

GROWTH THROUGH A “GLOCAL” RETAIL STRATEGY

A FOUR GENERATION FAMILY BUSINESS



1889 - Angelo Zegna - starts a small textile business



1910 - Ermenegildo Zegna launched the brand and founded the Woolmill in Trivero.

His dream: create and produce the best fabrics in the world

CONTROL OF RAW MATERIALS

The importance of selecting the best raw materials directly from the markets of origin:

FINEST RAW MATERIALS

Australia - Superfine wool

China - cashmere and silk

South Africa - mohair

Peru - Vicuna and Alpaca



THE ERMENEGILDO ZEGNA WOOL TROPHIES



1963
Stephen
Walker

1980

Graham Sutherland



2002
Not Vital

ADVERTISING

1937

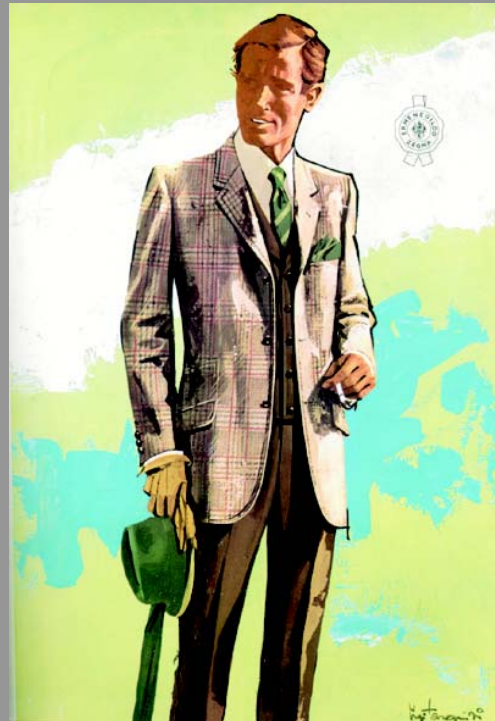
Promotion of the brand



A FOUR GENERATION FAMILY BUSINESS

1960's Aldo and Angelo Zegna

- Vertical integration of the process
- Ready to wear men's collection
- Internationalization of production and markets

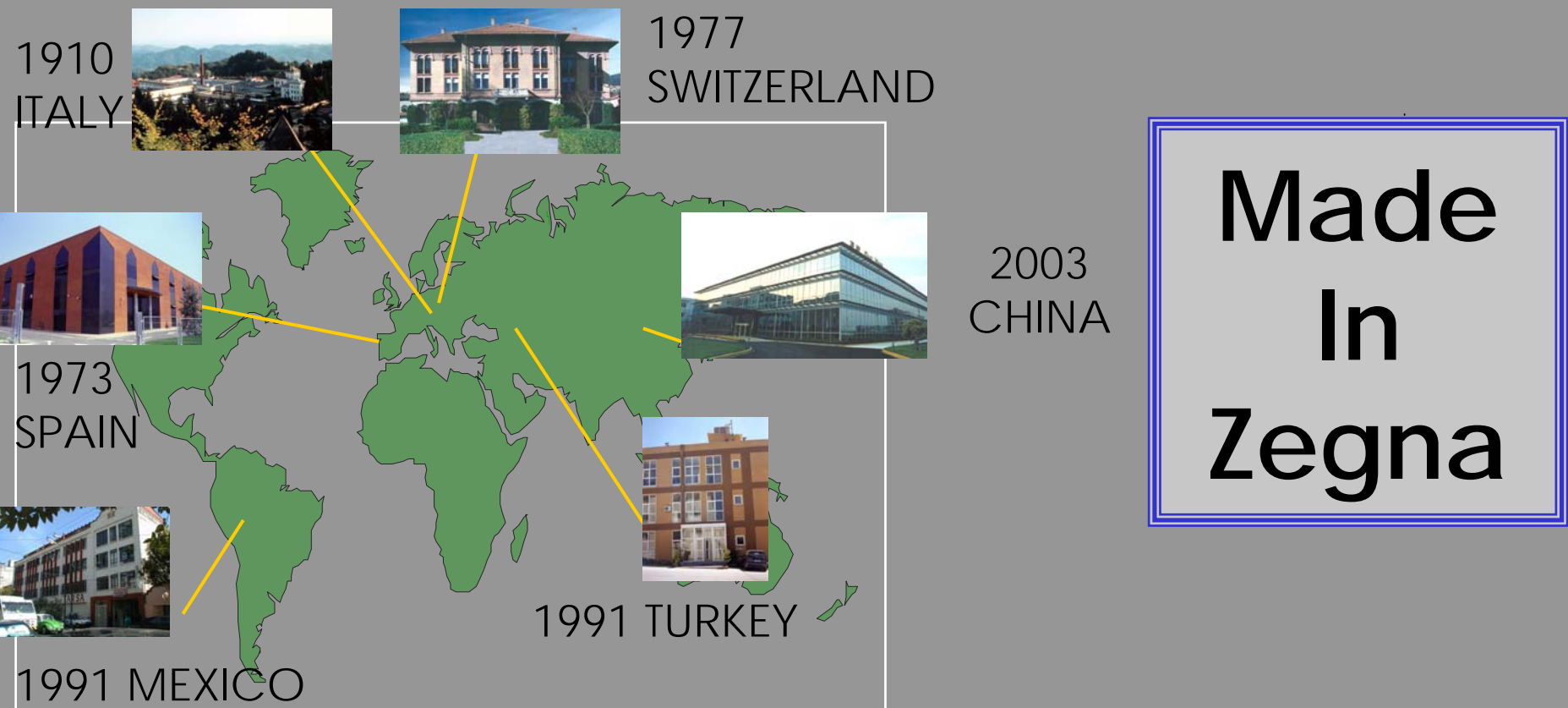


Aldo Zegna



Angelo Zegna

INTERNATIONALIZATION OF PRODUCTION



OPENINGS OF TRADING COMPANIES

Barcelona	(1963)	Munchen	(1969)
Paris	(1964)	New York	(1975)
London	(1966)	Tokyo	(1977)

4TH GENERATION



- Different product lines
- Brand Extension
- Product customization
- Retail development
- Emerging Markets
- Ladies pret a porter: AGNONA

PRODUCT LINES

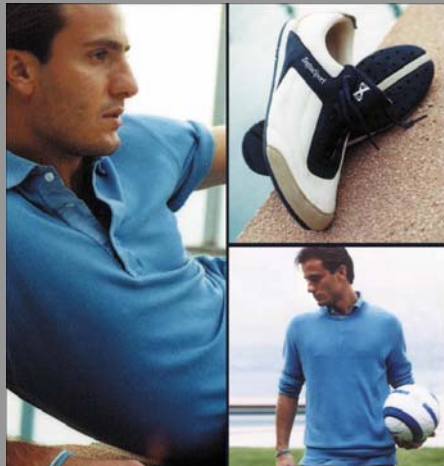
- Italian style
- Contemporary
- Precious & exclusive materials
- Timeless elegance
- Luxury & quality



Peter Cincotti, Singer/Plasent, presents Ermenegildo Zegna: Trench Coat, Sartorial Traveler Suit and Artisan Shoes.

Ermenegildo Zegna

Milano Via Pietro Verri 3 Venezia Bocca di Piazza San Marco 1241 Portofino Piazza Martiri dell'Olivetta 16
Bologna Via De' Turchi 2/E Firenze Piazza Rucellai 4/R Roma Via Borgognona 7/E Napoli Via Filangieri 24/25



Alberto Ghidoni presents Zegna Sport: Windable Soccer Shirt and Active Sneakers

- Leisure time
- Sporty Elegance
- Technical performance
- High quality materials

ZegnaSport

Milano Via Pietro Verri 3 Venezia Bocca di Piazza San Marco 1241 Portofino Piazza Martiri dell'Olivetta 16
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- Modern fashion
- Urban
- Sexy & cool
- Branded “object” of desire



Diego Luna, Actor, presents Z Zegna: New York Cotton Compact Suit and Shoes



PRODUCT CUSTOMIZATION



Made to Measure

Suits; Shirts; Ties; Shoes

4 weeks delivery in every
Zegna store around the
world

BRAND EXTENSION



- Leathergoods
- Shoes



Licensing:



RETAIL DEVELOPMENT

	<u>2004</u>	<u>2005</u>
		Forecast
TOTAL	408	478
TOTAL DOS	167	196
- <i>of which boutiques</i>	143	171
- <i>of which outlets</i>	24	25
FRANCHISING	202	236
DFS	39	46

EMERGING MARKETS

Opening

2004

1991

China

7%

1991

Mexico

2%

1992

Turkey

1%

1997

Brazil

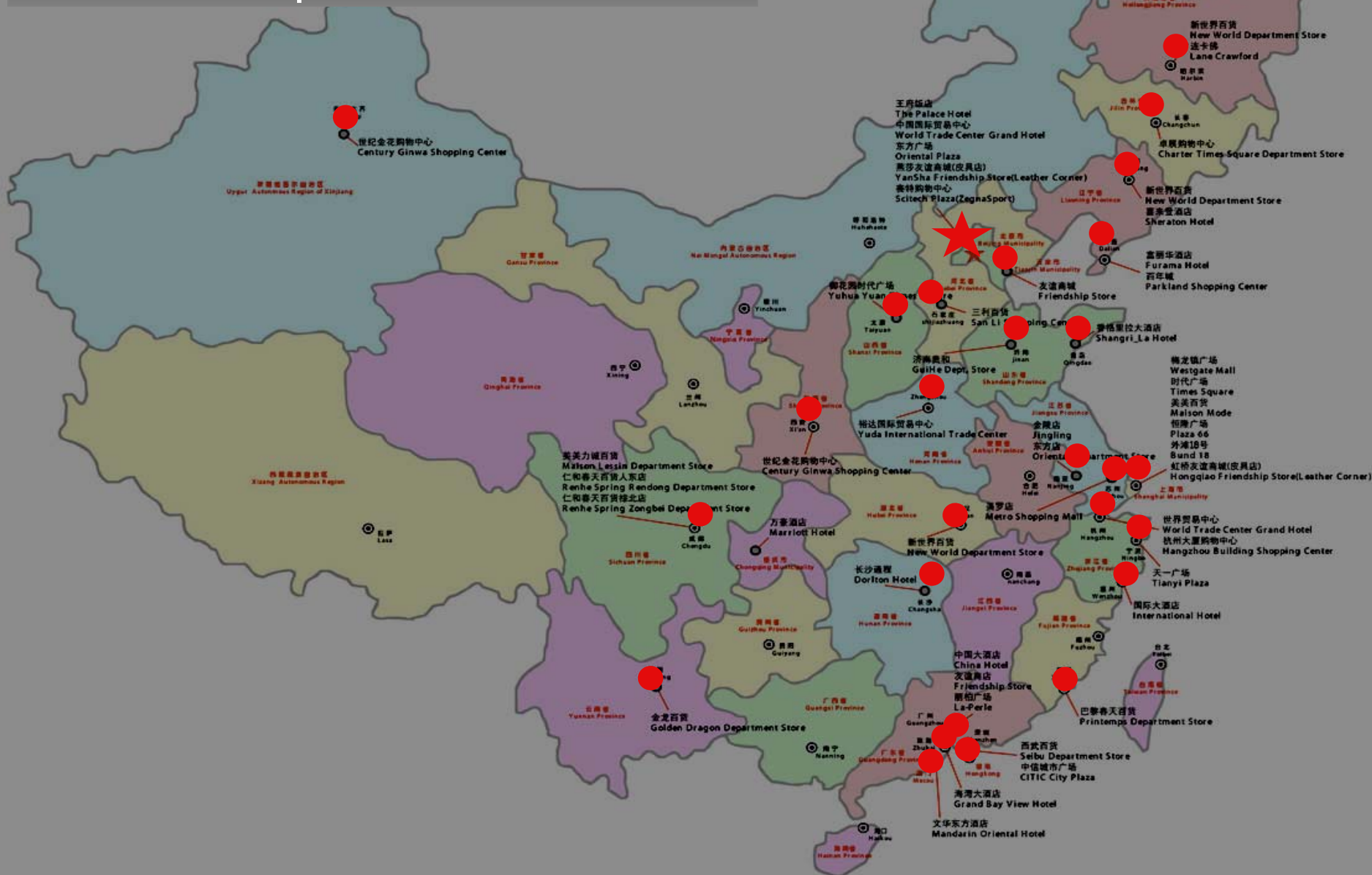
2%

1998

Russia

4%

52 boutiques in 29 cities



Sharmoon-EZ Garment

Joint Venture

From 2003 Zegna is also present as an insider through a Joint Venture (*Sharmoon EZ Garments*), with chinese partners in Wenzhou, to produce high end menswear for the chinese market, with the Sharmoon brand to be sold in monobranded stores.

A new luxury market



THE CUSTOMER IN THE BEGINNING (early 90's)

- New Life Style
- Search for Luxury
- Ostentation
- Contrast with the past

NEEDS OF THE CUSTOMER

THE ACTUAL CUSTOMER (from end 90's)

- Elegance
- Luxury
- Brand addicted



A new luxury market

In the last 5 years the luxury market in Russia has increased three folds reaching 600 million euro of which 65 % corresponds to italian luxury export to Russia

KEY SUCCESS FACTORS

- Ermenegildo Zegna's historical and cultural background
- Ermenegildo Zegna was already known in Germany and in the US
- Ermenegildo Zegna's brand is a symbol of class, elegance and luxury

EMERGING MARKETS

BRAND STRATEGY IN EASTERN EUROPE

Develop a retail system to be present in all major cities



Ladies pret a porter

AGNONA

Ladies pret a porter

A brand that for 50 years has been
associated with
LUXURY and **EXCLUSIVITY**



Ladies pret a porter

Exclusive couture



Knitwear



- Luxury ladieswear
- Selective distribution
- Finest raw materials:
 - ✓ Vicuna
 - ✓ Cashmere
 - ✓ Baby Alpaca



Textile accessories

Retail Marketing

The BRAND VALUE

FOREWORD

Our Mission

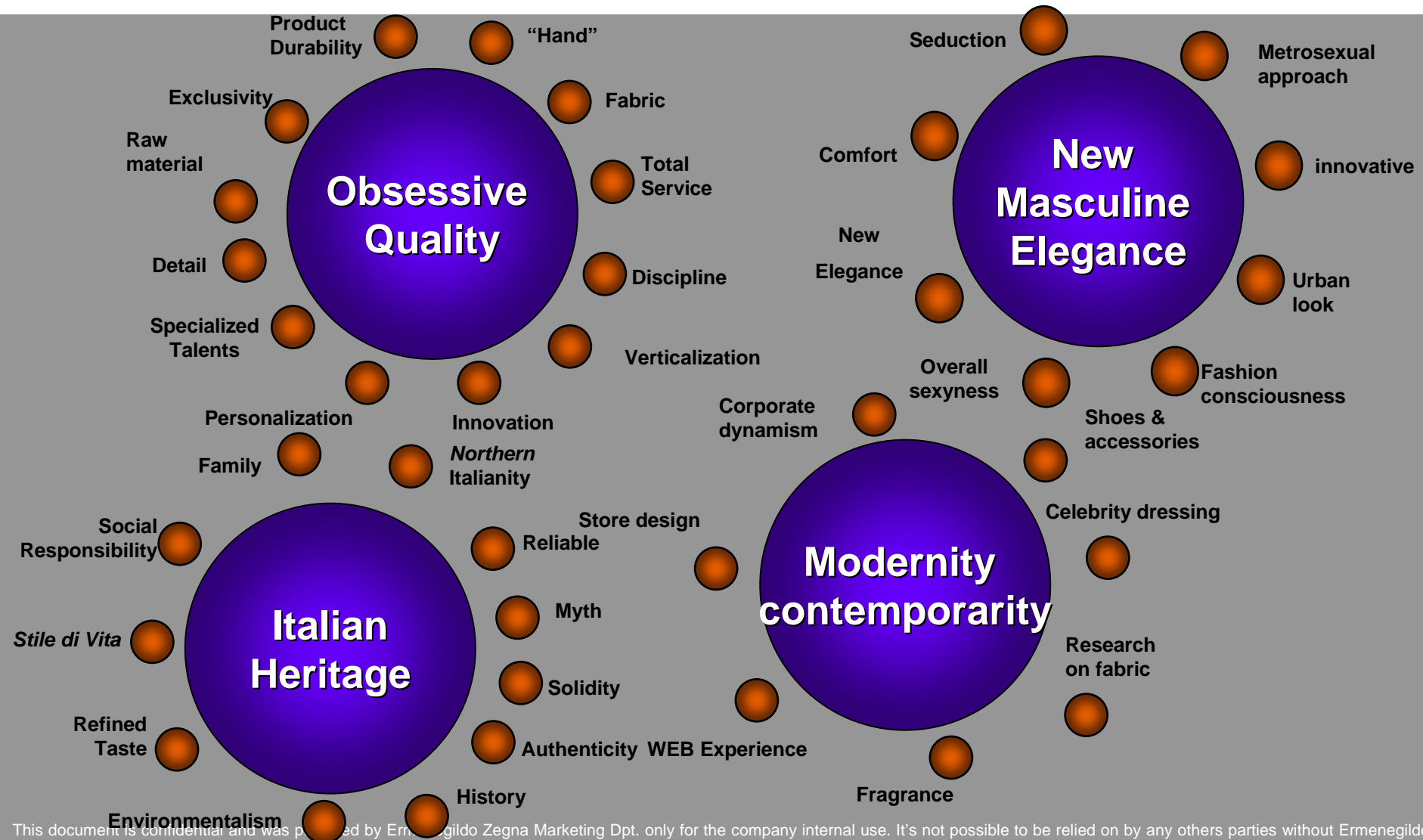
Ermenegildo Zegna

“We create, produce and distribute the
FINEST menswear Ready-to-Wear and
offer the **BEST** service to our customers
led by the “**MADE IN ZEGNA**” concept.”

FOREWORD

Brand Values

Ermenegildo Zegna

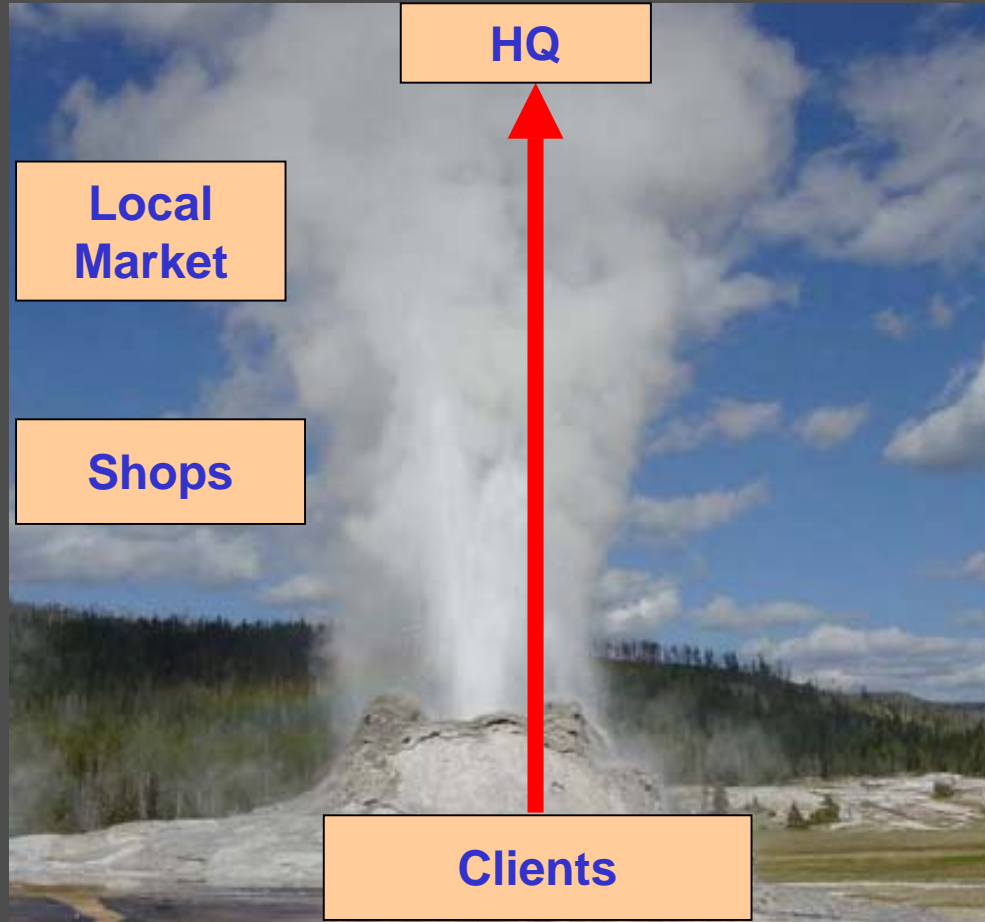


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FOREWORD

Global guidelines with local accountability

Ermenegildo Zegna

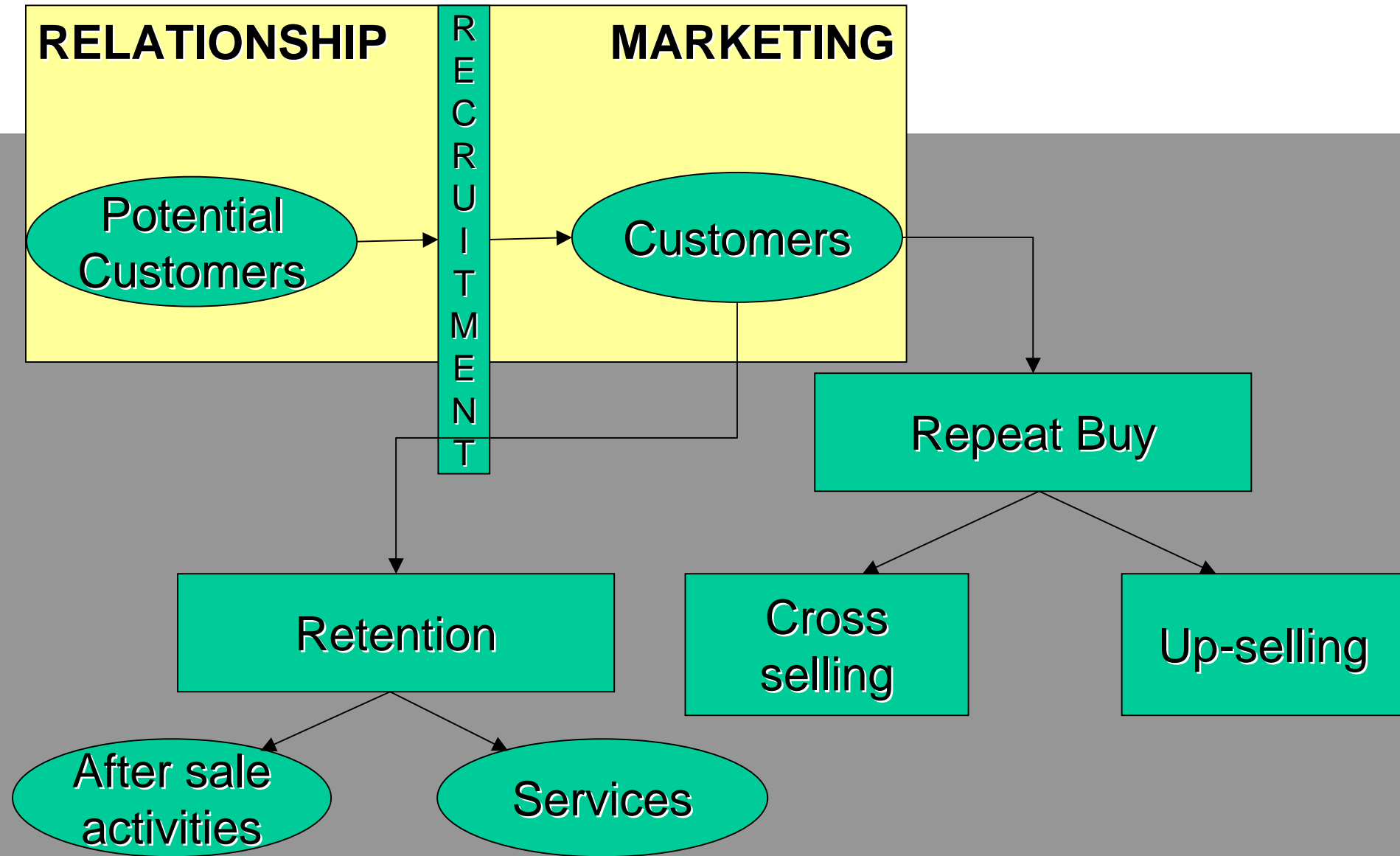


Customer knowledge is by definition locally based

Retail Marketing

WHY THE CRM?

FROM “TRANSACTION” TO “RELATIONSHIP”



THE CUSTOMER RELATIONSHIP MARKETING

Ermenegildo Zegna

CRM aims to create a long lasting one to one relationship with your customers thanks to the understanding of their needs and preferences.

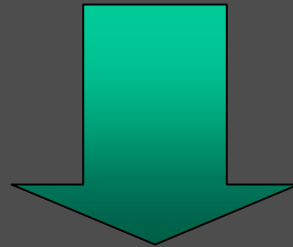
This relationship creates value both for the customer and the company.

THE CUSTOMER AS AN ASSET

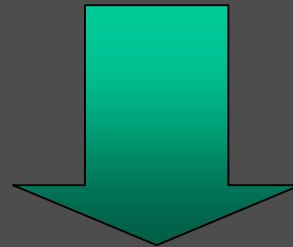
Ermenegildo Zegna

THE KEY TO SUCCESS ARE:

**Collecting customer's data whenever and
however you get in touch with them**



**Creating a database to manage and contact your
customers**



**“Offer the whole company” to the customer to
create a faithful and long lasting relationship
with him**

PROFITABLE CUSTOMERS

Ermenegildo Zegna

You don't need to loyalize every customer, but you should choose the most profitable ones.

If you are able to segment your customers according to their value, you are also able to increase your “CUSTOMER RETENTION” rate.