

Press Release

Results of first quarter 2010 approved: a good start to the year with 10% growth in revenue and net income up by 44%.

Revenue: 57.5 mn euro (52.3 mn in the first quarter of 2009; 10% growth);
EBITDA: 9.5 mn euro (6.9 mn in the first quarter of 2009);
EBIT: € 7.7 mn (compared to € 5.5 mn in the first quarter of 2009);
Net Result: € 6.0 mn (compared to € 4.2 mn in the first quarter of 2009);
Net Financial Position: negative by € 26.3 mn (compared to negative by € 38.9 mn in the first quarter of 2009).

Longarone 12 May 2010. The Marcolin S.p.A. Board of Directors which met today, chaired by Giovanni Marcolin Coffen, has examined and approved the results of the Marcolin Group for the first quarter of 2010.

Compared to the first quarter of the preceding year, income from sales has risen by 10%, EBITDA by 37.5%, the net profit by 44.3% and the net financial position has marked a considerable improvement, of 12.6 million euro.

The overall results achieved by the Group are mainly due to the internal reorganisation carried out in 2009. This involved greater attention to internal production and quality as well as significant productive investments which are still in progress and which will lead to further positive returns in terms of efficiency.

REVENUE

Revenue in the first quarter of 2010 amounted to 57.5 million euro (52.3 million euro in the first quarter of 2009): an increase of 10%. At par exchange, growth would be 11%. The good trend is also the result of the contribution from the sales of lines recently introduced onto the market, such as Tod's, Hogan and John Galliano; the company has great confidence in these licences.

A breakdown of sales by geographical area is shown below:

Net sales by geographic area (euro/000)	I quarter 2010		I quarter 2009		Increase (decrease)	
	Turnover	% on total	Turnover	% on total	Turnover	Change
- Italy	13.344	23%	11.182	21%	2.162	19%
- Europe	20.922	36%	20.985	40%	(63)	(0,3)%
- U.S.A.	11.308	20%	10.661	20%	647	6%
- Rest of the World	11.928	21%	9.507	18%	2.421	25%
TOTAL	57.502	100%	52.334	100%	5.167	10%

The data given in the table show the positive trend of sales in the Rest of the World (+25%) and on the domestic market (+19%).

For the Rest of the World, the most significant increases were in the Far East and in the Arab Emirates

The USA market, at par exchange rates, has also increased significantly, with revenue up by 12.6% (+6% at current rates).

The situation of the European markets, however, is on the whole stable compared to the same period of 2009 but with a more irregular trend, with good signs of recovery in some countries countered by the negative effects of the economic crisis which are still affecting other markets.

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OPERATING RESULT

The Gross Industrial Result is 61.5% of revenue (57.5% in the same quarter of 2009), with considerable improvement, equal to four percentage points, on the same period of the previous year.

EBIT is at 7.7 million euro (5.5 million euro in the first quarter of 2009), representing 13.4% of revenue (10.5% in the first quarter of 2009), with a percentage increase of 39.6%.

EBITDA is at 9.5 million euro compared to 6.9 million euro for the first three months of 2009 and represents 16.5% of revenue (13.1% in the first quarter of 2009) with a percentage increase of 37.5%.

NET RESULT

A net profit of 6.0 million euro has been achieved, compared to 4.2 million in the first quarter of 2009, and is equal to 10.5% of the revenue (8.0% of revenue in the first quarter of 2009) with a percentage increase of 44.3%.

It must be noted that the seasonal nature of the sector implies higher margins in the first six months of the year, and it would therefore be unreasonable to make proportional forecasts for the next quarters based on the positive results of these first three months

NET FINANCIAL POSITION

The net financial position at 31 March 2010 shows a decided improvement, equal to 12.6 million euro on the figure of the equivalent quarter of 2009. This change is even better than that registered at 31 December 2009 compared to the previous financial year (+8.9 million euro).

With regard to the figures at 31 December 2009, the net financial position shows a physiological negative change equal to 2.5 million euro, due to seasonal phenomena which are present in the first part of the year. The change is mainly due to an increase in floating capital and to investments, as shown in more specifically on the income statement, which we invite you to consult for greater detail.

CEO and General Director of Marcolin S.p.A. Massimo Saracchi commented: “The Marcolin Group has started the year very well. Orders show important increases, our new lines have met with the favour of the international markets, and our Company's operating strength and efficiency show good improvement. I am confident that in 2010 the Marcolin Group will achieve excellent results, with growth on last year.”

In accordance with section 2, article 154-bis of the Consolidated Finance Act, the Financial Reporting Officer, Sandro Bartoletti, declares that the financial information contained in this press release is an accurate reflection of the company's records, books and accounting entries.

Marcolin, listed on the Milan Stock Exchange, is one of the leading eyewear companies, and stands out, in the luxury sector, for the premium quality of its products, its attention to detail, and focused distribution. The portfolio of licensed brands includes: Cover Girl Eyewear, DSquared2 Eyewear, Ferrari, 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 Eyewear, Timberland, Tod's Eyewear, Tom Ford Eyewear. Marcolin and Web Eyewear feature among the Group's own brands.

This press release uses some “alternative performance indicators” which are not envisaged in the IFRS accounting principles (EBITDA, Net Financial Position); for their meaning, please refer to the directors' interim report.

This press release is available online at www.marcolin.com (in the section in English)

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CONSOLIDATED BALANCE SHEET

MARCOLIN GROUP

(euro/000)

	31.03.2010	31.12.2009	31.03.2009
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	19.276	17.425	15.008
INTANGIBLE ASSETS	3.425	3.150	4.093
GOODWILL	2.398	2.243	2.429
INVESTMENTS	331	372	720
DEFERRED TAX ASSETS	8.066	7.031	3.980
OTHER NON CURRENT ASSETS	972	630	783
TOTAL NON CURRENT ASSETS	34.469	30.851	27.012
CURRENT ASSETS			
INVENTORIES	34.419	38.318	46.996
TRADE AND OTHER RECEIVABLES	75.909	62.302	69.069
OTHER CURRENT ASSETS	678	596	780
CASH AND CASH EQUIVALENTS	26.414	24.351	10.036
TOTAL CURRENT ASSETS	137.419	125.567	126.881
TOTAL ASSETS	171.889	156.418	153.893
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	31.958	31.958	31.958
ADDITIONAL PAID IN CAPITAL	24.517	24.517	24.517
LEGAL RESERVE	1.776	1.776	1.703
OTHER RESERVES	(80)	(1.770)	(1.407)
RETAINED EARNINGS (LOSSES)	965	(6.117)	(6.126)
PROFIT (LOSS) FOR THE PERIOD	6.024	7.080	4.173
MINORITY INTERESTS	0	0	0
TOTAL SHAREHOLDERS' EQUITY	65.160	57.445	54.819
LIABILITIES			
NON CURRENT LIABILITIES			
LONG TERM BORROWINGS	33.722	29.254	28.844
LONG TERM PROVISIONS	3.753	3.784	4.035
DEFERRED TAX LIABILITIES	811	769	758
OTHER NON CURRENT LIABILITIES	0	28	49
TOTAL NON CURRENT LIABILITIES	38.286	33.835	33.685
CURRENT LIABILITIES			
TRADE PAYABLES	31.662	32.755	28.278
SHORT TERM BORROWINGS	19.024	18.936	20.087
SHORT TERM PROVISIONS	4.916	4.490	4.861
INCOME TAXES	4.617	1.917	4.891
OTHER CURRENT LIABILITIES	8.223	7.040	7.272
TOTAL CURRENT LIABILITIES	68.442	65.138	65.389
TOTAL LIABILITIES	106.728	98.973	99.074
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	171.889	156.418	153.893

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CONSOLIDATED INCOME STATEMENT

MARCOLIN GROUP

(euro/000)

	I quarter 2010	%	I quarter 2009	%
NET SALES	57.502	100,0%	52.334	100,0%
COST OF SALES	(22.159)	(38,5)%	(22.216)	(42,5)%
GROSS PROFIT	35.343	61,5%	30.118	57,5%
SELLING AND MARKETING COSTS	(24.587)	(42,8)%	(21.778)	(41,6)%
GENERAL AND ADMINISTRATIVE EXPENSES	(3.863)	(6,7)%	(3.835)	(7,3)%
OTHER INCOME AND EXPENSES	796	1,4%	697	1,3%
OTHER NON RECURRENT OPERATING INCOME AND EXPENSES	14	0,0%	316	0,6%
OPERATING PROFIT - EBIT	7.704	13,4%	5.517	10,5%
FINANCIAL INCOME AND EXPENSES	(521)	(0,9)%	(590)	(1,1)%
NET RESULT BEFORE TAXES	7.183	12,5%	4.927	9,4%
INCOME TAXES	(1.159)	(2,0)%	(754)	(1,4)%
MINORITY INTERESTS	0	0,0%	0	0,0%
NET RESULT	6.024	10,5%	4.173	8,0%
EPS (euro)	0,098		0,068	
EPS diluted (euro)	0,097		0,067	

STATEMENT OF COMPREHENSIVE INCOME

NET RESULT	6.024	4.173
CURRENCY TRANSLATION	1.715	748
NET GAIN (LOSS) OF CASH FLOW HEDGE	(42)	(127)
NET COMPREHENSIVE INCOME	7.697	4.793

CONSOLIDATED CASH FLOW STATEMENT

I quarter 2010

I quarter 2009

(euro/000)

<i>Operating profit before working capital changes</i>	8.843	7.613
<i>Cash flows provided (used) by working capital changes</i>	(10.447)	(12.981)
Cash flows provided (used) by operating activities	(1.604)	(5.368)
Cash flows provided (used) in investing activities	(2.819)	(1.225)
Cash flows (used) by financing activities	6.030	3.256
Cash and cash equivalents increase (decrease)	1.607	(3.337)
Effect of exchange rates on cash	455	214
Cash and cash equivalents at beginning of year	24.351	13.159
Cash and cash equivalents at year end	26.414	10.036

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