAZIL) AND MUNICH (GERMANY), AS WELL AS OTHER MINOR OPENINGS, BUT EXPERIENCED THE DELAY OF THE NEW YORK GROUND ZERO STORE OPENING. THE POSITIVE SALES AND PROFITABILITY TRENDS CONTINUED AND THE APPOINTMENT OF ANDREA GUERRA AS CHAIRMAN AND CEO WILL FURTHER CONTRIBUTE TOP-TIER SKILLS AND EXPERTISE, ESPECIALLY VALUABLE IN CONTINUING THE STRONG GROWTH PATH AND ALSO IN LIGHT OF THE PROJECTED IPO.

**ROCHE BOBOIS**, OF WHICH AN APPROXIMATELY 40% STAKE IS OWNED BY A CLUB DEAL PROMOTED BY TIP, CONCLUDED A VERY POSITIVE YEAR AND MAINTAINED A GOOD PACE OF STORE OPENINGS IN VARIOUS PARTS OF THE WORLD; IT ACHIEVED A SOLID INCREASE IN PROFITABILITY AND ALMOST ZEROING ITS DEBTS, DESPITE THE HIGHLY NEGATIVE IMPACT ON CONSUMPTION EXPENDITURES IN FRANCE FOLLOWING THE PARIS TERRORIST EVENTS.

AMONG THE INVESTMENTS CARRIED OUT IN 2015, **HUGO BOSS** DESERVES A SPECIAL MENTION. HUGO BOSS IS A GERMAN PUBLIC COMPANY ACTIVE WORLDWIDE, OF WHICH TIP OWNS A STAKE (OUTLAY OF APPROX. 60 MILLION EURO) ACQUIRED IN PARALLEL WITH AN INVESTMENT BY THE MARZOTTO FAMILY, TODAY ITS FIRST SINGLE SHAREHOLDER. THE HUGO BOSS STOCK PRICE SUFFERED THE APPREHENSIONS LINKED TO THE FASHION-LUXURY SECTOR, BUT CONTINUES TO BE AN INDUSTRY LEADER AND A GROUP WHICH IS NOTABLE WORLDWIDE, HAS A HIGH PROFITABILITY (APPROXIMATELY 600 MILLION EURO EBITDA IN 2015), ALMOST NO DEBT EXPOSURE AND DELIVERS EXCELLENT DIVIDENDS. THE CURRENT STOCK PRICE IS BELOW TIP'S BOOK VALUE; THE CONSENSUS TARGET PRICE IS SLIGHTLY BELOW TIP'S BOOK VALUE.

IN 2015 WE HAVE INVESTED APPROXIMATELY 40 MILLION EURO FOR A 12% STAKE IN THE **AZIMUT-BENETTI** GROUP, THE LEADING MAXI-YACHTS PRODUCER WORLDWIDE. THE INDUSTRY IS RECOVERING, AND, MORE IMPORTANTLY, THE CAPABILITIES OF THE SHAREHOLDERS AND TOP MANAGEMENT HAVE CONVINCED

US TO EXECUTE A DEAL AIMED AT FURTHER STRENGTHENING A TRULY UNIQUE COMPANY, THANKS TO THE PECULIARITY OF ITS PRODUCT RANGE, DIRECT PRESENCE IN TENS OF COUNTRIES, AND, NOT LEAST, A CONSTANT PRODUCT AND PROCESS INNOVATION.

WE GAVE ALSO FINANCIAL SUPPORT TO THE MANAGEMENT OF **OCTO TELEMATICS**, GLOBAL LEADER IN INSURANCE TELEMATICS; THE TRANSACTION WAS NOT PARTICULARLY RELEVANT IN TERMS OF SIZE, HOWEVER THE MANAGEMENT CAPABILITIES AS WELL AS THE COMBINATION OF THE COMPANY'S UNIQUENESS, LEADERSHIP AND TECHNOLOGICAL EXCELLENCE CONVINCED US TO STEP IN. THE IPO IS FORESEEABLE DURING 2016.

WE HAVE INCREASED OUR INVESTMENT IN **DIGITAL MAGICS**, THE LEADING ITALIAN START-UP INCUBATOR, BECOMING ITS LARGEST SHAREHOLDER WITH A ~18% STAKE. THE DEAL WAS CONCEIVED TO BETTER UNDERSTAND HIGHLY INNOVATIVE COMPANIES AND WILL ALLOW US TO CLOSELY FOLLOW THE GROWTH OF NEW/PROMISING COMPANIES. IT WILL ALSO HELP US TO PUT OUR INVESTEE COMPANIES, CLIENTS AND SHAREHOLDERS IN TOUCH WITH COMPANIES REMARKABLE IN TERMS OF INNOVATION, ASPECT ACQUIRING A CENTRE STAGE ROLE IN BUSINESS STRATEGIES. DIGITAL MAGICS OWNS A 28% STAKE IN TALENT GARDEN, THE LEADING EUROPEAN CO-WORKING HUB, ACTIVITY WITH SIGNIFICANT DEVELOPMENT OPPORTUNITIES. IF DIGITAL MAGICS, LISTED ON BORSA ITALIANA'S AIM, AND/OR TALENT GARDEN'S VALUATIONS WERE TO ALIGN TO THE CAPITALIZATION OF THEIR PEERS, WE WOULD LARGELY BENEFIT ALSO IN TERMS OF "VALUE".

ON FEBRUARY 15TH, A 4,3 EURO PER SHARE PUBLIC TENDER OFFER ON **BOLZONI** WAS ANNOUNCED; TIP OWNS A ~12% STAKE IN THE COMPANY AT A BOOK VALUE OF APPROXIMATELY 2,26 EURO; THIS OFFER CONFIRMS, ONCE AGAIN, OUR BELIEF THAT AN INVESTMENT IN HIGH-QUALITY COMPANIES INEVITABLY TURNS OUT TO BE REWARDING; THE CAPITAL GAIN WILL TOTAL OVER 6 MILLION EURO.

**NOEMALIFE** CONTINUES TO PERFORM WELL AND ITS GROWTH, ACQUISITIONS AND/OR PARTNERSHIP PLANS REMAIN PROMISING.

**TIPO** ACQUIRED A 14,29% STAKE IN **IGUZZINI**, INTERNATIONAL LEADER IN THE LIGHTING SYSTEMS INDUSTRY, WHICH CONCLUDED THE YEAR INCREASING BOTH SALES AND PROFITABILITY. AT THE END OF 2015 **AAA**-ADVANCED ACCELERATOR APPLICATIONS, OF WHICH TIPO OWNS A SMALL STAKE, WAS LISTED ON THE NASDAQ; TIPO INCREASED ITS STAKE DURING THE IPO PROCESS. THE IPO WAS EXTREMELY SUCCESSFUL AND OUR AVERAGE BOOK VALUE PER SHARE IS TODAY APPROXIMATELY HALF THE CURRENT PRICE LEVEL.

TIPO HAS OVER 85 MILLION EURO AVAILABLE FOR FURTHER INVESTMENTS.

### FCA-FERRARI

CONSISTENTLY WITH LAST YEAR, WE BELIEVE THAT A SPECIAL MENTION TO THE FCA, AND SUBSEQUENTLY, FERRARI INVESTMENTS IS REQUIRED. CURRENTLY TIP OWNS SHARES OF BOTH THE COMPANIES, AS WELL AS FCA'S MANDATORY CONVERTIBLE AND OTHER FCA SECURITIES. AS OF DECEMBER 31<sup>ST</sup>, 2015, THE UNREALIZED CAPITAL GAIN WAS CONSIDERABLE. AS OF TODAY THE SHARES SPOT PRICES ARE OVERALL BELOW THEIR BOOK VALUE; THE QUALITY OF THE TWO COMPANIES, HOWEVER, IS SUCH THAT WE DEEM REASONABLY LIKELY A SUBSTANTIAL RECOVERY OF THEIR STOCK PRICES. THEREFORE, DESPITE BEING OUTSIDE THE TRADITIONAL SCOPE OF ASSETS WHERE TIP IS ABLE TO PLAY AN ACTIVE ROLE, WE CAN SAY TO BE FAIRLY SATISFIED WITH THE INVESTMENT OF SOME SHORT-TERM LIQUIDITY IN SUCH EXCELLENT, PROFITABLE AND DYNAMIC COMPANIES.

### 2016

IT IS WELL KNOWN HOW 2016 HAS BEGUN FOR THE FINANCIAL MARKETS AND IT IS NOT WORTHWHILE FOR US, LAST AND PERHAPS LEAST, TO SPEND TIME OR SPACE ON THIS LETTER TRYING TO PROVIDE YET OTHER DESCRIPTIONS OR IDENTIFY THE MOST APPROPRIATE ADJECTIVES.

THE REAL, TROUBLING QUESTION IS: WHAT ARE THE REASONS BEHIND ALL THIS ?

MANY FIND ANSWERS IN THE SLOWDOWN OF THE GROWTH PACE IN CHINA, OTHERS IN OIL OR COMMODITIES, THE DOWNTURN OF CERTAIN EMERGING MARKETS OR THE IMPLICATIONS OF THE UPCOMING TIGHTENING PHASE IN THE UNITED STATES.

FROM OUR PERSPECTIVE THESE ARE NOT THE CORRECT ANSWERS; OR, AT LEAST, NOT THE KEY ONES. WE BELIEVE THAT JUST REPRESENT CONVENIENT ALIBI FOR WHO HAS BEEN CAUGHT OFF-GUARD YET ANOTHER TIME. OR FOR MERE SPECULATORS.

IN OUR OPINION THE MOST RELEVANT REASONS BEHIND THE CURRENT SITUATION SHOULD BE FOUND IN THE PRACTICAL IMPOSSIBILITY TO MANAGE THE MASSIVE LIQUIDITY INJECTED BY CENTRAL BANKS IN THE SYSTEM, RESULTING IN THE ALLEGED “NEED” FOR COMPUTERS AND ALGORITHMS TO REPLACE EXPERIENCED AND KNOWLEDGEABLE BRAINS WHO SHOULD HAVE MANAGED IT. UP TO FEW WEEKS AGO, SURFING THE LIQUIDITY WAVE WAS QUITE CONVENIENT, OR, MORE PRECISELY, BENEFICIAL TO EVERYONE; IT ALLOWED INVESTORS TO PROFIT FROM ALMOST ALL ASSET CLASSES WITH MINIMAL THOUGHT PROCESS; INVESTORS EFFECTIVELY NEEDED NOT TO SPEND TIME IN CAPITAL ALLOCATION TO EITHER BONDS, STOCKS, GOLD, INDEX FUTURES, HEDGE FUNDS OR MIAMI CONDOS, GIVEN THE ILLOGICAL ALIGNMENT OF MOST KIND OF FINANCIAL RETURNS.

ASSETS OWNED BY FUND MANAGERS AND PRIVATE BANKERS HAVE THEREFORE SURGED EVERYWHERE IN THE WORLD, ALMOST ALL KIND OF YIELDS HAVE BEEN FOR A LONG TIME VERY ATTRACTIVE AND THE EXTREME PRUDENCE IN TIGHTENING INTEREST RATES BY THE FED MADE PEOPLE THINK OF ANOTHER PROLONGED BONANZA, EASY AND FREE OF CHARGE. ALSO BECAUSE THE HEAVY DELEVERAGING OF THE REAL ESTATE SECTOR - ULTIMATELY RESPONSIBLE FOR THE 2008 CRISIS - SHOULD BE QUITE EVIDENT.

INSTEAD, WE WITNESSED ONE OF THE MOST UNJUSTIFIED, UNEXPECTED AND BRUTAL PLUNGE IN THE HISTORY OF FINANCIAL MARKETS. NOT EVEN A SPARK TO START SUCH REAL COLLECTIVE MADNESS. AS A MATTER OF FACT, SOME SIGNALS HAD BEEN EMERGING FOR A FEW MONTHS - THE US INDEXES AROUND ZERO PERCENT IN 2015 DESPITE A RECOVERING ECONOMY, THE EUROPEAN INDEXES DOING MUCH BETTER DESPITE A SLOWER THAN EXPECTED ECONOMY AT THE END OF 2014, THE ASIAN INDEXES ON A ROLLER COASTER, BUT EVENTUALLY CLOSING THE CALENDAR YEAR MORE THAN POSITIVELY. ON TOP OF THAT THE 2015 “CURRENCIES BALLET” HELD MORE SURPRISES AND IT IS NOW BECOMING ONE OF THE MOST PUZZLING ISSUES TO BE FORECASTED AND MANAGED.

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BUT VERY FEW PEOPLE READ THROUGH THOSE SIGNALS. 2015, IN FACT, WAS STUDDED WITH WRONG PREDICTIONS BY ALMOST ALL THE ACTORS: BANKS, GURUS AND MEDIA IN THE FIRST PLACE. TODAY, WE ARE ALL CONFUSED AND AFTER A TIME WHEN EVERYTHING WENT UP, WE ARE SUDDENLY WITNESSING ALMOST ALL KIND OF ASSET PRICES GOING DOWN. IT SEEMS LIKE ECONOMIC CYCLES, SECTORIAL GYRATIONS AND “SUPERIOR” MARKETS NO LONGER EXIST.

IT SEEMS LIKE COMPANIES’ FUNDAMENTALS ARE TOTALLY IGNORED.

CONSIDERATIONS ON GENERAL CONSUMPTION TRENDS INTERTWINE IN A CONTEXT OF GENERAL TURMOIL: FROM THE INCREASINGLY EVIDENT AGEING OF THE WORLD POPULATION TO THE GROWING SEGMENTS OF CONSUMERS (NOT ONLY MILLENNIALS) NO LONGER TRUSTING THE FOOD GIANTS, TO THE IMPACT OF TECHNOLOGY IN GENERAL, DIGITAL IN PARTICULAR, WHICH ARE TRANSFORMING COMPANIES AND INDUSTRIES, TO GEOPOLITICAL COMPLEXITIES OR THE CONSEQUENCES OF TERRORISTIC ATTACKS WHICH BY DEFINITION AFFECT EVERYONE’S BEHAVIOUR. THE MIX IS EXPLOSIVE AND LEAVES EVERYONE IN COMPLETE BEWILDERMENT.

IT SEEMS LIKE THE CENTURIES-OLD CERTAINTIES OF THE REAL ECONOMY ARE MADE VOID BY THE (NON) RULES OF THE FINANCIAL MARKETS. EFFECTIVELY, SOME PEOPLE ARE TRYING TO PROVE THAT THE DROP IN OIL PRICES SHOULD COME WITH NEGATIVE RATHER THAN POSITIVE EFFECTS, EVEN THOUGH WE HAD BEEN TAUGHT FOR YEARS THAT A COMMODITIES PRICE FALL WAS THE BEST WAY TO DRIVE UP ALMOST EVERY CORPORATE’S PROFITS. IT MIGHT BE TRUE THAT PRODUCING COUNTRIES ARE PENALIZED AND THEIR SOVEREIGN WEALTH FUNDS WILL SPEND LESS, BUT IS THAT REALLY MORE IMPORTANT THAN THE MASSIVE SAVINGS FOR ALL MANUFACTURERS AND BILLIONS OF CONSUMERS WORLDWIDE ?

WE TAKE THE LIBERTY TO QUESTION THIS VIEW. ALSO CONSIDERING THAT A CAREFUL ANALYSIS WOULD REVEAL THAT TODAY SOVEREIGN WEALTH FUNDS ARE WORTH APPROXIMATELY 7 TRILLION DOLLAR, OF WHICH 4 TRILLION RELATE TO OIL COUNTRIES, WHEREAS THE LIQUIDITY INJECTED BY CENTRAL BANKS AFTER 2008 HAS REACHED OVER 9,2 TRILLION DOLLAR SO FAR. SHOULDN’T EVERYONE TRY TO UNDERSTAND WHERE THAT MONEY WENT (TODAY APPROXIMATELY 8

TRILLION DOLLAR HAVE A NEGATIVE YIELD) INSTEAD OF FOCUSING ON THE PETRODOLLAR FUNDS OFFLOADING STOCKS ?

BUT YOU CAN EXPECT ANYTHING FROM A SYSTEM WHICH NOW TRIES TO STIMULATE INFLATION IN EVERY WAY AND WHERE CENTRAL BANKS EXPLICITLY ANNOUNCE THEIR WILLINGNESS TO DO WHATEVER IT TAKES TO RAISE INFLATION EXPECTATIONS AFTER YEARS OF LECTURING - OFTEN BY THE CENTRAL BANKS THEMSELVES - ABOUT INFLATION AS THE WORST ENEMY OF COUNTRIES AND CORPORATES GROWTH.

THE FOOLISH PREDOMINANCE OF FINANCE OVER THE REAL ECONOMY IS AMONG THE FEW THINGS WHICH SEEM TO EMERGE CLEARLY FROM THIS PICTURE; AS IF THE LESSONS OF THE RECENT PAST HAD BEEN TOTALLY USELESS.

WE REMAIN CONFIDENT THAT THE REAL ECONOMY, ITS BUSINESSES AND THEIR ABILITY TO GENERATE VALUE ADDED ARE CRUCIAL AND WE BELIEVE THAT THIS IS ONLY A TRANSITION STAGE, A PERIOD OF ADJUSTMENT BETWEEN ON ONE SIDE A SYSTEM WHICH IS DRUNK ON FINANCE AND ON OTHER SIDE A CONTINUED GROWTH (+3,4% IN 2016, BASED ON A RECENT UPDATE BY THE IMF) ALTHOUGH WOBBLY, PERHAPS DUE TO AN EXCESS OF MISLEADING INFORMATION.

IN ADDITION, LET US HOPE THAT SOMEBODY WILL SOONER OR LATER REALIZE THAT THE MASSIVELY INVESTED SOVEREIGN DEBT, BONDS AND OTHER SECURITIES CURRENTLY IMPLY AN INTRINSIC RISK WHICH IS SIGNIFICANTLY HIGHER COMPARED TO EQUITY; TO THE NET WORTH OF THE DO-ERS, THOSE WHO MANUFACTURE AND SELL PRODUCTS OR SERVICES. HISTORICALLY THE VOLUMES OF DEBT SECURITIES ARE SIGNIFICANTLY HIGHER THAN EQUITY VOLUMES AND A RE-ADJUSTMENT TOWARDS THE LATTER - PERHAPS A SHARP ONE DUE TO THE SIZE - SEEMS TO BE INEVITABLE.

### HOW TO VALUE A COMPANY

SINCE OUR EARLY SHAREHOLDERS LETTER, WE HAVE BEEN NOTING THAT OUR OWN VALUATION METHODOLOGIES WERE FOCUSED ON THE EFFECTIVE PRODUCTS, MARKETS AND ENTREPRENEURIAL SPIRIT OF COMPANIES RATHER THAN ON VALUATION MULTIPLES OR "SYSTEMS", FAVOURED BY MOST BUT WHICH,

FROM OUR PERSPECTIVE, INEVITABLY UNDERMINE THE PECULIARITIES OF EACH COMPANY.

IT SEEMS LIKE THE GENERAL MARKET TURMOIL DESCRIBED ABOVE IS ABOUT TO REACH A PEAK ONCE WE REALIZE THAT NETFLIX IS TRADING AT OVER 100X EBITDA OR AMAZON (BASED ON THOMSON REUTERS DATA) IS TRADING AT OVER 300X 2016 P/E BUT WHEN APPLE HITS THE \$100 RESISTANCE IT EVENTUALLY BOUNCES BACK, DESPITE ANNOUNCING RECORD-BREAKING RESULTS.

AND WHAT SHOULD WE SAY ABOUT TESLA – WITH A 2015 CAPITALIZATION FLUCTUATING BETWEEN 23 AND 37 BILLION DOLLAR ALTHOUGH IT IS STILL A LOSS-MAKING COMPANY AND MANUFACTURING APPROX.. 50.000 VEHICLES PER YEAR, WHEREAS GM HAS A CAPITALIZATION OF LESS THAN 50 BILLION DOLLAR, MANUFACTURES 9.000.000 VEHICLES PER YEAR AND GENERATES A 11 BILLION DOLLAR EBIT, OR FCA, WHICH ANNOUNCED RECORD-BREAKING RESULTS, CONSISTENTLY BEAT ANALYSTS EXPECTATIONS AND YET ITS CAPITALIZATION DIPPED BELOW 7 BILLION EURO, IN SPITE OF AN APPROX. 9 BILLION EBITDA, 2 BILLION EURO NET INCOME AND 5 BILLION DEBT ONLY.

IT SEEMS LIKE OUR WORLD HAS LOST ITS BEARINGS. IT IS, IN FACT, REASONABLE THAT COMPANIES WHICH ARE AHEAD OF THEIR TIME OR HAVE A GREATER TECHNOLOGY EXPOSURE SHOULD ENJOY A HIGHER VALUATION - IN PARTICULAR IF COMPARED TO THOSE WHICH WE ARE STILL PLEASED TO DEFINE AS “OLD ECONOMY” - BUT WHY SHOULD APPLE BE VALUED AT 10X ITS NET PROFITS WHEN ALIBABA OR FACEBOOK ARE TRADING AT 30X ? PERHAPS APPLE’S 200 BILLION DOLLAR CASH HOLDINGS TURN OUT TO HAVE A NEGATIVE VALUE ?

SOME CONSCIENTIOUS “MACRO” MATH WOULD REVEAL THAT TODAY’S S&P 500 P/E RATIO IS AT 15,5X VERSUS A HISTORICAL AVERAGE OF 16,6X. IN EUROPE THE AVERAGE P/E IS WELL BELOW 14X. ON TOP OF THAT WE LIVE IN A WORLD OF ULTRA-LOW INTEREST RATES, WITH NO PRECEDENT IN ECONOMIC HISTORY THEN VALUATION MULTIPLES TRENDS SHOULD CONSIDERABLY INCREASE RATHER THAN DECREASE ! OR THE GENERAL UPHEAVAL PLAYS A ROLE AND HELPS DISTORTING EVERY ACCEPTED ECONOMIC PRINCIPLE ? ALL THIS DRIVEN BY UNCERTAINTIES ABOUT THE FUTURE ?

IN THE MEANTIME AMAZON ANNOUNCED THE OPENING OF HUNDREDS OF PHYSICAL BOOKSHOPS ...

IN SUCH A CONTEXT, HOW LONG WILL IT TAKE FOR TESLA TO REACH THE EARNING LEVELS OF TOYOTA, GM, FCA OR EVEN FERRARI - WITH ITS LEGENDARY CARS - AND EFFECTIVELY “DESERVE” TODAY’S MARKET VALUATION ?

IS IT STILL FAIR TO SAY THAT COMPANY’S PROFITS, ALSO LONG-TERM, DO HAVE SOME VALUE, OR THE FASHION OF INNOVATION AND THE FUTURE WILL END UP TURNING EVERYTHING ELSE UPSIDE-DOWN ?

IT’S WELL KNOWN THAT - MAINLY DUE TO THE EFFECTS OF TECHNOLOGY - THE TRAJECTORY OF CORPORATE PROFITS WORLDWIDE SHOULD SLOWLY DECREASE AND TODAY’S 8 TRILLION DOLLAR PROFITS GENERATED BY GLOBAL CORPORATES WILL TEND TO BEHAVE DIFFERENTLY COMPARED TO THEIR REVENUES, AND WILL BE INEVITABLY DRIVEN BY THEIR QUALITY AND VOLUMES. IN ADDITION, 65% OF THOSE PROFITS TODAY ARE GENERATED IN WESTERN COUNTRIES BUT, BASED ON MCKINSEY DATA, IN A FEW YEARS 50% OF ALL PROFITS WILL COME FROM EMERGING MARKETS, WHICH THESE DAYS ARE CASTING DOUBTS AND UNCERTAINTIES AND WHERE VALUATIONS ARE SUFFERING MORE THAN ELSEWHERE.

AT TIP WE CONSTANTLY QUESTION ANY STANDARDIZED VALUATION METHODOLOGY, EVERYDAY; TODAY, NOTHING CAN ANYMORE BE TAKEN FOR GRANTED, AND, ESPECIALLY IF WITH A MEDIUM-TERM VIEW, ANY KEY VARIABLE SHOULD BE CAREFULLY WEIGHTED, INCLUDING THE STRATEGIC COMPETITIVENESS LEVEL, WHICH IS HARDLY QUANTIFIABLE, ESPECIALLY BY SIMPLISTIC VALUATION MULTIPLES. DOING THAT WE CONSTANTLY KEEP IN MIND THAT EXCELLENT COMPANIES LIVE ON TECHNOLOGICAL GAPS, DISTINCTIVE BRANDS AND SUCCESSFUL BUSINESS MODELS, AND THEY NEED TO BE ANYWAY AT THE FOREFRONT TO MAINTAIN AND DEFEND THEIR VALUATION.

WE SHOULD, THEREFORE, NOT BE SEDUCED BY PRACTICES AND CONVENTIONS WHICH PROVED TO BE SIGNIFICANTLY LESS SOUND THAN A CAREFUL ANALYSIS ON THE TRULY KEY DRIVERS RELEVANT TO TODAY AND TOMORROW’S WORLD, AS

WELL AS ON THE IMPACT OF TECHNOLOGY AND THE DIGITAL WORLD ON THE LESS NEAR FUTURE.

### RESOURCES FOR GROWTH

THE PICTURE OUTLINED SO FAR LEADS US TO BELIEVE THAT THE GREATEST OPPORTUNITIES FOR TIP LIE IN FURTHER INVESTMENTS; DESPITE A RESIDUAL LIQUIDITY FROM THE BOND HOLDINGS, BEING ALSO AWARE OF THE ADDITIONAL CASH (UP TO 200 MILLION EURO) RELATED TO THE SUBSCRIPTION OF THE 2015-2020 WARRANT - WHICH IS HOWEVER CONDITIONAL TO AN ADEQUATE PERFORMANCE OF OUR STOCK - AND SOME POTENTIAL ASSET DIVESTMENTS IN LIGHT OF OUR HISTORICAL TURNOVER, WE HAVE UNDERTAKEN A NEW INITIATIVE IN ORDER TO RESPOND TO NEEDS OF AS MANY STAKEHOLDERS AS POSSIBLE.

AFTER A CAREFUL CONSIDERATION OF THE EVOLUTION OF PREFERENCES FOR CERTAIN CATEGORIES OF INVESTORS - INCLUDING THE OVERALL MARKET, FAMILY OFFICES AND INSTITUTIONAL INVESTORS - WE HAVE DEVELOPED AN INNOVATIVE PROJECT CALLED **ASSET ITALIA**, TO LEVERAGE THE TITLE OF THE BOOK WE PUBLISHED A YEAR AGO ON THE MOST RELEVANT MATTERS FOR COMPANIES, MARKETS, SAVERS AND FINANCIAL SECURITIES; THE ASSET ITALIA INITIATIVE CAN BE SUMMARIZED AS FOLLOWS:

1 - THE ESTABLISHMENT OF A NEW COMPANY WITH A SUBSTANTIAL LEVEL OF "CALLABLE" CAPITAL, IDEALLY SEVERAL HUNDREDS OF MILLIONS, BUT - UNLIKE SIMILAR INITIATIVES - WITH NO MANDATORY SUBSCRIPTION OF EACH PROPOSED INVESTMENT; EFFECTIVELY EVERY INVESTOR WILL RETAIN THE OPTION TO SUBSCRIBE, FROM TIME TO TIME, ONLY THOSE TRANSACTIONS CONSIDERED "WORTHWHILE" OF THEIR TRANCHE PAYMENT, EXCEPT FOR TIP WHICH WILL MANDATORILY SUBSCRIBE TO ALL ROUNDS OF INVESTMENTS;

2 - THE NUMBER OF PARTICIPANTS WILL BE RESTRICTED AND TIP WILL OFFER THEM THE OPTION TO INVEST THROUGH THE CLUB DEAL FORMAT FOR A FIVE-YEAR PERIOD ON AN EXCLUSIVE BASIS;

3 - ASSET ITALIA'S BOARD OF DIRECTORS WILL MAINLY BE COMPOSED OF THIRD-PARTY INVESTORS;

4 - TIP WILL PROPOSE TO ITS BOARD OF DIRECTORS TO PARTICIPATE WITH AROUND 100 MILLION EURO (OR AT LEAST 20% OF THE TOTAL CAPITAL), WILL ENSURE - AT MINIMUM COST - THE OPERATING AND COMMERCIAL SUPPORT AND WILL RETAIN - AS A COMPANY AND NOT TO AT ITS INDIVIDUAL PARTNERS LEVEL - A PERCENTAGE OF ANY FINAL PROFIT BASED ON REASONABLE METRICS (5% INSTEAD OF THE CUSTOMARY 20%), OVER A THRESHOLD;

5 - IN ORDER TO MAXIMIZE LIQUIDITY AT THE ENVISAGED END OF THE INVESTMENT HORIZON, AFTER A 5-YEAR PERIOD ALL SHARES IN ASSET ITALIA WILL BE SWAPPED WITH PUBLICLY TRADED TIP SHARES BASED ON INDEPENDENT AND COHERENT VALUATIONS.

WE ARE CONFIDENT THAT ASSET ITALIA IS FURTHER MOVING CLOSER TO EVERYBODY'S NEEDS: THE MARKET - THAT WOULD PARTICULARLY DISLIKE A CAPITAL INCREASE - POTENTIAL CO-INVESTORS - WHO INCREASINGLY REQUEST TO JOIN OUR CLUB DEALS - AND US - CERTAINLY NOT WILLING TO HAVE FURTHER LIQUIDITY TO BE INVESTED.

### CONCLUSIONS

TIP IS A PUBLIC COMPANY, CELEBRATING ITS 15TH BIRTHDAY THIS YEAR, HAS BEEN LISTED FOR TEN YEARS AND STANDS FOR OVER 100 FAMILIES - MOSTLY ENTREPRENEURS - DOZENS OF PROFESSIONAL INVESTORS AS WELL AS THE MARKET, WHO CHOSE TO BELIEVE IN A BUSINESS MODEL WHICH IS ATYPICAL COMPARED TO THE PRIVATE EQUITY STANDARDS. IT IS AN AGGREGATION OF CORPORATES WHICH JOINTLY ACCOUNT FOR AN OVER 15 BILLION EURO TURNOVER (CLOSE TO 1% OF ITALIAN GDP), AN EXCELLENT AVERAGE PROFITABILITY, ALMOST 60 THOUSAND EMPLOYEES, PRESENCE IN ABOUT 100 COUNTRIES - AND, MOST IMPORTANTLY, TIP'S GROUP IS MADE UP BY MANY VIRTUOUS COMPANIES CONSISTENTLY ABLE TO OPERATE IN A VERY DYNAMIC WAY.

THE NEW YEAR HAS ALREADY BEEN AN UNICUM IN TERMS OF NEGATIVITY AND VOLATILITY AND WILL THEREFORE BE A VERY DIFFICULT PERIOD FOR ANY PLAYER IN THIS SECTOR. IT WILL SURELY REQUIRE CAREFUL ASSESSMENTS, CONSIDERATIONS AND CHOICES IN LINE WITH THE FRAMEWORK SO FAR OUTLINED, BUT WILL NEVERTHELESS FALL WITHIN A GLOBAL ECONOMIC SYSTEM THAT WILL GROW MORE THAN 3%, DESPITE FEELINGS AND RUMORS SUGGESTING

A GENERAL STAGNATION. POSITIVE RESULTS WILL ARRIVE FOR THOSE CORPORATES ABLE TO DIRECT THEIR SALES EFFORTS TOWARD THE RIGHT GEOGRAPHIES. IT WILL, HOWEVER, BE HARDER FOR INVESTORS; IT WILL NOT BE EASY TO ACHIEVE THE “PERFECT BALANCE” BETWEEN MARKET FUNDAMENTALS AND THEIR HYSTERIA, BETWEEN THE IMPULSION TO GO WITH THE DOOMSTERS AND THE RATIONALITY OF MEDIUM-TERM TRENDS. HENCE, PERHAPS, A “PERFECT BALANCE” CANNOT BE FOUND; IT ALL COMES DOWN TO SENSIBLY COMBINE BOTH RATIONALITY AND COURAGE.

THE RESULTS WE HAVE ACHIEVED SO FAR AND THE FACT THAT DURING OUR TEN-YEAR PRESENCE ON THE STOCK MARKET - THOSE VERY COMPLICATED TEN YEARS - WE HAVE BEEN ABLE TO OVERPERFORM MANY ASSET CLASSES IN WHICH IT WOULD HAVE BEEN POSSIBLE TO INVEST, AS SHOWN IN THE TABLE BELOW, IS ENCOURAGING ABOUT OUR BUSINESS MODEL, WHICH HAS BEEN PROGRESSIVELY ADAPTING TO SEVERAL MARKET CONDITIONS; IF A BIT OF GOOD LUCK AND SERENITY WILL BE ON OUR SIDE, WE HOPE TO ACHIEVE FAIR RESULTS.

<b>10 YEARS OF LISTING</b>			
<b>ASSET CLASS</b>	<b>9/11/05</b>	<b>6/11/15</b>	<b>CASH MULTIPLE</b>
<b>TIP</b>	1,8	4,8*	<b>2,67 x</b>
S&P500	1.218,6	2.579,6	<b>2,12 x</b>
S&P GLOBAL PROPERTY	146,2	201,6	<b>1,38 x</b>
S&P GLOBAL LUXURY	975,7	2.281,3	<b>2,34 x</b>
S&P PRIVATE EQUITY	139,6	137,2	<b>0,98 x</b>
GOLD	461,4	1.088,9	<b>2,36 x</b>
SILVER	7,6	14,7	<b>1,93 x</b>
BRENT	59,7	44,4	<b>0,74 x</b>
US DOLLAR	0,8	0,9	<b>1,10 x</b>

\*TIP VALUE IS CALCULATED CONSIDERING THE PRICE AS AT 6/11/2015, THE DIVIDENDS DISTRIBUTED (IN CASE OF RE-INVESTMENT OF PROCEEDS IN TIP SHARES ON THE EX-DATE), THE VALUE AS AT 6/11/2015 OF TREASURY SHARES ATTRIBUTED FOR FREE, THE PRICE OF WARRANTS 2010/15 ON THE LAST TRADING DAY AND THE PRICE AS AT 6/11/2015 OF WARRANTS 2015/20.

OF COURSE, OUR COMMITMENT AND PASSION ARE FAR FROM SHRINKING. THE CONCEPT BEHIND ASSET ITALIA CONFIRMS OUR WILLINGNESS TO BOOST OUR

THE INFORMATION CONTAINED IN THIS LETTER IS INTENDED FOR PURELY INFORMATION PURPOSES; THIS LETTER IN NO WAY CONSTITUTES SOLICITATION OF PUBLIC INVESTMENTS, NOR INDICATION FOR EVENTUAL BUYS.

EFFORTS AND CONSTANTLY PURSUE THE INNOVATION OF OUR BUSINESS MODEL IN ORDER TO ADDRESS THE INPUTS WE RECEIVE FROM ALL KINDS OF POTENTIAL INVESTORS: RANGING FROM INDIVIDUAL EQUITY INVESTORS, TO FAMILY OFFICES OR INSTITUTIONAL INVESTORS, WHO LOOK AT THE CLUB DEAL FORMULA - AND MOST IMPORTANTLY, AT THE EXTREMELY DIRECT ACCESS TO EXCELLENT COMPANIES - AS A WAY TO GET EXPOSURE TO THE "EXTRA VALUE" WHICH SEEMS SO HARD TO BE FOUND ELSEWHERE.

NATURALLY, THE WHOLE PURPOSE IS TO PROPERLY REWARD YOU FOR THE TRUST YOU HAVE BEEN PUTTING IN OUR TEAM.

GIOVANNI TAMBURI

ALESSANDRA GRITTI

CLAUDIO BERRETTI

MILAN, FEBRUARY 23<sup>RD</sup>, 2016