

COMPANY PROFILE 2015



DIADORA GROUP

SURPASSING OUR SUCCESSES IS
OUR DREAM.
UNITING OUR TALENTS TO THOSE OF
THE TEAM IS HOW TO ACHIEVE IT.
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*Enrico Moretti Polegato
Diadora President*

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0.1 PHILOSOPHY

OUR VISION

WINNING IS NOT AN END IN ITSELF. IT IS THE HEART OF OUR COMPANY WHICH WE WANT TO MAKE A GLOBAL LEADER IN THE MARKET OF SPORTS, LIFESTYLE AND SAFETY THROUGH BRANDS FOUNDED ON PASSION, CUTTING-EDGE STYLE AND TECHNOLOGICAL INNOVATIONS.

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PASSION & SHARING

Passion is the fundamental value that has always urged our business onwards, the true reason we were founded and exist today.

It is not only our heart, our soul, but also represents the determination to reach our goals and the creative strength to make a winning product.

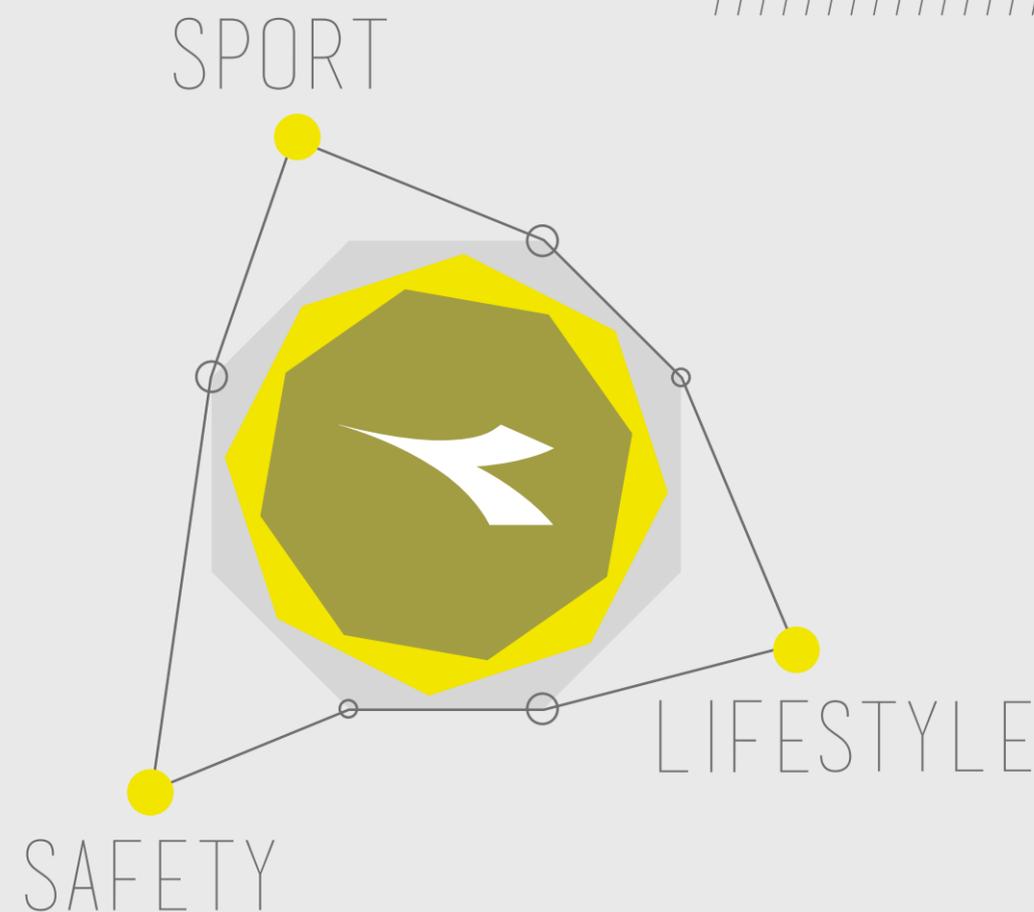
If we are still here today, competitive and strong, we owe it to our group, made of determined and cohesive people: the group is our greatest certainty.

RESEARCH & CREATIVITY

Creativity and imagination have made our company great; research into materials and ways of assembling our products, constant innovation in the development of technologies applied to sports, wellness and safety of the individual and, finally, our style: Italian, visionary, transversal and global, represent our greatest successes.

OVER 60
YEARS OF THE
AUTHENTIC
SHARED
VALUES
OF SPORTS

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0.2 HISTORY



1948

Diadora was founded as an artisan's laboratory for making mountain boots. These quickly established themselves as the best mountain and work boots on the market.

START

In this decade, a shift in production towards the world of sports occurred. Diadora distinguished itself for the high quality and cutting-edge characteristics of its products. Its production reached major industrial volumes.

THE 60s

THE 70s

At the beginning of this decade, which marked the explosion of professional sports, Diadora was the first Italian company to develop a new concept of sports marketing, which involved the choice to have champions with wide appeal as our testimonials. Champions such as Bjorn Borg and Roberto Bettega are not just important figures in sports, but became true style icons. Sports became a clothes-related phenomenon as well, and the Diadora products crossed over from the realm of competitive sports to leisure, not only helping to write the sporting history of that period, but also to shape taste in that age of the new "lifestyle" market.



THE 90s

Diadora instituted the CRD, that is, the Diadora Research Centre, composed of a work team that was wholly innovative for those years: shoe technicians, experts from the Milan Polytechnical Centre of Bioengineering, and doctors specialised in orthopaedics.

50 ANNI

Diadora was the undisputed protagonist of international sports, thanks to its partnership with world-class champions. The sportswear phenomenon which sports had generated gave no signs of slowing down, on the contrary, it intensified thanks to icons such as Pat Cash, Andrea Zorzi, Antonio Cabrini and many others. Sports figures are the new celebrities and their style sets the trend.

THE 80s



A new intuition allows Diadora to capitalise on the experience it has in the sports market, and to return in a certain way to its origin by recovering the production of work shoes fifty years after its founding: Diadora Utility is born.

1998

0.2 HISTORY

THE 2000s

These are years of worldwide expansion brought forward with excellent sports partnerships, but are also the years of new influences, through a very specific vision of luxury sportswear. The Heritage line is born, destined to become a real clothing phenomenon and the first true experimentation of blending sportswear and fashion.



SINCE 2010

The path to renew Diadora has begun, and the company focuses on the factors that have made it over the years a point of reference for many: style and sports performance are the key words to its growth. Music as added to sports in the Olympus of style and the company's collaborations remain firm atop these two worlds.

11/04/2009



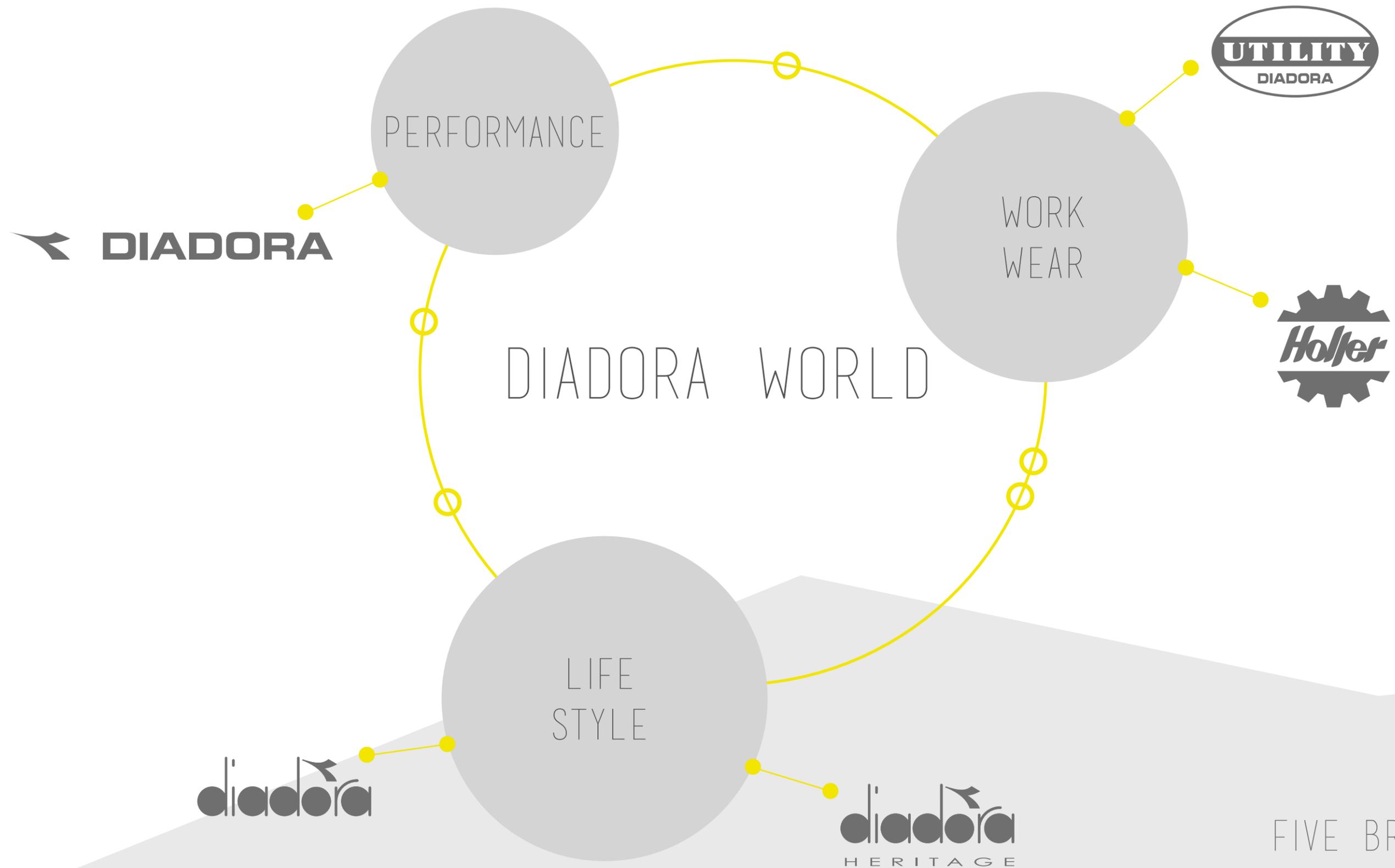
Lir, the financier of the Moretti Polegato family, and a key shareholder of Geox, signs an agreement to purchase Diadora, with the aim of enhancing the brand's enormous worldwide production. Enrico Moretti Polegato is the new president of the company.

2009

FUTURE



0.3 OUR BRANDS



FIVE BRANDS
ONE WORLD
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0.3.1 PERFORMANCE



MISSION

To help every athlete overcome their limits in all conditions and on any playing surface.

PRODUCT STRATEGY

The clothing and footwear lines of Diadora Sport Performance have the men and women athletes at the centre, their needs and their accomplishments. Innovative and exclusive technologies, such as the NET Breathing System, Axeler Propulsion and DA2 allow the utmost performance and wellbeing during training and competition. Thanks to the close collaboration between the Diadora Research Centre and the athletes and teams we sponsor, our product development sets increasingly ambitious goals for itself.

FOCUS AREA

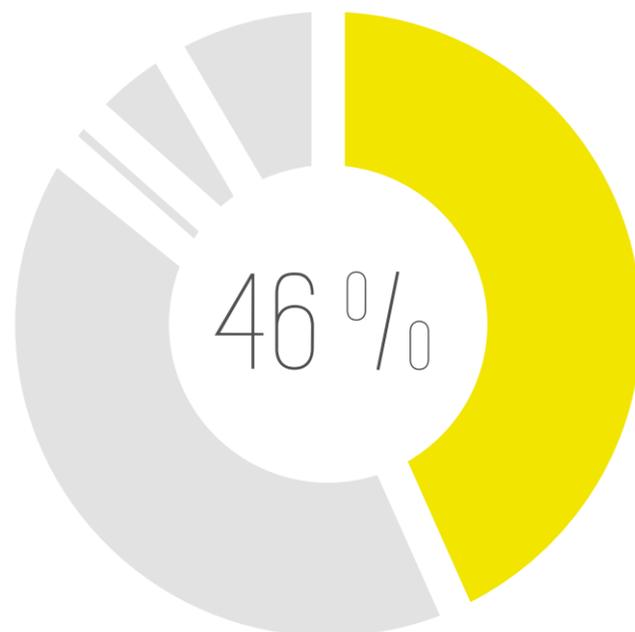
Running
Soccer
Cycling
Tennis
Fitness

KEY MARKETS

Italy 47%
Europe 13%
Extra Europe 40%

ECONOMICS 2014

Percentage of group sales:



PERFORMANCE
SPORT
INNOVATION
COMPETITION

INNOVATION
ATHLETES
BRAND

COMMUNICATION TOOLS

Testimonials: athletes/team
Event: marathon/in-store
Advertising: vertical/main



0.3.2 SPORTSWEAR



MISSION

To accompany the new generations in defining their own style by applying canons that are original and outside the box.

PRODUCT STRATEGY

The Diadora "Sportswear" clothing and footwear line is born from the contemporary blend of suggestions from the street with a sporting style. Original models made thanks to new colours and distinct materials, have allowed us to conquer even the youngest target markets. Authenticity, irony and freedom of thought characterise this line that is enriched by limited editions made in collaboration with the most influential sneaker creators on the market and important figures in the world of Italian and international music.

FOCUS AREA

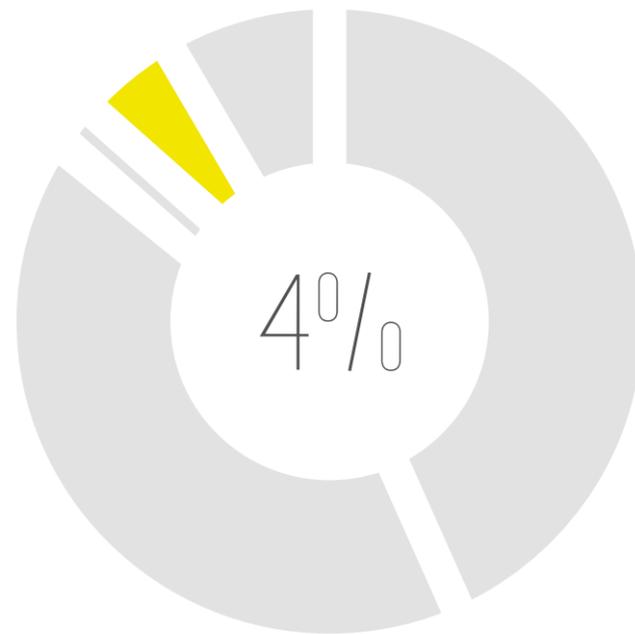
Sportstyle

KEY MARKETS

Italy 50%
Europe 23%
Extra Europe 27%

ECONOMICS 2014

Percentage of group sales:



MUSIC
YOUNG SOCIAL
STREET

STYLE
MITH
WEB

COMMUNICATION TOOLS

Testimonials: singers/bands
Event: television/in-store
Fairs: Bread&Butter, Berlin
Advertising: web/main



0.3.3 HERITAGE



MISSION

To celebrate the search for sophistication and the historical authenticity as fashion icons.

PRODUCT STRATEGY

The Diadora Heritage clothing and footwear line represents Diadora's stylistic avant-garde, excellence, the brand's very icon. Made in Italy, exclusive treatments, luxury materials and handmade quality are the distinctive factors that have marked its success. Thanks to the collaboration with major designers and the constant stylistic research, this line has broken into the international fashion style.

FOCUS AREA

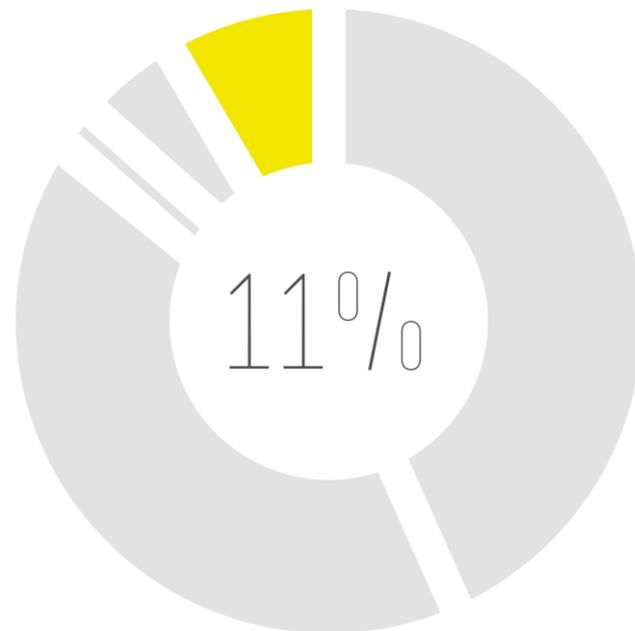
Fashion

KEY MARKETS

Italia 75%
Europa 10%
Extra Europe 15%

ECONOMICS 2014

Percentage of group sales:



STYLE
ICON
FASHION
LUXURY

DESIGN
ICON
LUXURY

COMMUNICATION TOOLS

Testimonials: star system
Event: in-store
Fairs: Premium, Berlin
Pitti Uomo, Firenze
Advertising: web/main



0.3.4 UTILITY



MISSION

To offer the highest level of safety through cutting-edge technology with a sophisticated and Italian style.

PRODUCT STRATEGY

The Diadora Utility line is an uncontested leader in the market of safety clothing and footwear. Thanks to innovative technologies, extremely high quality standards and a strong sporting nature, it has changed the rules of the market, dictating new competitive standards.

The introduction of exclusive technologies such as the NET Breathing System guarantee absolute comfort in any climactic condition, ensuring the greatest safety and the utmost comfort.

FOCUS AREA

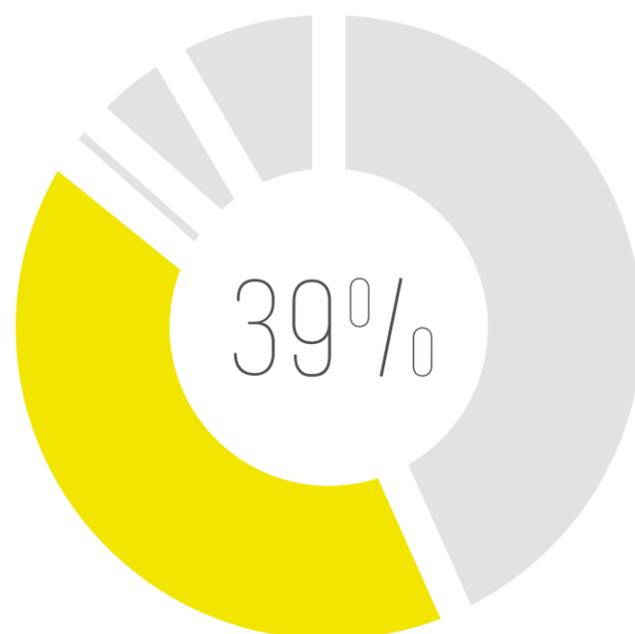
Workwear

KEY MARKETS

Italy 63%
Europe 30%
Extra Europe 7%

ECONOMICS 2014

Percentage of group sales:



STYLE
TECHNOLOGY
SPORT SAFETY

INNOVATION
PROFESSIONAL
SAFETY

COMMUNICATION TOOLS

Event: in-store
Fairs: A+A, Dusseldorf
Expo Protection, Paris
Advertising: vertical



0.3.5 HOLLER



MISSION

To guarantee safety and comfort at the best price.

PRODUCT STRATEGY

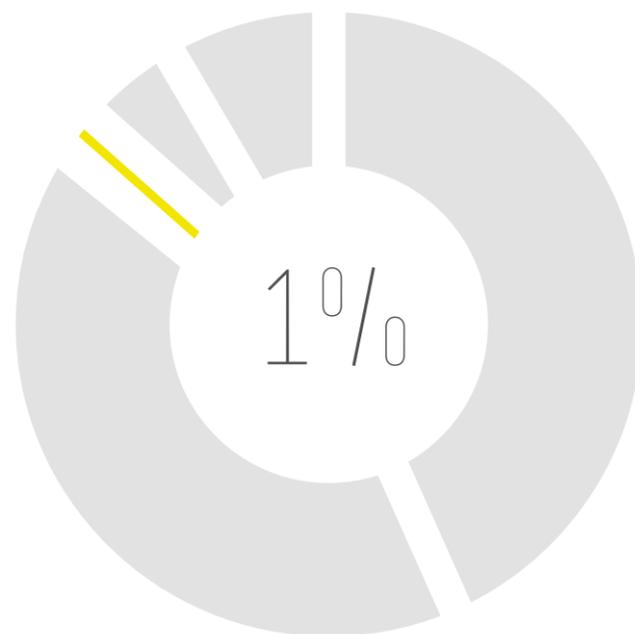
The Holler footwear line was born from the need to expand the footwear market vertically, capitalising on the experience of Utility and its sales network. Accessibility, service and rapid replenishing of stock are the drivers that guide the project; aggressiveness, dynamism and concreteness are the characteristics of the brand.

FOCUS AREA

Workwear

ECONOMICS 2014

Percentage of group sales:



STREET
SMART
WORK
SOCIAL

PRICE
PROFESSIONAL
SAFETY

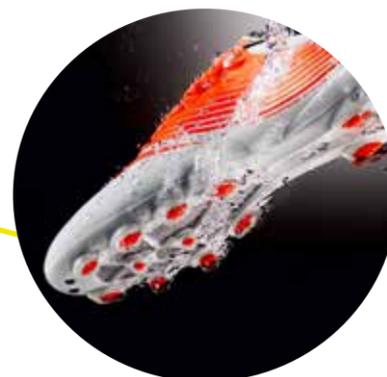
COMMUNICATION
TOOLS

Advertising: web



0.4 TECHNOLOGIES

STYLE



CONTROL



FUNCTION



PERFORMANCE



WELLNESS



NET BREATHING SYSTEM™

ENERGY



The Diadora Research Centre in collaboration with sponsored athletes and international designers constantly develops innovative technologies to redefine athletic and stylistic standards, contributing to create high-performing products that are at the cutting-edge of fashion.

0.5 DISTRIBUTION

TOTAL MARKET

Diadora: 75%
Utility: 25%

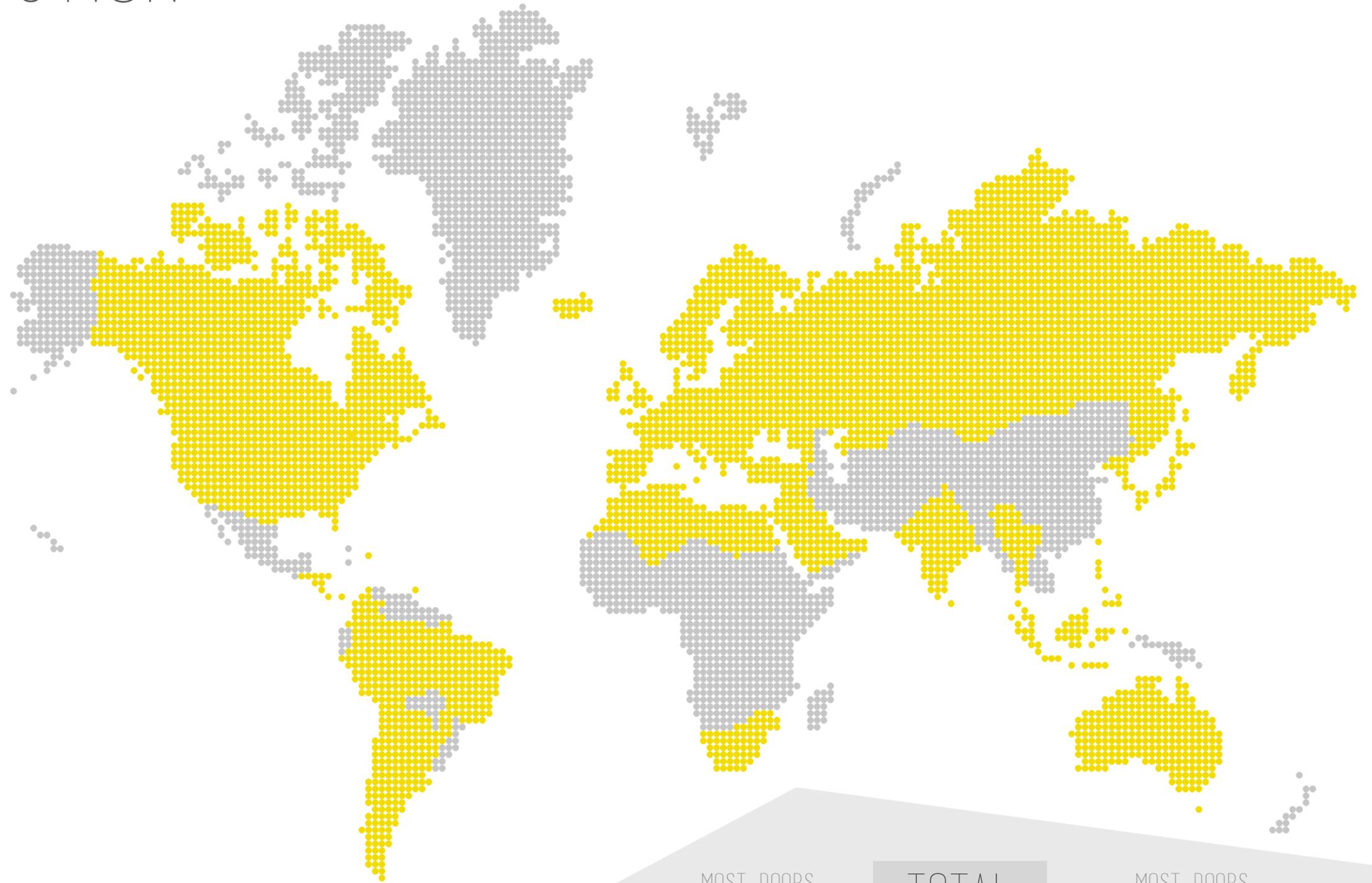
SALES BY REGION

Italy 26%
Europe 25%
Extra Europe 49%



Diadora's distribution network includes more than 60 countries in the world and is divided into directly handled markets, distributors and licensees.

Particular attention has been paid in recent years to opening the most important European markets, together with an implementation of the Asiatic and Latin American markets. Among the most important markets are Italy, the U.K., Germany, Japan, Canada, Chile and Israel. Among the new markets are France, Spain and Brazil.



MOST DOORS DIADORA

Italy: 2.800
Japan: 1.800
Canada: 650
U.S.A.: 500
Denmark: 460
Norway: 450
U.K.: 400
Indonesia: 400
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TOTAL DOORS 21.000

Diadora: 14.500
Utility: 6.500

MOST DOORS UTILITY

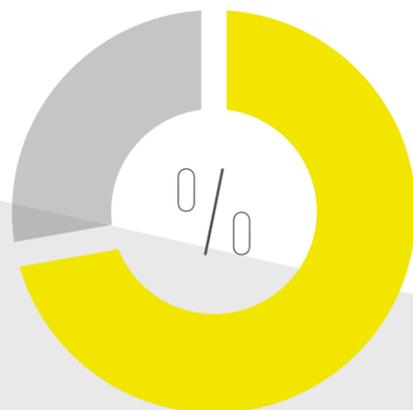
Italia: 3.400
France: 890
Germany: 450
Spain: 390
Austria: 120
....

0.6 OPERATIONS

The attention to our finishes and the selection of raw and semi-treated materials, on the basis of rigorous quality standards, are the basis and primary goal of our operations division. Quality control is not limited to the final phases of production, but intervenes on the entire production cycle, guaranteeing that we put onto the market products of impeccable quality. Our select production partners, whom we monitor constantly, are based in the Far East, Eastern Europe and Italy.

WE PRODUCED
AROUND
5.700.000
PRODUCTS

Diadora: 80%
Utility: 20%



DIADORA

SUPPLIERS BY REGION:

Shoes:

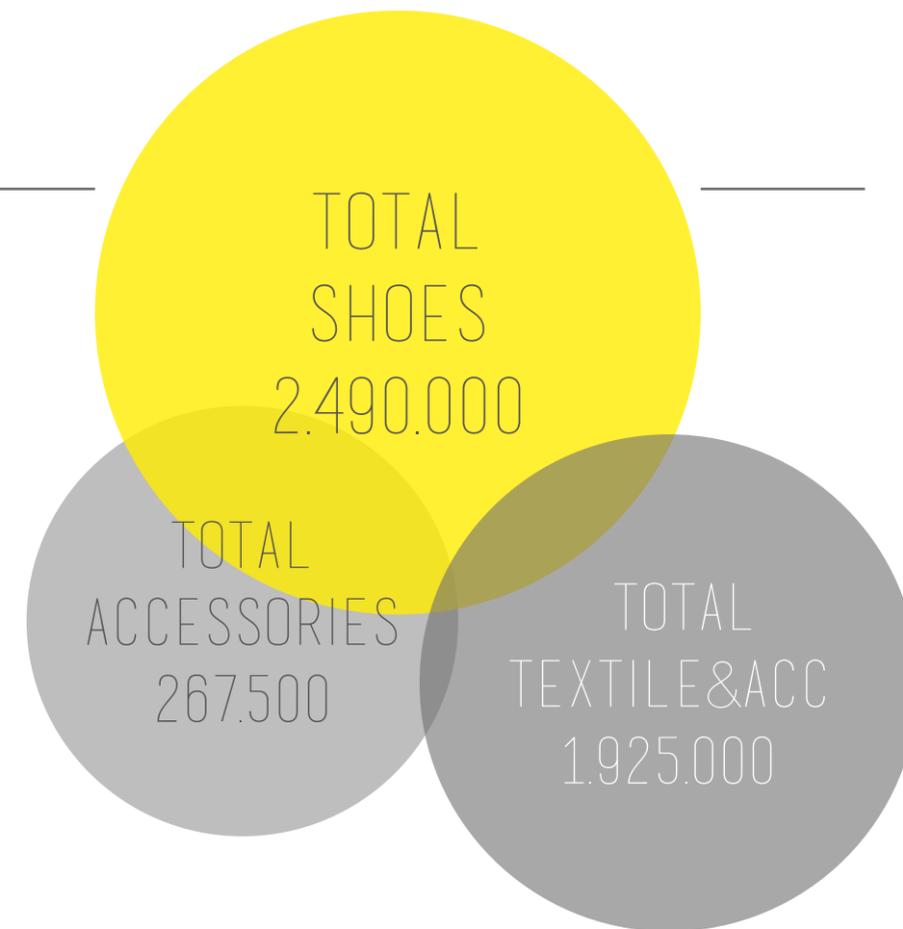
Italy: 44.000
Europe: 46.000
Far East: 2.400.000

Textile&accessories:

Italy: 25.000
Europe: 50.000
Far East: 1.850.000

Accessories:

Italy: 70.000
Europe: 32.500
Far East: 165.000



UTILITY

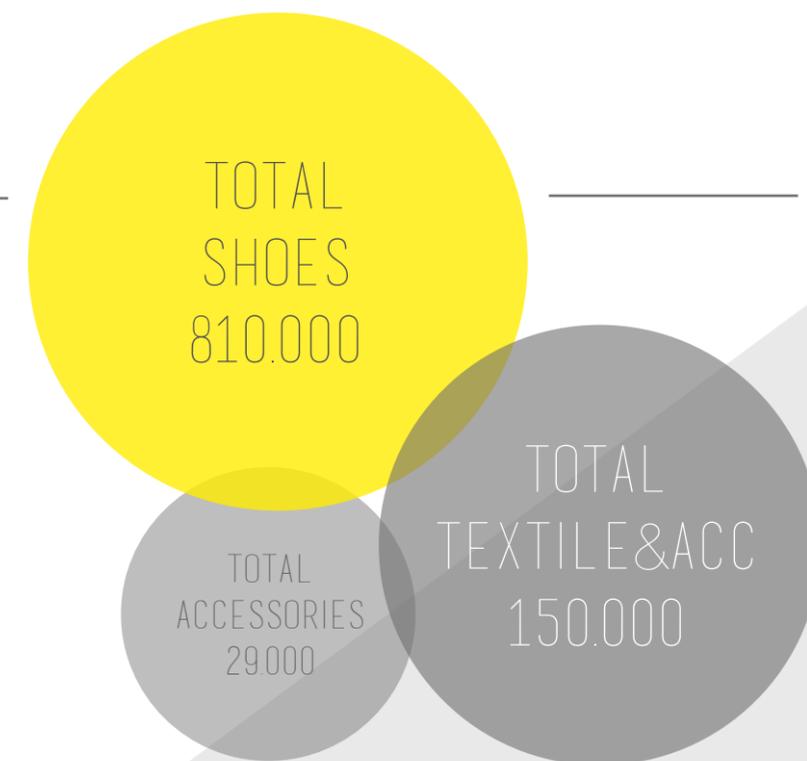
SUPPLIERS BY REGION:

Shoes:

Europe: 810.000
Textile&accessories:
Italy: 10.000
Europe: 20.000
Far East: 120.000

Accessories:

Italy: 20.000
Europe: 3.500
Far East: 5.500

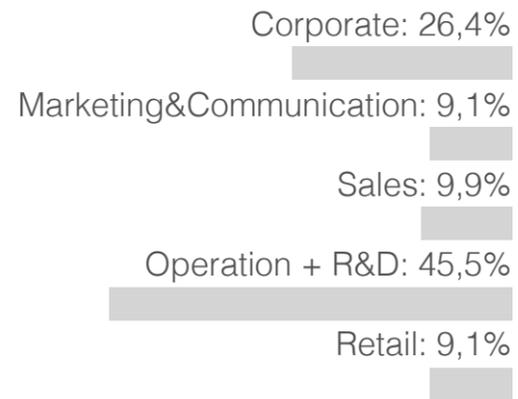


0.7 STAFF

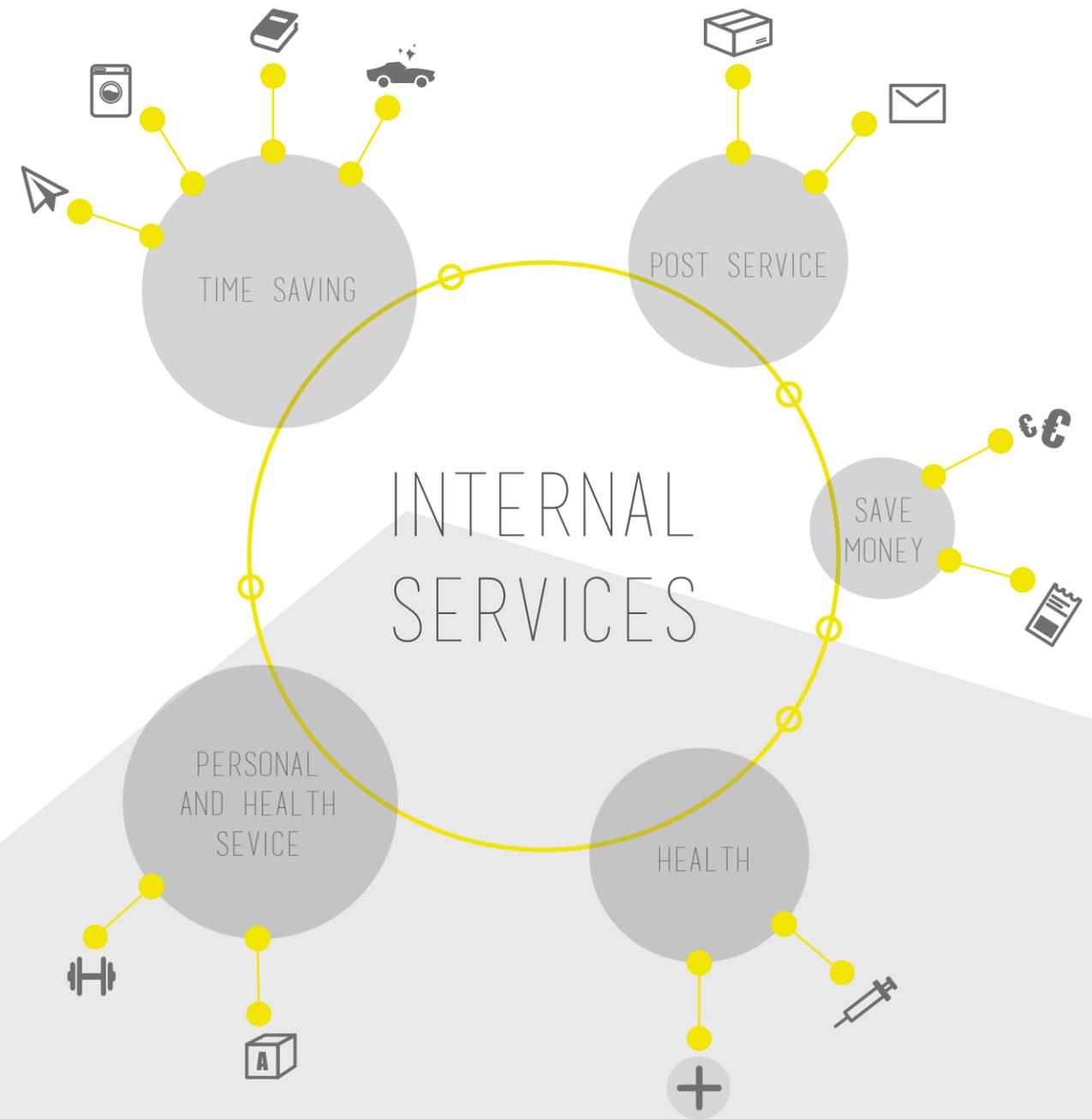
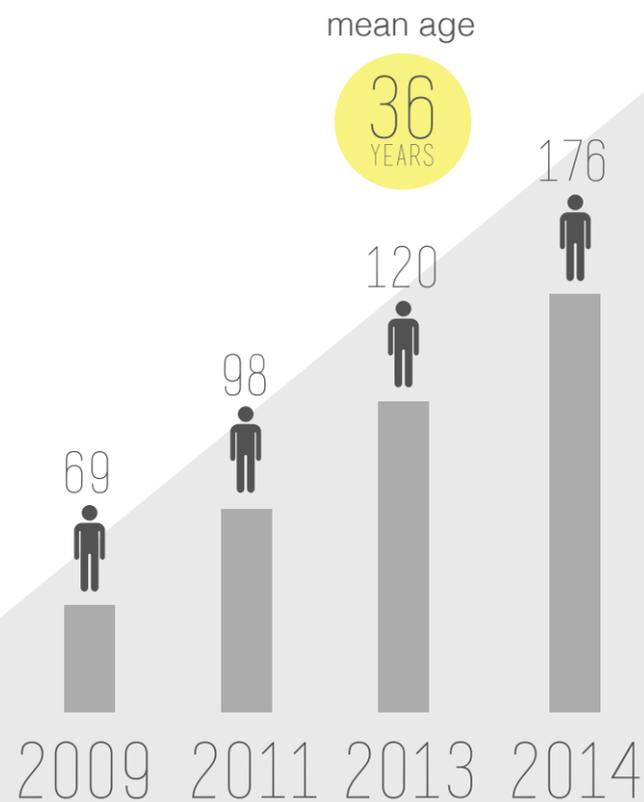
Great companies and success stories are the arithmetic result of ideas, determination and people; teamwork is fundamental to reach the goals that our group sets itself and it is for this reason that we wanted to strengthen the cohesion and stimuli through continuous formation, dedicated services for employees, executives and consultants and programs focused on growth.

Attention to the market and to the new competitive challenges have convinced us, since 2009, to focus on constantly increase our staff by hiring youth with great potential who, alongside the experience that is already present in the company, will contribute with ideas and passion to the regenerative thrust that is pushing our brands and products.

EMPLOYEES BY FUNCTION



NUMBER OF EMPLOYEES



DETAILS

Time saving:

carwash, school books, laundromat, travel agency.

Personal:

gym, nursery.

Post service:

post office, receive packages at the company.

Health:

flu vaccine, discounted rates with a health centre.

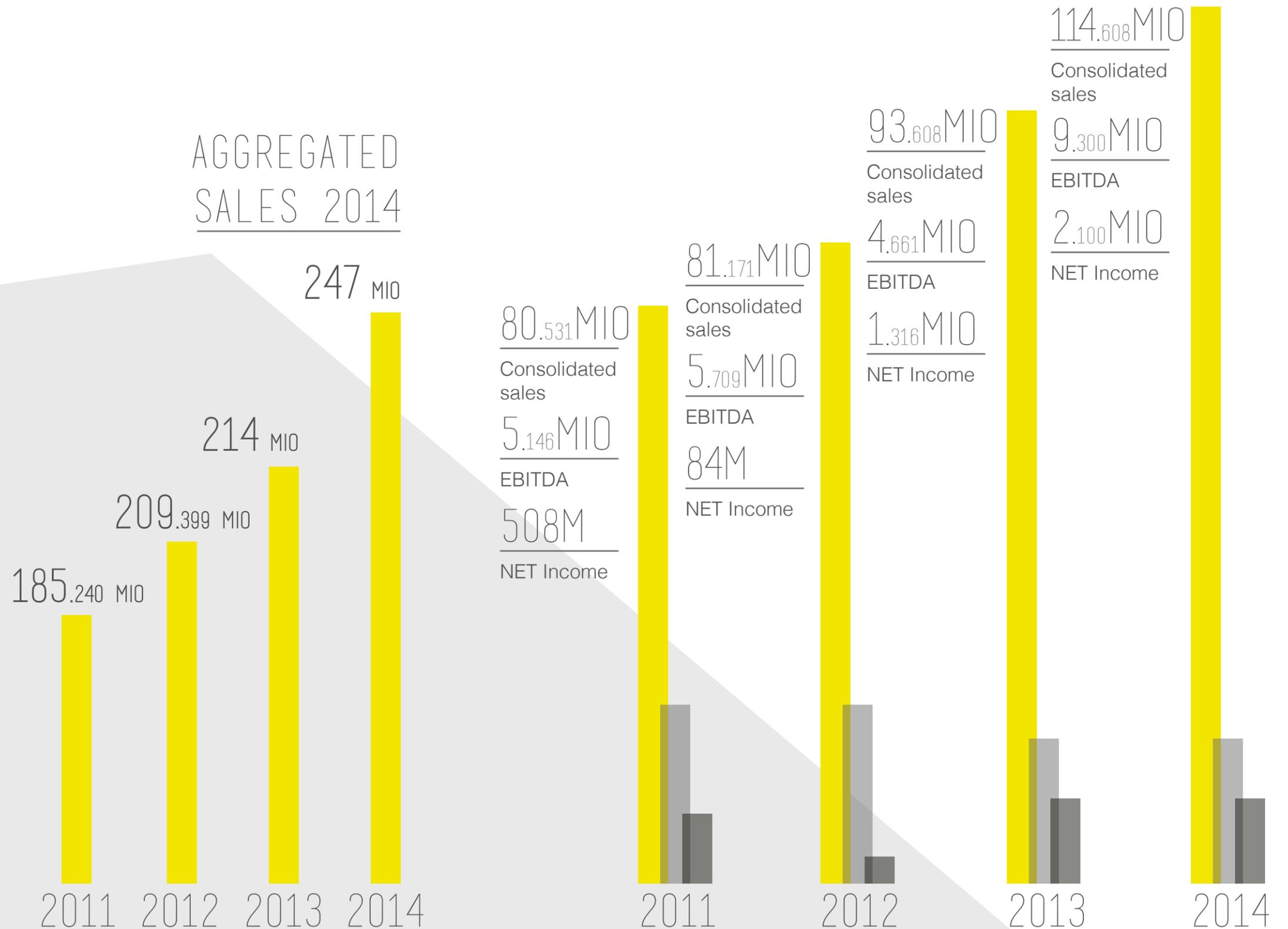
Save money:

employee discounts at the Caerano Outlet, discounts with various stores.

0.8 FINANCIAL

The last four years (2011-14) were characterised by an initial focus on developing the domestic market and by the constant and progressive increase of the international market. Streamlining and rationalising the portfolio of products of our Sport, Lifestyle and Work lines have allowed for homogeneous growth in the key markets. Development, in line with the corporate strategy, has been mainly oriented to the more highly lucrative and image-based products and lines, allowing us to invest growing resources in strengthening the corporate and distributive structure and in the activities of marketing and communication, fundamental pillars for the future of our brands.

AGGREGATED SALES 2014

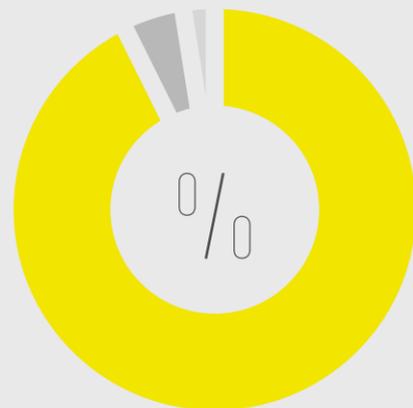


0.9 SALES STRATEGY

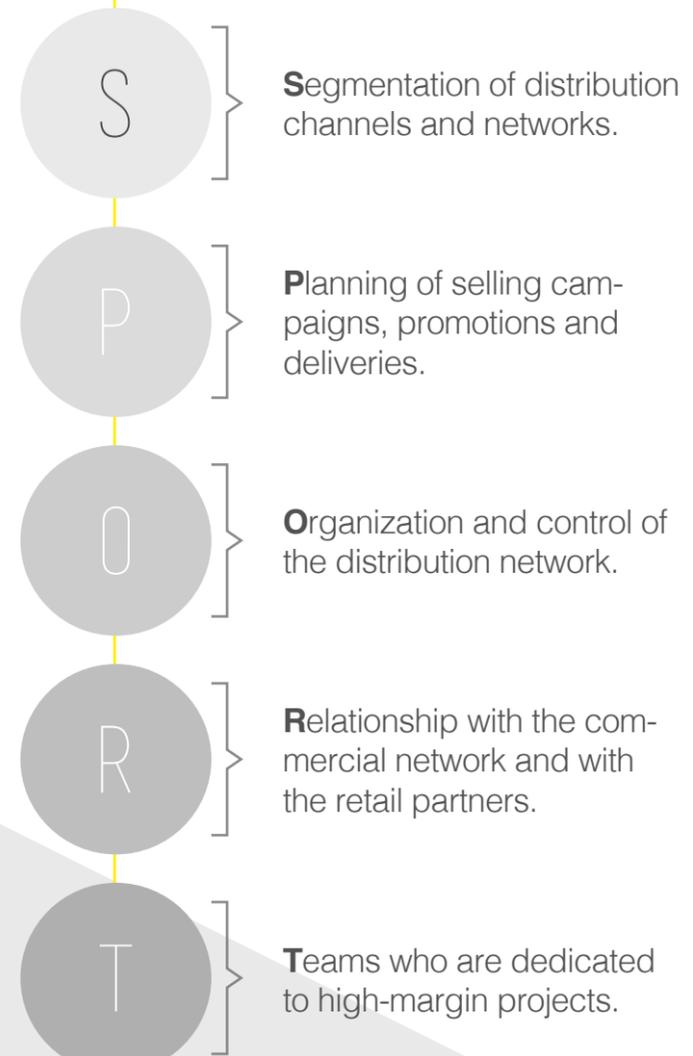
All sales strategies are defined through constant monitoring of the market. The company has recently strengthened its hold on the traditional channels such as wholesale, key accounts (both general retailers and specialized ones) and direct operating stores, thanks to the newly opened online store. A steady increase of market share for each single brand remains the key objective. This goal is also being pursued through limited editions and capsule collections dedicated exclusively to particularly favorable markets. This strategy has been incredibly fruitful for the development of new ranges and for incrementing business across the board.

SALES BY DISTRIBUTION CHANNEL

Wholesale: 96,50%
D.O.S.: 3%
e-commerce: 0,50%



STRATEGIC DRIVERS



1.0 HALL OF FAME



1981



1984



1984



1990



1991



1991



1984



1984



1985



1992



1994



1995



1987



1990



1990



2008



2008



2009

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