

Longarone, Novembre 9th 2005

Press Release

Marcolin approves the quarterly report as at September 30th 2005
Continued contraction in Group sales and profits after cancellation of the Dolce&Gabbana contract
New collections embraced by the market

Consolidated results as at September 30th 2005

Sales: € 118.0 million (€ 128.1 million in 2004; -7.9%)

EBITDA: € 1.0 million (€ 13.5 million in 2004)

EBIT: - € 4.5 million (€ 7 million in 2004)

Net Income: - € 7.9 million (€ 0.4 million in 2004)

Net Financial Position: - € 44.7 million (- € 44.4 million in 2004)

The Board of Directors of Marcolin S.p.A. met today under the chairmanship of Giovanni Marcolin Coffen to approve the Marcolin Group consolidated report as at September 30th 2005, prepared in compliance with the international accounting standards (IAS/IFRS). The full version of the report will be available on the company's Web site (www.marcolin.com) as of the date of filing.

Key Consolidated Figures

SALES

Compared with the same period last year, Group sales reported a reduction of € 10.1 million, which, expressed in percent terms, meant a year-on-year decrease of -7.9% (-4.3% based on comparable exchange rates).

The reduction in revenue was largely due to the decrease in sales of the "Dolce & Gabbana Eyewear" lines (-10% compared to sales as at September 30th, 2004) "D&G Dolce & Gabbana Eyewear" (-15%) and losses posted by the Cébé line (-25%).

On the other hand, the trends were quite positive for the "Roberto Cavalli Eyewear" (+26%), "Montblanc" (+10%) and, on the American market, "Kenneth Cole" lines, whose sales increased thanks to expansion of the distribution license for vision eyewear to the optician sector starting in 2005.

As far as the Dolce & Gabbana lines are concerned, the decrease in sales was mainly due to events connected to transfer of the license to the Luxottica Group, which will take place, for the main international markets, as of October 1st, 2005 (although Marcolin S.p.A. will continue to retain ownership of the contract until December 31st 2005 for some geographical areas).



An analysis of sales by geographical area confirms the trend already reported as at June 30th 2005, featuring a contraction in sales in Europe (-13.3%) and in Italy (-6.8%) – geographical areas where sales of the Dolce & Gabbana and Céb  lines are most concentrated.

As regards performance of sales by product line, the 25% loss in sales (representing € 3.1 million) of the sport lines, which include C b , was due chiefly to an overall contraction on the French market (the reference market for C b  products) in the sports-sunglasses segment as well as a less enthusiastic than expected reception of the new product lines presented.

In consideration of the negative results reported, the Group has taken action to reorganize the subsidiary C b , which has resulted in closure of several production units and the consequent use of outsourcing, whose effects will begin to emerge starting in the 2006 financial year.

EBITDA/EBIT

EBITDA totalled € 1.2 million (with a 1% margin on sales) with respect to € 13.6 million (10.6% margin on sales) achieved in the first nine months of 2004.

EBIT of the period posted a negative value of € 4.5 million (positive for € 7 million as at September 30th, 2004).

Contraction of the above operating indicators at Group level was due mainly to:

- losses in profits on sales on the Dolce & Gabbana lines;
- the resulting percentage increase in overheads, due to the losses in sales reported by the Group as a whole, despite the efforts made to reduce these losses;
- start-up costs of the new collections, especially the Tom Ford and Just Cavalli lines;
- difficulties encountered by the C b  line;

NET INCOME

The period ended September 30th 2005 featured negative net income of € 7.9 million after allocating €1.4 million for taxation (positive for € 0.4 million as at September 30th 2004, net of taxation of € 4.2 million).

NET FINANCIAL POSITION

The net financial position was €44.7 million, essentially unvaried vs. December 31st 2004 (when it was € 44.5 million) and the corresponding nine-month period in 2004 (equal to € 44.4 million).



MAIN EVENTS OCCURRING AFTER END OF QUARTER AND EXPECTED BUSINESS PROGRESS

As of October 1st, the license of the Dolce & Gabbana lines was transferred to the Luxottica Group, while the ownership of the contract will remain in the hands of Marcolin S.p.A. until December 31st 2005 for a number of non-core geographical areas.

The new Tom Ford and Just Cavalli collections were met with enthusiasm by the industry at the two most important trade events (Silmo in Paris and Market Week in New York).

With reference to the Céb  line, the difficulties encountered in the first nine months of the year are expected to continue, both in terms of sales and profit margins, though the losses may be partially mitigated by the expected rise in sales at the end of the year, related to sales seasonality.

In terms of costs, the management of the parent company, Marcolin S.p.A., is currently contemplating a series of measures to redefine the overall organizational and corporate structure of the Group, which should significantly reduce operating costs and their impact on revenues.

The Group is expected to post additional negative results in the fourth quarter, albeit to a smaller degree than in the third quarter.

IAS/IFRS

The consolidated third quarter report and the unaudited accounting schedules as at September 30th 2005 were prepared in compliance with the international accounting standards (IAS/IFRS) and in compliance with the provisions of Article 82 of the Issuers' Regulation pursuant to the CONSOB resolution 11971 of May 14th 1999 and subsequent modifications. The comparative figures related to the 2004 financial year were recalculated and/or reclassified in compliance with IAS/IFRS standards.

General Manager, Antonio Bortuzzo, made the following comment:

Management of the "new course" focuses on developing major new licenses and streamlining production and distribution costs, in order to attain results that enable us to have an efficient, flexible Group in coming years, with superior products, a portfolio of strong brands recognized around the world and elimination of any overlaps. Against the necessary immediate actions taken to streamline the Group, an excellent sign of future success was the enthusiastic reception of the new brands received from the industry and the international press during launch phases.



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 2004 the company produced and distributed over 7 million eyeglass frames and sunglasses in some 400 models.

Its licensed product portfolio includes: Costume National Eyewear, Cover Girl Eyewear, Dolce & Gabbana Eyewear, D&G Dolce & Gabbana Eyewear, Ferrari, Just Cavalli Eyewear, Kenneth Cole Eyewear, Miss Sixty Glasses, Montblanc Eyewear, Replay Eyes, Roberto Cavalli Eyewear, The North Face Eyequipment, Timberland, Tom Ford Eyewear. The Group's proprietary brands include Marcolin and C  b  .

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This press release is available on the web site www.marcolin.com (section in English)

Attachments: Accounting schedules of the Marcolin Group.

Consolidated Balance Sheet of the Marcolin Group

BALANCE SHEET MARCOLIN GROUP

(in Euro/000's)

	30/09/05	31/12/04	30/09/04
ASSETS			
NON-CURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT	15.941	17.115	17.824
INTANGIBLE ASSETS	6.457	6.946	6.961
GOODWILL	2.886	2.575	2.807
INVESTMENT IN ASSOCIATES	538	560	544
INVESTMENT IN OTHER COMPANIES	0	0	0
DEFERRED TAX ASSETS	5.196	4.777	4.660
OTHER NON CURRENT ASSETS	2.076	2.733	2.479
TOTAL NON-CURRENT ASSETS	33.094	34.706	35.275
CURRENT ASSETS:			
INVENTORIES	43.525	47.526	53.268
TRADE AND OTHER RECEIVABLES	54.637	63.945	58.990
OTHER CURRENT ASSETS	778	519	691
CASH AND CASH EQUIVALENTS	7.817	9.280	6.457
TOTAL CURRENT ASSETS	106.756	121.271	119.406
AVAILABLE FOR SALE NON-CURRENT ASSETS	0	0	0
TOTAL ASSETS	139.850	155.977	154.681
SHAREHOLDER'S EQUITY			
SHARE CAPITAL	23.242	23.242	23.242
Additional paid-in capital	21.950	21.950	21.950
Revaluation reserve	0	0	0
Other reserves	299	-1.252	-131
Profit (loss) for previous fiscal years	8.086	7.376	7.672
Profit (loss) for the period	-7.902	915	399
Minority Interest	0	0	0
TOTAL SHAREHOLDERS' EQUITY	45.676	52.232	53.133
LIABILITIES			
NON-CURRENT LIABILITIES			
BORROWINGS	26.348	30.948	29.640
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY	4.336	4.300	4.278
DEFERRED TAX LIABILITIES	2.195	2.064	1.819
OTHER NON-CURRENT LIABILITIES	147	602	642
TOTAL NON-CURRENT LIABILITIES	33.026	37.914	36.379
CURRENT LIABILITIES			
TRADE PAYABLE	22.441	29.646	26.026
BORROWINGS	27.353	23.804	21.865
PROVISION FOR FUTURE RISKS AND CHARGES	2.789	2.080	2.731
TAX PAYABLE	2.173	4.217	4.250
OTHER CURRENT PAYABLES AND LIABILITIES	6.391	6.084	10.297
TOTAL CURRENT LIABILITIES	61.147	65.831	65.169
TOTAL LIABILITIES	94.174	103.745	101.548
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	139.850	155.977	154.681

Consolidated Profit & Loss Account of the Marcolin Group

PROFIT AND LOSS MARCOLIN GROUP			
<i>(in Euro/000's)</i>			
	30/09/05	31/12/04	30/09/04
NET SALES	118.041	173.355	128.140
COST OF SALES	-54.469	-72.276	-50.701
GROSS PROFIT	63.572	101.079	77.439
SELLING AND MARKETING COST	-56.943	-75.468	-57.758
ADMINISTRATIVE EXPENSES	-12.532	-18.392	-14.041
OTHER OPERATING INCOME (EXPENSES)	884	1.870	1.319
OPERATING PROFIT (LOSS)	-5.020	9.090	6.958
FINANCIAL INCOME (CHARGES)	-1.450	-3.324	-2.398
PROFIT (LOSS) BEFORE INCOME TAXES	-6.470	5.766	4.561
INCOME TAXES	-1.433	-4.851	-4.162
MINORITY INTERESTS	0	0	0
PROFIT (LOSS) FOR THE YEAR	-7.902	915	399

Consolidated financial position of the Marcolin Group

Financial Position <i>(in Euro/000's)</i>	30.09.2005	30.09.2004	31.12.2004
Treasury stock	947	601	947
Liquid funds	7.817	6.457	9.280
Total financial liquidity	8.764	7.059	10.227
Current payables due to banks	-27.200	-21.719	-23.656
Medium-long term payables due to banks	-25.488	-28.610	-29.973
Payables due to other financial institutions	-796	-1.177	-1.123
Total borrowings	-53.484	-51.505	-54.753
Net financial position	-44.720	-44.446	-44.526