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Dear Jeffrey:

Following is a brief summary of where we stand on the Ellesse deal.

We have signed a Letter of Intent to acquire the entire worldwide business of Ellesse, (including all trademarks, designs, patterns, archives, and licenses) from Pentland Group, Plc, for a cash price of \$50 million. "We" is a group that I am assembling with the help of MLV & Co., a New York based merchant banking group, one of whose Managing Directors is an old Italian friend, Marino Marin, who worked on the sales of both Fila and Moncler. MLV will invest some of its own money and has commitments from several of its clients (mostly family offices). The total financial need is \$50 million to close the acquisition and another \$15 to 20 million of capital to be invested over the next few years to fund the growth strategy. I estimate that we have about \$25 - 30 million committed to the transaction and another \$10 - 15 million or so that is interested but waiting to see how the deal develops. Ideally, we would like to have a key or lead investor (private equity firm or individual) who is familiar with the industry and could play an active role on the Board of Directors. People or firms with experience in media, sports, and retail would be particularly attractive. The amount of this investment could range from a relatively small minority stake to a controlling majority stake.

Pentland, the seller, has been very cooperative in providing all of the necessary due diligence information in a comprehensive data room and this has all been thoroughly reviewed by us and our counsel. It is a relatively simple deal as we are only buying trademarks, licenses and archives and incurring no liabilities or ongoing obligations whatsoever. Our agreement with Pentland is strictly confidential and totally exclusive - there is no risk that they will try to sell it to anyone else. Of course, time is of the essence, so we must try to close the deal as soon as possible.

I have attached a summary of the income statement from our financial model. The full model, which I will give you if your group is interested, is very detailed, including projected capital expenditures, cash flows, operating expenses for each segment of the business and all supporting assumptions. You will see that the projections in the model are very conservative, so that we present a cautious (worst case) approach to investors. We know from our own experience at Camuto, Fila, and Adidas, (and the public information on Moncler and Lululemon) that our sales, gross margins, and EBITDA should all be much higher if we are even modestly successful.

Also, please keep in mind that the model does not take into account the potential for expansion into large international markets such as China, the Middle East, and

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Russia. We also believe that there is a substantial opportunity for global licenses of accessories such as sun glasses, bags, hats, gloves, skin care, etc...

Retail is at the core of our strategy. Like Moncler, Brunello Cucinelli, Lululemon, Tory Burch, and most of the recently successful brands, we believe that we must sell directly to our consumers, primarily through our own stores and e-commerce site. The model conservatively projects two dozen stores in the US within 5 years but, of course, if they prove to be as successful as we expect, that number could easily double. We also expect to open stores in all of the major cities in the world that sustain luxury business – especially in Asia and the Middle East.

Of course, the whole story is longer and much more nuanced, so I look forward to elaborating further on our plans tomorrow.

Thanks, and all the best,

Byron