



| Longarone, 05/13/2004 |

*Press Release*

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## **Positive results in the first Quarter 2004 for the Marcolin Group**

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*The consolidated turnover increases by 14%, margins of the American Branch improve*

The Board of Directors of Marcolin Spa met today, with Giovanni Marcolin Coffen in the chair, and approved the first quarterly report of 2004.

The first quarter showed a positive trend compared to the performances registered during the FY 2003, totalling a consolidated turnover equal to € 48.9 million, up 14% on the same period of the previous year.

Of particular note is the positive performance of sales, notwithstanding the currency rate of euro on US dollars against the same period of the previous year; exchange rates being equal, the increase in turnover would be equal to 18%.

The sales analysis by geographical area, compared with the same situation in the first quarter of 2003, showed a significant increase in the Group turnover in the North American market, equal to 10% (+28% at constant exchange rates), in addition to the positive increase in turnover in the national market (+22%) and in other European countries (+14%).

Furthermore, the lines Dolce&Gabbana and Roberto Cavalli obtained excellent results, showing turnover increases over 25% against the same period in 2003, confirming the strong market demand for these lines.

The consolidated gross operating margin (EBITDA) for the first quarter of 2004 amount to € 6.3 million (€ 3.7 million at 31 March 2003), with a turnover incidence of 13% (8.6% at 31 March 2003).

This significant increase is mainly due to the positive operating results of the Holding Company, whose EBITDA showed an improvement, climbing from € 3.6 million to € 4.7 million in the first quarter of 2004, and the improvement of the gross operating margin of the US Branch, which rose from a negative result of € 2.6 million at 31 March 2003 to a negative one of € 0.7 million at 31 March 2004.

The effects of the restructuring plan of the American Branch, started in 2003 and currently in progress, together with the improvement in consumer trends in the USA, confirm the outlook at the end of 2003, concerning the opportunity for Marcolin USA to obtain a positive gross operating margin during 2004.

EBIT of the Group amounted to € 4.4 million (€ 1.6 million in the first quarter of 2003) and was 9% of turnover (3.8% in the same quarter of 2003).

The period ended at 31 March 2004 showed a positive consolidated pre-tax profit equal to € 3.2 million (€ 0.5 million in the same period of 2003).



The Group net financial position saw an improvement, when compared with the period ended at 31 December 2003, of € 0.7 million. The debt/equity ratio of the Group is 0.75 against 0.82 at 31 December 2003.

Lastly, we would like to point out that the positive results registered in this first part of the FY have been also confirmed by the significant demand for the new collections shown at the Mido, which attest the capacity to realize original and different eyewear lines, in particular for High-fashion names.

The Board of Directors has also:

- Appointed Cirillo Coffen Marcolin as Deputy Chairman;
- invested, within determined limits, the directors Giovanni Marcolin Coffen (Chairman), Cirillo Coffen Marcolin, Maurizio Coffen Marcolin with the management and representation powers. The directors Antonio Bortuzzo, who is also the General Manager, and Sandro Bartoletti, C.F.O of the Holding Company, have been invested with operating proxies;
- evaluated the independence requirements of the non-executive directors Maurizio Dallochio, Emanuele Alemagna and Enrico Petocchi.

Following the renewal of the Board of Directors, the new Corporate Governance and Remuneration Committees have also been appointed and approved the related operation regulations. The members of these Committees are: Maurizio Dallochio, Emanuele Alemagna and Giorgio Drago. With reference to the corporate governance documentation, the Board of Directors approved the updated text for the internal processing of the personal data.

Marcolin Group is one of the leaders in the manufacture and sale of glass frames and sunglasses. It can rely on over 1,100 employees in 4 plants and 14 branches all over the world.

Its product range includes: Dolce & Gabbana Eyewear, D&G Dolce & Gabbana Eyewear, Roberto Cavalli Eyewear, Costume National Eyewear, Montblanc Eyewear, Replay Eyes, Miss Sixty Glasses, Timberland, Mossimo Vision, Cover Girl Eyewear, Kenneth Cole, NBA Eyewear, The North Face Eyequipment. In addition, the Group manufactures and sells a wide range of brands under its own name, such as Marcolin and C  b   (skiing goggles and sports eyewear).

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Financial Statement - Assets (in euro)	31-m ar-04	31-m ar-03	31-dic-03
Total Intangible Assets	13.617.139	13.881.345	13.256.674
Total Tangible Assets	13.912.395	15.669.214	14.211.440
Total Financial Assets	2.150.742	2.858.857	2.115.187
Total Fixed Assets	29.680.276	32.409.416	29.583.302
Total Current Assets	135.926.231	120.505.929	128.954.217
Prepayment and accrued income	2.082.299	2.298.316	2.419.421
<b>Total Assets</b>	<b>167.688.806</b>	<b>155.213.661</b>	<b>160.956.939</b>

Financial Statement - Liabilities (in euro)	31-m ar-04	31-m ar-03	31-dic-03
Group Net Equity	57.239.189	62.240.544	53.342.461
	0	0	0
Total net Equity	57.239.189	62.240.544	53.342.461
Total Provisions	7.204.535	5.984.273	6.642.848
Total Payables	101.858.296	85.460.255	99.741.921
Accrued expenses and deferred income	1.386.785	1.528.589	1.229.708
<b>Total Net equity and liabilities</b>	<b>167.688.806</b>	<b>155.213.661</b>	<b>160.956.939</b>

Profit & Loss (in euro)	31-m ar-2004		31-m ar-2003		31-dic-2003	
Sales	48.971.283	100,0%	42.874.436	100,0%	157.293.624	100,0%
Other revenues	576.371	1,2%	658.201	1,5%	2.556.562	1,6%
<b>Total Revenues</b>	<b>49.547.655</b>	<b>101,2%</b>	<b>43.532.637</b>	<b>101,5%</b>	<b>159.850.186</b>	<b>101,6%</b>
Cost of sales	32.858.242	67,1%	28.932.018	67,5%	108.111.189	68,7%
<b>Value Added</b>	<b>16.689.412</b>	<b>34,1%</b>	<b>14.600.619</b>	<b>34,1%</b>	<b>51.738.997</b>	<b>32,9%</b>
Payroll	10.336.370	21,1%	10.895.297	25,4%	41.693.231	26,5%
<b>EBTDA</b>	<b>6.353.043</b>	<b>13,0%</b>	<b>3.705.321</b>	<b>8,6%</b>	<b>10.045.766</b>	<b>6,4%</b>
Provisions & write downs	535.557	1,1%	416.812	1,0%	2.166.321	1,4%
Amortization	1.395.934	2,9%	1.669.398	3,9%	6.833.009	4,3%
<b>EBIT</b>	<b>4.421.551</b>	<b>9,0%</b>	<b>1.619.112</b>	<b>3,8%</b>	<b>1.046.436</b>	<b>0,7%</b>
Net Financial Income	(1.162.321)	-2,4%	(1.236.669)	-2,9%	(4.767.225)	-3,0%
Extraordinary charges	(58.335)	-0,1%	148.210	0,3%	(140.100)	-0,1%
<b>Profit before taxes</b>	<b>3.200.895</b>	<b>6,5%</b>	<b>530.653</b>	<b>1,2%</b>	<b>(3.860.889)</b>	<b>-2,5%</b>

