As an owner-driven network of specialized competence centers exploiting relevant IT innovations for its customers, Reply since its inception in 1996 creates value for its shareholders through

- strong topline growth,
- superior profitability and
- regular dividend distributions.

Reply since 2000 is listed in the STAR segment of the Italian stock exchange, since March 2013 being a member of the Italian MidCap index.
Reply

Reply combines culture, competence, proactivity with vertical specialization to achieve excellence on new technology services and solutions tailored to help customers in reaching their business goals.

**Reply Key Drivers:**

- Specialized competence on **Consulting, System Integration** and **Digital Services**.
- Vertical markets **Core Processes** knowledge.
- **Network Model:** autonomous and specialized companies that share philosophy, goals and functional standards.
- Focus on **Digital Transformation** and continuous investments in **Innovation** and Know-How.
- Strategic **Partnership with Leading Market Vendors.**

- Founded in 1996 to achieve excellence within the internet consulting market, **Reply** today is a leading IT Services Company.
- Impressive track record: from €18.6 m in 1999 to €560.2 m sales in 2013.
- Constant **two digit EBIT growth.**
- More than 4,300 employees distributed across network of specialized companies.
- **Large customers**, with a very high customer retention.
We have a unique know-how in bridging the digital world and the IT space.
Reply in the World

DE
- Bremen
- Frankfurt
- Gütersloh
- Hanover
- Munich
- Düsseldorf
- Freiburg
- Hamburg
- Minden
- Potsdam

IT
- Turin
- Milan
- Rome
- Parma
- Treviso
- Trieste
- Bari

UK
- London
- Edinburgh

Benelux
- Amsterdam
- Brussels
- Luxembourg

France
- Paris

US
- Chicago
- Detroit

Brazil
- Belo Horizonte
- Sao Paolo
The Reply Living Network combines the agility and flexibility of specialized small entities with the strength of a big company.

It consists of more than 80 business units (mostly separate legal entities) completely focalized on a specific area of competence. Each unit is responsible for:

- sales
- delivery
- personnel development and
- innovation.

Embedded in the network the business units:

- show strong team culture (cross selling)
- share common management philosophy, targets, management, functional standards
- have access to central Shared Services (Accounting, Finance, HR, Knowledge management, IT, Quality, Marketing).

Each business unit is entrepreneurially managed by partners strongly incentivized based upon the pre-tax margin achieved.
We are entering the Era of the Digital Industrial Economy…

A new era of constant transformation where

• every business is digital and
• every product will go digital

The main drivers that are characterizing our offering (Social, Mobile, Cloud, Information) are the ones fueling the new Digital Industrial Economy

A world where the consumer behavior is completely changing

• Every budget is an IT budget
• Every company is a technology company
• Every business leader is becoming a digital leader
• Any business will have to be designed around mobile

In this world everything happens at an accelerating speed because we live in digital times
Reply Outlook

• Reply has a distinctive positioning in the main growing segments of ICT such as Cloud Computing (+18%)**, Social Media (+23%)**, Mobile (+42%)**, Big Data (+22%)** and Internet of Things (+25%)**.

• Reply has reached an established leadership on new Mobile services like Mobile Payments (mobile transactions grew in value by 57% to 235 billion $ worldwide from 2012 to 2013. This figure is set to reach 730 billion $ in 2017) and Internet of Things (more than 26 billion of Connected Objects by 2020).

• Reply has a high level specialist skills in digital media and multichannel e-commerce solutions (Reply received for the second consecutive year the “Global Partner of the Year” award in January 2013 by hybris and is one of the hybris Platinum Elite partners in the world).

• Reply can boast one of the leading European competence center on Risk Management and Regulatory Compliance one of the fastest growing areas within Financial Services, in part as a result of the investment required by increasingly stringent regulations, such as Basel III and Solvency II.

** Company analysis on Gartner data. 2014 vs 2013 – March 2014 Update.
How Reply is Driving a World on the Move

Cloud Computing

Reply has devised an offering structured around the following points:

• consultancy support (from processes to operational management) to help customers understand, choose and refine the best technology and application solutions;

• an end-to-end provider service exploiting our strong partnership with the leading global vendors – including Amazon, Google, Microsoft, Oracle and Salesforce – to enable customers to benefit from solutions with the model and technology best suited to their own needs;

• SaaS solutions based on Reply proprietary application platforms (Discovery Reply, Gaia Reply, SideUp Reply, and TamTamy).
How Reply is Driving a World on the Move

Social

- Specialized digital agencies in IT and DE, leaders on social media, digital communication and digital branding
- Dedicated teams focused on the Consumer Social Media market managing social presence for major CPG brands.
- A proprietary platform - TamTamy - for Corporate Social Networking, available both on Premises and as a service (SaaS)
- A proprietary platform - Starbytes - for crowdsourcing
- A specialized company, leader on Brand Engagement and Internal Communications
- A dedicated team specialized on Gamification for the Enterprise
- A leading position in Germany and Italy on Social CRM
How Reply is Driving a World on the Move

Mobile

- A complete offering combining creativity, strategy and technology to enhance mobile positioning of brands and products (mobile apps, mobile browsing, HTML 5, responsive web design, hybrid apps)
- Thousands of applications, mobile sites and interfaces developed for our customers
- Leader on Value Added Services and Mobile for Telco and Media
- Mobile Payments, Mobile Gaming and Proximity Commerce with specialized companies and assets
- A proprietary platform - Gaia Reply - selected by the most important Italian Internet players to enable their multichannel strategy
- Knowledge and experience on heterogeneous digital production: from gaming to 3D, from digital advertising and digital product placements to new paradigms of user interaction
How Reply is Driving a World on the Move

Internet of Things

• A proprietary IoT platform - HI Reply - for vertical applications such as:
  info-mobility, energy efficiency, home automation, mobile contactless
  payment, proximity marketing, advanced logistics, environmental safety,
  product track-and-trace.
• Best in class engineering services and product solutions for clients in
  search of superior engineering skills.
• Dedicated Quality Assurance and Testing Service unit for the whole End-2-
  End software and hardware value chain.
• State of the art laboratories and equipment for Radiofrequency, Audio,
  Imaging, Mechanical, Environmental test.
• 3 years research projects in cooperation with Politecnico of Turin, ISMB
  and major universities in Italy and rest of Europe.
• CMMI certified
• Winner of the Cisco Innovation Award 2012 with a project on food tracking.
How Reply is Driving a World on the Move

E-Commerce

- Specialized companies on e-Commerce: a complete offering combining technology and vertical specialization with outstanding e-Commerce experience providing the best Omni-Channel strategy.
- The only SAP hybris global partner on Platinum Elite level, with more than 120 hybris experts distributed across the UK, US, Italy and Germany.
- Implemented more than 70 e-commerce since 2012, most of them global.
- Dedicated teams focused on researches and studies about online commerce and retail solutions.
- Specialized in Proximity Commerce and in enhancing in-store customer experience using the Reply products HI Shop and HI Credits interacting also with beacons.
- Hi Shop winner at the POPAI Awards 2013 for the most innovative and effective proximity marketing solution.
Expansion Strategy

• The Reply Living Network is a scalable organizational model able to handle future growth.

• Apart from growing organically the existing business, Reply continuously extends its market position by adding new competencies to the network.

• To enrich the offering portfolio Reply
  • acquires excellent, specialized companies or
  • enables entrepreneurs to set up their own startup company under the Reply roof.

• Both means are combined to gain market shares in the market regions outside of Italy where Reply is active in (Germany and UK as main investment areas, starting activities in US, Brazil, Benelux and France).

• Due to the strong market position
  • Reply in Italy basically stopped acquisitions since 2010
  • Italy became the biotope for seeding new business ideas in the group.
Reply - The Last 18 Months

Investments in Start-ups
Acquisitions

Reply France
Risk Management
Open Reply Mobile
Spike Reply Security

Avvio Reply
Digital Media Communication
Solidsoft Reply Cloud Services Microsoft

US
Reply Inc. Automotive, Logistics
Sensoria Internet of Things (wearable devices)

Brazil
Mindservices Microsoft Technologies

Benelux & France
InEssence Reply
Portaltech Reply
Triplesense Reply
Arlanis Reply
Twice Reply
Click Reply
Concept Reply

Cloud Services SAP
Ecommerce
Digital Media Communication
Cloud Services Salesforce
Telco & Media
Logistics
Internet of Things

DE

InEssence Reply
Flash Reply
Pay Reply
Juice Reply
Like Reply
Engage Reply
Solidsoft Reply

Cloud Services SAP
Energy
Mobile Payments
Big Data
Social Media
Internet of Things
Cloud Services Microsoft

IT

US

Brazil

Benelux & France

Cloud Services SAP
Ecommerce
Digital Media Communication
Cloud Services Salesforce
Telco & Media
Logistics
Internet of Things

DE

InEssence Reply
Flash Reply
Pay Reply
Juice Reply
Like Reply
Engage Reply
Solidsoft Reply

Cloud Services SAP
Energy
Mobile Payments
Big Data
Social Media
Internet of Things
Cloud Services Microsoft
Another excellent financial year 2013: **560 millions of Euro** of revenue, **13.0%** EBITDA-margin

In **Europe** and the **Americas** Reply can grow significantly.

Reply can make it happen in the next few years through internal growth and acquisitions:

1. Continuous development of highly-specialized, **industry-specific know-how** and service
2. Be the best on **new technologies** (Internet of Things, Mobile, Big Data etc.)
3. Strengthen the **alliances** with the main software and service providers
4. Invest on **new business models** (i.e. crowdsourcing, advertising, payments, gaming)
Reply in Figures
Business Development

Revenue (EUR million)

CAGR: 20%

2004: 112
2005: 145
2006: 230
2007: 277
2008: 330
2009: 340
2010: 384
2011: 440
2012: 495
2013: 560

Employees

CAGR: 17%

2004: 1,011
2005: 1,277
2006: 1,925
2007: 2,272
2008: 2,686
2009: 2,994
2010: 3,149
2011: 3,422
2012: 3,725
2013: 4,253

EBITDA (EUR million)

CAGR: 18%

2004: 15,8
2005: 21,0
2006: 31,5
2007: 42,3
2008: 46,0
2009: 42,9
2010: 49,2
2011: 55,0
2012: 62,4
2013: 72,6

Net Profit (EUR million)

CAGR: 28%

2004: 3,8
2005: 6,9
2006: 10,3
2007: 15,7
2008: 18,9
2009: 16,6
2010: 20,4
2011: 24,2
2012: 27,1
2013: 34,5
Portfolio Structure (2013)

<table>
<thead>
<tr>
<th>Business Lines</th>
<th>Industries</th>
</tr>
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<tbody>
<tr>
<td>Technologies (46%)</td>
<td>Manufacturing (29%)</td>
</tr>
<tr>
<td>Units working on cross-industry topics (security, big data, …)</td>
<td>Telco (20%)</td>
</tr>
<tr>
<td>Processes (8%)</td>
<td>Media (8%)</td>
</tr>
<tr>
<td>Units active in business consulting (risk management, …)</td>
<td>Utilities (9%)</td>
</tr>
<tr>
<td>Applications (46%)</td>
<td>Government (9%)</td>
</tr>
<tr>
<td>Units working in specific industries (Telco, automotive, …)</td>
<td>Financial Services (25%)</td>
</tr>
<tr>
<td>Manufacturing incl. Retail and Consumer Goods</td>
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Manufacturing incl. Retail and Consumer Goods
Key Performance Indicators

Revenue Growth (%)

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<tbody>
<tr>
<td></td>
<td>30%</td>
<td>29%</td>
<td>59%</td>
<td>20%</td>
<td>19%</td>
<td>3%</td>
<td>13%</td>
<td>15%</td>
<td>12%</td>
<td>13%</td>
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EBITDA-Margin (%)

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<tbody>
<tr>
<td></td>
<td>14,1%</td>
<td>14,5%</td>
<td>15,3%</td>
<td>13,7%</td>
<td>13,9%</td>
<td>12,6%</td>
<td>12,8%</td>
<td>12,5%</td>
<td>12,6%</td>
<td>13,0%</td>
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Free Cash Flow (% of revenue)

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<tbody>
<tr>
<td></td>
<td>0,8%</td>
<td>2,3%</td>
<td>2,6%</td>
<td>5,4%</td>
<td>5,4%</td>
<td>5,1%</td>
<td>4,9%</td>
<td>6,1%</td>
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Return on Equity (%)

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,3%</td>
<td>12,0%</td>
<td>14,6%</td>
<td>18,2%</td>
<td>18,5%</td>
<td>15,6%</td>
<td>16,3%</td>
<td>17,8%</td>
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</table>
## Shareholdings

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders &lt; 2%</td>
<td>42.80%</td>
</tr>
<tr>
<td>BNY Mellon</td>
<td>4.42%</td>
</tr>
<tr>
<td>Alika s.r.l.</td>
<td>52.78%</td>
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</table>

## Investor categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>7.80%</td>
</tr>
<tr>
<td>Institutional investors</td>
<td>30.80%</td>
</tr>
<tr>
<td>Management</td>
<td>2.50%</td>
</tr>
<tr>
<td>Founders</td>
<td>58.90%</td>
</tr>
</tbody>
</table>

## Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>71.7%</td>
</tr>
<tr>
<td>Germany</td>
<td>10.0%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6.9%</td>
</tr>
<tr>
<td>United States</td>
<td>3.8%</td>
</tr>
<tr>
<td>France</td>
<td>1.7%</td>
</tr>
<tr>
<td>Other</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Source: Share Register Reply SpA (Update April 2014) and investor information disclosed
Contact

Reply SpA
investor@reply.eu
www.reply.eu/en/investors