



Longarone, April 27th 2006

PRESS RELEASE

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## **Ordinary & Extraordinary General Meeting of Shareholders – April 27th 2006**

### **FY2005 YEAR-END ACCOUNTS APPROVED**

### **SHARE BUYBACK AUTHORISED WITHIN LEGAL LIMITS**

### **POWERS DELEGATED TO BOARD OF DIRECTORS TO INCREASE SHARE CAPITAL ON PAID BASIS BY A MAXIMUM OF € 50 MILLION**

The Annual General Meeting of Shareholders of Marcolin SpA took place today, on first call, in ordinary and extraordinary session under the chairmanship of Giovanni Marcolin Coffen.

At the **ordinary session**, shareholders approved the statutory FY2005 accounts of Marcolin SpA (prepared according to Italian GAAPs) and reviewed consolidated FY2005 (prepared according to IASs/IFRSs), confirming the results approved by the Board of Directors on March 24th 2006, the salient data of which had already been disclosed to the market in a specific press release on the same date. In summary, in FY2005 the parent company Marcolin SpA achieved sales revenues of € 86.3 million (mn) (€ 98.4 mn as at December 31st 2004) and made a net loss of € -11.1 mn (vs. a profit of € 1.7 mn in FY2004). At consolidated level, FY2005 sales amounted to € 1554 mn (€ 173 mn as at December 31st 2004) with a net loss of € -16.7 mn (vs. a profit of € 0.9 mn as at December 31st 2004). As proposed by the Board of Directors, the year's loss was fully covered via use of existing reserves.

No dividend distribution was approved.

During the above session, and after having received the Board of Statutory Auditors' consent, shareholders approved the supplement of the mandate awarded to the firm PricewaterhouseCoopers SpA for independent auditing in the 3-year period 2005-2007 to allow for application of international accounting standards (IASs/IFRSs), adjusting fees accordingly.

Once again during the ordinary session, shareholders passed a resolution authorising directors to buy and dispose of own shares pursuant to Articles 2357 and 2357/3 of the Italian Civil Code.

The main reasons leading the Board to make these proposals were:

- The possibility of intervening, observing current regulations, either directly or via brokers, to contain anomalous movements in the stock's prices and to stabilise trading and price trends, in the event of distortionary variations relating to excessive volatility or scarce liquidity in trading terms;
- Use of treasury shares to service any stock option incentive plans reserved for the directors and/or employees and/or outside staff members of the company or its subsidiaries
- Possibility to undertake trading activities aiming to support and stabilise the stock's price trend.

By virtue of the resolutions passed, directors will be able to:

- a) Purchase Marcolin SpA ordinary shares of a per-share par value of € 0.52 within the maximum limit of 10% of current subscribed share capital, establishing, among other things, that:
  - The purchase can take place in one or more stages and in any case within 18 (eighteen) months after the date of the present shareholders' resolution;



- Each share's maximum purchase price must not be more than 20% higher than the weighted average of the shares' official prices as posted by Borsa Italiana SpA in the three trading sessions preceding each transaction;
  - Each share's minimum purchase price must not be more than 20% lower than the weighted average of the shares' official prices as posted by Borsa Italiana SpA in the three trading sessions preceding each transaction;
  - The purchase will be undertaken following the approach allowed by current legislation and regulations, at the Board of Directors' discretion.
- b) Dispose, in one or more stages within 18 (eighteen) months after the date of the shareholders' resolution, of ordinary own shares acquired, even before having completed the purchases authorised, following the approach allowed by current legislation and regulations, at the Board of Directors' discretion.

The Board currently holds 681,000 treasury shares of a par value of € 0.52 each, acquired in execution of previous authorisations granted to the Board of Directors.

At the **extraordinary session** shareholders approved, pursuant to Article 2443 of the Italian Civil Code, delegation of the Board of Directors, for five years, to increase share capital on a paid basis by the maximum amount (inclusive of any share premium) of € 50 mn, via issuance of ordinary shares of the company to be offered on a rights basis to shareholders, subject to the previous resolution passed by shareholders amending Article 5 of the Articles of Association. In exercising the powers delegated, the Board of Directors will be able to determine, case by case, the number and issue price of new shares, inclusive of any share premium, as well as entitlement, approach, terms, timing and all conditions of the capital increase, in observance of option rights.

The capital increase will aim to (i) strengthen the company's capital structure, (ii) underpin achievement of growth objectives forecast by management, and (iii) better enable the company to take advantage of the many market opportunities that will emerge.

The capital increase will also enable the company to increase its financial flexibility and access the capital market benefiting from favourable conditions.

Compatibly with the financial market's trend and with the official procedure, the powers delegated will be exercised – realistically and at least in part – by the end of the first half of 2006 and in any case by the end of the current financial year.

Lastly, once again at the extraordinary session, shareholders approved the amendment of Article 24 of the current Articles of Association, reducing from 10 to 2 (two) days the deadline established for filing of the documentation envisaged for appointment, via the list-vote procedure, of members of the Board of Statutory Auditors.

Marcolin, listed on the Milan Bourse, 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 for its premier distribution. In 2005 the company produced and distributed 6.3 million eyeglass frames and sunglasses in some 400 models. Its licensed product portfolio includes: Costume National Eyewear, Cover Girl Eyewear, Ferrari, Just Cavalli Eyewear, Kenneth Cole Eyewear, Miss Sixty Glasse, Montblanc Eyewear, Replay Eyes, Roberto Cavalli Eyewear, The North Face Eyequipment, Timberland, Tom Ford Eyewear, Web Eyewear. The Group's house brands include Marcolin and Cébé.

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