

Press Release

The Results for 2008 show a return to significant profit, a considerable increase in margins and growing revenue.

Marcolin S.p.A.'s Board of Directors approves the draft Statutory and Consolidated Financial Statements at 31 December 2008 and calls a Shareholders' ordinary meeting.

Summary of 2008 consolidated figures

Revenue: €186.8 million (+2.5% compared with 2007; +4.9% at constant exchange rates)

EBITDA: €20.9 million (compared with €10.6 million in 2007)

EBIT: €13.8 million (compared with €-0.1 million in 2007)

Net result: €6.1 million (compared with €-6.9 million in 2007)

Net Financial Position: negative by €32.7 million (compared with negative by €36.2 million at the end of 2007)

Milan, 25 March 2009. Marcolin S.p.A.'s Board of Directors, at a meeting today chaired by Giovanni Marcolin Coffen, approved the consolidated financial statements and the draft financial statements of the parent company at 31 December 2008.

For the Marcolin Group, 2008 was characterised by the following events:

- a return to significant net profit after three years of losses;
- a considerable increase in margins with EBITDA doubled compared with 2007;
- growth in revenue generated mainly by the Luxury & Fashion segment;
- completion of the work to close the manufacturing facilities of the Cébé company and to integrate its commercial business with that of the subsidiary Marcolin France;
- the signing of important new licensing agreements relating to the Tod's, Hogan, Dsquared2 and John Galliano brands, which are situated in the Luxury & Fashion market range, sales of which will begin during 2009.

KEY CONSOLIDATED FIGURES

Revenue

The Group's revenue was €186.8 million, an increase of 2.5% over 31 December 2007 (€182.3 million). At constant exchange rates the increase would have been 4.9%.

A breakdown of sales by geographical area is shown below:

Net sales by geografic area <small>(euro thousands)</small>	2008		2007		Increase (decrease)	
	Net sales	% on total	Net sales	% on total	Net sales	increase
- Italy	36.314	19,4%	37.212	20,4%	(898)	(2,4)%
- Europe	72.567	38,8%	73.860	40,5%	(1.293)	(1,8)%
- U.S.A.	40.278	21,6%	40.004	21,9%	274	0,7%
- Rest of the world	37.686	20,2%	31.199	17,1%	6.486	20,8%
Total	186.845	100,0%	182.275	100,0%	4.569	2,5%

As regards the breakdown of sales by geographical area, an increase in sales was seen in the Rest of the World (+20.8%) and in particular in Brazil, South Korea, the United Arab Emirates and Turkey, confirming the Group's greater internationalization in line with Marcolin's development strategies.

In the U.S. market it should be noted that at a constant exchange rate revenue would have increased by 12% compared with 2007.

The decline in revenue seen in Italy and Europe is mainly due to the effect of closing Cébé's winter sports business. With reference to the revenue achieved in Europe, it is worth noting the significant increase recorded by the French subsidiary (+54.8% net of sales of products with the Cébé brand) and the Belgian subsidiary (+31%).

EBITDA/EBIT

2008 ended with a positive EBITDA of €20.9 million (€10.6 million at 31 December 2007), which corresponds to 11.2% of sales (5.8% of sales at the end of 2007), an improvement of €10.3 million compared with the previous year.

The improvement in EBITDA with respect to 2007 is mainly attributable to the following factors:

- greater manufacturing efficiency and an increase in sales of products relating to brands with higher margins;
- the containment of commercial, advertising and administrative costs (taking into account for 2007 the other, non-recurrent operating costs relating to Cébé) which increased proportionally less than revenues;
- the improvement in margins on sales obtained by Marcolin USA which increased its EBITDA by €1.5 million.
- the closure of the businesses associated with the winter segment of the subsidiary Cébé which had a negative effect on EBITDA in 2007 of €4.7 million;

In order to better understand the Group's economic performance, it is worth noting the trend in EBITDA with reference only to the sunglasses and vision eyewear business (thus excluding the sports eyewear business) which brought in €19.9 million, compared with the €15.3 million at 31 December 2007.

The operating profit (EBIT) was €13.8 million compared with €-0.1 million at 31 December 2007, a clear improvement attributable mainly to the factors listed above.

The same indicator net of the sports business (Cébé) improved by €4.8 million going up from €8.7 million in 2007 to €13.5 million in 2008.

Net result

The Marcolin Group achieved a profit for the year of €6.1 million (a loss of €6.9 million at 31 December 2007) after three years of losses.

Net financial position

The overall net financial position of the Marcolin Group improved by €3.5 million compared with the previous year as a result of the cash flow provided by operating activities (of €7.4 million) and used in part by investing activities (of €3.9 million).

It is worth noting the improvement in the ratio between the net financial position and shareholders' equity which was 0.65 (0.83 at 31 December 2007).

KEY FIGURES OF THE PARENT COMPANY MARCOLIN SPA



Revenue

2008 ended with a turnover of €120.6 million, compared with €110.8 million at 31 December 2007, an increase of 8.8%.

EBITDA/EBIT

2008 ended with a positive EBITDA of €11.2 million (€10.4 million at 31 December 2007), which corresponds to 9.3% of sales (9.4% of sales at the end of 2007).

The operating profit (EBIT) was €6.6 million (5.5% of sales) compared with €3.4 million in the previous year (3% of sales at 31 December 2007).

Net result

Net profit for the year was €1.5 million, a significant improvement compared with the loss of €1.8 million recorded at 31 December 2007.

PROPOSED ALLOCATION OF EARNINGS

The Board of Directors will propose not to distribute dividends but instead to allocate the profit for the period, recognised as a total of €1,461,000 as follows: €73,000 to the Legal Reserve and €1,388,000 to Profit Carried Forward.

EVENTS SUBSEQUENT TO YEAR-END AND OUTLOOK FOR THE FUTURE

In the early months of 2009, there was a very favourable reception of the Dsquared2 collections, while work is at an advanced stage on the launch of the Tod's and Hogan licences – with presentation planned for the summer – and on the John Galliano licence, with the launch planned for the end of the year.

Work is also in progress on analyzing the various proposals for further licences, which Marcolin receives continually, in order to complete and further reinforce the Group's current portfolio.

FURTHER RESOLUTIONS

At today's meeting, the Board decided to propose to the Shareholders' ordinary meeting a plan to buy back the company's own shares, with the purpose of limiting any unusual movements of the share price by using treasury shares for the stock option plan or for any other plan that may be decided by the meeting and even possibly for trading to sustain and stabilize the stock.

The proposal also envisages that:

- authorization will be granted to purchase treasury shares up to the maximum permitted by law and, therefore, up to a proportion of 10% of the share capital at the time, also taking into account the 681,000 treasury shares currently held by the Company, which represent about 1.10% of the share capital;
- authorization to purchase will be valid for a period of eighteen months from the date of the meeting resolution and, also with reference to the treasury shares already in the portfolio, the authorization to dispose of them will be granted without constraints or time limits, with the methods permitted by law;
- purchases will be made in compliance with the operating methods laid down in Art. 144-bis, paragraph 1, lett. a) and b) of the Consob Issuers' Regulations;
- the purchase price of the shares will be identified within a pre-set minimum and maximum.

At current stock exchange prices, the maximum potential expenditure is about €8 million.



Finally, the Board of Directors proceeded firstly to ascertain that its members had the requisites of independence provided for in the Consolidated Finance Act (CFA) and by the Code of Self-Discipline of Borsa Italiana S.p.A. and secondly to verify the compatibility of the positions held in other entities with the performance of the role of director at Marcolin.

CONVOCAZIONE OF THE SHAREHOLDERS' MEETING

The Annual General Meeting was convened for 28 April 2009 (in first call) and for 30 April 2009 (in second call).

After the meeting, the Managing Director Massimo Saracchi said:

"Despite the recession on the markets, 2008 was confirmed as an excellent year for the Marcolin Group, marking our return to a significant profit. 2009 will be a very difficult year owing to the international macroeconomic situation, but I think we can achieve good results. This will be thanks to two main factors. Firstly, the effects of the incisive actions taken (many already in 2008, others in progress in 2009) to improve the manufacturing processes and the overall organizational efficiency, paying maximum attention to controlling trends in the floating capital and to cash flows. Secondly, the inclusion in the portfolio of many new Brands of significant value: Tod's, Hogan, Dsquared2 and John Galliano."

Statement of the Manager Responsible for Corporate Financial Reporting.

The Manager Responsible for Corporate Financial Reporting, Mr Sandro Bartoletti, has certified, jointly with the Managing Director, with a specific written certificate also under the terms of Art. 154 bis of the Consolidated Finance Act, attached to the draft financial statements at 31 December 2008, that, as far as he is aware, the individual and consolidated financial statements correspond to the documentary evidence, books and accounts.

Marcolin, listed on the Milan Stock Exchange, is a leading eyewear company and stands out in the luxury segment for the high quality of its products, attention to detail and prestigious distribution. In 2008, the company produced and distributed approximately 5.5 million pairs of glasses in more than 600 models. 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, Timberland, Tod's Eyewear, Tom Ford Eyewear. The Group includes among its own brands: Marcolin, C  b   and Web Eyewear.

Full versions of these documents are available on the company's website (www.marcolin.com).

This press release uses a number of "alternative performance indicators" not envisaged by the IFRS (EBITDA, net financial position). For their meaning, please refer to the Directors' Report.

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

Appendices: summary financial statements of the Marcolin Group and of Marcolin S.p.A. (the figures have not yet been certified by the relevant external auditors, nor verified by the Board of Statutory Auditors)



Consolidated balance sheet	Marcolin Group	
<i>(thousands euro)</i>	31.12.2008	31.12.2007
ASSETS		
NON CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	14.800	15.936
INTANGIBLE ASSETS	4.131	2.942
GOODWILL	2.322	2.195
INVESTMENTS	759	1.148
DEFERRED TAX ASSETS	3.406	2.416
OTHER NON CURRENT ASSETS	796	1.030
TOTAL NON CURRENT ASSETS	26.214	25.668
CURRENT ASSETS		
INVENTORIES	52.216	50.609
TRADE AND OTHER RECEIVABLES	58.522	62.840
OTHER CURRENT ASSETS	527	457
CASH AND CASH EQUIVALENTS	13.159	10.789
TOTAL CURRENT ASSETS	124.425	124.696
TOTAL ASSETS	150.639	150.364
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	31.958	31.958
ADDITIONAL PAID IN CAPITAL	24.517	26.315
OTHER RESERVES	(2.064)	(2.156)
RETAINED EARNINGS (LOSSES)	(10.461)	(5.372)
PROFIT (LOSS) FOR THE PERIOD	6.124	(6.891)
MINORITY INTERESTS	0	0
TOTAL SHAREHOLDERS' EQUITY	50.074	43.854
LIABILITIES		
NON CURRENT LIABILITIES		
LONG TERM BORROWINGS	28.682	32.562
LONG TERM PROVISIONS	4.039	3.940
DEFERRED TAX LIABILITIES	772	1.178
OTHER NON CURRENT LIABILITIES	44	30
TOTAL NON CURRENT LIABILITIES	33.537	37.710
CURRENT LIABILITIES		
TRADE PAYABLES	34.660	37.508
SHORT TERM BORROWINGS	17.224	14.462
SHORT TERM PROVISIONS	4.864	4.596
INCOME TAXES	2.401	1.930
OTHER CURRENT LIABILITIES	7.878	10.304
TOTAL CURRENT LIABILITIES	67.027	68.801
TOTAL LIABILITIES	100.564	106.510
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	150.639	150.364

Consolidated income statement

Marcolin Group

(euro thousands)

	31.12.2008	%	31.12.2007	%
NET SALES	186.845	100%	182.275	100,0%
COST OF SALES	(83.375)	(44,6)%	(85.362)	(46,8)%
GROSS PROFIT	103.470	55,4%	96.913	53,2%
SELLING AND MARKETING COSTS	(79.062)	(42,3)%	(80.467)	(44,1)%
GENERAL AND ADMINISTRATIVE EXPENSES	(16.493)	(8,8)%	(14.317)	(7,9)%
OTHER INCOME AND EXPENSES	4.740	2,5%	1.442	0,8%
OTHER NOT CURRENT INCOME AND EXPENSES	1.173	0,6%	(3.701)	(2,0)%
OPERATING PROFIT - EBIT	13.828	7,4%	(130)	(0,1)%
FINANCIAL INCOME AND EXPENSES	(5.073)	(2,7)%	(3.991)	(2,2)%
NET RESULT BEFORE TAXES	8.755	4,7%	(4.121)	(2,3)%
INCOME TAXES	(2.630)	(1,4)%	(2.770)	(1,5)%
MINORITY INTERESTS	0		0	0,0%
NET RESULT	6.124	(3,8)%	(6.891)	(3,8)%
EARNINGS (LOSSES) PER SHARE	0,100		(0,112)	

CONSOLIDATED CASH FLOW STATEMENT

(thousands euro)

	DEC 2008	DEC 2007
<i>Operating profit before working capital changes</i>	23.395	10.601
<i>Cash flows provided (used) by working capital changes</i>	(15.969)	(9.489)
Cash flows provided by operating activities	7.425	1.112
Cash flows (used) in investing activities	(3.936)	(3.913)
Cash flows (used) by financing activities	(998)	(9.487)
Cash and cash equivalents increase (decrease)	2.491	(12.289)
Effect of exchange rates on cash	(121)	(334)
Cash and cash equivalents at beginning of year	10.789	23.411
Cash and cash equivalents at year end	13.159	10.788

Balance Sheet

(thousands euro)

Marcolin SpA

	DEC 2008	DEC 2007
ASSETS		
NON CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	11.296	12.150
INTANGIBLE ASSETS	2.793	1.290
GOODWILL	0	0
INVESTMENTS	31.992	33.713
DEFERRED TAX ASSETS	3.375	2.383
OTHER NON CURRENT ASSETS	6.617	6.341
TOTAL NON CURRENT ASSETS	56.073	55.876
CURRENT ASSETS		
INVENTORIES	41.312	40.185
TRADE AND OTHER RECEIVABLES	55.196	52.203
OTHER CURRENT ASSETS	332	244
CASH AND CASH EQUIVALENTS	4.690	4.832
TOTAL CURRENT ASSETS	101.529	97.464
TOTAL ASSETS	157.603	153.339
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	31.958	31.958
ADDITIONAL PAID IN CAPITAL	24.517	26.315
OTHER RESERVES	8.119	8.301
RETAINED EARNINGS (LOSSES)	(3.573)	(3.573)
PROFIT (LOSS) FOR THE PERIOD	1.461	(1.798)
TOTAL SHAREHOLDERS' EQUITY	62.483	61.204
LIABILITIES		
NON CURRENT LIABILITIES		
LONG TERM BORROWINGS	28.654	32.519
LONG TERM PROVISIONS	4.039	3.940
DEFERRED TAX LIABILITIES	1.740	2.225
OTHER NON CURRENT LIABILITIES	0	0
TOTAL NON CURRENT LIABILITIES	34.433	38.684
CURRENT LIABILITIES		
TRADE PAYABLES	34.559	34.995
SHORT TERM BORROWINGS	17.218	11.760
SHORT TERM PROVISIONS	2.626	2.627
INCOME TAXES	2.019	674
OTHER CURRENT LIABILITIES	4.265	3.396
TOTAL CURRENT LIABILITIES	60.686	53.452
TOTAL LIABILITIES	95.119	92.136
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	157.603	153.339

Income Statement

Marcolin SpA

(thousands euro)

	2008	%	2007	%
NET SALES	120.550	100,0%	110.795	100,0%
COST OF SALES	76.262	63,3%	(70.639)	(63,8)%
GROSS PROFIT	44.264	36,7%	40.156	36,2%
SELLING AND MARKETING COSTS	(37.155)	(30,8)%	(33.860)	(30,6)%
GENERAL AND ADMINISTRATIVE EXPENSES	(9.392)	(7,8)%	(14.492)	(13,1)%
OTHER INCOME AND EXPENSES	8.933	7,4%	11.574	10,4%
OPERATING PROFIT - EBIT	6.650	5,5%	3.377	3,0%
FINANCIAL INCOME AND EXPENSES	(3.030)	(2,5)%	(2.909)	(2,6)%
NET RESULT BEFORE TAXES	3.621	3,0%	468	0,4%
INCOME TAXES	(2.159)	(1,8)%	(2.266)	(2,0)%
NET RESULT	1.461	1,2%	(1.798)	(1,6)%
EARNINGS (LOSSES) PER SHARE	0,024		(0,029)	

MARCOLIN S.p.A. CASH FLOW STATEMENT

(thousands euro)

	DEC 2008	DEC 2007
<i>Operating profit before working capital changes</i>	21.619	9.227
<i>Cash flows provided (used) by working capital changes</i>	(20.918)	(11.531)
Cash flows provided (used) by operating activities	701	(2.304)
Cash flows (used) in investing activities	(2.834)	(2.871)
Cash flows provided (used) by financing activities	1.992	(6.200)
Cash and cash equivalents increase (decrease)	(141)	(11.374)
Cash and cash equivalents at beginning of year	4.832	16.206
Cash and cash equivalents at year end	4.690	4.832