

Press Release

Approval of first quarter 2012 results: stable sales, good profitability, improved net financial position

Sales: 63.5 million euros (64.0 million for the first quarter of 2011; down by 0.6% at current exchange rates);

Ebitda: 11.8 million euros (12.9 million for the first quarter of 2011);

Ebit: 10.6 million euros (11.6 million for the first quarter of 2011);

Net income: 7.3 million euros (7.9 million for the first quarter of 2011);

Net financial position: indebtedness of 8.2 million euros (indebtedness of 18.2 million for the first quarter of 2011).

Milan; May 9, 2012. The Board of Directors of Marcolin S.p.A. held a meeting today chaired by Giovanni Marcolin Coffen to review and approve the first quarter 2012 results of the Marcolin Group.

The Marcolin Group's sales were consistent with those of the first quarter of 2011, maintaining good profitability, although below the record result of the previous first quarter. The net financial position improved.

SALES REVENUES

The net sales of the first quarter of 2012 was 63.5 million euros (64.0 million euros for the first quarter of 2011), a decrease of 0.6% (-1.9% at constant exchange rates).

The following table sets forth the sales revenues by geographical segment:

NET SALES BY GEOGRAPHIC AREA <i>(euro/000)</i>	IQ 2012		IQ 2011		CHANGE	
	Turnover	% on total	Turnover	% on total	Change	Change %
- Europe	30,895	48.6%	36,708	57.4%	(5,813)	(15.8)%
- U.S.A.	14,742	23.2%	12,198	19.1%	2,544	20.9%
- Asia	8,567	13.5%	6,476	10.1%	2,091	32.3%
- Rest of the World	9,334	14.7%	8,568	13.4%	766	8.9%
TOTAL	63,539	100%	63,950	100%	(411)	(0.6)%

In contrast to the decline in Europe, sales performed very well in all other markets. Specifically:

- A 15.8% decline is reported for Europe, particularly in Italy and certain markets of southern Europe such as Portugal, Spain and Greece. Those markets have shrunk due to the persistent economic difficulties there.
- Sales were very satisfactory in Asia (32.3%), in which the greatest increases were reported in Hong Kong, China and Korea;
- sales in the U.S. market were up by 20.9% (17.4% at constant exchange rates);
- Sales of the Rest-of-World segment grew by 8.9%, with strong increases in the United Arab Emirates and Australia;

As is evident from the sales breakdown, the Far East (China, Hong Kong and Korea in particular) represents a strategic market for the Group's future growth both because this market has expanded in the past few years and because Marcolin's brand portfolio, which includes numerous brands in the fashion and luxury segment, has greater appeal for

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consumers in that area. Some of these brands were acquired recently and have great growth and success potential.

Accordingly, Marcolin continues to invest in those markets to strengthen its sales structure and expand its distribution network.

Certain licensed brands of the internationally distributed fashion & luxury segment performed very well, as did the Diesel line, which is part of the diffusion segment.

Compared to the first quarter of 2011, sales fell for the Ferrari brand, for which the licensing agreement expired, and for John Galliano.

OPERATING PROFIT

The gross margin is 63.1% of sales (64.1% for first quarter 2011), a reduction of 1%. The greater rate of decrease with respect to sales is due to the different sales mix for the period concerning the sales channels, benefitting those with lower margins. In fact, sales fell in Europe, in which the Group is present with direct affiliates, which provide higher margins than outside distributors.

Ebitda is 11.812 million euros (12.852 million euros for first quarter 2011) and represents 18.6% of sales (20.1% for first quarter 2011).

Ebit is 10.604 million euros (11.638 million euros for first quarter 2011) and represents 16.7% of sales (18.2% for first quarter 2011).

These margins were affected by the Marcolin Group's decision to promote its sales with more advertising investments, which rose by 14% from first quarter 2011. This resulted in lower margins.

Moreover, although the sales were substantially consistent with those of first quarter 2011, they absorbed less of the guaranteed minimum royalties due under the licensing agreements.

NET RESULT

The net profit is 7.3 million euros (7.9 million euros for the first quarter of 2011), and is 11.5% of sales revenues (12.4% for first quarter 2011).

Due to the seasonality of the Marcolin Group's business sector, margins are concentrated in the first six months of the year, so the first quarter results should not be used to project consistent growth for the rest of the year.

NET FINANCIAL POSITION

The net financial indebtedness at March 31, 2012 was 8.2 million euros, down by 10.0 million euros from the first quarter of 2011 thanks to the constant monitoring of net working capital.

However, compared to December 31, 2011, the indebtedness had an organic increase of 4.8 million euros that is attributable entirely to seasonal factors of the first quarter of the year.

Giovanni Zoppas, C.E.O. and General Manager of Marcolin S.p.A., had the following comments:

"The results achieved in the first quarter of 2012 are on par with our expectations. We are very satisfied with the sales performance in the Group's strategic areas of the Far East and America, where our fashion and luxury brands have high potential.

Our target for the current year is to keep up the excellent results obtained last year."

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In accordance with Article 154-bis, Section 2 of the Consolidated Finance Act, the Financial Reporting Manager, Sandro Bartoletti, states that, to the best of his knowledge, the accounting information contained in this press release corresponds to the company's accounting documents, books and records.

Listed on the Milan Stock Exchange, Marcolin is a leading eyewear company that stands out in the luxury market for its premium quality, attention to detail and first-rate distribution. In 2011 the company sold an estimated 6 million pairs of eyeglasses and sunglasses in more than 800 models. Its licensed brand portfolio includes: Balenciaga, Cover Girl Eyewear, Diesel Shades, DSquared2 Eyewear, Hogan Eyewear, John Galliano Eyewear, Just Cavalli Eyewear, Kenneth Cole New York, Kenneth Cole Reaction, Miss Sixty Glasses, Montblanc Eyewear, Replay Eyes, Roberto Cavalli Eyewear, Swarovski, Timberland, Tod's Eyewear, Tom Ford Eyewear. The Group's house brands include Marcolin and Web Eyewear.

This press release uses some alternative performance indicators not required by IFRS (Ebitda, Net Financial Position). The interim report on operations provides an explanation of such terms.

This press release is available on the company website: www.marcolin.com (English language section).

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/000)	MAR 31, 2012	DEC 31, 2011	MAR 31, 2011
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	19,851	20,206	20,130
INTANGIBLE ASSETS	13,829	13,894	13,457
GOODWILL	2,420	2,498	2,275
INVESTMENTS	97	96	304
DEFERRED TAX ASSETS	14,470	14,186	9,032
OTHER NON CURRENT ASSETS	4,347	5,335	5,118
TOTAL NON CURRENT ASSETS	55,014	56,217	50,317
CURRENT ASSETS			
INVENTORIES	44,696	46,709	37,563
TRADE AND OTHER RECEIVABLES	71,056	63,371	74,535
OTHER CURRENT ASSETS	2,461	704	2,322
CASH AND CASH EQUIVALENTS	25,495	30,986	24,238
TOTAL CURRENT ASSETS	143,708	141,770	138,659
TOTAL ASSETS	198,722	197,988	188,975
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	31,958	31,958	31,958
ADDITIONAL PAID IN CAPITAL	24,517	24,517	24,517
LEGAL RESERVE	2,403	2,403	1,833
OTHER RESERVES	569	1,769	(1,217)
RETAINED EARNINGS (LOSSES)	33,787	12,808	19,488
PROFIT (LOSS) FOR THE PERIOD	7,278	20,979	7,900
MINORITY INTERESTS	0	0	0
TOTAL SHAREHOLDERS' EQUITY	100,513	94,435	84,480
LIABILITIES			
NON CURRENT LIABILITIES			
LONG TERM BORROWINGS	20,648	22,452	25,656
LONG TERM PROVISIONS	3,147	3,200	3,236
DEFERRED TAX LIABILITIES	801	664	892
OTHER NON CURRENT LIABILITIES	0	0	0
TOTAL NON CURRENT LIABILITIES	24,596	26,316	29,784
CURRENT LIABILITIES			
TRADE PAYABLES	35,212	43,775	33,561
SHORT TERM BORROWINGS	13,086	12,002	16,831
SHORT TERM PROVISIONS	7,467	8,487	6,748
INCOME TAXES	5,968	3,263	8,325
OTHER CURRENT LIABILITIES	11,879	9,710	9,247
TOTAL CURRENT LIABILITIES	73,613	77,236	74,712
TOTAL LIABILITIES	98,209	103,552	104,495
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	198,722	197,987	188,975

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CONSOLIDATED INCOME STATEMENT		MARCOLIN GROUP			
<i>(euro/000)</i>		IQ 2012	%	IQ 2011	%
NET SALES		63,539	100%	63,950	100.0%
COST OF SALES		(23,433)	(36.9)%	(22,929)	(35.9)%
	GROSS PROFIT	40,106	63.1%	41,021	64.1%
SELLING AND MARKETING COSTS		(26,417)	(41.6)%	(26,236)	(41.0)%
GENERAL AND ADMINISTRATIVE EXPENSES		(4,385)	(6.9)%	(4,015)	(6.3)%
OTHER OPERATING INCOME AND EXPENSES					
OTHER OPERATING INCOME		995	1.6%	921	1.4%
OTHER OPERATING EXPENSES		(60)	(0.1)%	(31)	(0.0)%
TOTAL		935	1.5%	890	1.4%
EFFECTS OF ACCOUNTING FOR ASSOCIATES		364	0.6%	(22)	(0.0)%
	EBITDA	11,812	18.6%	12,852	20.1%
	OPERATING PROFIT - EBIT	10,604	16.7%	11,638	18.2%
FINANCIAL INCOME AND EXPENSES					
FINANCIAL INCOME		235	0.4%	742	1.2%
FINANCIAL EXPENSES		(734)	(1.2)%	(1,403)	(2.2)%
TOTAL		(499)	(0.8)%	(661)	(1.0)%
NET RESULT BEFORE TAXES		10,105	15.9%	10,977	17.2%
INCOME TAXES		(2,827)	(4.4)%	(3,077)	(4.8)%
MINORITY INTERESTS		0		0	
NET RESULT		7,278	11.5%	7,900	12.4%
EARNINGS/(LOSS) PER SHARE		0.118		0.129	
DILUTED EARNINGS/(LOSS) PER SHARE		0.118		0.128	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
PROFIT		7,278	7,900
GAINS/(LOSSES) ON EXCHANGE DIFFERENCES ON TRANSLATING FOREIGN OPERATIONS RESERVE		(1,200)	(2,061)
GAINS/(LOSSES) ON CASH FLOW HEDGES RESERVE		0	12
TOTAL COMPREHENSIVE PROFIT/(LOSS)		6,079	5,851

CONSOLIDATED CASH FLOW STATEMENT	IQ 2012	IQ 2011
<i>(euro/000)</i>		
<i>Operating profit before working capital changes</i>	<i>12,400</i>	<i>14,207</i>
<i>Cash flows provided (used) by working capital changes</i>	<i>(15,138)</i>	<i>(13,370)</i>
Cash flows provided (used) by operating activities	(2,738)	837
Cash flows provided (used) in investing activities	(709)	(7,715)
Cash flows (used) by financing activities	(1,761)	(3,757)
Cash and cash equivalents increase (decrease)	(5,209)	(10,634)
Effect of exchange rates on cash	(282)	(598)
Cash and cash equivalents at beginning of year	30,986	35,471
Cash and cash equivalents at year end	25,495	24,238

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