Longarone, May 13th 2005

Press Release

Marcolin approves quarterly report as at March 31st 2005

<u>Consolidated highlights of 1st quarter 2005(1Q05)</u>
Sales: € 42.7 million (€ 48.9 million in 1Q04; -12.7%), -11.6% at straight-line exchange rates
EBITDA: € 3.9 million (€ 6.3 million in 1Q04)
EBIT: € 2 million (€ 4.4 million in 1Q04)
Pre-tax profit: € 1.9 million (€ 3.2 million in 1Q04)
Net financial position: € -42.5 million (€ 43.1 million in 1Q04)

The Board of Directors of Marcolin SpA, which met today under the chairmanship of Giovanni Marcolin Coffen, has approved the Marcolin Group's consolidated quarterly report for the first quarter of 2005 (1Q05). The full version of the report is available on the company's Web site (www.marcolin.com).

Main Consolidated Figures
SALES

1Q05 featured a reduction of some € 6.2 million (mn) compared with sales in the first three months of 2004 (1Q04). The decrease in sales was mainly due to (i) lower sales of some € 1.6 mn in the sports eyewear segment (-24.5%), (ii) the reduction of sales in the prescription eyewear and sunglasses segment by some € 4.6 mn, primarily due to uncertainty caused in the marketplace by cessation of the Dolce & Gabbana license, and (iii) the decision to reduce our presence in the key accounts distribution channel in the US market. This reduced presence in key accounts caused an estimated decrease in sales of approximately € 2 mn, partly offset by higher sales achieved in the other distribution channels.

Analysis of sales by geographical area, compared with the same figures for 1Q04, shows a significant reduction in European sales, i.e. approximately 22% compared to last year (about € 5.3 mn in outright terms), besides the decrease in sales experienced in the Italian market of approximately 8.6% (about € 0.9 mn in outright terms) and in the US market, there was a reported reduction of approximately 11.1% (about € 1.1 mn in outright terms) or a reduction of 7.2% based on straight-line exchange rates.

Performance was instead good in the rest of the world, where sales grew by some 25.6% compared to last year (i.e. by approximately € 1.1 mn in outright terms).

Table 1

AREA	31 Mar 2005		31 Mar 2004		Difference	
(EUR/ thousand)	Turnover	% on total	Turnover	% on total	Value	%
Geographical area						
- Italy	9.218	21,57	10.089	20,60	-871	-8,63
- Europe	19.051	44,58	24.429	49,88	-5.378	-22,01
- U.S.A.	8.915	20,86	10.032	20,49	-1.117	-11,14
- Rest of the world	5.553	12,99	4.422	9,03	1.131	25,58
Total	**42.737**	**100**	**48.972**	**100**	**-6.235**	**-12,7**

Regarding the sales performance by product line, the Company noted the decrease of sales for the Dolce & Gabbana Eyewear brand (-4%) and for the D&G Dolce & Gabbana Eyewear brand (-18%) set against the positive trend of the Roberto Cavalli Eyewear range (+3%).

Regarding the Cébé product line, the sales downturn was mainly ascribable to problems of a competitive nature, encountered above all in France, the key market for the sale of these products. Given the negative results achieved, the parent company's management in 2004 initiated in-depth analysis and review of the entire manufacturing process, with the aim of taking incisive managerial action to restore the subsidiary's sales volume and profitability.

Table 2

Profit and Loss (EUR thousand)	Cébé		Marcolin & Branches	
	31 Mar 2005	31 Mar 2004	31 Mar 2005	31 Mar 2004
Turnover	4.905	6.494	37.832	42.477

EBITDA/EBIT

EBITDA margin in the period was approximately 9.1% on sales (vs. about 13.0% as at March 31st 2004), amounting to some € 3.9 mn vs. € 6.3 mn in 1Q04.
EBIT totalled some € 2 mn (about 4.8% on sales) vs. about € 4.4 mn (about 9% on sales) as at March 31st 2004.

Shrinkage of EBITDA at group level was mainly due to the reduction of approximately € 1.2 mn reported by the parent company and the reduction of approximately € 0.6 mn reported by Cébé. As far as the parent company is concerned, the change was mainly due to sales of lower-margin products and, in general at group level, to the higher incidence of overhead costs and fixed operating costs for collections.

PRE-TAX PROFIT

The period ending on March 31st 2005 featured a pre-tax profit of some € 1.9 mn (compared to approximately € 3.2 mn as at March 31st 2004).

NET FINANCIAL POSITION

The group's net financial position improved by approximately € 2 mn vs. 2004 year-end and by approximately € 0.6 mn, compared to March 31st 2004. It is out of special note that the March 31st 2004 figure benefited from no-recourse factoring of receivables, for an amount of approximately € 7.7 mn. Based on comparable conditions, improvement of net financial position totalled approximately € 8.3 mn.

Main events occurring after quarter-end and expected business progress

As regards cessation of the licensing relationship with Dolce & Gabbana, an agreement has been reached with Luxottica governing the transitional phase. This is designed to limit the effects of the foreseeable reduction in sales.

In the meantime, the Company has already secured two new, extremely important licensing contracts, with Tom Ford and Ferrari, whose collections will be presented between the end of the current year and the beginning of next year.

Thus, the Company has initiated the announced strategy of enriching the portfolio of product lines produced with premier licenses, making it possible to achieve the Company's development and growth plan for the next few years.

INTERNATIONAL ACCOUNTING PRINCIPLES

Work is continuing on the transition to IAS/IFRS within the group.
The Company recently completed the phase concerning study and analysis of the main differences between Italian accounting principles and IAS/IFRS, in order to identify areas that will be duly modified by application of the new standards.
In addition, the Company also completed work on both determination of the new accounting standards, applicable to the group, and analysis of their impact on administrative processes and information systems.

The final phase, featuring determination of the P&L and balance sheet impact to be applied to the various items in financial statements, is still underway. It involves:

- Restatement of the initial balance sheet as at January 1st 2004
- Restatement of 2004 quarterly and interim balance sheets solely for the purposes of comparison
- Restatement of the balance sheet as at December 31st 2004.

Disclosure of the P&L and balance sheet impact of the new IAS/IFRS will take place within the deadline envisaged by regulations.

Cirillo Coffen Marcolin, Managing Director of Marcolin SpA, made the following comment:*" 2005 has to be considered a year of transition. The new Just Cavalli, Tom Ford, and Ferrari licenses are of a superb level, as are those already in our portfolio, and have great potential. I believe the company has embarked on a proper growth course, the results of which will already be tangibly evident in forthcoming years."*

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, and Tom Ford Eyewear. The Group's proprietary brands include Marcolin and Cébé.

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Consolidated Balance Sheet of the Marcolin Group

BALANCE SHEET - ASSETS (euro\thaousand)	31-mar-05	31-mar-04	Difference	31-dic-04
Intangible fixed assets	12.892	13.617	-5,3%	13.042
Tangible fixed assets	12.239	13.912	-12,0%	12.639
Financial assets	1.716	2.151	-20,2%	1.735
Total fixed assets	26.846	29.680	-9,5%	27.417
Total current assets	126.448	135.926	-7,0%	126.482
Prepayments and accrued income	2.278	2.082	9,4%	2.259
Total assets	**155.573**	**167.689**	**-7,2%**	**156.157**

SHAREHOLDRES' EQUITY AND LIABILITIES	31-mar-05	31-mar-04	Difference	31-dic-04
Shareholders' equity	56.201	57.239	-1,8%	53.584
Share capital & reserve attributable to minority interest	**0**	**0**		**0**
Total shareholders' equity	**56.201**	**57.239**	**-1,8%**	**53.584**
Total provisions	7.435	7.205	3,2%	7.272
Total payables	90.711	101.858	-10,9%	93.690
Accrued liabilities and differed charges	1.226	1.387	-11,6%	1.611
Total liabilities and deferred charges	**155.573**	**167.689**	**-7,2%**	**156.157**

Consolidated Profit & Loss Account of the Marcolin Group

PROFIT AND LOSS (euro\thousand)	31 Mar 2005	% on revenues	31 Mar 2004	% on revenues	difference
Revenues from sales and services	42.737	100 %	48.971	100 %	(12,7) %
Other income	480	1,1 %	576	1,2 %	(16,7) %
Total revenues	**43.217**	**101,1 %**	**49.548**	**101,2 %**	**(12,8) %**
Cost of sales	(29.505)	(69,0) %	(32.858)	(67,1) %	(10,2) %
Value added	**13.712**	**32,1 %**	**16.689**	**34,1 %**	**(17,8) %**
Personnel costs	(9.832)	(23,0) %	(10.336)	(21,1) %	(4,9) %
Gross operating margin (EBITDA)	**3.881**	**9,1 %**	**6.353**	**13,0 %**	**(38,9) %**
Provisions and depreciations	(362)	(0,8) %	(536)	(1,1) %	(32,4) %
Amortizations	(1.464)	(3,4) %	(1.396)	(2,9) %	4,9 %
Operating profit (EBIT)	**2.055**	**4,8 %**	**4.422**	**9,0 %**	**(53,5) %**
Financial income and charges	(341)	(0,8) %	(1.162)	(2,4) %	(70,7) %
Extraordinary income and expenses	227	0,5 %	(58)	(0,1) %	(488,7) %
Profit (loss) before taxes	**1.941**	**4,5 %**	**3.201**	**6,5 %**	**(39,4) %**

Consolidated cash flow statement

31.03.2005
Consolidated Statement of Cash Flows

(thousand euro)	31.03.2005	31.12.2004
Financial standind at the biginnig of the period	***(44.526)***	***(43.908)***
Total cash flow generated from operations	**3.726**	**7.717**
Total cash flow generated from working capital	**(1.522)**	**(4.012)**
Total cash flow from (for) investment activities	**(873)**	**(3.406)**
Total cash flow generated from equity movements	**676**	**(917)**
Financial standind at the end of the period	***(42.519)***	***(44.526)***