

Press Release

**Approval of first quarter 2011 results: Marcolin is off to an excellent start, with sales up by 12% and earnings up by 31%.**

**Sales:** 64.6 million euros (57.5 million for the first quarter of 2010; up by 12.3%);

**Ebitda:** 14.1 million euros (9.5 million for the first quarter of 2010, up by 49.0%);

**Ebit:** 11.6 million euros (7.7 million for the first quarter of 2010, up by 51.1%);

**Net income:** 7.9 million euros (6.0 for the first quarter of 2010, up by 31.1%);

**Net financial position:** indebtedness of 18.2 million euros (indebtedness of 26.3 million for the first quarter of 2010).

*Milan; May 11, 2011.* 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 2011 results of the Marcolin Group.

Compared to the first quarter of the prior year, sales revenues rose by 12.3%, net income by 31.1% and Ebitda by 49.0%, whereas the net financial position of indebtedness improved by 8.1 million euros (from the 26.3 million euros of the first quarter of 2010).

The Group achieved these results thanks to the internal reorganization process initiated in 2009, which had already begun to produce effects in 2010 and shall continue to do so this year. The reorganization process focused on product costs, internal production and quality, and brought about enhanced efficiency. The increase in sales enabled reducing the incidence of the royalties due under licensing agreements.

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.

**SALES REVENUES**

The sales revenues of the first quarter of 2011 were 64.6 million euros (57.5 million euros for the first quarter of 2010), an increase of 12.3% from the first quarter of the prior year. Applying the same exchange rate, the growth was 11.4%.

The sales performance was enhanced by the growth experienced by brands in the fashion and luxury segment, and by the arrival on the market of the new Swarovski line.

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

| Net sales by geografic area<br><i>(euro/000)</i> | IQ 2011       |               | IQ 2010       |               | Increase     |              |
|--|---------------|---------------|---------------|---------------|--------------|--------------|
|  | Net sales     | % on total    | Net sales     | % on total    | Increase     | Change       |
| - Europe   | 36.708        | 56,9%         | 34.266        | 59,6%         | 2.442        | 7,1%         |
| - U.S.A.   | 12.804        | 19,8%         | 11.308        | 19,7%         | 1.497        | 13,2%        |
| - Asia   | 6.476         | 10,0%         | 4.535         | 7,9%          | 1.941        | 42,8%        |
| - Rest of the World                              | 8.568         | 13,3%         | 7.393         | 12,9%         | 1.175        | 15,9%        |
| <b>TOTAL</b>                                     | <b>64.556</b> | <b>100,0%</b> | <b>57.502</b> | <b>100,0%</b> | <b>7.054</b> | <b>12,3%</b> |

Contacts:

Investor Relator

Sandro Bartoletti

+39 0437 777 111

invrel@marcolin.com

Press Office

Serena Valente

+39 02 76387611

svalente@marcolin.com

The table above reports very satisfactory performance in Asia (+42.8%), which represents a strategic market for the Group, and in which the sales structure and distribution network have recently been expanded. The greatest increases were reported in Hong Kong, Korea and India.

Sales of the rest-of-world segment grew a significant 15.9% (with strong increases in the United Arab Emirates), and sales in the U.S.A. are up by 13.2% (+12.0% applying the same exchange rate).

In Europe sales grew by 7.1%. Some central and eastern European markets performed very well, whereas some Mediterranean markets experienced slowdowns due to persistent economic difficulties.

#### **OPERATING INCOME**

Gross operating income is 63.9% of sales (61.5% for first quarter 2010), an increase of more than 2% from the same period of the previous year;

Ebitda is 14.1 million euros, against the 9.5 million euros of the first quarter of 2010, and represents 21.8% of sales revenues (16.5% for first quarter 2010), an increase of 49.0%;

Ebit is 11.6 million euros (7.7 million euros for first quarter 2010) and represents 18.0% of sales revenues (13.4% for first quarter 2010), an increase of 51.1%.

#### **NET INCOME**

Net income is 7.9 million euros, compared to the 6.0 million euros of the first quarter of 2010, and is 12.2% of sales revenues (10.5% for first quarter 2010), an increase of 31.1%.

#### **NET FINANCIAL POSITION**

The indebtedness at March 31, 2011 was 18.2 million euros, down by 8.1 million euros from the first quarter of 2010 thanks to the constant monitoring of net working capital.

However, compared to December 31, 2010, indebtedness had an organic increase of 9.6 million euros that is attributable entirely to seasonal factors of the first quarter of the year. The difference is due primarily to the increase in working capital and to investing activities. The cash flow statement provides additional information on this subject.

**Massimo Saracchi, C.E.O. and General Manager of Marcolin S.p.A., had the following comments: “The Marcolin Group got off to a good start in 2011. Our target is to improve on the record results of 2010. We are taking all action necessary to boost sales and profits. We are also investing in innovative projects that could bring our Company another step ahead. We shall begin validating these projects in the next few months and anticipate obtaining the initial results in 2012”.**

The Board of Directors passed a resolution to approve the request formulated by the C.E.O. to provide cash payouts for the Stock Option Plan, the term of which expires on April 29, 2011.

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.

#### Contacts:

Investor Relator  
Sandro Bartoletti  
+39 0437 777 111  
invrel@marcolin.com

Press Office  
Serena Valente  
+39 02 76387611  
svalente@marcolin.com

# MARCOLIN

EYEWEAR

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 2010 the company distributed an estimated 5.5 million pairs of eyeglasses and sunglasses in more than 600 models. Its licensed brand portfolio includes: Cover Girl Eyewear, Diesel Shades, DSquared2 Eyewear, Ferrari, Hogan Eyewear, John Galiano 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 own 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](http://www.marcolin.com) (English language section).

**Contacts:**

Investor Relator  
Sandro Bartoletti  
+39 0437 777 111  
[invrel@marcolin.com](mailto:invrel@marcolin.com)

Press Office  
Serena Valente  
+39 02 76387611  
[svalente@marcolin.com](mailto:svalente@marcolin.com)

| <b>CONSOLIDATED BALANCE SHEET</b>                 | <b>MARCOLIN GROUP</b> |                |                |
|---|-----------------------|----------------|----------------|
| <i>(euro/000)</i>                                 | 31.03.2011            | 31.12.2010     | 31.03.2010     |
| <b>ASSETS</b>                                     |                       |                |                |
| <b>NON CURRENT ASSETS</b>                         |                       |                |                |
| PROPERTY, PLANT AND EQUIPMENT                     | 20.130                | 20.180         | 19.276         |
| INTANGIBLE ASSETS                                 | 13.457                | 3.732          | 3.425          |
| GOODWILL  | 2.275                 | 2.419          | 2.398          |
| INVESTMENTS                                       | 304                   | 334            | 331            |
| DEFERRED TAX ASSETS                               | 9.032                 | 9.500          | 8.066          |
| OTHER NON CURRENT ASSETS                          | 5.118                 | 5.404          | 972            |
| <b>TOTAL NON CURRENT ASSETS</b>                   | <b>50.317</b>         | <b>41.569</b>  | <b>34.469</b>  |
| <b>CURRENT ASSETS</b>                             |                       |                |                |
| INVENTORIES                                       | 37.324                | 41.073         | 34.419         |
| TRADE AND OTHER RECEIVABLES                       | 75.415                | 62.306         | 75.909         |
| OTHER CURRENT ASSETS                              | 2.322                 | 383            | 678            |
| CASH AND CASH EQUIVALENTS                         | 24.238                | 35.471         | 26.414         |
| <b>TOTAL CURRENT ASSETS</b>                       | <b>139.299</b>        | <b>139.233</b> | <b>137.419</b> |
| <b>ASSETS HELD FOR SALE</b>                       | <b>0</b>              | <b>2.969</b>   | <b>0</b>       |
| <b>TOTAL ASSETS</b>                               | <b>189.616</b>        | <b>183.771</b> | <b>171.889</b> |
| <b>SHAREHOLDERS' EQUITY</b>                       |                       |                |                |
| SHARE CAPITAL                                     | 31.958                | 31.958         | 31.958         |
| ADDITIONAL PAID IN CAPITAL                        | 24.517                | 24.517         | 24.517         |
| LEGAL RESERVE                                     | 1.833                 | 1.833          | 1.776          |
| OTHER RESERVES                                    | (1.217)               | 820            | (80)           |
| RETAINED EARNINGS (LOSSES)                        | 19.488                | 885            | 965            |
| PROFIT (LOSS) FOR THE PERIOD                      | 7.900                 | 18.606         | 6.024          |
| MINORITY INTERESTS                                | 0                     | 0              | 0              |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 | <b>84.480</b>         | <b>78.620</b>  | <b>65.160</b>  |
| <b>LIABILITIES</b>                                |                       |                |                |
| <b>NON CURRENT LIABILITIES</b>                    |                       |                |                |
| LONG TERM BORROWINGS                              | 25.656                | 27.450         | 33.722         |
| LONG TERM PROVISIONS                              | 3.236                 | 3.240          | 3.753          |
| DEFERRED TAX LIABILITIES                          | 892                   | 974            | 811            |
| OTHER NON CURRENT LIABILITIES                     | 0                     | 0              | 0              |
| <b>TOTAL NON CURRENT LIABILITIES</b>              | <b>29.784</b>         | <b>31.663</b>  | <b>38.286</b>  |
| <b>CURRENT LIABILITIES</b>                        |                       |                |                |
| TRADE PAYABLES                                    | 33.701                | 36.756         | 31.662         |
| SHORT TERM BORROWINGS                             | 16.831                | 16.652         | 19.024         |
| SHORT TERM PROVISIONS                             | 7.171                 | 6.191          | 4.916          |
| INCOME TAXES                                      | 8.325                 | 4.614          | 4.617          |
| OTHER CURRENT LIABILITIES                         | 9.324                 | 9.274          | 8.223          |
| <b>TOTAL CURRENT LIABILITIES</b>                  | <b>75.352</b>         | <b>73.487</b>  | <b>68.442</b>  |
| <b>TOTAL LIABILITIES</b>                          | <b>105.136</b>        | <b>105.150</b> | <b>106.728</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>189.616</b>        | <b>183.771</b> | <b>171.889</b> |

Contacts:  
Investor Relator  
Sandro Bartoletti  
+39 0437 777 111  
invrel@marcolin.com

Press Office  
Serena Valente  
+39 02 76387611  
svalente@marcolin.com

**CONSOLIDATED INCOME STATEMENT**

**MARCOLIN GROUP**

(euro/000)

|   | I quarter<br>2010 | %            | I quarter<br>2009 | %            |
|---|-------------------|--------------|-------------------|--------------|
| NET SALES   | 64.556            | 100,0%       | 57.502            | 100,0%       |
| COST OF SALES                                     | (23.308)          | (36,1)%      | (22.159)          | (38,5)%      |
| <b>GROSS PROFIT</b>                               | <b>41.248</b>     | <b>63,9%</b> | <b>35.343</b>     | <b>61,5%</b> |
| SELLING AND MARKETING COSTS                       | (26.462)          | (41,0)%      | (24.587)          | (42,8)%      |
| GENERAL AND ADMINISTRATIVE EXPENSES               | (4.015)           | (6,2)%       | (3.863)           | (6,7)%       |
| OTHER INCOME AND EXPENSES                         | 628               | 1,0%         | 796               | 1,4%         |
| OTHER NON RECURRENT OPERATING INCOME AND EXPENSES | 240               | 0,4%         | 14                | 0,0%         |
| <b>OPERATING PROFIT - EBIT</b>                    | <b>11.638</b>     | <b>18,0%</b> | <b>7.704</b>      | <b>13,4%</b> |
| FINANCIAL INCOME AND EXPENSES                     | (661)             | (1,0)%       | (521)             | (0,9)%       |
| <b>NET RESULT BEFORE TAXES</b>                    | <b>10.977</b>     | <b>17,0%</b> | <b>7.183</b>      | <b>12,5%</b> |
| INCOME TAXES                                      | (3.077)           | (4,8)%       | (1.159)           | (2,0)%       |
| MINORITY INTERESTS                                | 0                 | 0,0%         | 0                 | 0,0%         |
| <b>NET RESULT</b>                                 | <b>7.900</b>      | <b>12,2%</b> | <b>6.024</b>      | <b>10,5%</b> |
| <b>EBITDA</b>                                     | <b>14.099</b>     | <b>21,8%</b> | <b>9.462</b>      | <b>16,5%</b> |
| <b>EPS (euro)</b>                                 | <b>0,129</b>      |              | <b>0,098</b>      |              |
| <b>EPS diluted (euro)</b>                         | <b>0,128</b>      |              | <b>0,097</b>      |              |

**STATEMENT OF COMPREHENSIVE INCOME**

|                                    |              |              |
|------------------------------------|--------------|--------------|
| <b>NET RESULT</b>                  | <b>7.900</b> | <b>6.024</b> |
| CURRENCY TRANSLATION               | (2.057)      | 1.715        |
| NET GAIN (LOSS) OF CASH FLOW HEDGE | 12           | (42)         |
| <b>NET COMPREHENSIVE INCOME</b>    | <b>5.855</b> | <b>7.697</b> |

**CONSOLIDATED CASH FLOW STATEMENT**

I quarter 2011

I quarter 2010

(euro/000)

|   |                 |                |
|---|-----------------|----------------|
| Operating profit before working capital changes           | 14.207          | 8.843          |
| Cash flows provided (used) by working capital changes     | (13.370)        | (10.447)       |
| <b>Cash flows provided (used) by operating activities</b> | <b>837</b>      | <b>(1.604)</b> |
| <b>Cash flows provided (used) in investing activities</b> | <b>(7.715)</b>  | <b>(2.819)</b> |
| <b>Cash flows (used) by financing activities</b>          | <b>(3.757)</b>  | <b>6.030</b>   |
| <b>Cash and cash equivalents increase (decrease)</b>      | <b>(10.634)</b> | <b>1.607</b>   |
| Effect of exchange rates on cash                          | (598)           | 455            |
| <b>Cash and cash equivalents at beginning of year</b>     | <b>35.471</b>   | <b>24.351</b>  |
| <b>Cash and cash equivalents at year end</b>              | <b>24.238</b>   | <b>26.414</b>  |

Contacts:

Investor Relator  
Sandro Bartoletti  
+39 0437 777 111  
invrel@marcolin.com

Press Office  
Serena Valente  
+39 02 76387611  
svalente@marcolin.com