

CHARME INVESTMENTS

MOSCHINI s.r.l.

HAWORTH

Joint press release  
pursuant to article 114 of Italian Legislative Decree no. 58 of 1998  
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## Poltrona Frau Group

**CREATION OF THE WORLDWIDE LEADING MANUFACTURER IN THE INDUSTRY OF HIGH-END DESIGN FURNISHING, ACTIVE IN THE SECTORS OF HOME, OFFICE, EDUCATION, HEALTHCARE, LUXURY INTERIORS AND LUXURY IN MOTION.**

Milan, 5 February 2014

- The contract for the purchase by Haworth of the 58.6% of the share capital of Poltrona Frau S.p.A. from the shareholders Charme Investments Ltd. and Moschini S.r.l. has been signed.
- The agreed price is € 2.96 per share.
- The transaction is subject to the approval of the competent antitrust authorities.
- Following the completion of the transaction, a mandatory public tender offer on Poltrona Frau S.p.A.'s shares will take place at a price of € 2.96 per share, equal to the price paid by the buyer to the sellers.

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Charme Investments and Moschini S.r.l. ("**Charme**", "**Moschini**" and together the "**Shareholders**") have reached an agreement with Haworth, Inc. ("**Haworth**") for the sale to Haworth of a 58.6% stake (51.3% held by Charme while the remaining 7.3% by Moschini) in the share capital of Poltrona Frau S.p.A. (hereinafter also the "**Company**") at a price of € 2.96 per share (the "**Transaction**").

Haworth, based in Holland (Michigan, USA) was founded in 1948 by the Haworth family, who still owns 100% of the company. Haworth is a worldwide leader in the design and manufacture of flexible and sustainable workspaces, with product lines that include movable walls, systems, chairs, floating floors and communication technologies. In 2013, Haworth recorded 1.4 billion dollars in revenues, with approximately 6,000 employees and over 600 dealers worldwide. The company has been a partner of Poltrona Frau Group for North America since 2011. Franco Bianchi has been leading the company since 2005 as President and CEO.

The completion of the Transaction - which is expected to occur by the end of April 2014 - is subject to the approval of the competent antitrust authorities.

Following the completion of the Transaction, Haworth, either directly or through a wholly owned company incorporated in Italy designated for the purchase, will carry on a mandatory public tender offer on the outstanding part of Poltrona Frau S.p.A.'s share capital pursuant to

article 106 of Legislative Decree no. 58 of 1998 (the “**Offer**”) at a price of € 2.96 per share, equal to the price that will be paid to the Shareholders. Haworth intends to pursue the delisting of Poltrona Frau S.p.A.’s share.

Subject to the completion of the Transaction, Shareholders have granted Haworth an option to sell (the “**Option**”), that can be exercised at the end of the public tender offer process and according to which Haworth will be granted the right but not the obligation, to sell to each of the Shareholders a stake in the Company of 4.2% (and therefore 8.4% in aggregate) of the share capital, at the same price per share paid by Haworth in the context of the public tender offer (€ 2.96).

If Haworth decides to exercise the Option, the relationship between Haworth and the Shareholders will be then governed by a shareholders' agreement that will be published pursuant to article 122 of Italian Legislative Decree no. 58 of 1998 and that provides for, *inter alia*:

- (i) the right for the Shareholders to designate up to three members of the Board of Directors of the Company in addition to a member of the Board of Statutory Auditors;
- (ii) a right of veto by Charme on specific extraordinary management transactions;
- (iii) a lock-up restriction on the Shareholders for a period of three years, along with drag along and preemption rights and obligations;
- (iv) put and call options for the resolution of deadlocks;
- (v) a right for the Shareholders to sell their stakes to Haworth during the period between the approval of 2016 financial statements draft and the approval of 2019 financial statements draft;
- (vi) the right for Haworth to purchase the Shareholders’ stakes during the period between the approval of 2019 financial statements draft and the approval of 2022 financial statements draft.

Whenever the Option is exercised, the Shareholders will assume towards Haworth specific special indemnities obligations.

In order to ensure the proper management of the Company, it has been agreed, in addition to the customary interim management provisions, that the provision granting veto rights to Charme in case the Option is exercised, shall also apply during the period between the completion of the Transaction and the date on which Haworth exercises the Option or the date on which its right to exercise the Option expires.

As part of the Transaction, Haworth will also acquire from the Shareholders a 98% stake in the company that owns the factories located in Meda that are currently leased to the Group, for a total price of approximately € 1.9 million, equal to the book value of the stake sold and lower than the value of the properties as estimated by independent experts, net of debts.

Franco Moschini, President of Poltrona Frau and controlling shareholder of Moschini S.r.l., said: *“This is for me the realization of a big dream, the creation of the most important global operator in the industry of luxury furnishing that will bring great benefits to the international development of the Group and the consequent growth of our factories and manufacturing sites. This is the crowning achievement of this extraordinary year in which I conclude my first 50 years as President by signing an agreement with another great family of entrepreneurs, in respect of those founding principles that have always characterized our great Company.”*

Matteo Cordero di Montezemolo, Managing Director of Charme and Vice President of Poltrona Frau, said: *“After an investment cycle that lasted more than 10 years, this transaction represents the best*

*conclusion of Charme's adventure in Poltrona Frau Group and is above all an extraordinary opportunity for the strengthening of the group. During a first phase, between 2003 and 2006, Charme created the group by investing in Poltrona Frau, Cassina and Cappellini. That phase ended with the listing of the Group on the STAR segment of the Italian Stock Exchange. The second phase of this important development, subsequent to the listing, has been characterized by a strong international growth of the Group that as of today operates in more than 65 countries worldwide, with over 70 stores under its own brand. Today Charme has decided to set up a new ambitious phase for Poltrona Frau Group, by creating, together with the Haworth family, the worldwide leader in the industry. Finally" concludes Matteo Cordero di Montezemolo "I want to thank all Poltrona Frau Group shareholders that have been supporting and believing, also in the most difficult moments, in our commercial and long-term strategies and that today have the chance to see a full realization of their investment."*

Matthew Haworth, Chairman of Haworth said: *"Our family is very excited about this opportunity. This Transaction is not only inspired by the strong performance of the Poltrona Frau Group and what we believe to be highly complementary strategies, but even more importantly, by the great alignment of the values shared by both our families."*

Dario Rinero, Managing Director of Poltrona Frau, said: *"This transaction with a great industrial group such as Haworth will allow us benefit not only from an extraordinary international development but also from a strong complementarity of products and markets which will be of great advantage for all our Italian factories. The dimension reached through the combination within the group of two companies respectively of Italian and American culture, will eventually ensure the establishment of a global unique team within the industry, providing an outstanding opportunity for improvement and growth to our people, that will be able to operate in a group characterized both by the strong integration of Poltrona Frau Group's portfolios relating to home furnishing (as well as its activities in the fields of luxury interiors and luxury in motion) with Haworth's leadership in the industry of high-end workspace furnishing (office, education, healthcare and hospitality) and by the combination of the strong presence of Poltrona Frau Group in the retail channel in Europe together with Haworth's worldwide market leadership in the business-to-business segment."*

Finally Franco Bianchi, CEO of Haworth said: *"I would like to express our satisfaction with this transaction. The transaction is made possible thanks to the strong relationship we have developed with Poltrona Frau Group's shareholders, their excellent job in the last 10 years, the important results that the management has been able to achieve and the quality of the people we've been given the chance to know. We are highly motivated to continue to develop the extraordinary course that Charme started back in 2003, maintaining and enhancing the Italian tradition of design and innovation that has been characterizing this group for over 100 years."*