

September 2016

## THE TEDDY GROUP, AN INTERNATIONAL PROTAGONIST OF THE FAST-FASHION WORLD WITH AN ITALIAN HEART

The Teddy Group, with its focus on the apparel sector, is the commercial division of T&M Holding SpA, a multinational concern that also has interests in the area of real estate for retail premises. In comparison with similar businesses, T&M Holding is the seventh company in its sector in Italy, according to a Mediobanca survey.

Founded in the 1960s as a brilliant inspiration of Vittorio Tadei and with its head offices in Rimini, today the Teddy Group is an enterprise capable of successfully competing at an international level in the fast-fashion sector with giants like H&M and Inditex/Zara. The group is currently led by CEO and Chairman Alessandro Bracci, following in the company's tradition of family management.

The Teddy Group closed 2015 with consolidated revenues of €564m, up on the 2014 figure of €550m, and doubling its profitability.

### OUR FIGURES

**49**  
COUNTRIES

TURNOVER  
**564**  
MILLION  
EUROS

EBITDA  
**89**  
MILLION  
EUROS

**1**  
BILLION EUROS  
CORPORATE  
EARNINGS - RETAIL  
PRICES

2015 Consolidated financial statements

Teddy S.p.A.  
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Teddy's corporate culture is based on the importance of people, the desire to achieve challenging targets with efficiency and creativity, and the promotion of an entrepreneurial spirit amongst all its employees.

Of the group's four main brands—Terranova, Rinascimento, Calliope and Miss Miss—the first two are marketed at a worldwide level through a network of own-brand stores, and the other two operate mainly through wholesale distribution centres. Terranova is one of the most important brands in young people's fashions in the whole of Europe. Calliope is a brand that offers everyday glamour, and Rinascimento is a Made-in-Italy brand for the women's market. This is the same target as Miss Miss, another Made-in-Italy brand that keeps closely in touch with all the latest trends.

One of the Teddy Group's major distinctions is that of having developed a model of Made-in-Italy excellence in its retail and wholesale organization. The characteristic element of franchising with sales "on commission", in which unsold goods are taken back by the company, creates a strong bond between the group and its franchising investors, also validated by Teddy's absolute financial solidity, given that the group has no debts. The same considerations also apply to the group's wholesale activities, which operate mainly as partnerships. The decision to expand by exploiting the franchising formula is based on the firm conviction that a good franchised business partner represents the best way of approaching markets, above all those characterized by particular complexity, or in so-called emerging economies. The group has a strong international vocation, and is present with its own-brand retail stores and wholesale activities in 49 countries, with at least 50% of total revenues provided by foreign markets, and with the majority of sales made mainly in non-EU countries.

By the end of 2015, the group had 560 own-brand stores in 40 countries and 19 wholesale operations in 12 countries, demonstrating its global diffusion in markets that include even Kyrgyzstan and Mongolia. In 2015, 83 activities were opened in 21 different countries. The Teddy Group continues its orientation towards international expansion with a vision of ample growth, with a particular focus on the Middle East and Asia, developing new markets that until now have rarely been explored by other retailers.

Recently, the group has also launched a programme of transformation, optimization and modernization of its network of sales points, to ensure that they continue to fully cater for evolving consumer preferences. In particular, in late 2014 the Calliope brand completed a brand restyling operation focusing on the concept of accessible glamour, to be rolled out in Italy in the near future and abroad over the next few years.

The group also places a strong emphasis on the creation of job opportunities, and in 2015 it had over 2000 employees and 4000 collaborators.

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The company has its own business school that provides theoretical and operative instruction for store managers and workers, with an impressive investment of 150,000 hours yearly. The aim is to spread the corporate experience as intensively as possible, and to maintain the company's development over the years.

### **The group's flagship stores.**

The year of 2015 was particularly important for the Teddy Group, with the inauguration in June of two new Terranova and Calliope flagship stores in Via Torino, in Milan's city centre.

The two new store openings came as the second step in a programme that by the end of 2017 will bring the group to a total of four flagship stores in Europe.

After the store openings of Via del Corso in Rome in December 2013 and in Milan's Via Torino, in October 2015 the group opened the world's biggest Terranova store in Vienna, occupying a surface area of over 1800 m<sup>2</sup>, in the prestigious Stafa Tower in the Mariahilfer Straße.

The fourth flagship store is due to open by the end of 2016 in Barcelona, Spain.

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