

Poltrona Frau Group

PRESS RELEASE

Poltrona Frau S.p.A. Shareholders' Meeting

- FY 2013 Financial Statements approved
- FY 2013 Consolidated Financial Statements disclosed
- Opinion in favour expressed on the remuneration policy for Directors, General Managers and strategic executives and on the procedures used to adopt and implement the policy
- Confirmed the coopted Directors by the Board of Directors on March 25, 2014

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Tolentino, April 16, 2014 – The Shareholders' Meeting of Poltrona Frau S.p.A. met today on first call and approved:

- 1) The financial statements of the Parent Company as at 31 December 2013. Specifically, the financial statements showed the following results (amounts in millions of Euro):

DESCRIPTION	31.12.2013	31.12.2012 (*)	Variation %
Net Revenues	144,685	117,680	22.9%
EBITDA	16,197	10,623	52.5%
EBIT	7,785	4,878	59.6%
Pre-tax Result	3,152	(995)	n.a.
Net Result	191	(2,000)	n.a.

() In the Annual Financial Report, the values as at 31 December 2012 were restated to ensure their alignment and comparability with those of the current year following the application of the new IAS 19 on the part of the Group.*

- The year just ended showed a growth of about 11% in revenues from Residential segment and a positive performance of Luxury Interiors (+7.8%) and Luxury in Motion (+42.3%). The Residential reported a growth in many geographical areas: the increase in the EMEA area was particularly significant as well as that of Italy which still represents more than 50% of revenues in the Residential segment.
- The increase in EBITDA is principally attributable to the revenues increase registered in all business segments.

- The operating result reported net income of Euro 7.8 million compared to a positive result of Euro 4.9 million reported in 2012. It should be noted that the 2013 result is penalized by costs of non-recurring nature for approximately Euro 4.2 million, associated with the transaction with Haworth announced on 5 February, as described below. As of 31 December 2012, a non-recurring amount of Euro 3.9 million should be noted in connection with a restructuring operation implemented the past year.
 - On 4 February 2014, the shareholders Charme Investments and Moschini S.r.l. signed an agreement for the purchase by Haworth of 58.6% of Poltrona Frau S.p.A. share capital. Following the completion of the transaction occurred on 25 March 2014 Haworth, through Haworth Italy Holding Srl, wholly-owned Italian company, announced on April 1, 2014 to have filed in Consob a mandatory public tender offer on the outstanding part of Poltrona Frau S.p.A.'s share capital pursuant to article 106, Legislative Decree 58/1998 (the "Offer") at a price of Euro 2.96 per share, equal to the price to be paid to the reference shareholders, Charme Investments and Moschini S.r.l. Haworth intends to pursue the delisting of Poltrona Frau S.p.A. shares. The Offer Document will be published at the end of the investigation carried out by Consob pursuant to Article 102, paragraph 4, of the Consolidated Finance Act.
- 2) Regarding the Group's consolidated financial statements as at 31 December 2013, the following were recorded (amounts in millions of Euro):

DESCRIPTION	31.12.2013	31.12.2012 (*)	Variation %
Net Revenues	272,844	246,988	10.5%
EBITDA	32,017	26,032	23.0%
EBIT	20,259	15,533	30.4%
Pre-tax Result	11,732	8,859	32.4%
Net Result	4,533	1,124	+303.3%

() In the Annual Financial Report, the values as at 31 December 2012 were restated to ensure their alignment and comparability with those of the current year following the application of the new IAS 19 on the part of the Group.*

- In 2013 the Group recorded a growth in revenues of 10.5%. This increase is attributable to the excellent performance of the Residential segment, up 5.2%, and the extraordinary growth of Luxury in Motion +31.3%. The Group generated 55.2% of its revenues in the Residential segment, 19.3% in Luxury Interiors and 25.5% in Luxury in Motion. The 5.2% growth in the Residential segment compared to the previous year is mainly attributable to the excellent domestic market performance both for Poltrona Frau and Cassina, also as a result of the sale of standard catalogue products driven by the Luxury Interiors segment; and to progress in Asia, especially in Greater China and India for Poltrona Frau and in the EMEA area for Cassina. The Luxury Interiors segment recorded a 3.6% increase compared to 2012, driven in particular by Poltrona Frau following the acquisition and start-up of major contracts.
- The 23% increase in EBITDA from Euro 26 million in 2012 to Euro 32 million in 2013 is mainly due to a major growth in sales revenues and a significant improvement in the Luxury Interiors margins.

Fixed, structural costs decreased by approximately Euro 1.5 million compared to the previous year, confirming the utmost care paid to containing overhead costs and a declining trend in the reduction of the cost system. Discretionary costs rose by over Euro 2 million as a result of the higher investments in marketing and communications costs incurred in support of the growth in revenues.

- Operating income recorded an increase of around Euro 5 million, from Euro 15.5 million in 2012 to Euro 20.3 million in 2013, mainly due to the improvement in EBITDA.
At 31 December 2013 a non-recurring component was recorded for approximately Euro 4.2 million, associated with the transaction with Haworth announced on 5 February.
 - The net financial position improved by around Euro 10 million to Euro 69.3 million compared to the value at 31 December 2012, due to the significant improvement in EBITDA and the reduction in net operating working capital by approximately Euro 4 million, associated with the decrease in trade receivables resulting from an increasingly prudent policy of granting credit to customers and of collections management, as well as the revision and standardization of payment terms.
- 3) After examining the Remuneration Report, prepared by the Board of Directors of Poltrona Frau S.p.A. pursuant to Art. 123-*ter* of the Consolidated Finance Act, Art. 84-*quater* of the Consob Regulation on Issuers and related Annex 3A, Schedule 7-bis, the Shareholders' Meeting also expressed opinion in favour of *(i)* the remuneration policy for Directors, General Managers and strategic executives and *(ii)* the procedures used for its adoption and implementation.
 - 4) Confirmed the five coopted Directors by the Board of Directors on March, 25, 2014, Mr: Richard Gerrard Haworth, Matthew Richard Haworth, Franco Bianchi, Jeffrey Michael Boromisa and Tom Dattilo, which will remain in office until the expiration of Board of Directors.

The summary report of votes and the meeting minutes will be published on the Company's website by the legal deadlines.

Declaration pursuant to Art. 154-bis, paragraph 2, Legislative Decree 58/1998 (the Consolidated Finance Act - TUF)

The undersigned, Cesare Parachini, Chief Finance Officer of Poltrona Frau S.p.A., declares pursuant to Art. 154-bis, paragraph 2 of the Consolidated Finance Act that the accounting information contained in this press release corresponds to the underlying documents, books and accounting entries.

Tolentino, April 16, 2014

Cesare Parachini

Manager responsible for the preparation of
the company's financial reports

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