

H1 2012 results approved: slight decrease in sales (-2.7%), the good level of profitability confirmed (EBITDA 17% of sales), net financial position improved.

Net sales: 121.5 million euro (124.9 million in H1 2011; -2.7%, -5.1% at constant exchange rates);

EBITDA: 20.7 million euro (23.7 million in H1 2011) which is 17% of sales;

EBIT: 18.5 million euro (21.4 million in H1 2011) which is 15.3% of sales;

Net income: 12.6 million euro (15.9 in H1 2011) which is 10.4% of sales;

Net financial position: negative for 3.8 million euro (negative for 5.7 million in H1 2011).

Longarone; August 7, 2012. The Board of Directors of Marcolin S.p.A. held a meeting today chaired by Giovanni Marcolin Coffen to review and approve the results of the Marcolin Group for the first six months of 2012.

In the first half of 2012, the Marcolin Group has maintained its good profitability and improved its net financial position, despite a slight decline in net sales (-2.7%), heavily influenced by the European market.

SALES

Group sales came to 121.5 million euro (124.9 million euro in the first six months of 2011), a decrease of 2.7% (-5.1% at constant exchange rates) compared with the same period last year. Generally speaking, Group sales broken down by geographical area reflect market trends, with growth in the Far East, Middle East and America and a contraction in the Eurozone.

The following table shows a breakdown of sales by geographical area:

NET SALES BY GEOGRAPHIC AREA	H1 2012		H1 2011		CHANGE	
<i>(euro/000)</i>	Turnover	% on total	Turnover	% on total	Change	Change %
- Europe	58,869	48.5%	69,228	55.4%	(10,359)	(15.0)%
- U.S.A.	29,812	24.5%	24,773	19.8%	5,039	20.3%
- Asia	14,195	11.7%	12,660	10.1%	1,535	12.1%
- Rest of the World	18,620	15.3%	18,262	14.6%	358	2.0%
TOTAL	121,496	100%	124,924	100%	(3,428)	(2.7)%

The excellent trend in sales in the U.S. market stands out in particular, as they increased by 20.3%, helped by the positive effect of exchange rates. The figure at constant exchange rates still shows significant growth of 10.8%.

The Asian market has posted a good increase in sales, +12.1%; the most significant increases were seen in China, Japan, Korea and Indonesia.

As regards the Rest of the World, good results were reported in Canada, UAE and Australia.

The sales breakdown shows how America and the Far East represent strategic markets for the future development of the Group, both in terms of trend growth recorded in recent periods, and in terms of the type of purchases made by consumers in these areas, mainly brands in the fashion and luxurysegment in which the Marcolin Group is a leading exponent.

The Group is therefore continuing to strengthen its presence in Asia through investments in resources in the sales and marketing area and with the recent opening of a new showroom in Hong Kong.

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The European market reflects the weakness of its macroeconomic scenario, even if with very different trends from country to country, some of which have suffered a great deal from the weakness of their domestic demand, such as Italy, Spain and Portugal.
The overall decrease in sales in Europe came to 15.0%.

It also highlights how the weighting of the Group's total sales in Europe, while still the area with the highest sales volumes, has decreased significantly because of growth in all of the other geographical areas.

Positive performance by the Diesel line launched during the last quarter of 2011.
Also of note is that, compared with the first half of 2011, part of the reduction in sales is attributable to lower revenues earned by the Ferrari brand (no longer under license) and by the John Galliano brand.

OPERATING INCOME

The gross profit comes to 62.9% of sales (65.6% in H1 2011), a decline of around three percentage points. The change in profitability is mainly due to the different sales mix achieved during the period, depending on the type of sales channel (branches and distributors). There was a higher proportion of sales through distributors with lower profit margins and a more marked reduction in turnover in the European market, where the Group operates through direct branches, which generate higher margins.

EBITDA comes to 20.7 million euro (23.7 million euro in H1 2011) and represents 17.0% of sales (19.0% in H1 2011), a decrease of 12.8%.

EBIT amounts to 18.5 million euro, compared with 21.4 million euro during the first six months of 2011 and represents 15.3% of sales (17.1% in H1 2011), a decrease of 13.3%.

As regards certain license agreements, the reduction in sales has resulted in a lower absorption of the minimum quantities specified in the contracts, leading to a greater impact of the related costs on sales.

NET RESULT

Net income comes to 12.6 million euro, compared with 15.9 million euro in H1 2011; this represents 10.4% of turnover (12.7% of sales in H1 2011), a decrease of 20.5%.

It is worth noting the seasonality effect which is a feature of the sector in which the Marcolin Group operates, so it would be incorrect to project the first half results into the second half in the same proportion.

SECOND QUARTER 2012 RESULTS

The figures for the second quarter of 2012, compared with the second quarter of 2011, were as follows:

- net sales came to 58.0 million euro (compared with 61.0 million euro), down by 4.9% (-4.2% at constant exchange rates);
- EBITDA amounts to 8.8 million euro (compared with 10.9 million euro), which is 15.3% of net sales (17.8% in Q2 2011);
- EBIT amounts to 7.9 million euro (compared with 9.7 million euro), which is 13.7% of net sales (16.0% in Q2 2011);
- net income amounts to 5.3 million euro (compared with 8.0 million euro), which is 9.2% of net sales (13.1% in Q2 2011).

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NET FINANCIAL POSITION

The net financial position at June 30, 2012 shows an improvement of 2.0 million euros compared with the first half of 2011, mainly thanks to the constant attention paid to the dynamics of net working capital.

The net financial position is substantially in line with what it was at December 31, 2011.

Giovanni Zoppas, Managing Director and CEO of Marcolin S.p.A., commented:

“The Company's investments and focus on the areas of the world that are growing (USA and Far East) and the positive results achieved there so far confirm our expectations that the Group will continue to expand in the future.

In this context, 2012 promises to be a year of substantial consolidation of the results achieved so far”.

In accordance with Article 154-bis, Section 2 of the Consolidated Finance Act, the Financial Reporting Manager, Sandro Bartoletti, states that, to the best of his knowledge, the accounting information contained in this press release corresponds to the Company's accounting documents, books and records.

Listed on the Milan Stock Exchange, Marcolin is a leading eyewear company that stands out in the luxury market for its premium quality, attention to detail and first-rate distribution. In 2011, the Company sold an estimated 6 million pairs of eyeglasses and sunglasses in more than 800 models. Its licensed brand portfolio includes: Balenciaga, Cover Girl Eyewear, Diesel Shades, DSquared2 Eyewear, Hogan Eyewear, John Galiano Eyewear, Just Cavalli, Kenneth Cole New York, Kenneth Cole Reaction, Miss Sixty Glasses, Montblanc Eyewear, Replay Eyes, Roberto Cavalli, Swarovski, Timberland, Tod's Eyewear, Tom Ford Eyewear. The Group's house brands include Marcolin and Web Eyewear.

This press release uses some alternative performance indicators not required by IFRS (EBITDA, Net Financial Position). The interim report on operations provides an explanation of such terms.

This press release is available on the Company's website: www.marcolin.com (English language section).

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/000)	JUN 31, 2012	DEC 31, 2011	JUN 31, 2011
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	20,276	20,206	20,045
INTANGIBLE ASSETS	14,271	13,894	13,363
GOODWILL	2,567	2,498	2,236
INVESTMENTS	97	96	101
DEFERRED TAX ASSETS	16,589	14,186	11,224
OTHER NON CURRENT ASSETS	4,368	5,335	5,148
TOTAL NON CURRENT ASSETS	58,168	56,216	52,117
CURRENT ASSETS			
INVENTORIES	47,120	46,709	38,163
TRADE AND OTHER RECEIVABLES	67,878	63,371	70,840
OTHER CURRENT ASSETS	1,030	704	1,006
CASH AND CASH EQUIVALENTS	24,268	30,986	29,223
TOTAL CURRENT ASSETS	140,296	141,770	139,232
TOTAL ASSETS	198,463	197,987	191,349
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	31,958	31,958	31,958
ADDITIONAL PAID IN CAPITAL	24,517	24,517	24,517
LEGAL RESERVE	3,610	2,403	2,403
OTHER RESERVES	2,606	1,769	(1,834)
RETAINED EARNINGS (LOSSES)	26,440	12,808	12,771
PROFIT (LOSS) FOR THE PERIOD	12,620	20,979	15,871
MINORITY INTERESTS	0	0	0
TOTAL SHAREHOLDERS' EQUITY	101,751	94,435	85,687
LIABILITIES			
NON CURRENT LIABILITIES			
LONG TERM BORROWINGS	20,264	22,452	21,212
LONG TERM PROVISIONS	3,410	3,200	3,133
DEFERRED TAX LIABILITIES	662	664	979
OTHER NON CURRENT LIABILITIES	0	0	0
TOTAL NON CURRENT LIABILITIES	24,337	26,316	25,324
CURRENT LIABILITIES			
TRADE PAYABLES	40,734	43,775	38,871
SHORT TERM BORROWINGS	7,763	12,002	13,749
SHORT TERM PROVISIONS	6,898	8,487	6,732
INCOME TAXES	6,118	3,263	9,625
OTHER CURRENT LIABILITIES	10,862	9,710	11,362
TOTAL CURRENT LIABILITIES	72,376	77,236	80,338
TOTAL LIABILITIES	96,712	103,552	105,662
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	198,463	197,987	191,349

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CONSOLIDATED INCOME STATEMENT		MARCOLIN GROUP			
<i>(euro/000)</i>					
	H1 2012	%	H1 2011	%	
NET SALES	121,496	100%	124,924	100.0%	
COST OF SALES	(45,103)	(37.1)%	(43,016)	(34.4)%	
GROSS PROFIT	76,392	62.9%	81,908	65.6%	
SELLING AND MARKETING COSTS	(51,632)	(42.5)%	(51,976)	(41.6)%	
GENERAL AND ADMINISTRATIVE EXPENSES	(8,299)	(6.8)%	(9,940)	(8.0)%	
OTHER OPERATING INCOME AND EXPENSES					
OTHER OPERATING INCOME	1,849	1.5%	1,698	1.4%	
OTHER OPERATING EXPENSES	(135)	(0.1)%	(82)	(0.1)%	
TOTAL	1,714	1.4%	1,616	1.3%	
EFFECTS OF ACCOUNTING FOR ASSOCIATES	364	0.3%	(226)	(0.2)%	
EBITDA	20,661	17.0%	23,706	19.0%	
OPERATING PROFIT - EBIT	18,539	15.3%	21,381	17.1%	
FINANCIAL INCOME AND EXPENSES					
FINANCIAL INCOME	749	0.6%	1,066	0.9%	
FINANCIAL EXPENSES	(1,931)	(1.6)%	(2,143)	(1.7)%	
TOTAL	(1,182)	(1.0)%	(1,077)	(0.9)%	
NET RESULT BEFORE TAXES	17,357	14.3%	20,304	16.3%	
INCOME TAXES	(4,737)	(3.9)%	(4,433)	(3.5)%	
MINORITY INTERESTS	0		0		
NET RESULT	12,620	10.4%	15,871	12.7%	
EARNINGS/(LOSS) PER SHARE	0.205		0.258		
DILUTED EARNINGS/(LOSS) PER SHARE	0.205		0.258		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PROFIT	12,620	15,871
GAINS/(LOSSES) ON EXCHANGE DIFFERENCES ON TRANSLATING FOREIGN OPERATIONS RESERVE	842	(2,512)
GAINS/(LOSSES) ON CASH FLOW HEDGES RESERVE	0	87
TOTAL COMPREHENSIVE PROFIT/(LOSS)	13,462	13,446

CONSOLIDATED CASH FLOW STATEMENT

	H1 2012	H1 2011
<i>(euro/000)</i>		
<i>Operating profit before working capital changes</i>	<i>21,939</i>	<i>24,412</i>
<i>Cash flows provided (used) by working capital changes</i>	<i>(10,724)</i>	<i>(7,296)</i>
Cash flows provided (used) by operating activities	11,215	17,115
Cash flows provided (used) in investing activities	(6,238)	(4,544)
Cash flows (used) by financing activities	(11,946)	(18,090)
Cash and cash equivalents increase (decrease)	(6,968)	(5,519)
Effect of exchange rates on cash	250	(729)
Cash and cash equivalents at beginning of year	30,986	35,471
Cash and cash equivalents at year end	24,268	29,223

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