

1H Results 2013

ivsgroup®

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1H 2013 – Highlights

- In the 1H of 2013, IVS improved its EBITDA Adj. by €3.2 mil., mostly due to the successful integration of 2012 acquisitions. Current LTM EBITDA Adj. of the company is €64.0 mil.
- However, cash flow in the 1H 2013 was lower than expected, due to a higher capex spent

€ '000	<i>Actual</i>	<i>Last Year</i>	
	1H 2013	1H 2012	Δ
Value of production	158.384	147.429	7%
EBITDA Adjusted	33.765	30.553	11%
<i>Margin</i>	21,3%	20,7%	
EBIT	11.873	10.748	10%
<i>Margin</i>	7,5%	7,3%	
Net Income Adjusted	8.299	5.188	
Net Financial position	177.770	166.797	
Net Financial position / EBITDA Adj. LTM	2.78x	2.73x	

Note: 2012 numbers were adjusted for the merger with Italy 1 Investment, and restated in connection with the acquisition of Fast Service Italia S.r.l. and Selecta Italia S.p.A.

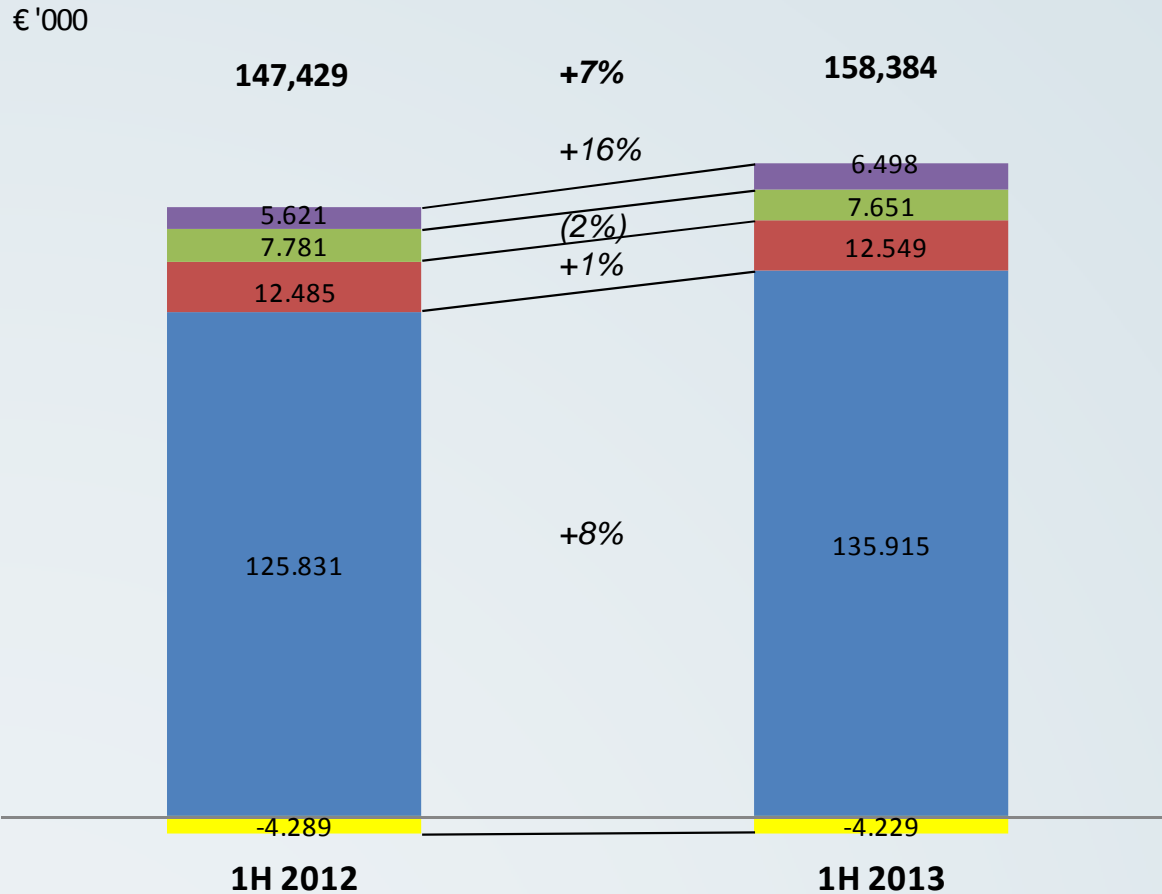
Net Income 2013 numbers were adjusted for the extraordinary costs of the anticipated reimbursement of bank debt following the bond issue.

1H 2013 – Macroeconomic view



Data	Update as	IVS view	Comment	Source
Hours worked	1Q 2013		The number of hours worked in Italy during the first quarter of 2013 decreased by 1.95%, if compared to the first quarter of 2012, and decreased by 1.56%, if compared to the fourth quarter of 2012.	ISTAT
People employed	2Q 2013		The number of people employed in Italy in June 2013 decreased by 1.81% since June 2012. The number of female employees decreased less than the number of male employees (-0.79% vs -2.52%) from June 2012 to June 2013.	ISTAT
Employment rate	2Q 2013		The employment rate in June 2013 in Italy was 55.84%, a value which is lower than June 2012 (56.82%).	ISTAT
Confidence index on firms	2Q 2013		The value of the index in June 2013 is higher than in June 2012 (90.2 vs 88.6). There is a positive trend in the 2nd quarter (88.1 - 88.7 - 90.2)	ISTAT
Prices	2Q 2013		Prices generally increased by 1.23% from June 2012 to June 2013. Prices of food increased by 2.84% in the same period and prices of services for transports increased by 0.98%.	ISTAT
Climate	2Q 2013		Unfavourable meteorological conditions, in particular during the second quarter – where normally a temperature increase favours the consumption of items with higher margin in absolute terms sold through our vending machines – which was colder than the previous year. In Rome, the number of 2013 2Q days where the average temperature was higher than 20° C were 17 (vs. 26 in 2012); in Nice 10 (vs. 24 in 2012) and in Madrid 19 (vs. 40 in 2012).	Wunderground.com

1H 2013 – Value of Production



■ Italy
 ■ France
 ■ Spain
 ■ COIN
 ■ Adjustments and eliminations

New Contracts

Azienda Ospedaliera
 Papa Giovanni XXIII
 Bergamo

Amundi
 ASSET MANAGEMENT

ASP
 RAGUSA
 AZIENDA SANITARIA PROVINCIALE

UNIVERSITÀ
 DEGLI STUDI DI BARI
 ALDO MORO

POLIZIA DI STATO
 QUESTURA DI NAPOLI

1H 2013 – Price / Volume trend

- IVS increased the ASP by 1.36 cent in comparison with 1H last year. Together with the vends acquired in 2012 through acquisition, IVS increased vending sales by 6%. Excluding acquisitions, vends decreased by roughly 3-4% (minus 1.5% considering vends/working days)
- Positive commercial effort of IVS resulted in another quarter of Acquisition Rate > Churn Rate



CHURN RATE* is the ratio between:

- Vends made in the previous Q by the clients which were lost by IVS during the Q;
- Total Vends of the previous Q

ACQUISITION RATE* is the ratio between:

- Vends made in the current Q by the clients which became clients in the previous Q (ramp-up period of 1-2 months is usual in this business);
- Total Vends of the current Q, net of clients acquired in the previous and current Q.

*as defined by IVS

- *Note: Acquisitions of corporates or going-concerns excluded.*

KPIs



KPI	2010	2011	2012	1H 2012	1H 2013
Business days	238	236,9	237,6	122,7	121,5
Units sold (thousands)	664	638	634	325,6	334,1
Sales per business day (€ thousands)	1,107	1,117	1,156	1,117	1,194
Average price (€ cents)	39,70	41,47	43,29	42,08	43,44
Cost of sales per unit sold (€ cent)	(9,40)	(10,93)	(11,25)	(11,02)	(11,38)
Gross profit per unit sold (€ cent)	30,3	30,54	32,04	31,07	32,06
% of technical calls resolved within 8 hours	79%	86%	90%	89%	90%
EBITDA Adjusted (€000)	57.669	59.282	60.750	30.553	33.765
EBITDA Adjusted per business day (€000)	242	250	256	249	278
				Increase	12%

1H 2013 – Income statement

€ '000	Actual		Last Year		
	1H 2013	%	1H 2012	%	Δ
Value of production	158.384	100%	147.429	100%	7%
COGS	(39.625)	25%	(37.269)	25%	6%
Service costs	(18.331)	12%	(17.566)	12%	4%
Personnel costs	(44.250)	28%	(42.511)	29%	4%
Other operating costs	(23.084)	15%	(20.053)	14%	15%
EBITDA Adjusted	33.765	21%	30.553	21%	11%
<i>Margin</i>	21,3%		20,7%		
D&A	(19.770)	12%	(18.500)	13%	7%
Capital gains on property disposal	671	0%	525	0%	28%
Adjustments	(2.793)		(1.830)		
EBIT	11.873	7%	10.748	7%	10%
<i>Margin</i>	7,5%		7,3%		
Financial expenses	(6.328)	4%	(5.853)	4%	8%
NET INCOME Adjusted	8.299	5%	5.188	4%	60%

▪ *Service Costs increased because of logistics, transports, advertisement and consultancies.*

▪ *Other Operating Costs increased mainly because of spare parts, fuel cost in Spain and France, increase of litigation with former employees and costs associated with Mr. Vending.*

▪ *D&A increased because of the PPA of Fast Service.*

Note: 2012 numbers were adjusted for the merger with Italy 1 Investment, and restated in connection with the acquisition of Fast Service Italia S.r.l. and Selecta Italia S.p.A. Net Income 2013 numbers were adjusted for the extraordinary costs of the anticipated reimbursement of bank debt following the bond issue.

1H 2013 – NWC

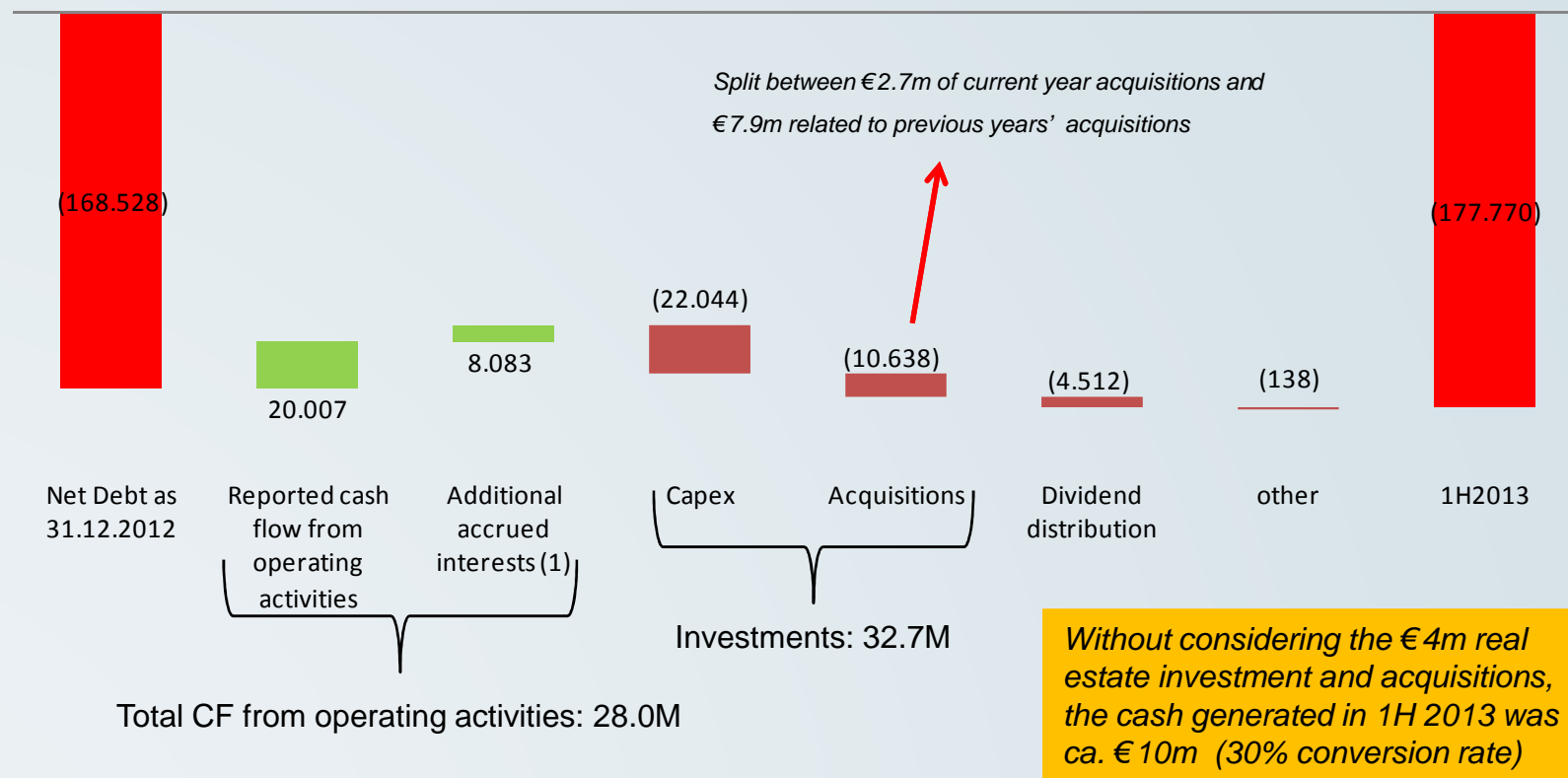


	Actual	Last Year
€ '000	30.6.2013	30.6.2012
Accounts receivable	18.616	16.111
<i>Days</i>	22	20
Inventory	18.943	16.724
<i>Days</i>	86	81
Accounts Payable	(54.296)	(51.522)
<i>Days</i>	139	140
Trade Net Working Capital	(16.737)	(18.687)
Other current assets	38.661	38.549
Other current liabilities	(38.272)	(39.467)
Net other current asset-liabilities	389	(918)
Net Working Capital	(16.348)	(19.605)
<i>as % of LTM value of production</i>	<i>(5,3%)</i>	<i>(6,9%)</i>

*Note: Days are calculated as: Accounts receivable *180 / sales; Inventory * 180 / cogs; Accounts payables (excluding VM) *180 / (cogs + service costs)*VAT. Changes in working capital are different from Cash Flow Statement because of payments for property, plants and equipments acquired in previous years.*

1H 2013 – NFP

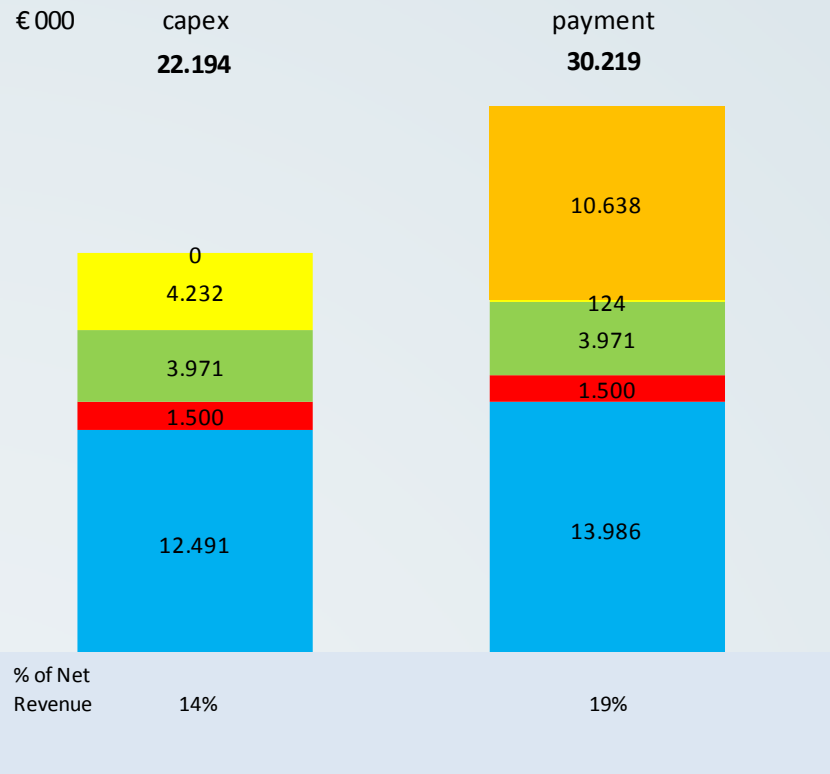
Net Financial Position Evolution



(1) Old bondholders' loan, held primarily by IVS partecipazioni shareholders and converted into equity at the time of the merger with Italy1, accrued interests of €8.083M which were paid during 1H 2013.

1H 2013- Payment of Capex & Acquisition

Capex



■ Vending Machines ■ Vehicles ■ Other assets ■ Real Estates ■ Acquisitions

Note: Refurbishment in 1H 2013 accounts for €3.4M.

VM payment is higher than capex because of capex 2012 payment.

Acquisitions in 1H 2013

➤ 1 Company:

✓ Liguria Caffè Automatico S.r.l. (100%)

➤ 4 Business segments:

✓ DAG

✓ Til Caff

✓ Danmatic

✓ D'Andrea

CLIMATE IMPACT

ITALY 1Q 2013 – Climate impact

1 QUARTER

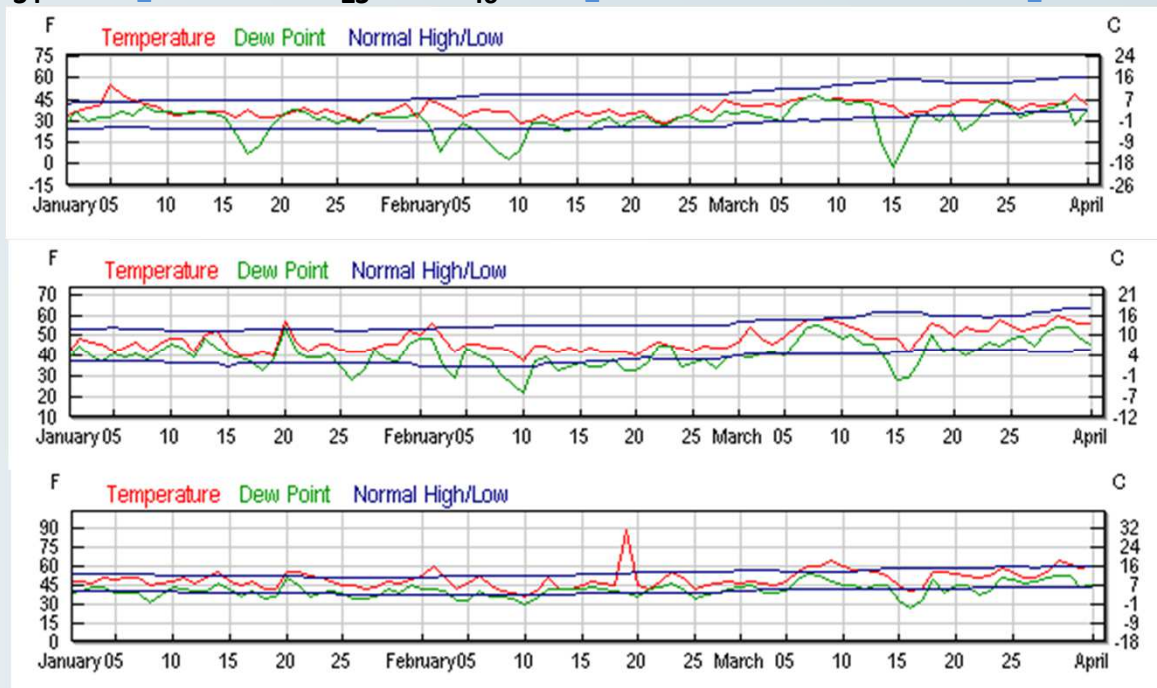
Celsius degrees

	Milan			Rome			Bari		
	1Q 2012	1Q 2013	Comparison	1Q 2012	1Q 2013	Comparison	1Q 2012	1Q 2013	Comparison
Highest daily temp. in the quarter	26	22	↓	23	21	↓	23	26	↑
Average among highest daily temp.	11	9	↓	14	13	↓	13	14	↑
Average among lowest daily temp.	-	2	↑	4	4	↔	5	6	↑
Number of days with temp. > 10°C	15	1	↓	38	18	↓	26	28	↑
Number of days with rainfalls	14	34	↑	23	46	↑	33	39	↑

■ During 1Q 2013, in Milan and Rome there were fewer days with average temperature above 10 Celsius degrees than during 1Q 2012.

■ In Milan and Rome the highest temperatures in 1Q 2013 were lower than in 1Q 2012.

■ The average of the highest temperatures and of the lowest ones seems to be stable in Milan, in Rome and in Bari, with the exception of some differences between the values in each city.



Source: Wunderground.com

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ITALY 2Q 2013 – Climate impact



2 QUARTER

Celsius degrees

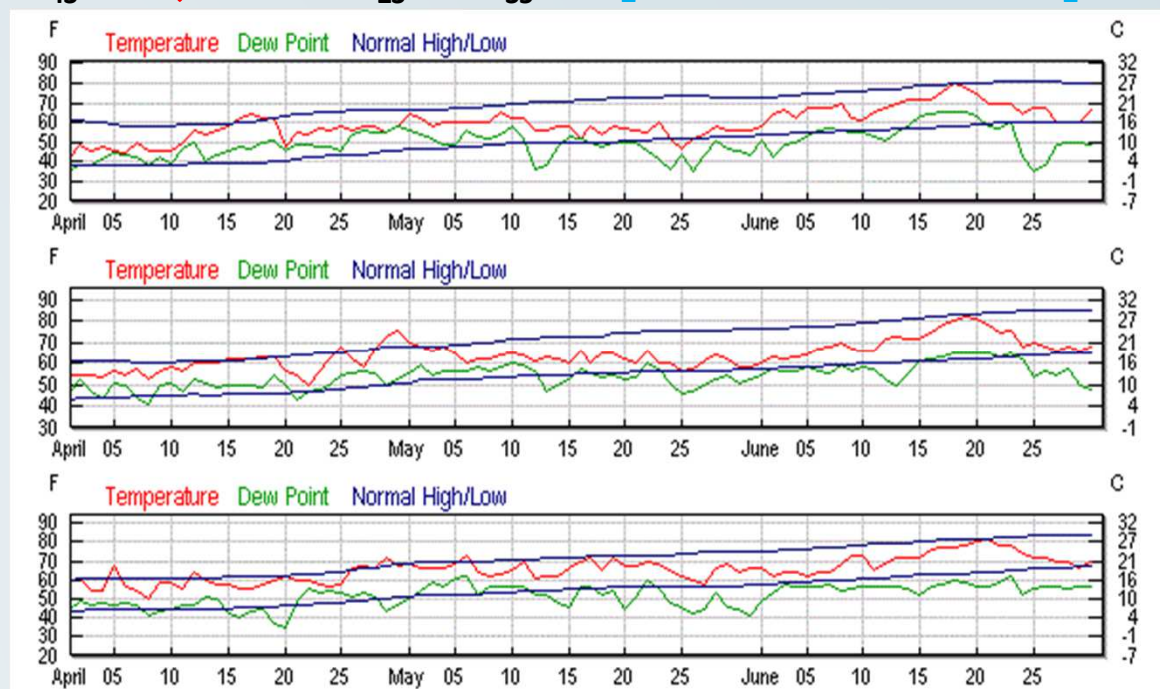
	Milan			Rome			Bari		
	2Q 2012	2Q 2013	Comparison	2Q 2012	2Q 2013	Comparison	2Q 2012	2Q 2013	Comparison
Highest daily temp. in the quarter	32	33	↑	35	34	↓	36	34	↓
Average among highest daily temp.	22	21	↓	24	23	↓	24	24	↔
Average among lowest daily temp.	11	10	↓	13	13	↔	14	14	↔
Number of days with temp. > 20°C	19	12	↓	26	17	↓	27	26	↓
Number of days with rainfalls	45	43	↓	23	35	↑	18	27	↑

▪ During 2Q 2013, in the three cities there were fewer days with average temperature above 20 Celsius degrees than during 2Q 2012.

▪ In Rome and Bari the highest temperatures in 2Q 2013 were lower than in 2Q 2012.

▪ The average of the highest temperatures and of the lowest ones seems to be stable in Milan, in Rome and in Bari, with the exception of some differences between the values in each city.

Source: Wunderground.com



FRANCE 1H 2013 – Climate impact



1 QUARTER

Celsius degrees

	Paris			Nice		
	1Q 2012	1Q 2013	Comparison	1Q 2012	1Q 2013	Comparison
Highest daily temp. in the quarter	23	16	↓	22	17	↓
Average among highest daily temp.	10	6	↓	14	12	↓
Average among lowest daily temp.	3	1	↓	7	6	↓
Number of days with temp. > 10°C	14	5	↓	45	22	↓
Number of days with rainfalls	34	53	↑	10	37	↑

2 QUARTER

Celsius degrees

	Paris			Nice		
	2Q 2012	2Q 2013	Comparison	2Q 2012	2Q 2013	Comparison
Highest daily temp. in the quarter	32	29	↓	30	28	↓
Average among highest daily temp.	18	17	↓	21	19	↓
Average among lowest daily temp.	10	9	↓	15	14	↓
Number of days with temp. > 20°C	4	3	↓	24	10	↓
Number of days with rainfalls	61	46	↓	37	34	↓

Source: Wunderground.com

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SPAIN 1H 2013 – Climate impact



1 QUARTER

Celsius degrees

	Madrid			Barcelona			Zaragoza		
	1Q 2012	1Q 2013	Comparison	1Q 2012	1Q 2013	Comparison	1Q 2012	1Q 2013	Comparison
Highest daily temp. in the quarter	25	18	↓	22	22	↔	25	21	↓
Average among highest daily temp.	14	12	↓	15	15	↔	14	13	↓
Average among lowest daily temp.	-	0	↑	7	7	↔	3	4	↑
Number of days with temp. > 10°C	18	11	↓	51	50	↓	32	28	↓
Number of days with rainfalls	5	42	↑	10	26	↑	10	51	↑

2 QUARTER

Celsius degrees

	Madrid			Barcelona			Zaragoza		
	2Q 2012	2Q 2013	Comparison	2Q 2012	2Q 2013	Comparison	2Q 2012	2Q 2013	Comparison
Highest daily temp. in the quarter	39	35	↓	32	30	↓	41	35	↓
Average among highest daily temp.	24	23	↓	23	21	↓	26	22	↓
Average among lowest daily temp.	11	9	↓	16	14	↓	13	10	↓
Number of days with temp. > 20°C	40	19	↓	41	20	↓	40	17	↓
Number of days with rainfalls	24	29	↑	28	27	↓	30	36	↑

Source: Wunderground.com