

Press Release

Approval of first quarter 2011 results: Marcolin is off to an excellent start, with sales up by 12% and earnings up by 31%.

Sales: 64.6 million euros (57.5 million for the first quarter of 2010; up by 12.3%);

Ebitda: 14.1 million euros (9.5 million for the first quarter of 2010, up by 49.0%);

Ebit: 11.6 million euros (7.7 million for the first quarter of 2010, up by 51.1%);

Net income: 7.9 million euros (6.0 for the first quarter of 2010, up by 31.1%);

Net financial position: indebtedness of 18.2 million euros (indebtedness of 26.3 million for the first quarter of 2010).

Milan; May 11, 2011. The Board of Directors of Marcolin S.p.A. held a meeting today chaired by Giovanni Marcolin Coffen to review and approve the first quarter 2011 results of the Marcolin Group.

Compared to the first quarter of the prior year, sales revenues rose by 12.3%, net income by 31.1% and Ebitda by 49.0%, whereas the net financial position of indebtedness improved by 8.1 million euros (from the 26.3 million euros of the first quarter of 2010).

The Group achieved these results thanks to the internal reorganization process initiated in 2009, which had already begun to produce effects in 2010 and shall continue to do so this year. The reorganization process focused on product costs, internal production and quality, and brought about enhanced efficiency. The increase in sales enabled reducing the incidence of the royalties due under licensing agreements.

Due to the seasonality of the Marcolin Group's business sector, margins are concentrated in the first six months of the year, so the first quarter results should not be used to project consistent growth for the rest of the year.

SALES REVENUES

The sales revenues of the first quarter of 2011 were 64.6 million euros (57.5 million euros for the first quarter of 2010), an increase of 12.3% from the first quarter of the prior year. Applying the same exchange rate, the growth was 11.4%.

The sales performance was enhanced by the growth experienced by brands in the fashion and luxury segment, and by the arrival on the market of the new Swarovski line.

The following table sets forth the sales revenues by geographical segment:

Net sales by geografic area <i>(euro/000)</i>	IQ 2011		IQ 2010		Increase	
	Net sales	% on total	Net sales	% on total	Increase	Change
- Europe	36.708	56,9%	34.266	59,6%	2.442	7,1%
- U.S.A.	12.804	19,8%	11.308	19,7%	1.497	13,2%
- Asia	6.476	10,0%	4.535	7,9%	1.941	42,8%
- Rest of the World	8.568	13,3%	7.393	12,9%	1.175	15,9%
TOTAL	64.556	100,0%	57.502	100,0%	7.054	12,3%

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The table above reports very satisfactory performance in Asia (+42.8%), which represents a strategic market for the Group, and in which the sales structure and distribution network have recently been expanded. The greatest increases were reported in Hong Kong, Korea and India.

Sales of the rest-of-world segment grew a significant 15.9% (with strong increases in the United Arab Emirates), and sales in the U.S.A. are up by 13.2% (+12.0% applying the same exchange rate).

In Europe sales grew by 7.1%. Some central and eastern European markets performed very well, whereas some Mediterranean markets experienced slowdowns due to persistent economic difficulties.

OPERATING INCOME

Gross operating income is 63.9% of sales (61.5% for first quarter 2010), an increase of more than 2% from the same period of the previous year;

Ebitda is 14.1 million euros, against the 9.5 million euros of the first quarter of 2010, and represents 21.8% of sales revenues (16.5% for first quarter 2010), an increase of 49.0%;

Ebit is 11.6 million euros (7.7 million euros for first quarter 2010) and represents 18.0% of sales revenues (13.4% for first quarter 2010), an increase of 51.1%.

NET INCOME

Net income is 7.9 million euros, compared to the 6.0 million euros of the first quarter of 2010, and is 12.2% of sales revenues (10.5% for first quarter 2010), an increase of 31.1%.

NET FINANCIAL POSITION

The indebtedness at March 31, 2011 was 18.2 million euros, down by 8.1 million euros from the first quarter of 2010 thanks to the constant monitoring of net working capital.

However, compared to December 31, 2010, indebtedness had an organic increase of 9.6 million euros that is attributable entirely to seasonal factors of the first quarter of the year. The difference is due primarily to the increase in working capital and to investing activities. The cash flow statement provides additional information on this subject.

Massimo Saracchi, C.E.O. and General Manager of Marcolin S.p.A., had the following comments: “The Marcolin Group got off to a good start in 2011. Our target is to improve on the record results of 2010. We are taking all action necessary to boost sales and profits. We are also investing in innovative projects that could bring our Company another step ahead. We shall begin validating these projects in the next few months and anticipate obtaining the initial results in 2012”.

The Board of Directors passed a resolution to approve the request formulated by the C.E.O. to provide cash payouts for the Stock Option Plan, the term of which expires on April 29, 2011.

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.

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MARCOLIN

EYEWEAR

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 2010 the company distributed an estimated 5.5 million pairs of eyeglasses and sunglasses in more than 600 models. Its licensed brand portfolio includes: Cover Girl Eyewear, Diesel Shades, DSquared2 Eyewear, Ferrari, Hogan Eyewear, John Galiano Eyewear, Just Cavalli Eyewear, Kenneth Cole New York, Kenneth Cole Reaction, Miss Sixty Glasses, Montblanc Eyewear, Replay Eyes, Roberto Cavalli Eyewear, Swarovski, Timberland, Tod's Eyewear, Tom Ford Eyewear. The Group's own 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 website: www.marcolin.com (English language section).

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CONSOLIDATED BALANCE SHEET		MARCOLIN GROUP		
<i>(euro/000)</i>		31.03.2011	31.12.2010	31.03.2010
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT		20.130	20.180	19.276
INTANGIBLE ASSETS		13.457	3.732	3.425
GOODWILL		2.275	2.419	2.398
INVESTMENTS		304	334	331
DEFERRED TAX ASSETS		9.032	9.500	8.066
OTHER NON CURRENT ASSETS		5.118	5.404	972
TOTAL NON CURRENT ASSETS		50.317	41.569	34.469
CURRENT ASSETS				
INVENTORIES		37.324	41.073	34.419
TRADE AND OTHER RECEIVABLES		75.415	62.306	75.909
OTHER CURRENT ASSETS		2.322	383	678
CASH AND CASH EQUIVALENTS		24.238	35.471	26.414
TOTAL CURRENT ASSETS		139.299	139.233	137.419
ASSETS HELD FOR SALE		0	2.969	0
TOTAL ASSETS		189.616	183.771	171.889
SHAREHOLDERS' EQUITY				
SHARE CAPITAL		31.958	31.958	31.958
ADDITIONAL PAID IN CAPITAL		24.517	24.517	24.517
LEGAL RESERVE		1.833	1.833	1.776
OTHER RESERVES		(1.217)	820	(80)
RETAINED EARNINGS (LOSSES)		19.488	885	965
PROFIT (LOSS) FOR THE PERIOD		7.900	18.606	6.024
MINORITY INTERESTS		0	0	0
TOTAL SHAREHOLDERS' EQUITY		84.480	78.620	65.160
LIABILITIES				
NON CURRENT LIABILITIES				
LONG TERM BORROWINGS		25.656	27.450	33.722
LONG TERM PROVISIONS		3.236	3.240	3.753
DEFERRED TAX LIABILITIES		892	974	811
OTHER NON CURRENT LIABILITIES		0	0	0
TOTAL NON CURRENT LIABILITIES		29.784	31.663	38.286
CURRENT LIABILITIES				
TRADE PAYABLES		33.701	36.756	31.662
SHORT TERM BORROWINGS		16.831	16.652	19.024
SHORT TERM PROVISIONS		7.171	6.191	4.916
INCOME TAXES		8.325	4.614	4.617
OTHER CURRENT LIABILITIES		9.324	9.274	8.223
TOTAL CURRENT LIABILITIES		75.352	73.487	68.442
TOTAL LIABILITIES		105.136	105.150	106.728
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		189.616	183.771	171.889

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CONSOLIDATED INCOME STATEMENT

MARCOLIN GROUP

(euro/000)

	I quarter 2010	%	I quarter 2009	%
NET SALES	64.556	100,0%	57.502	100,0%
COST OF SALES	(23.308)	(36,1)%	(22.159)	(38,5)%
GROSS PROFIT	41.248	63,9%	35.343	61,5%
SELLING AND MARKETING COSTS	(26.462)	(41,0)%	(24.587)	(42,8)%
GENERAL AND ADMINISTRATIVE EXPENSES	(4.015)	(6,2)%	(3.863)	(6,7)%
OTHER INCOME AND EXPENSES	628	1,0%	796	1,4%
OTHER NON RECURRENT OPERATING INCOME AND EXPENSES	240	0,4%	14	0,0%
OPERATING PROFIT - EBIT	11.638	18,0%	7.704	13,4%
FINANCIAL INCOME AND EXPENSES	(661)	(1,0)%	(521)	(0,9)%
NET RESULT BEFORE TAXES	10.977	17,0%	7.183	12,5%
INCOME TAXES	(3.077)	(4,8)%	(1.159)	(2,0)%
MINORITY INTERESTS	0	0,0%	0	0,0%
NET RESULT	7.900	12,2%	6.024	10,5%
EBITDA	14.099	21,8%	9.462	16,5%
EPS (euro)	0,129		0,098	
EPS diluted (euro)	0,128		0,097	

STATEMENT OF COMPREHENSIVE INCOME

NET RESULT	7.900	6.024
CURRENCY TRANSLATION	(2.057)	1.715
NET GAIN (LOSS) OF CASH FLOW HEDGE	12	(42)
NET COMPREHENSIVE INCOME	5.855	7.697

CONSOLIDATED CASH FLOW STATEMENT

I quarter 2011

I quarter 2010

(euro/000)

Operating profit before working capital changes	14.207	8.843
Cash flows provided (used) by working capital changes	(13.370)	(10.447)
Cash flows provided (used) by operating activities	837	(1.604)
Cash flows provided (used) in investing activities	(7.715)	(2.819)
Cash flows (used) by financing activities	(3.757)	6.030
Cash and cash equivalents increase (decrease)	(10.634)	1.607
Effect of exchange rates on cash	(598)	455
Cash and cash equivalents at beginning of year	35.471	24.351
Cash and cash equivalents at year end	24.238	26.414

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