

Retail. Know-how from inside.





Retail from inside is exactly what people working in the sector see.

This is our philosophy and our working method: thinking of retail from your point of view, by your side before, during and after its development.

Yet it is more: “being inside” the markets with multipurpose skills and the foreknowledge of the evolution occurring to make up your mind.

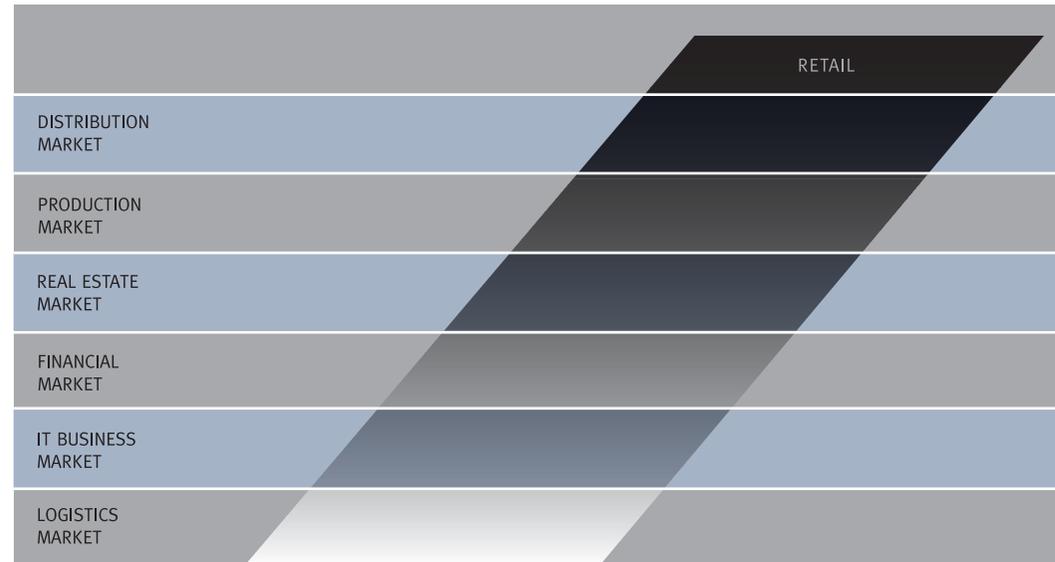
Retail from the best point of view.

YOURS.

Planning retail from inside means to have a vertical vision of the different markets:

- **distribution**
- **production**
- **real estate**
- **finance**
- **IT business**
- **logistics**

Retail - markets
vertical vision



Reno can manage with them all. We carry out start-up and growth plans with both distributors and wholesalers. We take care of national and international development for large and mid-sized retailers.

We can offer our knowledge to institutional investors and entrepreneurs who invest in retail in order to assess their growth prospective, streamline their existing retail businesses and their development opportunities.

What makes us different is our ability to manage several multi-faceted scenarios. We are “insider” but independent from real estate, leasing, shopping centre management companies, IT business and shopfitting suppliers. We act as a sort of interface.

We have been sharing this perspective with many Italian and international brands for more than 20 years being “inside makers” of their successes. Since 1989 Reno has been considered their reliable and most of all an innovative retail specialist.

devoit re



Malls have been established all over, factory outlets are growing and town centre shopping is still a vital way of shopping. New shopping venues and new retail concepts differing from traditional outlets have appeared. Shopping behaviour and consumer's perspective have changed over the years. This way the brands which present consistent, innovative formats suited to ever-changing requirements will be able to take advantage of the new growth opportunities.

This is the scenario and you are inside it . Yet, some questions are important.

Which are your growth expectations?

WE CAN DEFINE THEM TOGETHER.

What kind of growth can you support?

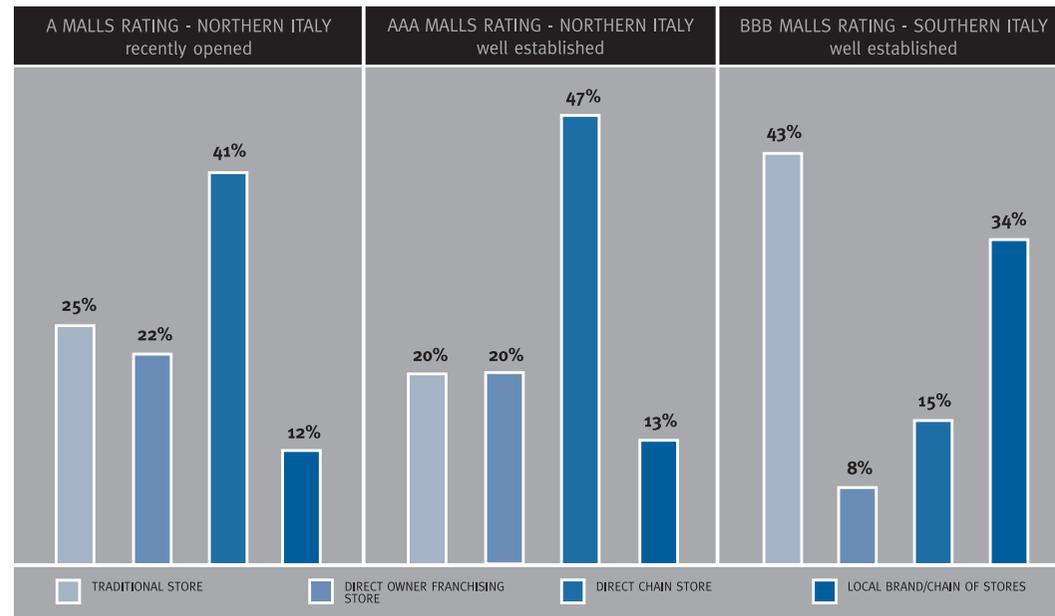
We start from this assessment. Our approach to clients is guided by their growth potential. For this reason our activities and strategies are carried out according to the operational context.

If the sustainable objectives are missing, we redirect the project to assess every possible option for the initiative to be successful.

Direct or franchising?

This ever-changing scenario presents master franchisee or multifranchisee entrepreneurs as the proper alternative to direct management. They can develop one or more brands on a regional, national and international scale. They are complex businessmen offering new cross-structured agreements with management skills and financial soundness.

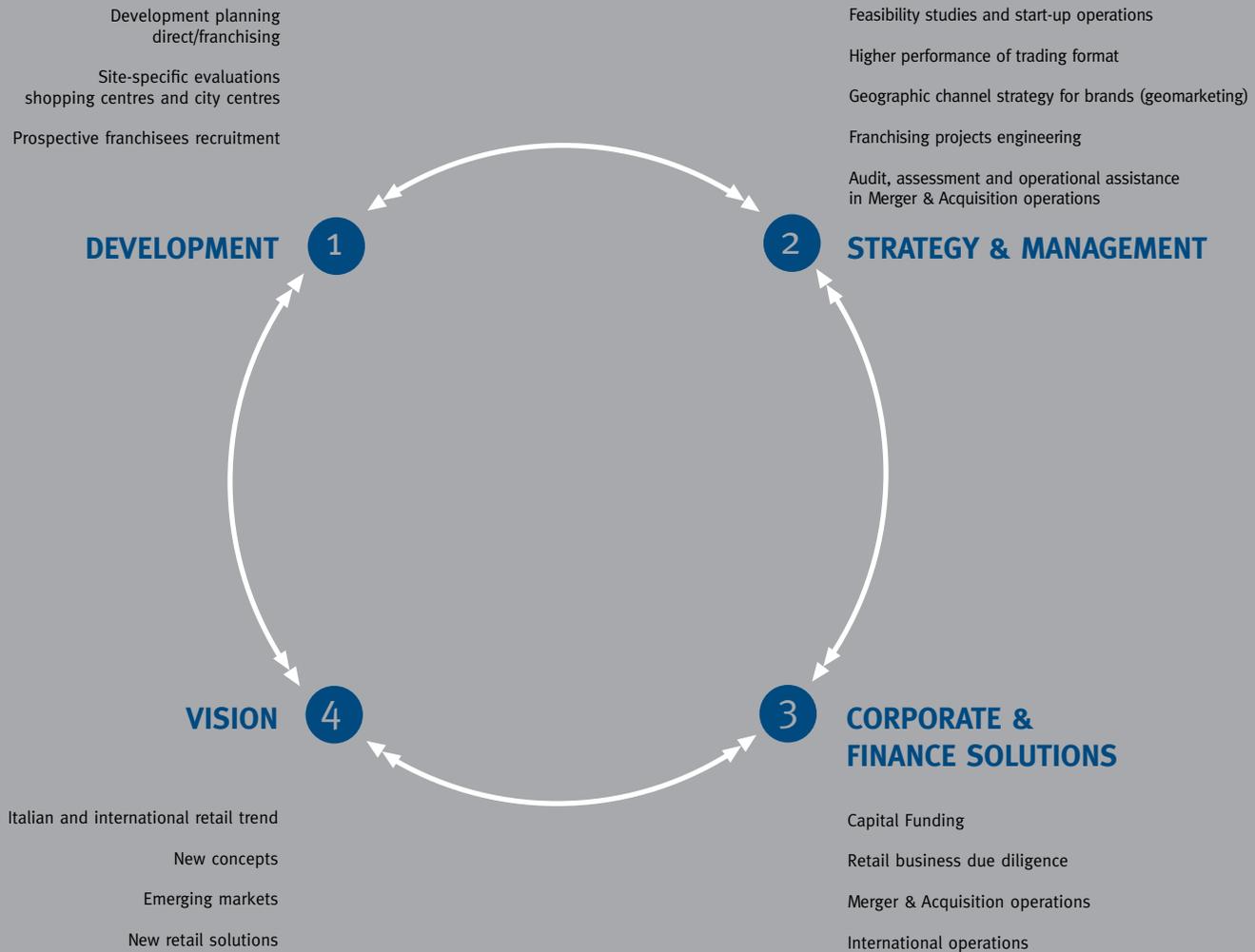
Examples of a store management inside malls



Which are your growth expectations?

Which are the funding sources?

Retail development is no longer more forced or limited by self-funding or debt: high prospective growth and value producing companies can access funds from different sources. Reno can offer classified contact names in both retail and financial world and the skills to analyse and identify the best Merger & Acquisition opportunities from both the seller and the buyer point of view.



Thanks to our presence in the retail network of our clients and their competitors. Thanks to the analysis of their competitive models and “best practice” both in Italy and abroad, we get a comprehensive, synchronic outlook of the retail world day by day. Our strength is the new outlook we provide. By cross-checking our qualitative and quantitative analysis data we evaluate and benchmark your operating environment from a geographical, historical point of view also considering the market and its competitors.

Complex business, global outlook. FOUR BUSINESS UNITS.

These consulting, procedural skills are supported by a comprehensive insight of the markets and are conveyed in a fully range of services which are offered through four Business Units:

- **Development**
- **Strategy & Management**
- **Corporate and Finance Solutions**
- **Vision**



Local monitoring, getting acquainted with the local reality, ability to carry out both planning and operative evolution of a brand. These are the quality services of the Development Business Unit which can provide its twenty-year value added experience in the sector.

Turnover and mark-up are growing in non-food retail with the opening of new outlets. Yet, not everywhere and at any cost. That's why we pay close attention to the potentiality of location types according to their strategic importance to client.

1. Development.

FOLLOW THE GROWTH STEP BY STEP.

Site evaluations. It is the core business of the Development Business Unit. It is a full extended operation. Together with brand management we define the requirements: brand positioning, choosing the right dimension of the sales area, client target, strengths and weaknesses in terms of competitors and merchandising. According to these data we evaluate suitable location based in town shopping venues and in the existing or planned mall schemes.

Shopping Center
classification
- Rating

RATING	TYPE	RETAIL SPACE (SQM GLA)	STORES	TYPICAL ANCHOR STORES	CATCHMENT AREA	FOOTFALLS
AAA	Super Regional	More than 60.000	More than 100	More stores anchor	100 km	More than 8,5
AA	Regional	From 40.000 to 60.000	From 80 to 100	1per+some store anchor	—	6/8
A						5/6
BBB	Community-large	From 20.000 to 40.000	From 25 to 80	1per	—	3,5/4,5
BB	Neighborhood	From 5.000 to 20.000	From 15 to 25	Supermarket	Within 15 min	2,5/3,5
B						
C	Convenience	Less than 5.000	From 5 to 15	Convenience store	—	—

Retail Space: GLA, i.e. Gross Leasable Area is defined as the total floor area designed for tenant occupancy

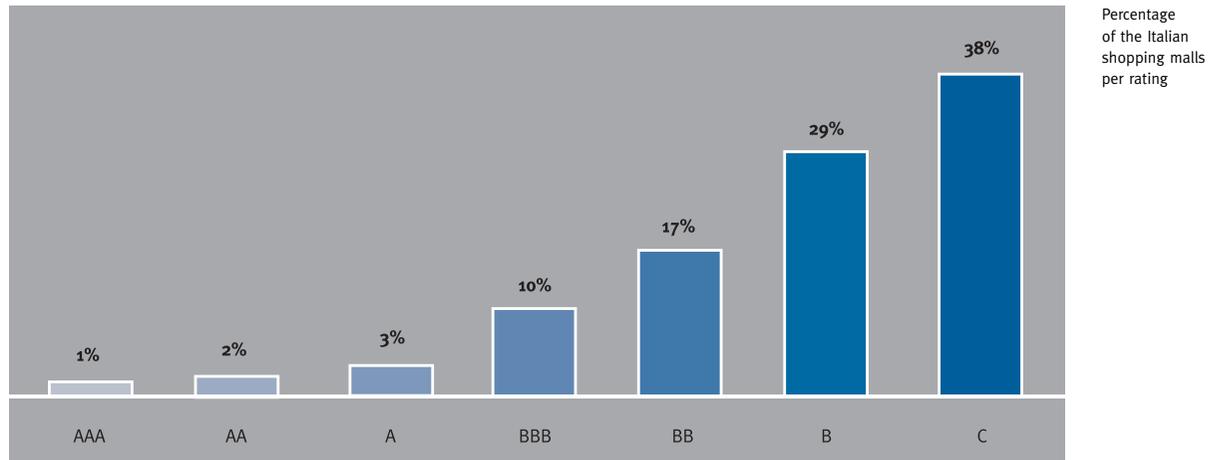
Stores: Total number of outlets in a mall, including small, medium and large surface stores, anchor food excluded

Catchment area is the area and the population from which Malls attract visitors or customers

Footfalls indicate annual customer visits of the Gallery (Hypermarket and Multiplex included) and the commercial power of attraction of a particular mall

Store opening prospective analysis. Monitoring the existing and planned commercial estate market has allowed us to provide a wide database ranking every Italian shopping venue.

Each shopping mall has been regularly updated and ranked according to quantitative, qualitative parameters (size, existing brands, catchment area, turnover, customer



traffic, operating costs). At the same time the traffic analysis (residential, professional, touristic and commercial) has allowed us to provide a “central-based” classification of the Italian towns creating a comprehensive tool which can help retail planning through different distribution channels: multibrand, free-standing store, shop in shop and mono brand stores.

We evaluate new ways of retailing and merchandising (re-utilizing existing store signs), lease terms re-negotiations, store location or retail chain transfer.

Distribution
planning and
shopping
centrality



Support along each step in negotiation. Our clients are supported along each step in negotiation until the end of the operations.

As to the franchising prospects development we can either offer to recruit franchisee candidates or we can be outsourced to fully manage the recruitment activity from the collection of the profile info of the prospective franchisees, from the assessment of a franchising plan, up to the preliminary signature and to the appropriate site.

SHOPPING DISTRICT	SHOPPING ATTITUDE	QUANTITY
NATIONAL REFERENCE	<ul style="list-style-type: none"> • Exclusive shopping • One time/occasional shopping 	2
REGIONAL REFERENCE	<ul style="list-style-type: none"> • Selective shopping • Occasional shopping 	9
DISTRICT REFERENCE	<ul style="list-style-type: none"> • Large shopping • Weekly/Orderly shopping 	55
AREA REFERENCE	<ul style="list-style-type: none"> • Nearness • Frequent shopping 	276

Re-classification
of the Italian
towns according
to shopping value

Contact with Master franchisees. Identifying and contacting complex businessmen such as Regional or Country Master franchisees needs a targeted, customised approach: the main comparison with these actors operating in different markets (real estate, financial, multibrand retailing) has given us the opportunity to offer them a portfolio containing a large variety of franchising projects. This is how we can give access to high prospective profiles who are suitable to support a wide range development partnership.



We are retail specialists with a global outlook. Moreover, we are real partners in making decisions with you or prevent you from unprofitable operations.

Thus we are professional and independent. This is the task of the Strategy & Management Business Unit.

The value added consulting given is the essence of the operational skills which have been experienced inside Reno and in the retail sector before.

2. Strategy & Management.

BY YOUR SIDE FOR YOUR ULTIMATE DECISIONS.

Many of us have been store and brand managers, shopping centre managers, financial analysts.

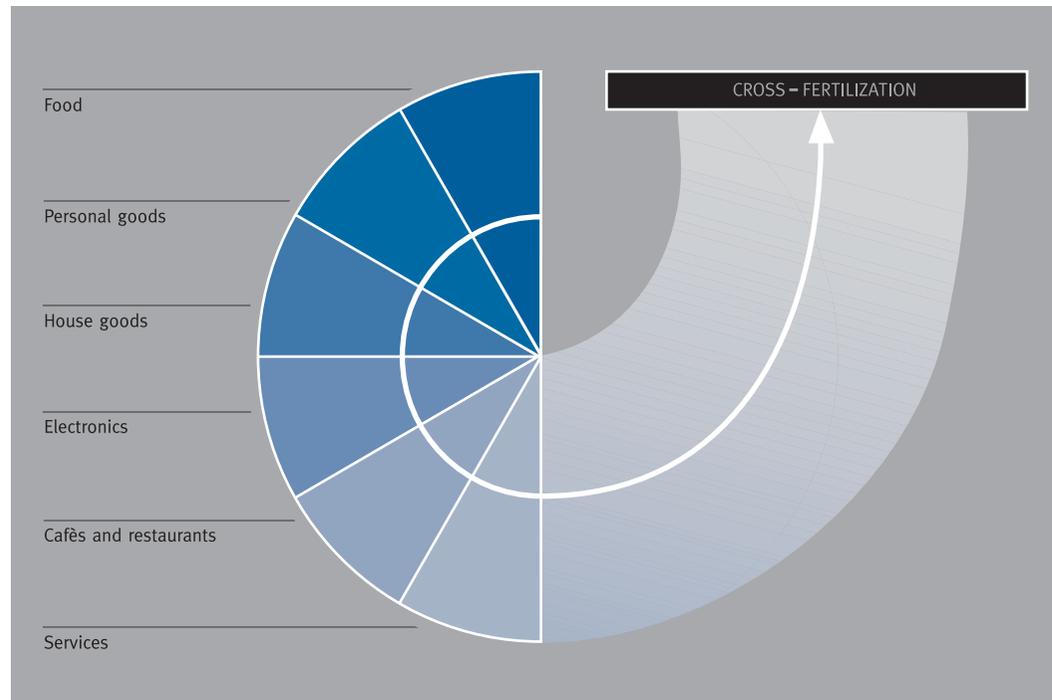
That's why we can provide overall, exclusive support in all sectors:

Every merchandising category. Reno has been monitoring medium to high quality non-food retail: clothes, shoes, accessories, home fabrics and housewear, jewellery, perfumery, traditional and fast food restaurants, facilities such as: hairdresser's and tailor's...

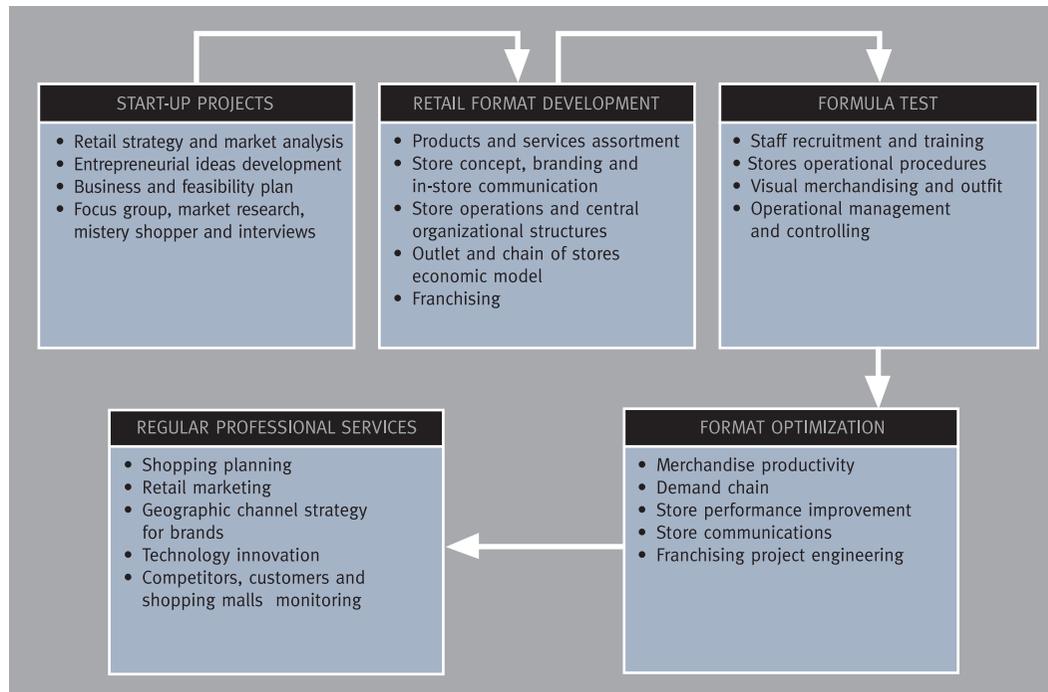
This aspect enables cross-fertilization between concepts and best practices which have originated from different markets and easily adapt to every situation.

We particularly derive from mature, competitive, innovative sectors in order to deliver formats, selling techniques, visual merchandising and store communications.

Cross
fertilization
and different
merchandises



Every lifecycle stage. The Strategy & Management Business Unit takes part into every lifecycle stage of a brand. The definition of a trade formula and a store format depends on the appropriate feasibility project and its sustainability in both commercial, financial terms.



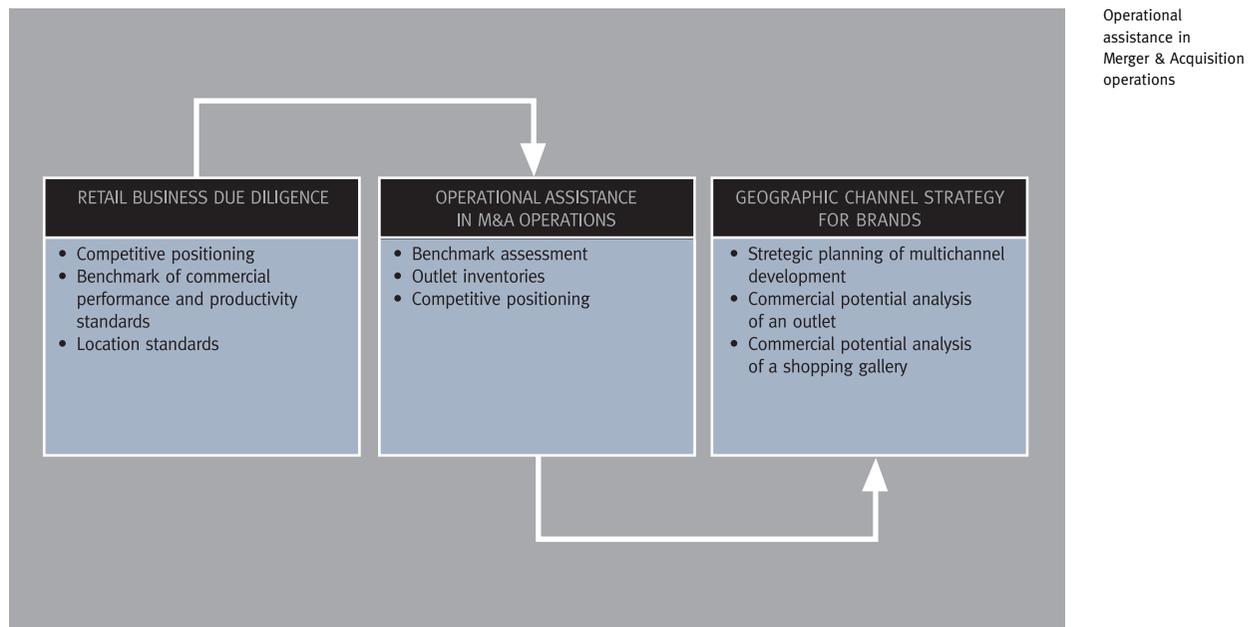
A retailer's
lifecycle stages
- S&M services

Every strategic factor. The Strategy & Management Business Unit specifically acts on every single strategic factor in retail business either in the start-up phase or in the later phase of an operating retail brand performance. They handle the best seller assortment for a proper brand positioning or visual merchandising to define logistics allocation and the store concept, either the recruitment, training and sales staff motivation or performance measurement, marketing policies and in-store operations.

Hence, the development planning can be provided by different distribution channels such as: mono brand store, multibrand, successfully operating shopping malls, new schemes and town centres and by different options such as direct or franchising where the pilot store location can be identified. After having the direct owned shops properly tested, Reno can totally engineer a franchising development project by submitting a rent proposal, future income forecasts, a prospective franchisee profile and the store communications.

Once our clients have become proficient with all these skills, a specific know-how is required to keep the project growing and improving. Reno can measure results, prove the current level of the operations and plan special support aimed at M&A operations.

Moreover, the experience in the commercial real estate market which is provided by the Development Business Unit is supported by the qualitative data and the analysis methodology coming from the know-how of the Strategy & Management Unit. This synergy has brought to the completion of a detailed evaluation process based on geographic channel strategy (geomarketing) for brands which better defines the most important key performance factor: site evaluations.





At the end of the '90s, private equity firms show up in non-food retail. We were there to give investors our insider view to identify profitable companies and markets where the acquisition process could be carried out.

From that moment Reno has been involved into a large variety of business operations respectively by sellers and buyers and preliminarily into due diligence operations.

From top down approach carried out by investors and by all-purpose consulting

3. Corporate & Finance solutions.

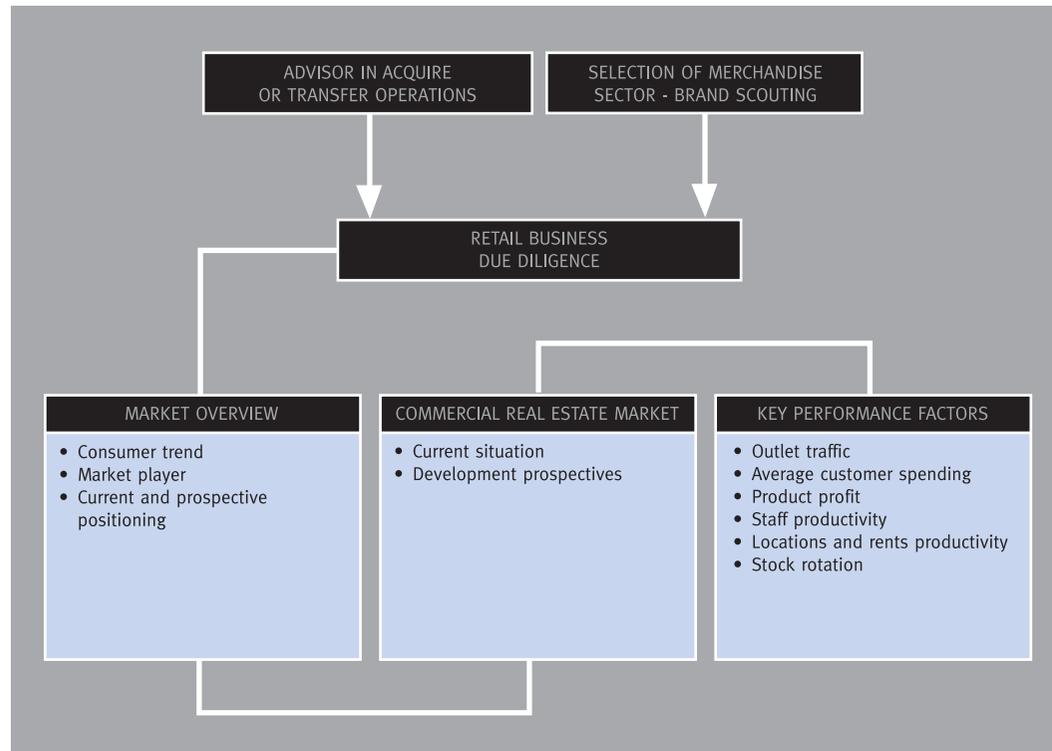
FINANCIAL PLANNING.

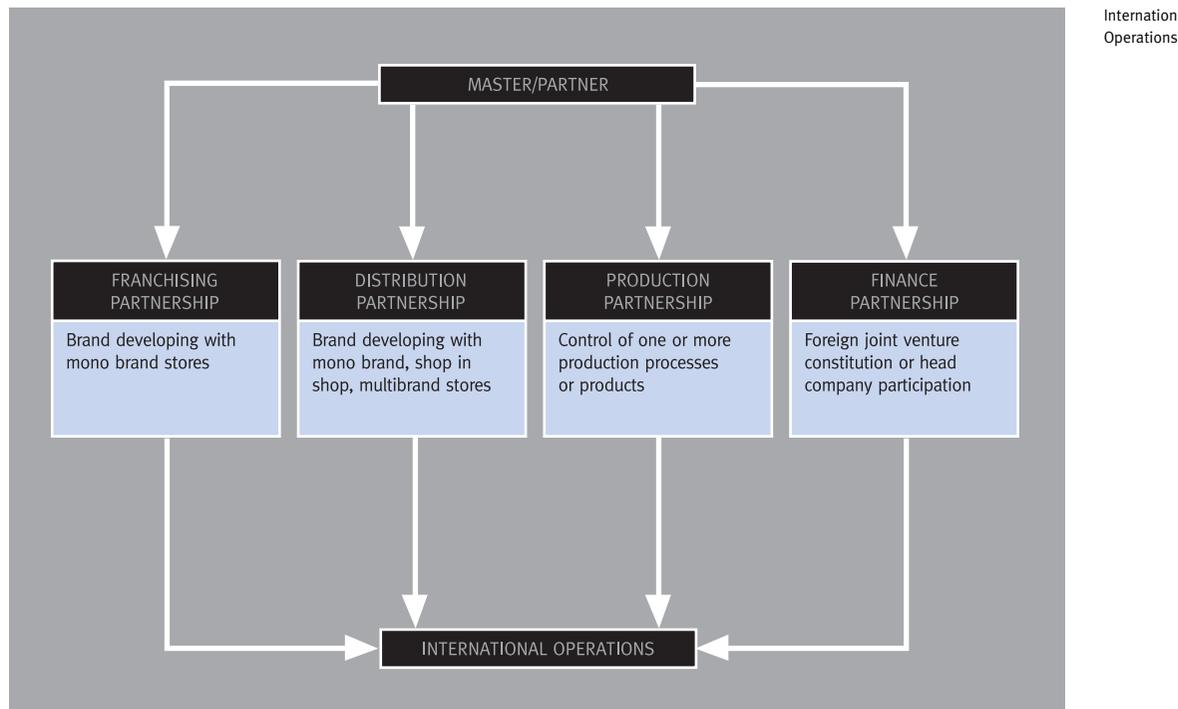
multinational companies Reno gives its specialised approach through bottom up logic including average customer spending analysis, store assortment and performance, distribution and location evaluation.

The “Business retail due diligence” Unit assesses company from inside, from the bottom. It allows us to provide complementary, objective information for a detailed, benchmark analysis and a current, prospective evaluation of the opportunities.

The objective of fast expanding the acquired retail company focuses once more on the importance of identifying suitable location. A plan sustainability which an investor aims at can only be obtained through a deep experience of current and prospective availability of concept-related locations.

The roles of Reno in Merger & Acquisition process





International operations cannot be only considered as commercial agreements but can bring to strategic choices which affect a company's structure. Partners/Masters can play a different role according to the complexity of a country and his business (distribution, production, real estate or financial).



In a deeply mature market growth comes step by step through quality stages (M&A, new schemes, innovative ideas, revolutionary format) and emerging markets which offer investors totally new perspectives.

The Vision Business Unit plays an important role when clients want something different. Producers and retailers, investors and wholesalers have had their plans and dreams assessed by our expertise. And they want us by their sides to fulfill them.

4. VISION.

TO CHANGE RETAIL PERSPECTIVE.

Yet sometimes it is up to us to encourage entrepreneurs and investors offering them new opportunities and innovative concepts.

For Reno consultants professional training means monitoring worldwide press, visiting qualified, specialised websites, exploring international retail trendsetter cities which would definitely affect Italy as well with new successful concepts.

The particular service of the Vision Business Unit is giving support to international operations.

Vision is continuous
innovation without
barriers

NEW PATTERNS OF COMPANY AGREEMENTS

NEW FORMATS

NEW MARKETS

NEW DISTRIBUTION CHANNELS

Several Italian brands have been considered interesting for overseas markets (Middle East, North Africa, Central-European countries...), where prospective development opportunities are significantly larger than here.

We are strongly committed in monitoring each single growing market to seize the proper expansion opportunity: direct development supported by selected third-parties investment like a Producer or Distributor Master/Partner...

Vision is to perceive evolution and outline the scenario.

It means to plan new ways, change direction and the way to go through the existing ones.

The rules of a game keep on changing and Reno, from inside, can anticipate and govern them addressing its projects to success.

Because Reno is know-how from inside.



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