

HISTORY AND DEVELOPMENT OF THE ERMENEGILDO ZEGNA GROUP

September 2014 - The Ermenegildo Zegna Group is the worldwide leader in luxury menswear with more than 7,000 employees worldwide and consolidated Group revenues that totaled €1.270 billion in 2013. Over 90% of the Group's sales are from exports; China is the largest market followed by Europe and the Americas. The Zegna retail channel represents 78% of the total sales of the brand and is of great strategic importance. By the end of 2013, Zegna had branched out in the most important cities of 100 different countries, with a total of 546 stores (312 of which are directly operated).

The Ermenegildo Zegna Group, founded in 1910 in Trivero (Italy) by the young entrepreneur Ermenegildo Zegna, continues to be run as a *family business* that remains faithful to the vision of the founder: the ethical production of the best and most exclusive fabrics in the world through innovation and the sourcing of noble fibers directly from their markets of origin. Now managed by the fourth generation of the Zegna family, the Group is led by Ermenegildo Zegna, CEO, and by Paolo Zegna, Chairman.

Zegna's entrance in the high-end menswear market was led by Ermenegildo's sons, Angelo and Aldo, in the 1960s. In the late 1980s the Group solidified its position as a leading global luxury and lifestyle brand when it completed its process of vertical integration. Today, with the management of the fourth generation, the commitment to the highest quality of fabrics, garments and accessories, the focus on direct retail operations, the continuous investment in innovation and the penetration of emerging markets are strategic elements that define Zegna's identity and its 100 years of excellence.

Over the years, Zegna has carefully expanded its scope of activities. In 1999 it acquired the luxury woman's fashion brand Agnona, and in 2003 Ermenegildo Zegna entered the fragrance business with its first license agreement followed in 2011 by a new agreement signed with the Estée Lauder Companies. The Group signed two worldwide licensing agreements in 2006 with Perofil to develop, produce and distribute a line of men's underwear and in 2013 with Marcolin for the worldwide production and distribution of sunglasses and eyeglasses. In 2010, the Group began its collaboration with Girard-Perregaux, the symbol of Swiss "Haute Horlogerie".

In 2013 Zegna entered into a long term collaboration with Maserati to produce a limited edition sedan, the Quattroporte by Ermenegildo Zegna. The Maserati car, unveiled in spring 2014, has been reinterpreted and customized with fabrics produced by the historic Lanificio Zegna wool mill in Trivero. The collaboration with Maserati will develop in the future with new and ambitious projects.

In September 2012 the Ermenegildo Zegna Group appointed Stefano Pilati as Creative Director of Agnona, and Head of Design for the Ermenegildo Zegna Couture collection to strengthen the fashion content of the brands.

The Ermenegildo Zegna Group has a longstanding commitment to environmental and social responsibility. Founder Ermenegildo Zegna was committed to enhancing the environment: starting in the early 1930s he implemented an important reforestation program in his territory of origin and building the "Panoramica Zegna" road. In 1993 Oasi Zegna was established, which is a protected area spanning 100 km².

To confirm the Company's commitment to social responsibility, the Zegna Group pursues, year after year, continuous research to ensure the highest quality of its products in absolute respect of the environment. Moreover, the Group manages the philanthropic activities of the Zegna family in support of organizations that work to improve society and the environment. These activities are promoted by Fondazione Zegna, of which Anna Zegna is President. In 2012 a new Ermenegildo Zegna project was launched worldwide: ZegnArt, a structured set of activities in the field of visual arts within a contemporary context.

The leading role that the Ermenegildo Zegna Group continues to play in the field of culture, directly or through Fondazione Zegna, is reaffirmed with the donation of over 3% of the net profits on yearly basis.

As part of the ongoing policy of human resource development that the Zegna Group supports through training and incentive programs, the inauguration of the Ermenegildo Zegna Founder's Scholarship was announced in 2014. The program will provide €1 million annually to enable talented Italian graduates to pursue postgraduate studies, while encouraging them to return to Italy upon completion of their programs abroad. The project is expected to run for 25 years and is a tribute to the Group's founder, Ermenegildo Zegna, who was well-known for his philanthropy and commitment to Italy.