

Press Release

**RECORD RESULTS FOR THE MARCOLIN GROUP IN 2010:
Turnover shows great growth, EBITDA doubled and Net result more than doubled.
Significant improvement in the net financial position.**

Milan, 22 March 2011. Marcolin S.p.A.'s Board of Directors, at a meeting today chaired by Giovanni Marcolin Coffen, approved the consolidated financial statements and the draft financial statements of the parent company at 31 December 2010.

Summary of 2010 consolidated figures

Turnover: € 207.7 million (+15.2% on 2009)

EBITDA: € 31 million (15.1 million in 2009)

EBIT: € 24.9 million (9.4 million in 2009)

Net Result: € 18.6 million (7.1 million in 2009)

Net Financial Position: negative by € 8.6 million (compared with negative by 23.8 million at the end of 2009)

For the Marcolin Group, 2010 was the best ever recorded, in all its fifty years of history, and was marked by:

- turnover significantly up on last year, despite the demanding macroeconomic context;
- a net result that has more than doubled on last year's figure, showing an improvement of more than five percentage points on turnover;
- EBIT and EBITDA that grow by more than six percentage points thanks to the greater production efficiency, lesser incidence of guaranteed minimums on license agreements and the positive effects generated by investments made in order to fully exploit the launch of the new brands acquired;
- a significant improvement of the net financial position, made possible also thanks to the careful management of working capital;
- renewal of the Tom Ford license, which is important in terms of the Company's profitability and turnover, ensured first until 2015 and, during the first few months of this year, extended through to 2022;
- the signing of a five-year exclusive license agreement with Diesel for the production and worldwide distribution of sunglasses and spectacle frames;
- the launch of the recently acquired brands Dsquared, Tod's, Hogan and John Galliano, and, at the end of the year, the worldwide launch of Swarovski brand sunglasses and spectacle frames;
- the significant reduction of warehouse value, obtained thanks to a greater efficiency of the planning process and the sale of stock;
- the opening of the new Longarone plant, concentrating all stages of production into a single site and allowing for the creation of a new, ultra-modern base for the logistics centre;
- the strengthening of the sales network through the enhancement of the structure and increased distribution network, particularly in the markets of Asia and the Middle East.

KEY CONSOLIDATED FIGURES

Revenue

The Group's revenue was 207.7 million euros, significantly up by +15.2% on 31 December 2009 (180.3 million euros). At constant exchange rates, the growth would have been +12.8%.

A breakdown of sales by geographical area is shown below:

Net sales by geographic area (euro/000)	2010		2009		Increase (decrease)	
	Net sales	% on total	Net sales	% on total	Net sales	increase
- Italy	42.325	20,4%	40.515	22,5%	1.810	4,5%
- Europe	65.409	31,5%	62.965	34,9%	2.443	3,9%
- U.S.A.	44.820	21,6%	39.603	22,0%	5.217	13,2%
- Rest of the world	55.126	26,5%	37.238	20,7%	17.888	48,0%
Total	207.680	100,0%	180.321	100,0%	27.358	15,2%

The data shows the significant increase in turnover obtained in the geographic area Rest of the World (+48.0%) and in the U.S.A. (+13.2%). The European market records a less marked increase (+3.9%), a similar trend as that seen on the domestic market (+4.5%), in line with the sector trend.

The Rest of the World and the markets of the Far East and Middle East are those recording the highest growth rates. Korea, Singapore and the Arab Emirates in particular showed the greatest increases in absolute terms.

On the US market, turnover recorded an important increase of 13.2% at current exchange rates and 7.6% at constant exchange rates.

With reference to the markets of the European area, significant progress was seen throughout the geographic area as compared with 2009, in particular in Central Europe, with the exception of some countries that continue to suffer the negative effects of the continuing world economic crisis.

EBITDA/EBIT

EBIT accounts for 12.0% of turnover and amounts to 24.9 million euros – more than double the figure of 9.4 million euros (5.2% of turnover) posted for 31 December 2009. EBITDA amounts to 31.0 million euros (14.9% of turnover) as compared with the figure of 15.1 million euros (8.4% of turnover) recorded for 31 December 2009.

The excellent results obtained are mainly due to the following factors:

- the reduction of the product cost by virtue of the greater attention paid to costs in the various stages of the production process and greater efficiency obtained during the manufacturing stages, as a result of the industrial reorganisation process that began last year and yielded the desired results in 2010;
- the development and implementation of the new demand planning system that has resulted in more efficient warehouse management with a consequent decrease in the volumes of products left unsold; in turn, this has led to a significant reduction in warehouse inventories, with benefits to the financial position too;
- the increase in sales of products relating to brands yielding higher margins on sales;
- the lesser incidence of the guaranteed minimums following their greater absorption through increased turnover and thanks to the activities started up to obtain their reduction on license agreements.

Net result

The net result amounts to 18.6 million euros (9% of turnover) as compared with the figure of 7.1 million euros (3.9% of turnover) obtained on 31 December 2009. Considering the greater taxes for the period in question as compared with 31 December 2009, the increase becomes even more significant. If we in fact examine the pre-tax result, we can see that as of 31 December 2010 this amounted to 23.2 million euros (or 11.1% of turnover) as compared with the 7.3 million euros (4% of turnover) as of 31 December 2009.

Net financial position

The overall net financial position of the Marcolin Group is negative for 8.6 million euros (as compared with the negative figure of 23.8 million euros booked for 31 December 2009) and records an appreciable improvement on last year of 15.2 million euros, as a result of the cash flow generated from income management.

In this case too, it is an extremely important improvement providing yet further confirmation of the Group's positive trend.

The generation of cash from operating activities amounted to 26.9 million euros and was partly offset by investments, which used resources for a total of 9.4 million euros, mainly due to the completion of the new property.

It may be noted that the ratio between net financial position and shareholders' equity is 0.11 (0.41 as at 31 December 2009).

KEY FIGURES FOR THE PARENT COMPANY MARCOLIN SPA

Revenue

2010 ended with a turnover of 128.6 million euros, compared with 112.6 million euros at 31 December 2009, an increase of 14.2%.

EBITDA/EBIT

2010 ended with a positive EBITDA of 20.8 million euros (7.4 million euros at 31 December 2009), which corresponds to 16.2% of turnover (6.5% of turnover at the end of 2009).

The operating profit (EBIT) was 18.2 million euros (14.2% of turnover) compared with 4.7 million euros in the previous year (4.2% of turnover at 31 December 2009).

Net result

The net result for the year was 11.4 million euros, compared with 1.1 million as at 31 December 2009.

PROPOSED ALLOCATION OF EARNINGS

Under the scope of a dividends policy to be proposed for the future, the Board of Directors will be suggesting that the Shareholders' Meeting distribute a unitary dividend of 0.10 euros per ordinary share, corresponding to a payout of approximately 33% of the Group's net result. Coupons will be registered on 9 May 2011 and dividends paid on 12 May 2011.

EVENTS SUBSEQUENT TO YEAR-END AND OUTLOOK FOR THE FUTURE

2011 began very positively indeed for the Marcolin Group, thanks to three important factors.

The first, and most important factor was the formalisation on 3 March 2011 of the agreement by which Tom Ford guaranteed the Marcolin Group an extension of the license agreement for the design, production and distribution worldwide of TOM FORD sunglasses and spectacle frames until December 2022. This is a very important agreement for the Group as this brand represents a license ensuring turnover and profitability.

The second important factor was the excellent start-up to the marketing of the new Swarovski licensed products. Presented in January, the new collection has already collected orders that would suggest an immediate rise to the already significant sales estimates forecast for 2011.

The third factor worthy of note, is that the new spectacle collections, presented as usual in January, have proved very popular with the market and orders have therefore been collected over and above forecasts. The collections presented early March at the Milan MIDO (the sector's most important international fair) are also enjoying widespread market popularity.

Additionally, it must be noted that in January the prestigious new Marcolin showroom opened in Corso Venezia, Milan, at the same time as the External Relations structure was strengthened.

In strategy terms, this year Marcolin will be focussing:

- on the development of the markets considered to be most strategic to the Group's growth and in particular the Far East and America;
- on the development of the portfolio brands, continuing to supply the growth of consolidated markets and, at the same time, developing the brands recently introduced to the market and the license agreements that have just been signed. More specifically, in June the new Diesel branded eyewear collection is set for presentation, which will provide the license of reference for the diffusion segment;
- on the design and implementation of highly-profitable, innovative projects that will allow Marcolin to make yet a further leap in quality in the market in which it operates.

Commenting after the meeting, Managing Director Massimo Saracchi said:

"We are very satisfied with the record results achieved in 2010, crowning three years of hard work. Our commitment is now to significantly improve these results as from 2011, at the same time validating the initiatives looking to ensure new and important growth for the years to come".

Statement of the Corporate financial reporting manager.

The Manager Responsible for Corporate Financial Reporting, Mr Sandro Bartoletti, has certified, jointly with the Managing Director, with a specific written certificate also under the terms of Art. 154 *bis* of the Consolidated Law on Finance, attached to the draft financial statements at 31 December 2010, that, as far as he is aware, the individual and consolidated financial statements correspond to the documentary evidence, books and accounts.

Marcolin, listed on the Milan Stock Exchange, is a leading eyewear company which stands out in the luxury segment for its high quality products, attention to detail and prestige distribution. In 2010, the company sold approximately 5.5 million pairs of glasses in more than 600 different models. The portfolio of licensed brands 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 Eyewear, Timberland, Tod's Eyewear and Tom Ford Eyewear. Marcolin and Web Eyewear feature among the Group's own brands.

Full versions of these documents are available on the company's website (www.marcolin.com).

This press release uses a number of "alternative performance indicators" not envisaged by the IFRS (EBITDA, net financial position). For their meaning, please refer to the Directors' Report.

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Annexes: summary financial statements of the Marcolin Group and of Marcolin S.p.A. (the figures have not yet been certified by the relevant external auditors, nor verified by the Board of Statutory Auditors).

Consolidated balance sheet	Marcolin Group	
<i>(euro/000)</i>	31.12.2010	31.12.2009
ASSETS		
NON CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	20.180	17.425
INTANGIBLE ASSETS	3.732	3.150
GOODWILL	2.419	2.243
INVESTMENTS	334	372
DEFERRED TAX ASSETS	9.500	7.031
OTHER NON CURRENT ASSETS	5.404	630
TOTAL NON CURRENT ASSETS	41.569	30.851
CURRENT ASSETS		
INVENTORIES	41.073	38.318
TRADE AND OTHER RECEIVABLES	62.306	62.302
OTHER CURRENT ASSETS	383	596
CASH AND CASH EQUIVALENTS	35.471	24.351
TOTAL CURRENT ASSETS	139.233	125.567
ASSETS HELD FOR SALE	2.969	0
TOTAL ASSETS	183.771	156.418
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	31.958	31.958
ADDITIONAL PAID IN CAPITAL	24.517	24.517
LEGAL RESERVE	1.833	1.776
OTHER RESERVES	820	(1.770)
RETAINED EARNINGS (LOSSES)	885	(6.117)
PROFIT (LOSS) FOR THE PERIOD	18.606	7.080
MINORITY INTERESTS	0	0
TOTAL SHAREHOLDERS' EQUITY	78.620	57.445
LIABILITIES		
NON CURRENT LIABILITIES		
LONG TERM BORROWINGS	27.450	29.254
LONG TERM PROVISIONS	3.240	3.784
DEFERRED TAX LIABILITIES	974	769
OTHER NON CURRENT LIABILITIES	0	28
TOTAL NON CURRENT LIABILITIES	31.663	33.835
CURRENT LIABILITIES		
TRADE PAYABLES	36.756	32.755
SHORT TERM BORROWINGS	16.652	18.936
SHORT TERM PROVISIONS	6.191	4.490
INCOME TAXES	4.614	1.917
OTHER CURRENT LIABILITIES	9.274	7.040
TOTAL CURRENT LIABILITIES	73.487	65.138
TOTAL LIABILITIES	105.150	98.973
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	183.771	156.418

CONSOLIDATED INCOME STATEMENT		Marcolin Group			
<i>(euro/000)</i>					
	2010	%	2009	%	
NET SALES	207.679	100,0%	180.321	100,0%	
COST OF SALES	(81.062)	(39,0)%	(78.229)	(43,4)%	
GROSS PROFIT	126.617	61,0%	102.092	56,6%	
SELLING AND MARKETING COSTS	(88.069)	(42,4)%	(80.704)	(44,8)%	
GENERAL AND ADMINISTRATIVE EXPENSES	(16.580)	(8,0)%	(15.755)	(8,7)%	
OTHER INCOME AND EXPENSES	2.901	1,4%	2.750	1,5%	
OTHER NON RECURRENT OPERATING EXPENSES	81	0,0%	1.005	0,6%	
OPERATING PROFIT - EBIT	24.949	12,0%	9.388	5,2%	
FINANCIAL INCOME AND EXPENSES	(1.796)	(0,9)%	(2.137)	(1,2)%	
NET RESULT BEFORE TAXES	23.153	11,1%	7.251	4,0%	
INCOME TAXES	(4.547)	(2,2)%	(171)	(0,1)%	
MINORITY INTERESTS	0		0		
NET RESULT	18.606	9,0%	7.080	3,9%	
EBITDA	31.018	14,9%	15.126	8,4%	
EARNINGS (LOSSES) PER SHARE	0,303		0,115		
DILUTED EARNINGS (LOSSES) PER SHARE	0,300		0,114		

CONSOLIDATED CASH FLOW STATEMENT	2010	2009
<i>(euro/000)</i>		
<i>Operating profit before working capital changes</i>	<i>33.913</i>	<i>19.639</i>
<i>Cash flows provided (used) by working capital changes</i>	<i>(7.061)</i>	<i>(5.115)</i>
Cash flows provided (used) by operating activities	26.851	14.524
Cash flows provided (used) in investing activities	(9.403)	(5.561)
Cash flows (used) by financing activities	(7.000)	2.111
Cash and cash equivalents increase (decrease)	10.448	11.073
Effect of exchange rates on cash	672	119
Cash and cash equivalents at beginning of year	24.351	13.159
Cash and cash equivalents at year end	35.471	24.351

Balance sheet	Marcolin SpA	
<i>(euro/000)</i>	31.12.2010	31.12.2009
ASSETS		
NON CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	19.636	14.210
INTANGIBLE ASSETS	2.413	2.262
GOODWILL	-0	-0
INVESTMENTS	34.851	34.349
DEFERRED TAX ASSETS	4.901	4.506
OTHER NON CURRENT ASSETS	13.750	8.389
TOTAL NON CURRENT ASSETS	75.552	63.716
CURRENT ASSETS		
INVENTORIES	33.317	29.424
TRADE AND OTHER RECEIVABLES	45.938	51.085
OTHER CURRENT ASSETS	119	275
CASH AND CASH EQUIVALENTS	18.140	11.948
TOTAL CURRENT ASSETS	97.514	92.732
TOTAL ASSETS	173.066	156.448
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	31.958	31.958
ADDITIONAL PAID IN CAPITAL	24.517	24.517
LEGAL RESERVE	1.833	1.776
OTHER RESERVES	8.454	8.228
RETAINED EARNINGS (LOSSES)	(2.801)	(3.887)
PROFIT (LOSS) FOR THE PERIOD	11.405	1.144
TOTAL SHAREHOLDERS' EQUITY	75.367	63.735
LIABILITIES		
NON CURRENT LIABILITIES		
LONG TERM BORROWINGS	27.450	29.254
LONG TERM PROVISIONS	3.240	3.784
DEFERRED TAX LIABILITIES	1.601	1.574
OTHER NON CURRENT LIABILITIES	0	0
TOTAL NON CURRENT LIABILITIES	32.291	34.612
CURRENT LIABILITIES		
TRADE PAYABLES	35.996	31.215
SHORT TERM BORROWINGS	16.650	18.932
SHORT TERM PROVISIONS	3.793	2.668
INCOME TAXES	3.844	1.303
OTHER CURRENT LIABILITIES	5.125	3.984
TOTAL CURRENT LIABILITIES	65.408	58.101
TOTAL LIABILITIES	97.698	92.713
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	173.066	156.448

INCOME STATEMENT

(euro/000)

Marcolin SpA

	2010	%	2009	%
NET SALES	128.575	100,0%	112.626	100,0%
COST OF SALES	(70.607)	(54,9)%	(68.204)	(60,6)%
GROSS PROFIT	57.969	45,1%	44.422	39,4%
SELLING AND MARKETING COSTS	(43.221)	(33,6)%	(40.888)	(36,3)%
GENERAL AND ADMINISTRATIVE EXPENSES	(8.831)	(6,9)%	(8.109)	(7,2)%
OTHER INCOME AND EXPENSES	11.912	9,3%	8.728	7,7%
OTHER NON RECURRENT OPERATING EXPENSES	420	0,3%	544	0,5%
OPERATING PROFIT - EBIT	18.249	14,2%	4.696	4,2%
FINANCIAL INCOME AND EXPENSES	(1.260)	(1,0)%	(2.204)	(2,0)%
NET RESULT BEFORE TAXES	16.989	13,2%	2.493	2,2%
INCOME TAXES	(5.584)	(4,3)%	(1.349)	(1,2)%
NET RESULT	11.405	8,9%	1.144	1,0%
EBITDA	20.835	16,2%	7.364	6,5%

CASH FLOW STATEMENT MARCOLIN S.p.A.

2010

2009

(euro/000)

<i>Operating profit before working capital changes</i>	22.040	11.066
<i>Cash flows provided (used) by working capital changes</i>	(3.289)	2.557
Cash flows provided (used) by operating activities	18.750	13.623
Cash flows provided (used) in investing activities	(8.187)	(8.326)
Cash flows (used) by financing activities	(4.371)	1.960
Cash and cash equivalents increase (decrease)	6.192	7.258
Cash and cash equivalents at beginning of year	11.948	4.690
Cash and cash equivalents at year end	18.140	11.948