

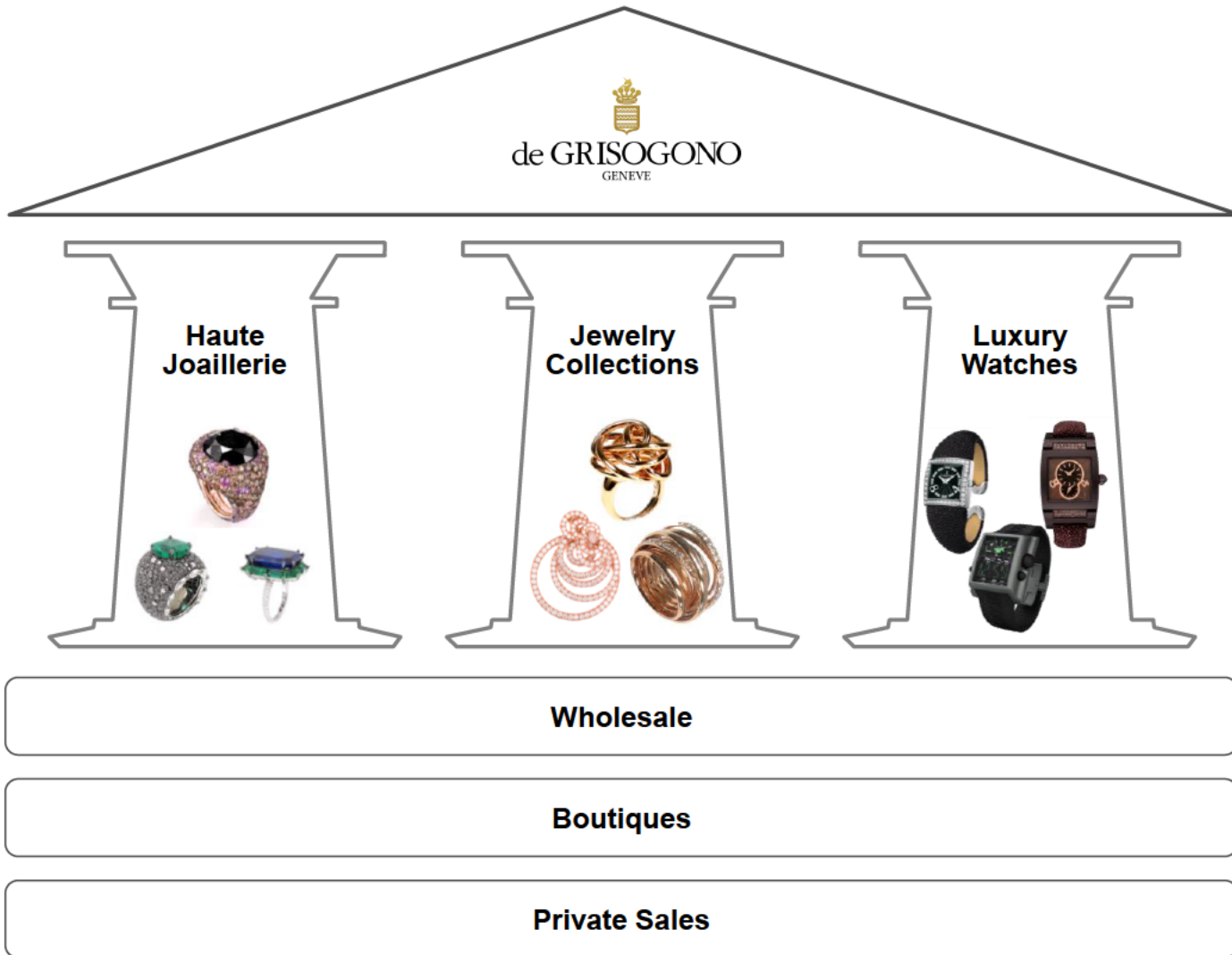


de GRISOGONO
GENEVE

Corporate Presentation

May 2nd, 2013

Over the last 20 years de GRISOGONO has become a fully established luxury brand...



1 brand with...

... 3 product segments...

... distributed through 3 channels

... competing among the leading high-luxury brands...



Uniquely positioned
among the leading brands...

... with an exclusive
and highly creative brand identity



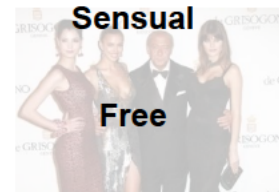
Spectacular

Audacious



Emotional

Volume



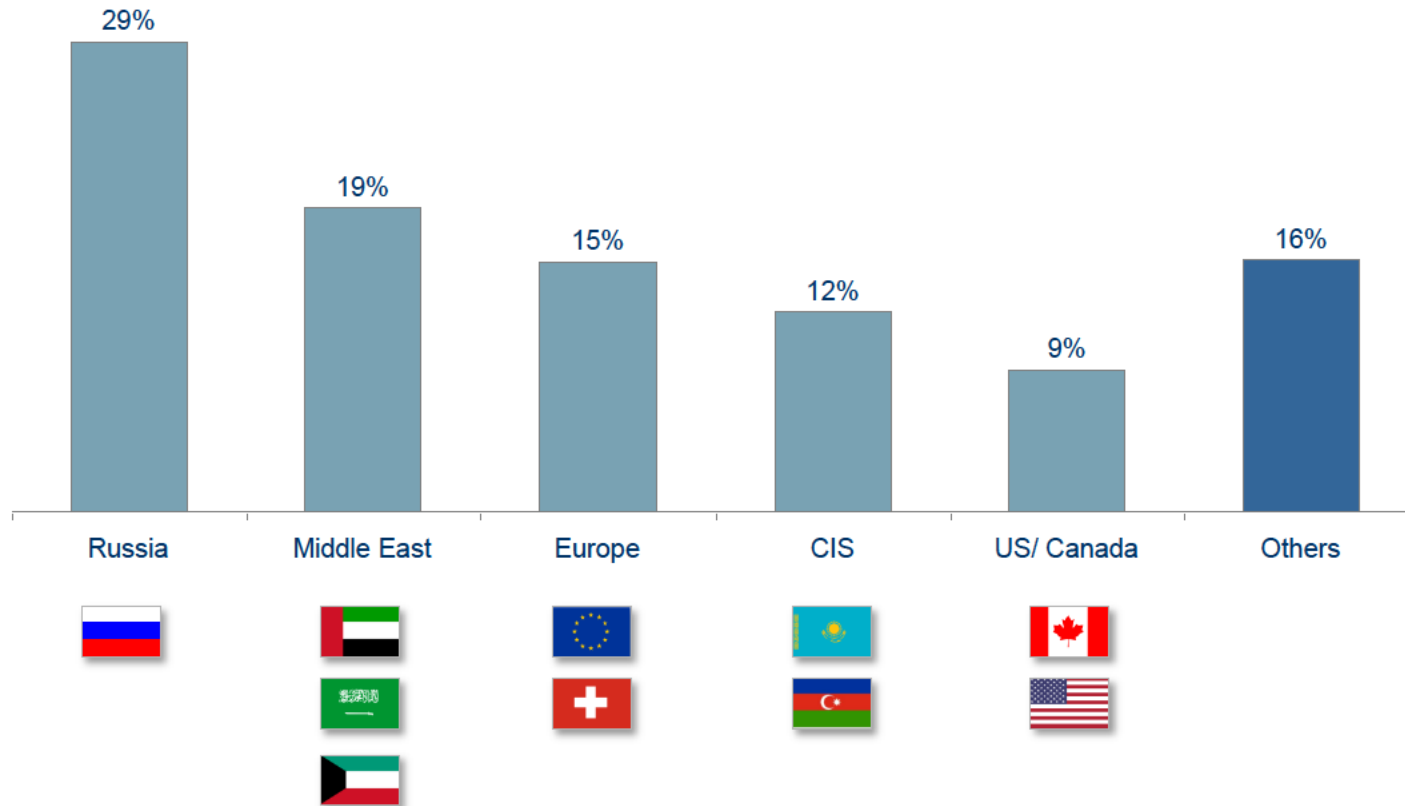
Mix of materials
Focused on details

Innovative

Technical



Sales by customer nationality (% of total sales)



dG is present in three main product segments...



Haute Joaillerie



- Unique pieces manufactured at **dG's atelier** in Geneva
- Top quality **stones** and leading **craftsmanship**
- Catering to the **very top end** of the jewelry market
- Prices: CHF100k to 1m+

Jewelry Collections



- **Entry-level** pieces which fully embody dG's creativity & style
- **dG design** manufactured by craftsman in Italy and France
- Bought by a global base of **connoisseurs** of jewelry
- Prices: CHF up to 120k

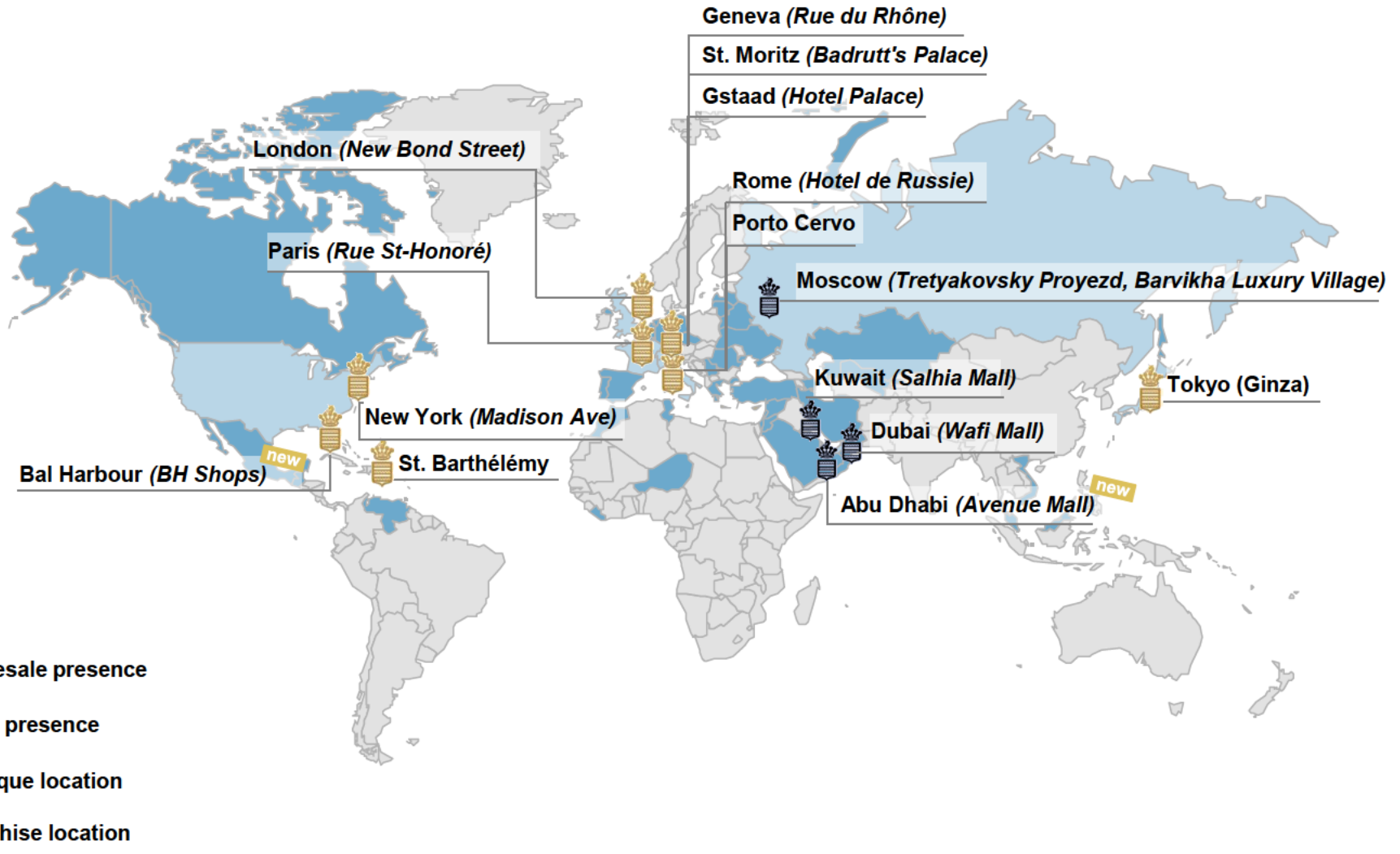
Watch Collections



- Jewelry watches that reflect dG's **design and creativity**
- Highly innovative, **non-traditional complications**
- **Assembled by dG** from carefully selected components
- Prices: CHF up to 300k+

... sold through a global distribution network

Now strengthening distribution in key markets before embarking on the next expansion phase



- Wholesale presence
- Retail presence
- Boutique location
- Franchise location

Distribution network complemented by private sales events...

Events held throughout the year attended by the top league of potential customers



Exclusive events throughout the year...

...attended by both ultra high net worth individuals and stars

Cannes	 	May
Porto Cervo	 	August
St. Moritz	 	January
Gstaad	 	February



... which foster brand awareness and global media presence

Illustrative pictures of dG private sales events



Eden Roc Event in Cannes



Crystal Room Baccarat Event in Moscow



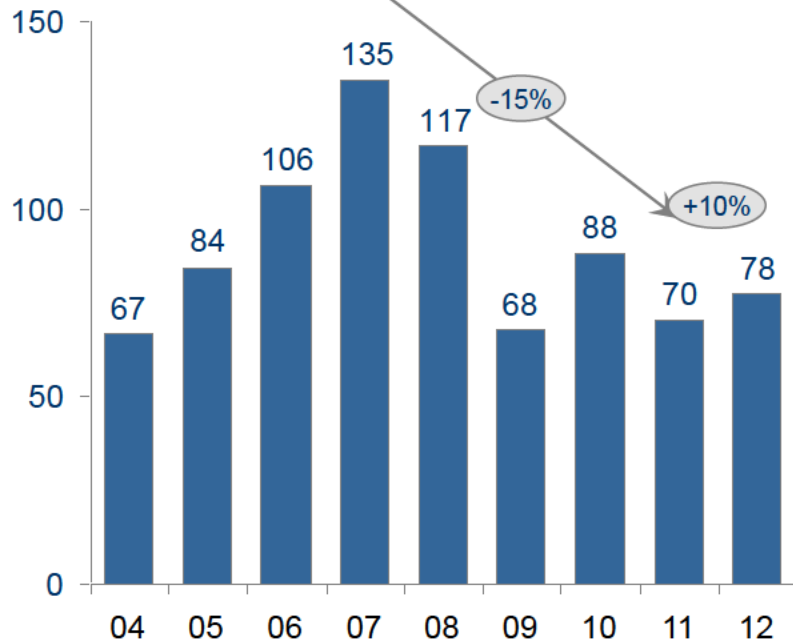
These events generate global PR,
attracting a broad range of clients to dG

Financially, dGs results are recovering after a large decline



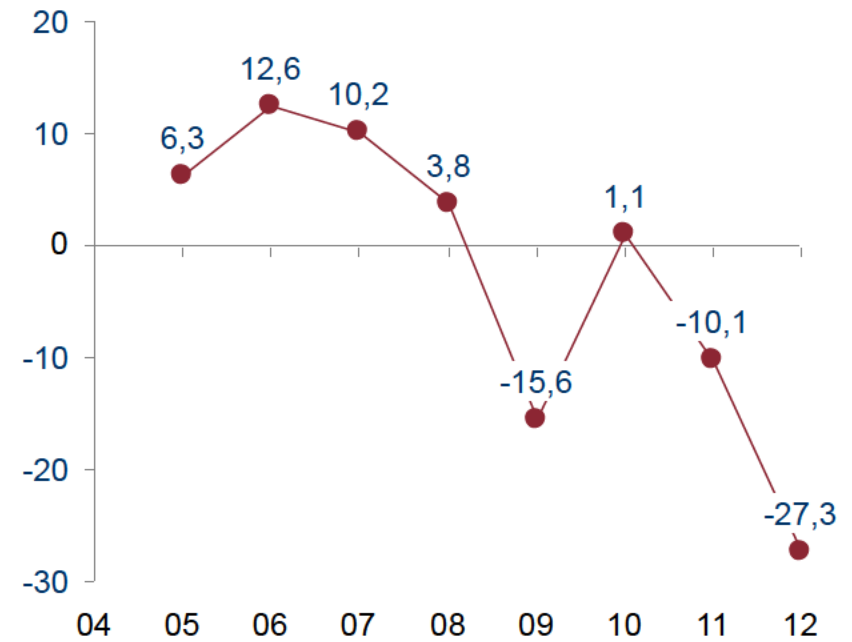
Sales seem to be recovering in 2012 after a strong decline since 2007...

Total sales (m CHF)



... while profitability has been negative since 2009

EBIT (% of sales)



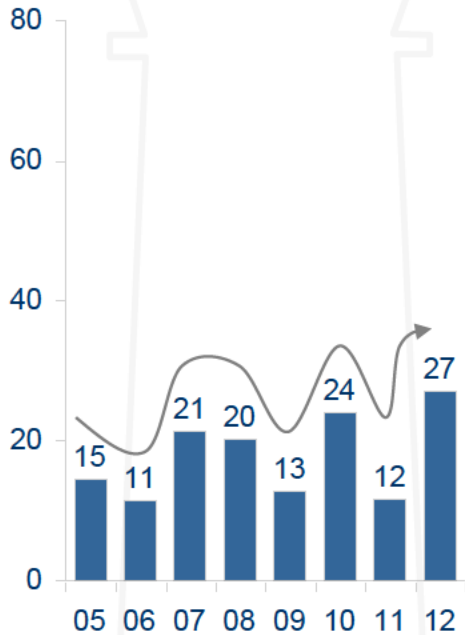
Products have very distinct sales performances

While jewelry is now stable, watches continue to decline in sales



Haute Joaillerie

Sales (m CHF)



Margin¹

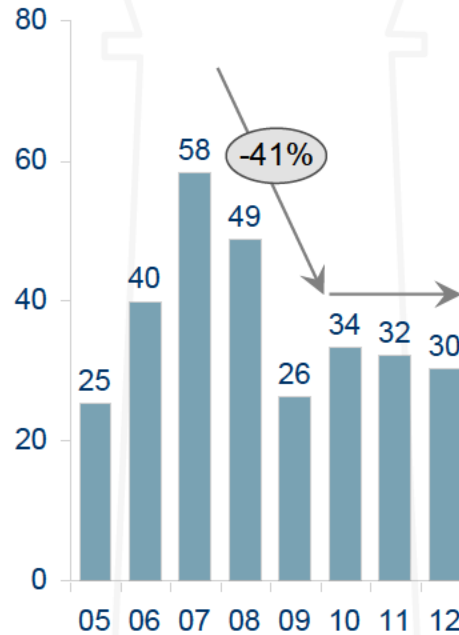
33%

Stock

64m²

Jewelry Collections

Sales (m CHF)

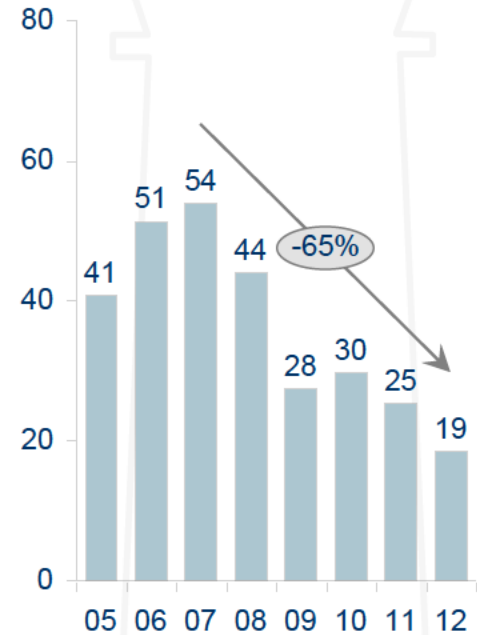


55%

33m

Watch Collections

Sales (m CHF)



48%

15m



... as well as channel's

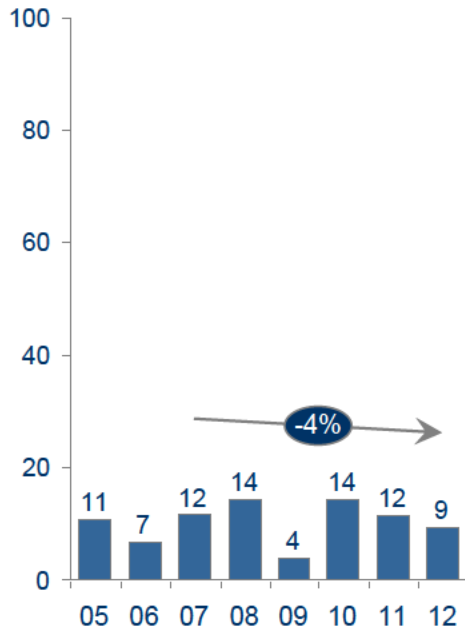
While boutiques are rapidly recovering, wholesale requires significant attention



Private sales

28%

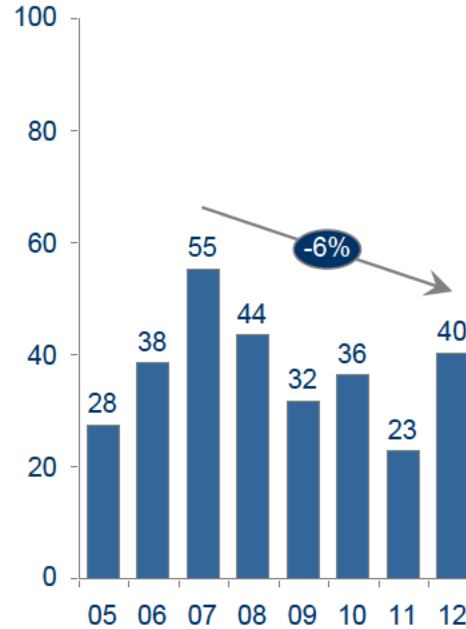
Sales (m CHF)



Boutiques

18%

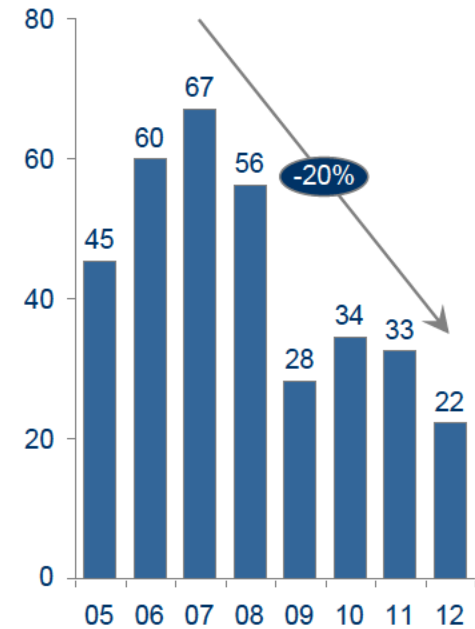
Sales (m CHF)



Wholesale

19%

Sales (m CHF)



X%

Channel margin¹
(not including central costs of 39% of sales)

Key strategic challenges to turnaround the business identified



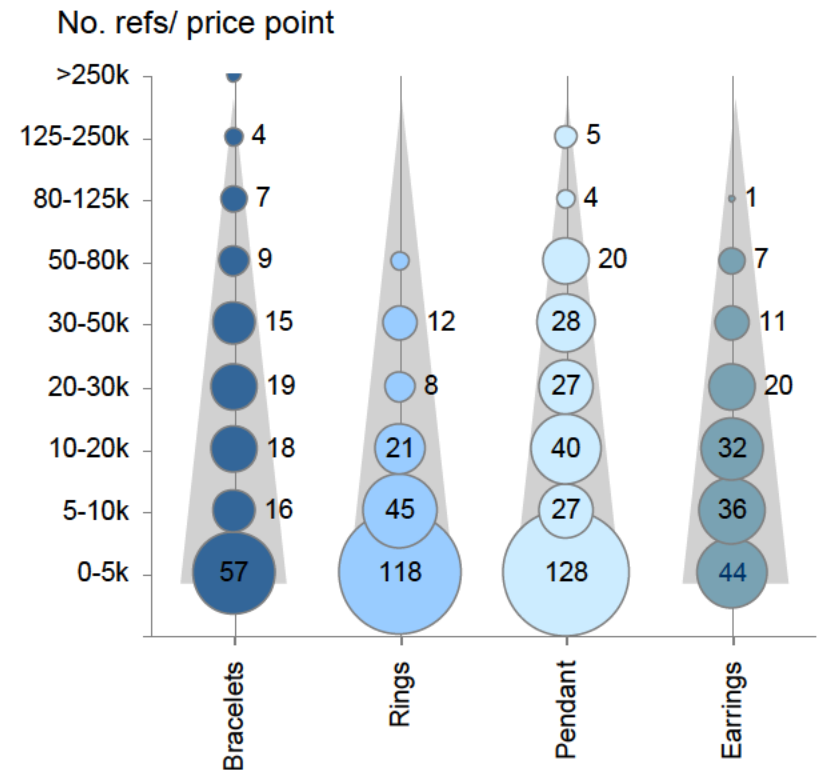
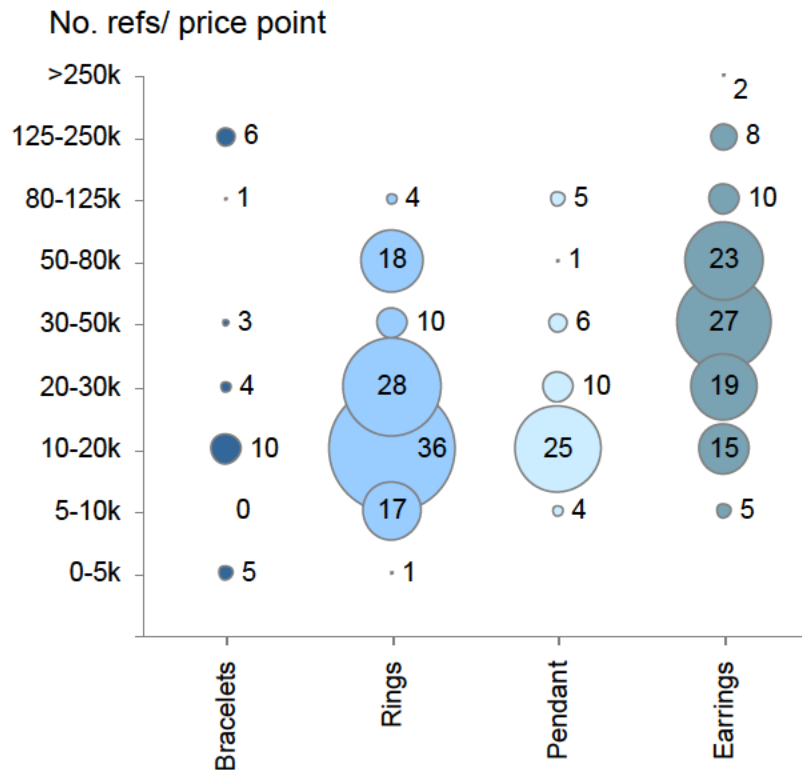
Assortment structure misaligned with demand

Assortment structure comparison

Product



Cartier



Work has already started in the preparation for Basel 2013



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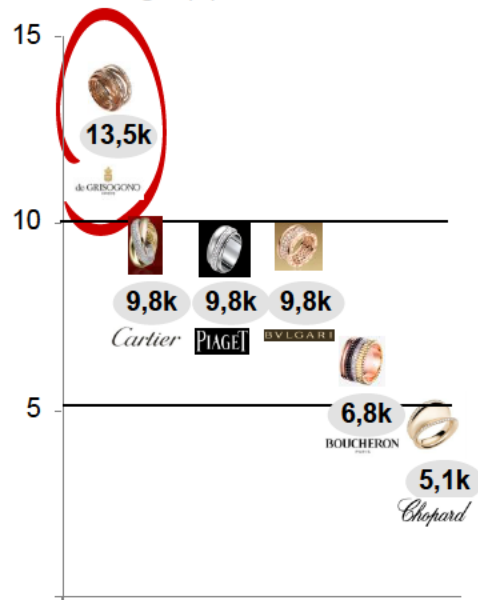
Some products mis-priced vs. competition

Jewelry pricing benchmark

Product

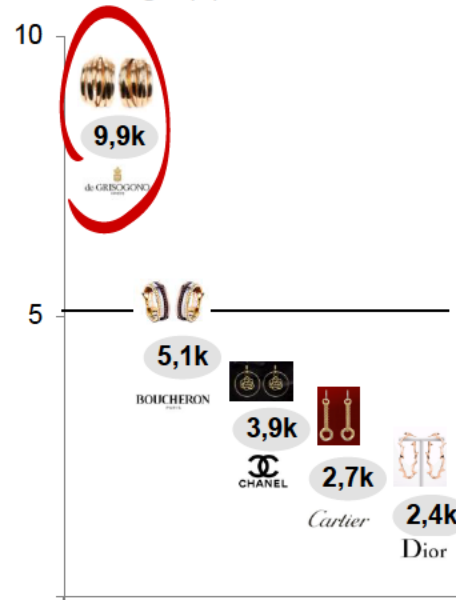
Iconic half set gold ring

Price range (k)



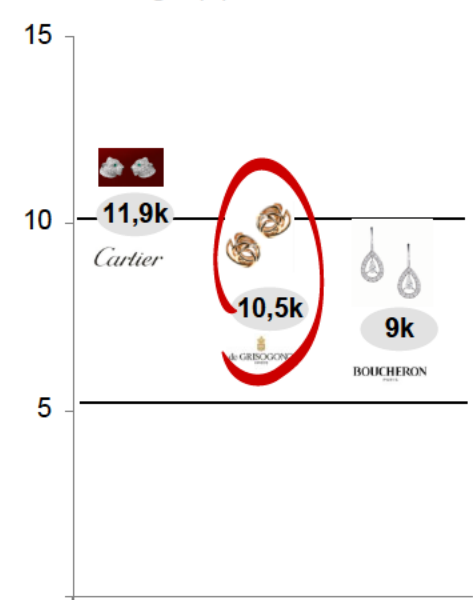
Iconic plain gold earrings

Price range (k)



Typical earrings

Price range (k)

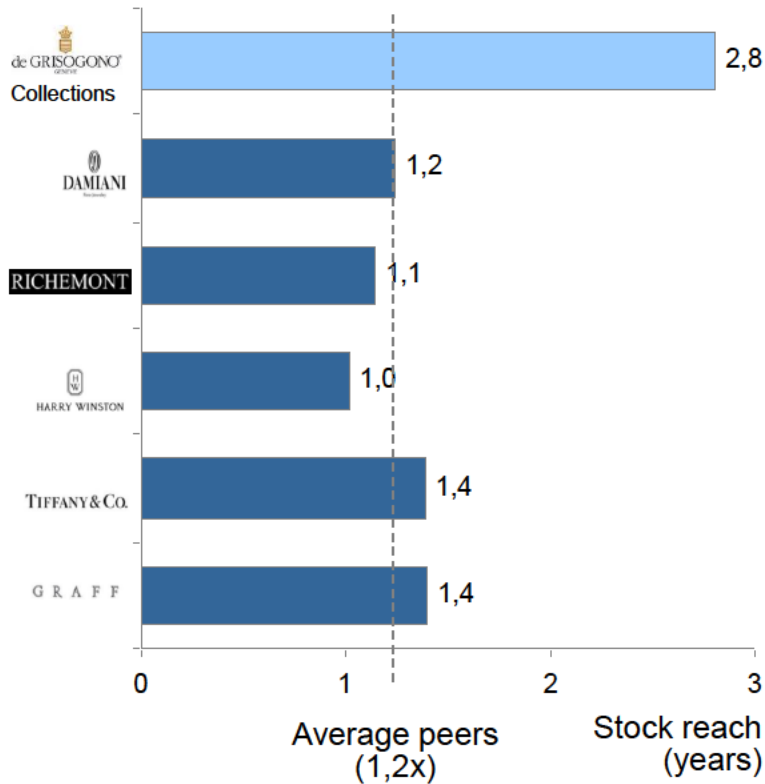


Differences in large part due to product development choices

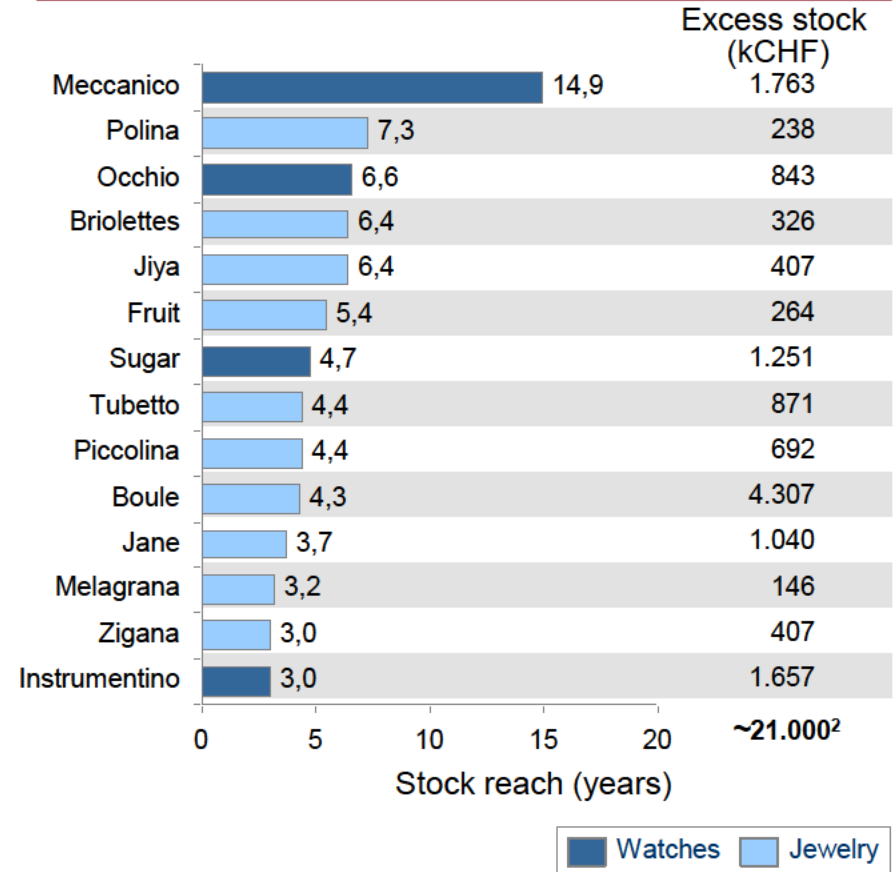
Lack of production control led to significant overstocking in the past

Product

Stock level of "Retail" business much higher than peers'...



... with several extreme examples

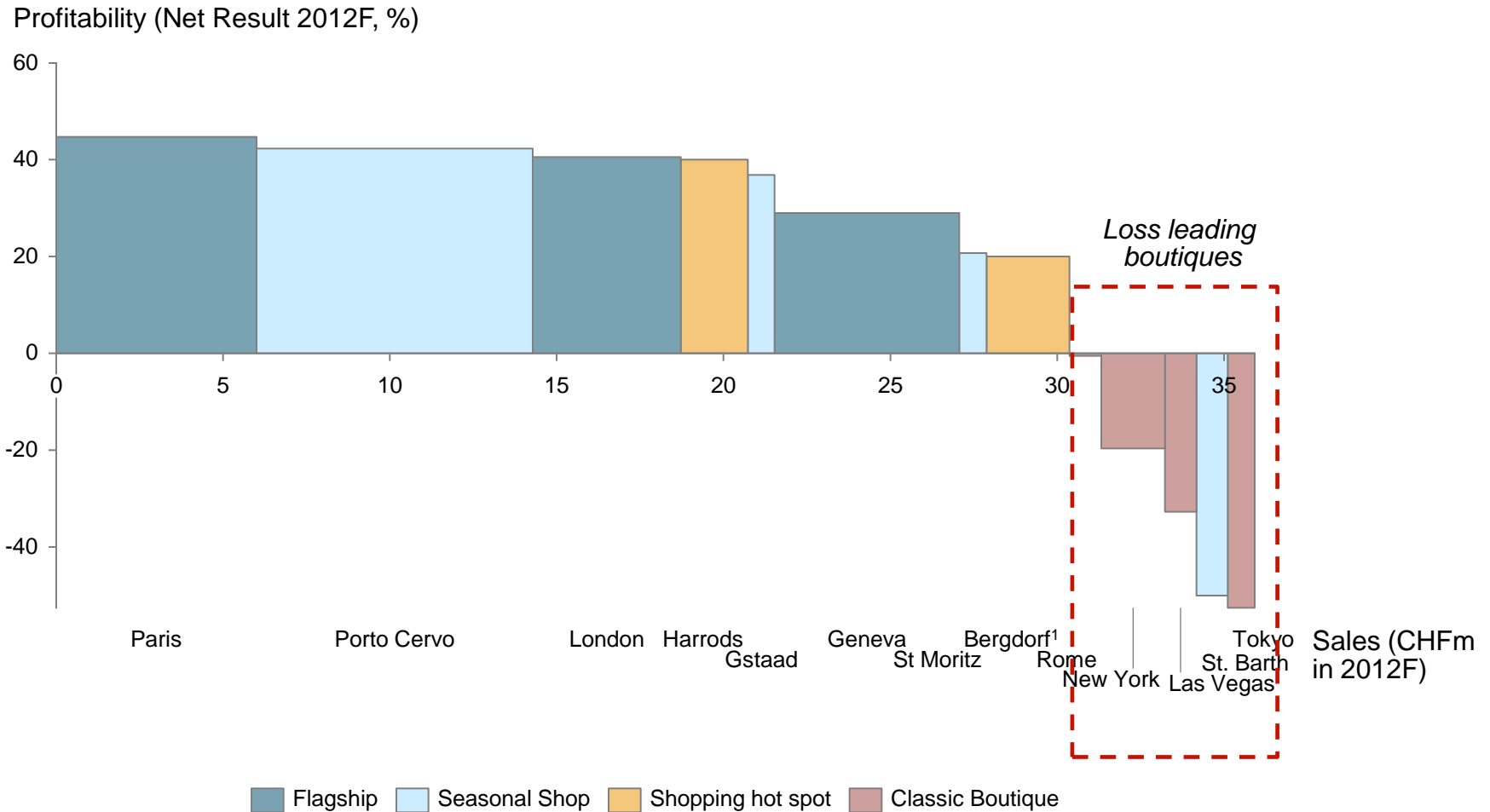


Partly addressed in last year's melting program

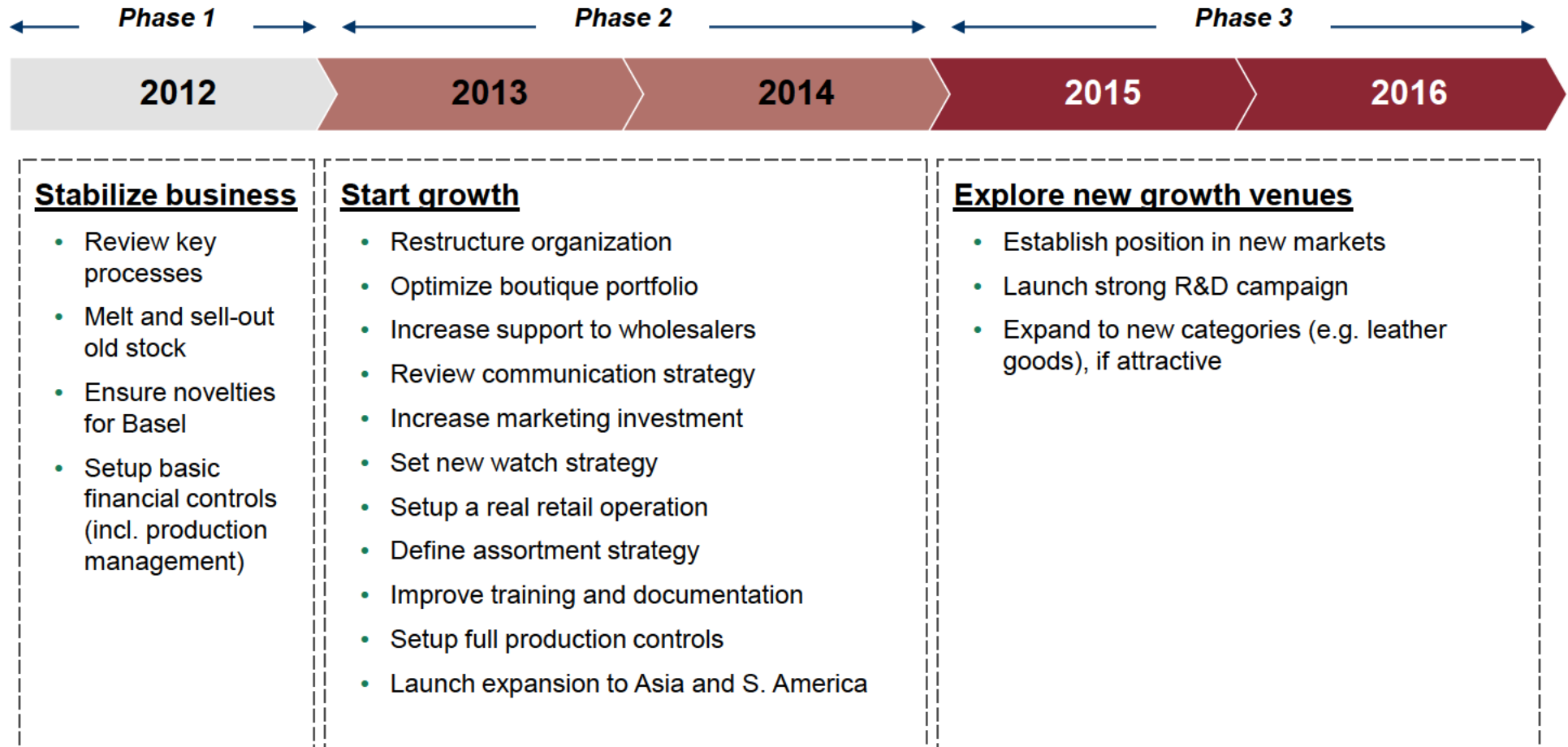
Boutique portfolio included some high loss leading boutiques

Sales and profitability per store

Channel



dG under a five year transformation program



Numerous improvements already achieved to date

Key achievements

de Grisogono

Company

- Clear coordination established across departments
- Simplified financial reporting and control
- Basic control tools and processes implemented

Brand

- Marketing investment increased
- Clear communication strategy established (PR & Media)
- New media campaign and support materials developed

Product

- Assortment restructuring launched (with first step taken for Basel)
- Production planning and control fully established

Channel

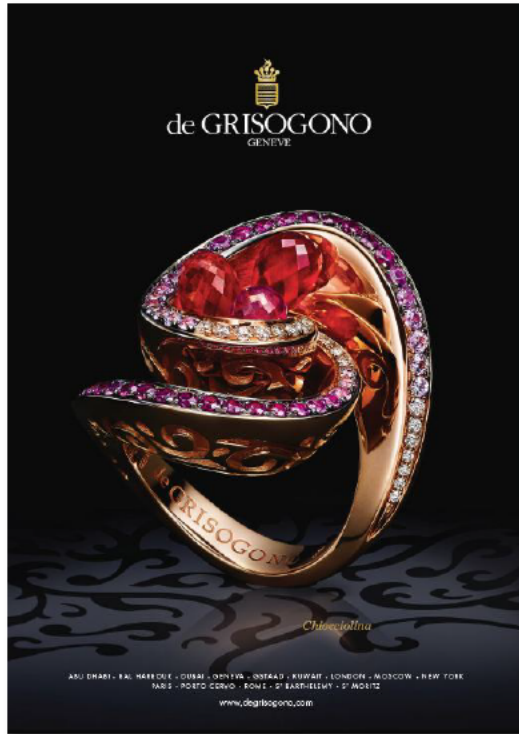
- Loss leading boutiques closed (Tokyo and Las Vegas)
- Wholesale partner stock exchange program implemented
- Number of low budget, sales oriented events increased

New advertising campaign and sales materials developed

Designs developed in cooperation with new creative agencies

Brand

New Advertising campaign developed...



... as well as new sales materials

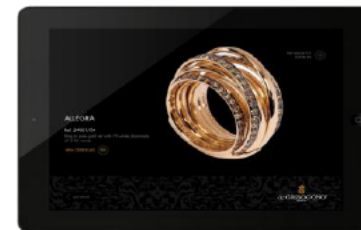


Sales catalogues

Website













iPad app



Media strategy reviewed to ensure presence in all major publications

Key publication in the media plan

Brand

Magazine	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
 New York Times		✓	✓	✓	✓ _{x3}	✓ _{x2}	✓	✓	✓ _{x2}	✓ _{x2}	✓ _{x4}	✓ _{x2}
 Elite Traveler					✓	✓	✓	✓	✓	✓	✓	✓
 Harpers Bazaar UK, US, RU & ME		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
 Vanity Fair UK, RU & IT		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
 Four Seasons						✓	✓	✓	✓	✓	✓	✓
 Departures US & RU					✓				✓		✓	✓
 Vogue UK, US, FR, IT & JP				✓	✓				✓	✓	✓	
 Arabian W&J		✓	✓	✓	✓						✓	✓
 Madame Figaro						✓	✓		✓	✓	✓	✓
 Tatler UK & RU				✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ *Current plan*