
INVESTINDUSTRIAL THROUGH B&B ITALIA BECOMES MAJORITY PARTNER IN ARCLINEA, THE LEADER IN HIGH-END DESIGNER KITCHENS



Milan, 15 September 2016 – Investindustrial, through B&B Italia has signed an agreement to become the majority partner of Arclinea Arredamenti S.p.A. ("Arclinea"), the Italian leader in high-end designer kitchens.

The Fortuna family, the current sole shareholder of Arclinea, will continue to own a minority stake, and at the same time will continue its role in the operational management, with Silvio Fortuna becoming President of the company.

Through this agreement, Investindustrial creates a global high-end furnishings player with about €200m turnover (85% of which is exported) and a presence in over 80 countries worldwide.

The operation will offer B&B Italia - a player of global excellence in the design of indoor and outdoor designer furniture for 50 years - the opportunity to expand its product range into the high-end designer kitchen segment.

Through the partnership with Investindustrial, which has identified a high potential for further development in the Italian luxury furniture segment, Arclinea will be able to substantially accelerate its growth plans.

Specifically, the agreement provides for the development of strategic partnerships leveraging the full complementarity of the respective product ranges, and on the common ability to combine unique design with, tradition and innovation through a re-known industrial production approach.

The transaction will be completed by the end of September 2016, and represents for B&B Italia the first step of a growth plan aimed at further industrial development and global expansion, either through organic growth or selective acquisitions.

Giorgio Busnelli, CEO of B&B Italia commented: *"For B&B Italia this is the first major milestone in the growth and development process that formed the basis of the agreement which we signed with Investindustrial last year. B&B Italia now expands its product portfolio into the exciting segment of designer kitchens, a sector of primary importance for both residential and commercial business. Brand strength, a dedication to research and innovation, and a global footprint are some of the values shared by the two brands. The shared mind-set will make it possible to activate synergies in terms of business development and strategic thinking, which will be a very exciting task for both of us to accomplish".*

"The transaction announced today is perfectly in line with the strategy we devised together with Giorgio Busnelli for the further development of the group. We are thrilled to have contributed to making this agreement happen", said **Andrea C. Bonomi, Managing Principal of Investindustrial**. *"Arclinea has a strong reputation for exceptionally innovative and qualitative kitchen designs, and we see a perfect complementarity with B&B Italia's current product offering. The combination is a great opportunity to strengthen the competitive positioning of B&B Italia in global designer furnishings."*

Silvio Fortuna, President of Arclinea, commented: *"The core values of our company and our family, are the same as those of Investindustrial and B&B Italia. From this realisation sprang the decision to enter into a partnership and share development projects on the world market. For Arclinea, a global star of the high-end kitchen segment, this will mean a further substantial acceleration of its international development."*

Arclinea

Arclinea (www.arclinea.com) today operates in over 40 countries on five continents, through a distribution network that includes 19 flagship stores, and more than 200 multi-brand stores operated by Arclinea partners. The company is headquartered in Caldogno, Vicenza, Italy. It has 100 employees. Founded in 1925 by Silvio Fortuna Senior, the company began as a craftsmanship workshop specializing in wood processing. Within a few decades the company acquired the know-how that allowed it in the late 50s to overcome the limitations of artisanship and in 1960 the company emerged in a more industrial mode as "Arclinea" (the Arc stands for Arredamento Razionale Componibile, translating into Rational Modular Furniture).

In 1958 Arclinea presented the first 'modular' kitchen made from natural wood called "Thea" which was followed by "Claudia" in 1963, the first Italian kitchen with integrated appliances, designed and commissioned by Arclinea, and a novelty on the market.

In the early 80's Arclinea began working with designers from outside of the company: Lucci and Orlandini, Carlo Bartoli, Roberto Pamio, until Antonio Citterio in the late '90s became the sole designer of reference. With him Arclinea created innovative designs that became real 'icons':

Starting with immense knowledge of materials, processes and technologies, the relationship between Arclinea and Antonio Citterio progressed with a view to 'total quality'. Choosing to produce strictly in Italy, Arclinea created a special and unique method to imagine, design, and build the best kitchens.

The processes of social change, applied to its production criteria, allow Arclinea to be some years ahead of others, bridging the design gap between the professional and the domestic kitchen. Its 'avant-garde' design allows Arclinea collaborations with leading cooking schools in the world, which in 2010 gave birth to the "Arclinea Design Cooking School" a 'network' of cooking schools united by Arclinea designed kitchens.

This thinking has evolved Arclinea's historical entrepreneurial and creative roots which in 2010 also led to the creation of three divisions: Hospitality, Marine and Residential.

The company's presence in both the retail and the contract market allows the company to expand through collaboration with specialized business partners, developers and designers, mainly in the North American and Asian markets. Among the most important recent projects are 'Trump Tower' in Vancouver; 'Yoo Residence' in Hong Kong; 'Beverly West' in Los Angeles and 'The Pacific' in San Francisco.

Arclinea is a global company recognized for its ability to combine innovative design approaches and great craftsmanship. Arclinea now exports more than 65% of its entirely Italian-made production.

B&B Italia

B&B Italia (www.bebitalia.com) is headquartered in Novedrate (Como), has about 500 employees and is globally present with 7 flagship stores in the hearts of the most important capitals, and with over 40 mono-brand stores in other cities. B&B Italia has signed trade agreements with the biggest furniture retailers in 80 countries, and has developed a presence with over 800 dedicated dealers and an export ratio of 80%.

Founded in 1966 thanks to the entrepreneurial intuition of Piero Ambrogio Busnelli, B&B Italia has established itself internationally as a leader in the field of contemporary furniture with an authentic legacy of iconic furnishings that helped write the history of Italian design. Critical to the success of B&B Italia is an inimitable alchemy of creativity, innovation and industrial skills, aimed at creating 'timeless products that stand the test of time'.

Technological research has always represented the core element of the Company's development policy. It operates a Research & Development Centre that works with famous international designers of the calibre of Antonio Citterio, Mario Bellini, Naoto Fukasawa, Gaetano Pesce, Patricia Urquiola, and many others. It feeds a creative process which has enabled B&B Italia to stand out in the industry as a highly innovative and technologically advanced company. Among the many awards, it received the 'Compasso d'Oro' (the highest award in the field of industrial design) four times already. In 1989, for the first time, the award was given to a company, B&B Italia, rather than to a product itself, for its "constant work done in order to combine the values of the technical-scientific research with those necessary to the functionality and expressiveness of the products".

Today the company is organized into two divisions: 'Home' and 'Contract'. The Home Division operates on the home furniture market through two brands, B&B Italia and Maxalto, which in their diversity express strong intrinsic values, as well as aesthetic and functional insignia of an international lifestyle.

The Contract Division deals with complex turnkey projects for furnishings and fixtures in the hospitality, retail, office and marine arenas. Among the most prestigious and recent references we can mention are: the Mandarin Oriental and the Excelsior Hotel Gallia in Milan, the Peninsula Hotel in Paris, the Café Royal, the Bulgari Hotel and the Me Hotel in London, and the Aman Grand Canal Venice. In the area of cruise ships, the Contract Division has developed 32 contracts with the largest ship owners in the world such as Costa Cruises, Holland America Line and Carnival Cruises.

Investindustrial

Investindustrial is a leading European group of independently managed investment, holding and advisory companies with €5.6 billion of raised fund capital, which provides industrial solutions and capital to mid-market companies in Europe. Its mission is to actively contribute to the development of the companies in which it invests, by creating growth opportunities and offering global solutions through an entrepreneurial pan-European vision. Investindustrial has a history of more than 25 years of successfully partnering with companies in Europe. Certain companies of the Investindustrial group are authorized by, and subject to regulatory supervision of the FCA in the United Kingdom, the CSSF in Luxembourg and the FINMA in Switzerland. Additional information is available at www.investindustrial.com

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