



Press release

Milan, 12 November 2007

Marcolin S.p.A.: Board of Directors approves results for the first nine months of 2007. Revenue (+17.4%) and profit margins continue to rise.

Revenue: €132.7 mn (€113.0 mn for the first nine months of 2006; +17.4% or +19.8% on an exchange-adjusted basis)

EBITDA: €10.1 mn (€5.3 mn in 2006)

EBIT: €1.7 mn (€0.2 mn in 2006)

Net result: - €3.0 mn (- €4.7 mn in 2006)

Net financial position: - €31.7 mn (- €51.7 mn at 30 September 2006)

The Board of Directors of Marcolin S.p.A., at today's meeting chaired by Giovanni Marcolin Coffen, approved the Marcolin Group's consolidated quarterly report at 30 September 2007.

REVENUE

Consolidated revenue for the first nine months of the year amounted to €132.7 mn, an increase of €19.7 mn compared with the same period in 2006. The rise of 17.4% (19.8% on an exchange-adjusted basis) was achieved thanks to the performance of the entire brand portfolio, especially the Tom Ford, Roberto Cavalli and Montblanc collections.

Sales by geographic area are shown in detail below:

Net sales by geographic area (euro thousands)	30.09.2007		30.09.2006		Increase (decrease)	
- Italy	26.719	20,1%	26.958	23,8%	(239)	(0,9)%
- Europe	51.573	38,9%	40.369	35,7%	11.204	27,8%
- U.S.A.	31.682	23,9%	27.939	24,7%	3.742	13,4%
- Rest of the world	22.723	17,1%	17.775	15,7%	4.947	27,8%
Total by geographical area	132.696	100,0%	113.042	100,0%	19.654	17,4%

Compared with the period to 30 September 2006, there was a significant increase in revenue earned in Europe (excluding Italy) (+27.8%), in the "Rest of the world" (+27.8%), and in the United States (+13.4%). In Europe, the swiftest growth was enjoyed in France (+74% excluding Céb ), Germany (+53%), Spain (+33%) and the U.K. (+19%). In the "rest of the world," the best performers were the United Arab Emirates, Turkey, Brazil and Russia.

At the company level, sales were up 9.5% for Marcolin USA (+18.3% on an exchange-adjusted basis) and down 19.5% for C b .

EBITDA and EBIT

EBITDA came to €10.1 mn (€5.3 mn for the period to 30 September 2006), or 7.6% of sales (4.6% last year). EBIT, at €1.7 mn (€0.2 mn in 2006), amounts to 1.3% of sales (0.2% for the first nine months of 2006).

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These improvements are due mainly to the rise in sales, which helped absorb fixed and structural costs, and to the efficiency gains achieved by nearly every member of the Group.

Céb , on the other hand, reported EBITDA of -€4.0 mn (-€3.1 mn for the first nine months of 2006) and a net loss of €4.7 mn (€3.8 mn in 2006), plus a writedown of €2.9 mn for the fair value accounting of assets and liabilities held for sale.

Excluding C b 's results, for the first nine months the Group earned EBITDA of €17.0 mn (€8.3 mn in 2006) and net income of €4.5 mn (versus a loss of €0.9 mn for the period to 30 September 2006), showing a strong improvement on the previous year.

NET RESULT

The Group closed the period with a net loss of €3.0 mn (2.3% of revenue), compared with a loss of €4.7 mn (4.1% of revenue) for the first nine months of 2006.

RESULTS FOR THE THIRD QUARTER

Sales totalled €28.7 mn, down from €30.3 mn in 3Q06, a decrease of 5.4% (2.8% at constant exchange rates) due mainly to C b . As for Marcolin S.p.A., a comparison of revenue for the third quarter only is distorted by the unusual distribution of shipments during the course of 2006. In the first half of that year, deliveries were lower due to some manufacturing problems that prevented the complete satisfaction of orders, which were then filled and invoiced in the third and fourth quarters. This makes it meaningless to compare figures for 3Q07 and 3Q06.

EBIT was a negative €1.3 mn (versus a positive €0.1 mn in 3Q06), amounting to 4.4% of sales (0.2% last year), due to the greater incidence of fixed costs.

EBITDA came to €0.3 mn (€1.4 mn in 3Q06), or 1.1% of sales (4.6% last year). The quarter closed with a loss of €1.1 mn, compared with a loss of €1.0 mn for the same period in 2006.

NET FINANCIAL POSITION

Net financial position amounts to - €31.7 mn and is essentially unchanged with respect to 31 December 2006. Since 30 September 2006 (- €51.7 million), it has improved by €20.1 million, due primarily to the increase in capital completed last December.

SIGNIFICANT SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

Compared with 2006, sales of sunglasses and prescription frames in full-year 2007 are expected to increase along with the Group's profits margins in this segment.

In the sports division (C b ), the problems encountered last year are expected to persist. Purchase offers from third parties are being evaluated, and an analysis is being completed with a view to downsizing operations.

During the meeting, Matteo Tamburini resigned from the Board of Directors in order to limit the number of positions he holds at listed companies. The board thus voted to



co-opt Vito Varvaro as non-executive director. Mr. Varvaro was chairman and CEO of Procter & Gamble in Italy and is currently the operations and development manager for Diego Della Valle & C. Sapa.

Comments General Manager Antonio Bortuzzo:

"The Group's results are more than satisfactory in terms of revenue growth and margins, despite the problems with Céb , which management is taking steps to solve. The growth trend is confirmed by the current status of our order book."

Statement by the manager in charge of drawing up company accounts

Pursuant to Art. 154-bis, paragraph 2 of the Consolidated Finance Act, Sandro Bartoletti, the manager in charge of drawing up company accounts, declares that all figures contained in this press release correspond to the company's records, books and accounting entries.

Listed on the Milan Stock Exchange, Marcolin is a leader in eyewear and stands out within the luxury market for the high quality of its products, its attention to detail, and its prestigious distribution. In 2006 it produced and distributed about 5.5 million eyeglass frames and sunglasses in more than 600 styles. Its licensed brand portfolio includes: Cover Girl Eyewear, Ferrari, Just Cavalli Eyewear, Kenneth Cole Eyewear, Miss Sixty Glasses, Montblanc Eyewear, Replay Eyes, Roberto Cavalli Eyewear, The North Face Eyequipment, Timberland, Tom Ford Eyewear, and Web Eyewear. The Group's own brands include Marcolin and C b .

This press release is available at www.marcolin.com (English section).

This press release uses some "alternative performance indicators" not set forth by the IFRS accounting policies (EBITDA, net financial position), the significance of which is explained in the quarterly report.

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Annexes: financial statements of the Marcolin Group

Consolidated balance sheet (IFRS-compliant)

Consolidated balance sheet	Marcolin Group		
<i>(In euro thousands)</i>	30.09.2007	30.09.2006	31.12.2006
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	15.637	16.830	15.636
INTANGIBLE ASSETS	2.725	3.652	3.474
GOODWILL	2.279	2.553	2.454
INVESTMENTS	1.203	1.147	1.269
DEFERRED TAX ASSETS	3.443	5.036	3.735
OTHER NON CURRENT ASSETS	1.522	1.415	1.173
TOTAL NON CURRENT ASSETS	26.809	30.633	27.742
CURRENT ASSETS			
INVENTORIES	48.652	52.136	44.334
TRADE AND OTHER RECEIVABLES	47.485	50.504	52.909
OTHER CURRENT ASSETS	472	558	362
CASH AND CASH EQUIVALENTS	14.548	2.991	22.329
TOTAL CURRENT ASSETS	111.156	106.188	119.935
ASSETS HELD FOR SALE	6.563	0	17.502
TOTAL ASSETS	144.529	136.820	165.178
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	31.958	23.242	31.958
ADDITIONAL PAID IN CAPITAL	26.315	16.440	37.320
OTHER RESERVES	(1.719)	(489)	-782
RETAINED EARNINGS (LOSSES)	(5.369)	(3.100)	-3.093
PROFIT (LOSS) FOR THE PERIOD	(3.038)	(4.687)	(13.284)
MINORITY INTERESTS	0	0	0
TOTAL SHAREHOLDERS' EQUITY	48.147	31.407	52.119
LIABILITIES			
NON CURRENT LIABILITIES			
LONG TERM BORROWINGS	33.623	16.142	30.309
LONG TERM PROVISIONS	3.954	4.304	4.808
DEFERRED TAX LIABILITIES	2.037	2.571	2.006
OTHER NON CURRENT LIABILITIES	35	32	25
TOTAL NON CURRENT LIABILITIES	39.649	23.050	37.148
CURRENT LIABILITIES			
TRADE PAYABLES	29.792	34.556	34.543
SHORT TERM BORROWINGS	10.761	38.580	21.078
SHORT TERM PROVISIONS	3.761	2.658	2.382
INCOME TAXES	143	63	1.583
OTHER CURRENT LIABILITIES	6.992	6.506	4.927
TOTAL CURRENT LIABILITIES	51.449	82.364	64.513
LIABILITIES DIRECTLY ASSOCIATED TO ASSETS HELD FOR SALE	5.283	0	11.399
TOTAL LIABILITIES	96.381	105.412	113.059
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	144.529	136.820	165.178

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Consolidated income statement (IFRS-compliant)

Consolidated income statement <i>(In euro thousands)</i>	Marcolin Group	
	30.09.2007	30.09.2006
NET SALES	132.696	113.042
COST OF SALES	(59.085)	(51.321)
GROSS PROFIT	73.610	61.721
SELLING AND MARKETING COSTS	(59.573)	(54.101)
GENERAL AND ADMINISTRATIVE EXPENSES	(11.106)	(10.112)
OTHER INCOME AND EXPENSES	1.673	2.694
OTHER NON RECURRENT OPERATING EXPENSES	(2.898)	0
OPERATING PROFIT	1.706	202
FINANCIAL INCOME AND EXPENSES	(2.551)	(2.917)
NET RESULT BEFORE TAXES	(844)	(2.715)
INCOME TAXES	(2.194)	(1.972)
MINORITY INTERESTS	0	0
NET RESULT	(3.038)	(4.687)
EARNINGS (LOSSES) PER SHARE	(0,049)	(0,105)

CONSOLIDATED CASH FLOW STATEMENT

<i>(In euro thousands)</i>	Third quarter 2007	Third quarter 2006
<i>Operating profit before working capital changes</i>	13.355	6.996
<i>Cash flows provided (used) by working capital changes</i>	(8.199)	(8.368)
Cash flows provided by operating activities	5.156	(1.372)
Cash flows (used) in investing activities	(3.294)	(3.084)
Cash flows (used) by financing activities	(11.302)	(2.473)
Cash and cash equivalents increase (decrease)	(9.441)	(6.929)
<i>Effect of exchange rates on cash</i>	(202)	(152)
Cash and cash equivalents at beginning of year	23.411	10.071
Cash and cash equivalents at year end	13.768	2.991

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