MARCOLIN GROUP

QUARTERLY FINANCIAL REPORT
March 31, 2014

Registered Office, Executive Management and Business Offices
Longarone (BL) – Z.I. Villanova, 4
Issued capital euro 32,312,475.00 fully paid in
R.E.A. n. 64334
Tax code and Companies Register n. BL 01774690273
VAT n. 00298010257

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CORPORATE BOARDS AND AUDITORS

BOARD OF DIRECTORS [1]

Vittorio Levi	Chairman
Giovanni Zoppas	C.E.O. and General Manager
Antonio Abete	Director
Francesco Capurro	Director
Cirillo Coffen Marcolin	Director
Roberto Ferraresi	Director
Violaine Odile Marie Grison	Director
Emilio Macellari	Director
Frédéric Jaques Mari Stévenin	Director
Franck Raymond Temam	Director
Raffaele Roberto Vitale	Director

BOARD OF STATUTORY AUDITORS [1]

David Reali	Chairman
Mario Cognigni	Acting Auditor
Diego Rivetti	Acting Auditor
Alessandro Maruffi	Alternate Auditor
Rossella Porfido	Alternate Auditor

INTERNAL AUDIT COMMITTEE [2]

Vittorio Levi	Chairman
Roberto Ferraresi	Internal Auditor
Cirillo Coffen Marcolin	Internal Auditor

SUPERVISORY BODY [2]

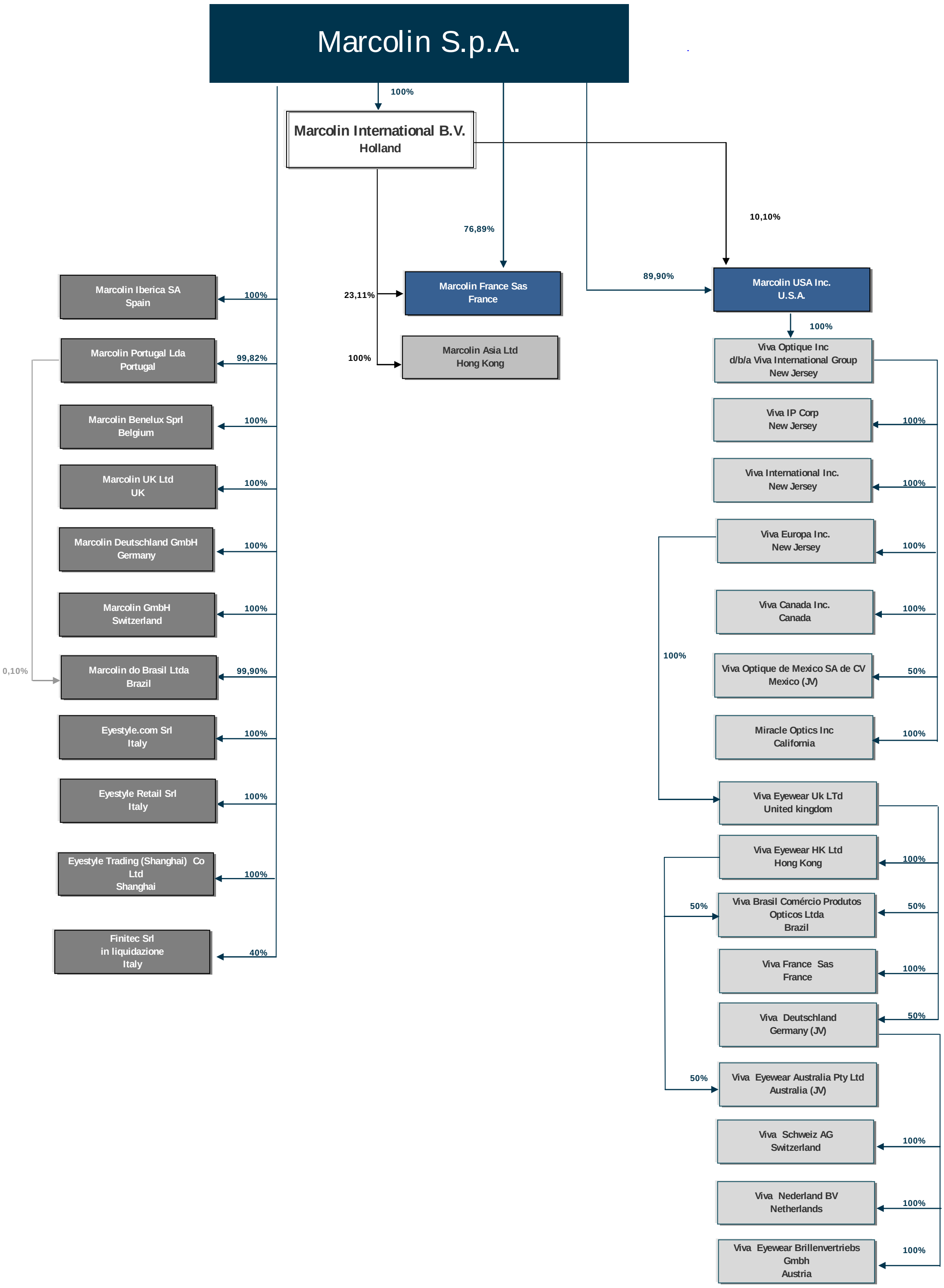
Federico Ormesani	Chairman
David Reali	Supervisor
Cirillo Coffen Marcolin	Supervisor

INDEPENDENT AUDITORS [3]

PricewaterhouseCoopers S.p.A.

(1) Term of office ends on the date of the Shareholders' Meeting called to approve the annual financial statements for the year ended December 31, 2015 (according to Shareholders' Resolution of April 30, 2013).
(2) Board of Directors' appointment of April 30, 2013.
(3) Term of engagement: 2013, 2014 and 2015 (according to Shareholders' Resolution of April 30, 2013).

MARCOLIN GROUP STRUCTURE



MARCOLIN GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/000)	Notes	3/31/2014	12/31/2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1	22,668	23,489
Intangible assets	1	41,100	34,655
Goodwill	1	256,932	256,917
Investments in subsidiaries and associates	1	2,047	2,030
Deferred tax assets	1	23,747	24,326
Other non-current assets	1	845	870
Non-current financial assets	1	6,349	7,132
Total non-current assets		**353,687**	**349,418**
CURRENT ASSETS			
Inventories	2	68,385	72,907
Trade receivables	2	85,381	72,468
Other current assets	2	14,288	13,994
Current financial assets	2	1,687	1,759
Cash and bank balances	2	23,495	38,536
Total current assets		**193,237**	**199,664**
TOTAL ASSETS		**546,924**	**549,082**
EQUITY			
Share capital	5	32,312	32,312
Additional paid-in capital	5	151,994	151,994
Legal reserve	5	3,853	3,853
Other reserves	5	43,787	43,638
Retained earnings (losses)	5	(16,750)	(4,811)
Profit (loss) for the year	5	278	(12,011)
Non-controlling interests		-	-
TOTAL EQUITY		**215,474**	**214,975**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	3	196,091	195,891
Non-current provisions	3	18,776	18,287
Deferred tax liabilities	3	2,788	2,987
Other non-current liabilities	3	4,013	3,954
Total non-current liabilities		**221,669**	**221,119**
CURRENT LIBILITIES			
Trade payables	4	65,883	64,711
Current financial liabilities	4	15,609	17,707
Current provisions	4	10,978	14,422
Current tax liabilities	4	5,871	4,640
Other current liabilities	4	11,440	11,508
Total current liabilities		**109,781**	**112,988**
TOTAL LIABILITIES		**331,450**	**334,106**
TOTAL LIABILITIES AND EQUITY		**546,924**	**549,082**

CONSOLIDATED INCOME STATEMENT

(euro/000)

	Notes	3/31/2014	%	3/31/2013	%
NET REVENUES	7	**98,702**	**100.0%**	**56,555**	**100.0%**
COST OF SALES	8	**(39,721)**	**(40.2)%**	**(21,803)**	**(38.6)%**
GROSS PROFIT		**58,981**	**59.8%**	**34,751**	**61.4%**
Distribution and marketing expenses	9	(44,647)	(45.2)%	(24,677)	(43.6)%
General and administration expenses	10	(7,834)	(7.9)%	(5,673)	(10.0)%
Other operating income expenses	11				
- other operating income		1,165	1.2%	1,013	1.8%
- other operating expenses		(190)	(0.2)%	(113)	(0.2)%
TOTAL OPERATING INCOME/EXPENSES		**975**	**1.0%**	**900**	**1.6%**
EFFECTS OF ACCOUNTING FOR ASSOCIATES					
OPERATING INCOME - EBIT		**7,476**	**7.6%**	**5,301**	**9.4%**
FINANCIAL INCOME AND COSTS					
Financial income	12	995	1.0%	957	1.7%
Finance costs		(6,135)	(6.2)%	(3,409)	(6.0)%
TOTAL		**(5,140)**	**(5.2)%**	**(2,452)**	**(4.3)%**
PROFIT BEFORE TAXES		**2,336**	**2.4%**	**2,850**	**5.0%**
Income tax expense		(2,058)	(2.1)%	(2,107)	(3.7)%
NET PROFIT/(LOSS) FOR THE YEAR		**278**	**0.3%**	**743**	**1.3%**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(euro/000)

	3/31/2014	3/31/2013
NET PROFIT FOR THE YEAR	**278**	**743**
Other items that will not subsequently be reclassified to profit or loss: Effect (actuarial gains/losses) on defined benefit plans, net of taxes	-	-
TOTAL OTHER ITEMS THAT WILL NOT SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS	**-**	**-**
Other items that will be subsequently reclassified to profit or loss		
Change in foreign currency translation reserve	221	1,299
TOTAL OTHER ITEMS THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS	**221**	**1,299**
TOTAL COSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	**499**	**2,042**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

				Other reserves							
(euro/000)	Share capital	Additional paid-in capital	Legal Reserve	S.holders deposit in s/capital	Other reserves	Retained earnings/ (losses)	Profit/(loss) for the year	Period result	Capital and reserves net total	Non-controlling interests in equity	Total
Balance as of January 1, 2013	**1,200**	**159,660**	**-**	**-**	**-**	**-**	**-**	**(4,811)**	**156,049**	**-**	**156,049**
Capital increase of February 6,2013	-	-	-	27,300	-	-	-	-	27,300	-	**27,300**
Allocation of 2012 profit	-	-	-	-	-	-	(4,811)	4,811	-	-	**-**
Merger impact	31,112	(7,666)	3,853	(27,300)	-	-	-	-	-	-	**-**
Capital increase of November 29, 2013	-	-	-	24,000	-	-	-	-	24,000-	-	**24,000**
Capital increase of December 3, 2013	-	-	-	22,108	-	-	-	-	22,108-	-	**22,108**
- Period result	-	-	-	-	-	-	-	(12,011)	(12,011)	-	***(12,011)***
- Other components of comprehensive income	-	-	-	-	(2,592)	122	-	-	-2,470-	-	***(2,470)***
Total comprehensive income	-	-	-	-	(2,592)	122	-	(12,011)	(14,481)	-	**-14,481-**
Balance as of December 31, 2013	**32,312**	**151,994**	**3,853**	**46,108**	**(2,592)**	**122**	**(4,811)**	**(12,011)**	**214,975**	**-**	**214,975**
Allocation of 2013 profit	-	-	-	-	-	(16,822)	4,811	12,011	-	-	**-**
- Period result	-	-	-	-	-	-	-	*278*	*278*	-	***278***
- Other components of comprehensive income	-	-	-	-	221	-	-	-	*221*	-	***221***
Total comprehensive income	-	-	-	-	221	-	-	278	499	-	**499**
Balance as of March 31, 2014	**32,312**	**151,994**	**3,853**	**46,108**	**(2,371)**	**(16,700)**	**-**	**278**	**215,474**	**-**	**215,474**

Consolidated cash flow statement	Notes	03/31/2014	12/31/2013
(euro/000)			
Operating activities :			
Profit for the period		*278*	*(12.011)*
Depreciation and amortization	1	2.137	5.411
Provisions		2.096	(2.806)
Impairment losses		-	-
Income tax expense		2.058	201
Accrued interest expense		4.928	19.881
Adjustments to other non-cash items		(2.053)	1.034
Cash generated by operations		*9.444*	*11.709*
(Increase) decrease in trade receivables	2	(13.177)	(1.300)
(Increase) decrease in other receivables	2	42	(88)
(Increase) decrease in inventories	2	3.576	3.717
(Decrease) increase in trade payables	4	(5.620)	(11.260)
(Decrease)/increase in other liabilities	3,4	(10)	(931)
(Use) of provisions	3,4	(2.035)	(3.574)
(Decrease)/increase in current tax liabilities	4	226	(1.383)
Adjustments to other non-cash items		89	5.524
Income taxes paid		(707)	(1.938)
Interest paid		(601)	(17.452)
Cash used for current operations		*(18.218)*	*(28.684)*
Net cash from /(used in) operating activities		**(8.774)**	**(16.975)**
INVESTING ACTIVITIES			
(Purchase) of property, plant and equipment	1	(507)	(2.615)
Proceeds from the sale of property, plant and equipment	1	0	(30)
(Purchase) of intangible assets	1	(461)	(1.512)
Investments in subsidiaries and associates	1	-	
Net cash outflow on business combinations net of the liquidity acquired (Marcolin Group)		-	(53.619)
Net cash outflow on business combinations net of the liquidity acquired (Viva)		-	(74.126)
Net cash from /(used in) investing activities		**(968)**	**(131.902)**
FINANCING ACTIVITES			
Loans granted			
- Increase		-	-
- Decrease	1,2	782	1.600
Net increase (decrease) in bank borrowings		(7.132)	1.934
Loans taken out	3,4		
- new loans		4.000	252.600
- repayments		(3.000)	(164.514)
Capital increase		-	51.300
Net cash from /(used in) financing activities		**(5.350)**	**142.920**
Net increase/(decrease) in cash and cash equivalents		**(15.091)**	**(5.958)**
Effect of foreign exchange rate changes		51	(707)
Cash and cash equivalents at beginning of year		**38.536**	**45.200**
Cash and cash equivalents at end of year		**23.495**	**38.536**

NOTES TO THE QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2014

INTRODUCTION

Marcolin, a well-established company based in Longarone (Belluno) in the Italian eyewear district, is a designer, manufacturer and distributor of eyewear products.
A renowned leader in the global eyewear business, Marcolin stands out for its premium quality products, design concepts, production capabilities, attention to detail and first-rate distribution.

In 2013 the Marcolin Group sold an estimated 5.4 million pairs of eyeglasses and sunglasses worldwide, in more than 5,800 models, with sales exceeding euro 200 million.

At the end of 2013 Marcolin acquired the VIVA International group (hereafter also “Viva”) by acquiring 100% of the capital of Viva Optique, Inc., one of the most prominent eyewear groups in the United States, and one that is particularly strong in the vision care. VIVA is based in New Jersey, and controls affiliates in major countries of strategic interest. In 2013 its sales were some US$ 190 million, with 8.5 million articles sold, 55% of which in the United States.

In 2013 combined with VIVA, the Marcolin Group had sales of euro 345 million and some 1,200 employees (including 300 from the VIVA Group), plus a widespread network of proven independent agents.

Thanks to VIVA's products and markets complementing those of the Marcolin Group, the acquisition of VIVA has improved Marcolin's standing as a highly global eyewear company in terms of its brand portfolio, products, geographic presence and markets.

The Marcolin Group has a strong brand portfolio, with a good balance between luxury and mainstream ("diffusion") products, men's and women's products, and eyeglasses and sunglasses.

The luxury segment includes glamorous fashion brands such as Tom Ford, Tod’s, Balenciaga, Roberto Cavalli, Montblanc and now Zegna and Agnona (the latter two brands will be launched in 2015), and the diffusion segment includes Diesel, Swarovski, DSquared2, Just Cavalli, Timberland, Cover Girl, Kenneth Cole New York and Kenneth Cole Reaction.
Viva International Inc. has added to this portfolio the brands Guess, Guess by Marciano, Gant, Harley Davidson, and other brands targeted specifically to the U.S. market.

The house brands are WEB, National and Marcolin.

The Viva acquisition has boosted Marcolin's presence on the American market. The Group is now present in all leading countries worldwide through its affiliates, partnerships and exclusive distribution agreements with major players.

ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

Accounting policies

The Quarterly Financial Report for the period ended March 31, 2014 was prepared according to the accounting policies established by the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) adopted by the European Union, under the procedures set forth in Regulation no. 1606/2002, Article 6 of the European Parliament and European Council on July 19, 2002 concerning application of international accounting standards, and the enactment measures for Italian Legislative Decree no. 38/2005.

The consolidation policies adopted for the preparation of the Quarterly Financial Report for the period ended March 31, 2014 are consistent with those used to prepare the annual financial statements as at December 31, 2013, which may be referred to in this respect.

The Group elected to use the following types of financial statements, which are envisaged by International Accounting Standard (IAS) 1:

- the income statement that classifies costs by their nature. In addition, it was decided to present two distinct documents: the income statement and the statement of comprehensive income;
- the statement of financial position that presents separately current assets, non-current assets, current liabilities, non-current liabilities, assets held for sale and liabilities associated with assets held for sale;
- the statement of changes in equity that presents items in individual columns with reconciliation of the opening and closing balances of each item forming equity;
- the cash flow statement using the indirect method, which presents the cash flows by operating, investing and financing activities for the period.

The same financial statement format was used to prepare the Annual consolidated Financial Statements as at December 31, 2013.
Since the figures are reported in thousands of euros, slight differences may emerge due to rounding off.

Consolidated companies

The Marcolin Group's Quarterly Financial Report for the period ended March 31, 2014 reflects the consolidated companies at that date, i.e. Marcolin S.p.A. (the Parent Company), its Italian and foreign subsidiaries and the companies over which it exercises a dominant influence, whether directly or indirectly.

The companies consolidated on a line-by-line basis and the companies accounted for using the equity method are set forth below:

COMPANY	HEADQUARTERS	CURRENCY	SHARE CAPITAL	CONSOLIDATION METHOD	% OWNERSHIP DIRECT	INDIRECT
Marcolin Asia Ltd.	Hong Kong	HKD	1,539,785	Full	-	100.00%
Marcolin Benelux Sprl	Faimes, Benelux	EUR	280,000	Full	99.98%	-
Marcolin do Brasil Ltda	Jundiai, Brasil	BRL	9,575,240	Full	99.90%	0.10%
Marcolin (Deutschland) GmbH	Ludwigsburg, Germany	EUR	300,000	Full	100.00%	-
Marcolin GmbH	Fullinsdorf, Switzerland	CHF	200,000	Full	100.00%	-
Marcolin Iberica SA	Barcellona, Spagna	EUR	487,481	Full	100.00%	-
Marcolin International BV	Amsterdam, Olanda	EUR	18,151	Full	100.00%	-
Marcolin Portugal Lda	Lisbona, Portugal	EUR	420,000	Full	99.82%	-
Marcolin (UK) Ltd	Newbury, Uk	GBP	850,000	Full	99.88%	-
Marcolin Usa Inc	New York, Usa	USD	775,100	Full	89.90%	10.10%
Marcolin France Sas	Parigi,France	EUR	1,054,452	Full	76.89%	23.11%
Eyestyle Retail Srl	Milano, Italy	EUR	200,000	Full	100.00%	
Eyestyle.com Srl	Longarone, Italy	EUR	150,000	Full	100.00%	
Eyestyle Trading (Shanghai) Co., Ltd	Shangai, China	CNY	930,546	Full	100.00%	
Finitec Srl in liquidazione	Longarone, Italy	EUR	54,080	Equity	40.00%	-
Viva Optique Inc.d/b/a Viva International Group	Somerville, Usa	USD	121,872,715	Full	100.00%	
Viva Europa Inc.	New Jersey, USA	USD	0	Full	100.00%	
Viva IP, Inc	New Jersey, USA	USD	10,000	Full	100.00%	
Viva Brasil Comercio Produtos Opticos Ltda	Sao Paulo, Brasil	REAL	798,560	Full		100.00%
Viva Canada Inc.	New Brunswick, Canada	CAN$	347,640	Full	100.00%	
Viva France Sas	Pontault Combault, France	EUR	37,000	Full		100.00%
Viva Eyewear Hong Kong Ltd	New Territories, Hong Kong	HKD	100	Full		100.00%
Viva Italia	Operations Ceased	EUR	93,600	Full	1.00%	99.00%
Viva International, Inc d/b/a Viva Japan	Operations Ceased	YEN	0	Full	100.00%	
Viva Eyewear UK Ltd	North Yorkshire, UK	GBP	0	Full		100.00%
Viva Optique de Mexico SA de CV	Edo, Mexico	PESO	3,694,685	Equity	50.00%	
Viva Deutschland	Schwaebisch Gmund, Germany	EUR	25,000	Equity		50.00%
Viva Eyewear Brillenvertriebs Gmbh	Mondsee, Austria	EUR	35,000	Equity		50.00%
Viva Nederland B.V.	Rijswijk, Netherlands	EUR	18,000	Equity		50.00%
Viva Schweiz AG Postfach 51	Wallis, Switzerland	CHF	50,000	Equity		50.00%
Viva Eyewear Australia Pty Ltd	Rosebery NSW, Australia	AUS$	1,000,000	Equity		50.00%

The scope of consolidation is the same as that of December 31, 2013.

The following table lists the exchange rates used for currency translation (the closing and average exchange rates refer to March 31, 2014 and January to March, 2014, respectively):

Currency		Closing exchange rate			Average eschange rate		
		2014	2013	*Change*	2014	2013	*Change*
English Pound	GBP	0.828	0.834	(0.7)%	0.828	0.849	(2.5)%
Swiss Franc	CHF	1.219	1.228	(0.7)%	1.224	1.231	(0.6)%
USA Dollar	USD	1.379	1.379	(0.0)%	1.370	1.328	3.1%
Brazilian Real	BRL	3.128	3.258	(4.0)%	3.240	2.869	12.9%
Hong Kong Dollar	HKD	10.70	10.693	0.0%	10.629	10.302	3.2%

BUSINESS COMBINATIONS

Acquisition of Viva International Group

In December 2013 the Marcolin group, through Marcolin USA, Inc., acquired the Viva International group, one of the most important eyewear businesses in the U.S. market. The acquisition date was December 3, 2013. After carrying out the preliminary and preparatory activities, the acquisition, which received antitrust approval from the U.S. Federal Trade Commission, was completed by Marcolin USA, Inc., which thus was the owner of the entire share capital of Viva Optique, Inc. (Parent Company of the acquired Group) as at December 31, 2013.
According to IFRS 3, "Business Combinations", even this acquisition consisted of a business combination, and as such was accounted for with the acquisition method. As permitted by IFRS 3, given the significance of the acquisition and the proximity to the 2013 reporting date, the initial accounting for the business combination was determined only provisionally in the financial statements for the year ended December 2013, and goodwill was determined on the basis of provisional, partial identification of the fair values of the acquired assets, liabilities and contingent liabilities.
Within 12 months of the acquisition date, the business combination accounting will be finalized with the identification and valuation of the acquired assets and liabilities.
The business combination disclosures required by IFRS 3 are provided hereunder.

Combining entities
The combining entities are Marcolin USA, Inc., the acquirer, and the Viva International Group, the acquiree group of companies.
The following table sets forth the acquired companies and the percentage of equity instruments with voting rights acquired directly by Marcolin USA, Inc. in 2013:

Company	Registred Offices	Currency	Share capital	% ownership Direct	Indirect
Viva Optique, Inc. d/b/a Viva International Group	U.S. (New Jersey)	USD	121,872,715	100%	
Viva IP, Corp	U.S. (New Jersey)	USD	10,000		100%
Viva International, Inc. - in liquidazione	U.S. (New Jersey)	USD			100%
Viva Europa, Inc.	U.S. (New Jersey)	USD	-		100%
Viva Canada Inc.	Canada	CAD	347,640		100%
Viva Optique de México S.A. de C.V.	Messico	MXN	3,694,685		50%
Miracle Optics, Inc. - in liquidazione	U.S. (California)	USD			
Viva Eyewear UK Ltd.	UK	GBP	-		100%
Viva Italia S.r.l. - in liquidazione	Italia	EUR	93,600		100%
Viva Eyewear Hong Kong, Ltd.	Hong Kong	HKD	100		100%
Viva Brasil Comércio de Produtos Opticos Ltd	Brasile	BRL	798,560		100%
Viva France S.A.S.	Francia	EUR	37,000		100%
Viva Eyewear Australia Pty Ltd.	Australia	AUD	1,000,000		50%
Viva Schweiz AG	Svizzera	CHF	50,000		50%
Viva Netherlands B.V.	Paesi Bassi	EUR	18,000		50%
Viva Deutschland GmbH	Germania	EUR	25,000		50%
Viva Eyewear Brillenvertriebs	Austria	EUR	35,000		50%

Cost of the business combination
The cost of the business combination was euro 117.297 million, represented by the sum of acquiree equity instruments acquired.
It is detailed below (amounts in thousands of euros):

	EUR	USD
Corresponding amount paid by Marcolin USA Inc. at closing on Dec.3, 2013	85,689	116,348
Other corresponding amounts paid by Marcolin USA Inc. at closing on Dec.3,	1,841	2,500
Price paid though 3Cime SpA at closing on Dec.3, 2013	22,095	30,000
Deferred price to be paid to HVHC Inc. after Dec.31, 2013	7,672	10,417
Purchase price	**117,297**	**159,266**

Transaction costs were recognized in the income statement of the year they were incurred (in accordance with the applicable accounting standard).

Fair value of acquired assets, liabilities and contingent liabilities
As noted, given the significance of the acquisition and the proximity to the reporting date, it was not possible to determine the definitive net fair values of the assets and liabilities acquired in the Viva International group, so the allocation is based on the fair value determined provisionally as at the acquisition date.
The provisional fair value of the net acquired assets is euro 49.048 million, detailed as follows (in thousands of euros):

(euro/000)		Provisional Fair Value EUR	Provisional Fair Value USD	Carrying Value in Viva Goup Statements EUR	Carrying Value in Viva Goup Statements USD
ASSETS					
Non-current assets					
	Property, plant, and equipment	3,724	5,056	3,724	5,056
	Intangible assets	14,781	20,069	14,781	20,069
	Goodwill	-	-	65,793	89,334
	Investments	1,950	2,648	1,950	2,648
	Deferred tax assets	3,005	4,080	3,005	4,080
	Total non-current assets	**23,460**	**31,854**	**89,254**	**121,189**
Current assets					
	Inventories	25,865	35,119	25,865	35,119
	Trade and other receivables	23,114	31,384	23,114	31,384
	Other current assets	1,483	2,014	1,483	2,014
	Cash and bank balances	13,404	18,200	13,404	18,200
	Current financial assets	-	-	-	-
	TOTAL current assets	**63,866**	**86,717**	**63,866**	**86,717**
Total assets		**87,326**	**118,571**	**153,120**	**207,906**
LIABILITIES					
Non-current liabilities					
	Non-current financial liabilities	2,069	2,809	2,069	2,809
	Non-current provisions	184	250	184	250
	Deferred tax liabilities	2,215	3,007	1,939	2,632
	Other non-current liabilities	-	-	-	-
	Total non-current liabilities	**4,468**	**6,066**	**4,191**	**5,691**
Current liabilities					
	Trade payables	18,420	25,011	18,420	25,011
	Current financial liabilities	675	916	675	916
	Current liabilities	5,378	7,302	5,378	7,302
	Current tax liabilities	2,443	3,317	2,443	3,317
	Other current liabilities	6,895	9,362	6,895	9,362
	Total current liabilities	**33,811**	**45,908**	**33,811**	**45,908**
Total liabilities		**38,278**	**51,974**	**38,002**	**51,599**
Acquired net assets		**49,048**	**66,597**	**115,118**	**156,307**

Since the acquisition was completed on December 3, 2013, the Marcolin group's consolidated financial statements include the Viva International group's income statement data for the period from December 4, 2013 to December 31, 2013.
The impact of the business combination on the annual cash flow is a decrease in cash and bank balances of euro 74.126 million, equal to the price paid net of the cash and bank balances acquired from the Viva International group (euro 13.404 million on December 3, 2013), of the price paid through the indirect parent company, 3 Cime S.p.A., and of the deferred consideration.

Assuming an acquisition date corresponding to the beginning of the reporting period (i.e., January 1st, 2013), as required by IFRS 3, the revenues and Ebitda of the surviving entity would be euro 344.9 million and euro 26.8 million, respectively (excluding non-recurring income and costs).

Goodwill recognized pursuant to the business combination
Provisional goodwill of euro 68.249 million (as at December 3, 2013) emerged as the difference between the cost of the business combination and the acquirer's interest in the net fair value of the acquired assets and liabilities, as shown in the table below:

	EUR	USD
Net fair value at acquisition date	**49,048**	**66,597**
Minority interest	-	-
Net fair value acquisition date	**49,048**	**66,597**
Purchase price	117,297	159,266
Goodwill	**68,249**	**92,668**

Goodwill represents the future economic benefits arising from the business combination, due primarily to the Viva Group's legacy of expertise and know-how developed over the years; they form a potential contribution to future earnings and generation of cash flows deriving from the ability to satisfy customer demands, quantifiable in terms of higher profitability and cash flows. Future economic benefits are assured by the Viva group's collective business strategies and information regarding licensor relationships, relationships with the distribution network in the American market, products distributed and customer demands, implemented in the past in order to gain esteem and win over new customers and markets. This intangible legacy of practical knowledge summarizes the business know-how of the group acquired.

As noted, the fair value of the net acquired assets was determined only provisionally, so the respective definitive values and value attributed to goodwill could differ, even considerably, from the values reported at this reporting date.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Non-current assets

The composition of non-current assets is shown below:

NON-CURRENT ASSETS *(euro/000)*	**3/31/2014**	**12/31/2013**
PROPERTY, PLANT AND EQUIPMENT	22,668	23,489
INTANGIBLE ASSETS	41,100	34,655
GOODWILL	256,932	256,917
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	2,047	2,030
DEFERRED TAX ASSETS	23,747	24,326
OTHER NON-CURRENT ASSETS	845	870
NON-CURRENT FINANCIAL ASSETS	6,349	7,132
TOTAL NON-CURRENT ASSETS	**353,687**	**349,418**

The value of non-current assets rose by euro 4.269 million from December 31, 2013. The most significant changes refer to the following items:

- property, plant and equipment, which fell by euro 821 thousand largely as a result of new asset purchases of euro 510 thousand and annual depreciation of euro 974 thousand, as well as subsidiary Viva's reclassification of software of euro 332 thousand from property, plant and equipment to intangible assets;
- intangible assets, which rose by euro 6.445 million due to new acquisitions of euro 7.253 million, annual amortization of euro 1.163 million and Viva International's aforementioned reclassification of euro 332 thousand. In the first quarter of 2014 the one-off fee of euro 6.792 million due by the Parent Company to two licensors to extend licensing agreements was recognized among the intangible assets (specifically, euro 6.055 million refers to the extension of one licensing agreement to include 2017 and 2018, and euro 737 thousand to the extension of another licensing agreement until December 31, 2015);
- deferred tax assets, which fell by euro 579 thousand. The amount is due mainly to the taxation of the provisions released by the Parent Company in the first quarter of 2014;
- other non-current financial assets, which fell by euro 783 thousand. Nearly the entire decrease refers to the partial repayment of a loan granted by subsidiary Marcolin USA to a third party, on which interest accrues at market rates. As agreed, the loan shall be repaid with semi-annual installments from 2013 to 2015.

2. Current assets

The composition of current assets is shown below:

CURRENT ASSETS *(euro/000)*	**03/31/2014**	**12/31/2013**
INVENTORIES	**68,385**	**72,907**
TRADE RECEIVABLES	**85,381**	**72,468**
OTHER CURRENT ASSETS	**14,288**	**13,994**
CURRENT FINANCIAL ASSETS	**1,687**	**1,759**
CASH AND BANK BALANCES	**23,495**	**38,536**
TOTAL CURRENT ASSETS	**193,237**	**199,664**

The overall value of current assets fell by euro 6.427 million from the amount at December 31, 2013 mainly as a result of the combined effect of the following events, all of which are affected by seasonal factors:

- a euro 4.522 million decrease in inventories, regarding mainly finished products and raw materials;
- a euro 12.913 million increase in trade receivables;
- a euro 294 thousand increase in other current assets;

- a euro 72 thousand decrease in other current financial assets;
- a euro 15.041 million decrease in cash and bank balances.

Inventory is shown net of the euro 25.017 million provision for inventory impairment losses (euro 23.994 million at December 31, 2013).

Trade receivables rose by euro 12.913 million from December 31, 2013 due to the aforementioned seasonality. The average collection period improved slightly for Marcolin and Viva compared to the three months ended March 31, 2013.

Receivables are shown net of the allowance for doubtful accounts of euro 5.422 million (euro 5.349 million at December 31, 2013).

3. Non-current liabilities

The composition of non-current liabilities is shown below:

NON-CURRENT LIABILITIES *(euro/000)*	03/31/2014	12/31/2013
NON-CURRENT FINACIAL LIABILITIES	196,091	195,891
NON-CURRENT PROVISIONS	18,776	18,287
DEFERRED TAX LIABILITIES	2,788	2,987
OTHER NON-CURRENT LIABILITIES	4,013	3,954
TOTAL NON -CURRENT LIABILITIES	221,669	221,119

Non-current liabilities increased by euro 550 thousand from December 31, 2013.

All bank loans were taken out by the Parent Company. The main loans are presented in detail below:

BANK	CURRENCY	ORIGINAL AMOUNT	RESIDUAL AMOUNT	MATURITY DATE	INTEREST RATE	NOTES
Ministry of productive activities (technological innovation)	euro	793,171	246,392	26 June 2016	1.012%	Subsidized loan obtained under the law 46/82, repayable in 10 annual installments from June 26, 2007
BOND	euro	200,000,000	200,000,000	14 novembre 2019	8.5%	Bond issued the 14th November 2013 - Half-yearly interests on 15th of May and 15th of November
Intesa San Paolo S.p.A., Goldman Sachs International, IKB Deutsche Industrie Bank AG, Natixis S.A., Unicredit S.p.A.	euro	3,000,000	3,000,000	3 June 2019	*Euribor 1/2/3 monthes spread 4%*	Super Senior RCF - Revolving facility agreement - Euro 25.000.000 - signed the 18th November 2013

4. Current liabilities

Current liabilities are set forth below:

CURRENT LIABILITIES *(euro/000)*	03/31/2014	12/31/2013
TRADE PAYABLES	65,883	64,711
CURRENT FINANCIAL LIABILITIES	15,609	17,707
CURRENT PROVISIONS	10,978	14,422
CURRENT TAX LIABILITIES	5,871	4,640
OTHER CURRENT LIABILITIES	11,440	11,508
TOTAL CURRENT LIABILITIES	109,781	112,988

Current liabilities at March 31, 2014 show a decrease of euro 3.207 million from December 31, 2013.

In particular, the following may be observed:
- a euro 1.172 million increase in trade payables;
- a euro 2.098 million decrease in short-term borrowings;
- a euro 3.444 million decrease in current provisions;
- a euro 1.231 million increase in income tax expense.

5. Equity

The main changes in equity refer to the allocation of the 2013 loss of euro 12.011 million to the reserve for retained earnings/(losses) and the recognition of the comprehensive income for the period of euro 499 thousand.

6. Net financial position

The net financial position/(indebtedness) as at March 31, 2014 is set forth below in comparison with that of December 31, 2013:

NET FINANCIAL POSITION / (INDEBTEDNESS)	3/31/2013	12/31/2013
(euro/000)		
Cash and cash equivalents	23,495	38,536
Financial receivables	8,037	8,890
Short-term borrowings	(15,528)	(17,625)
Current portion of long-term borrowings	(81)	(81)
Long-term borrowings	(196,091)	(195,891)
Total	**(180,168)**	**(166,172)**

The net balance is a negative euro 180.168 million, compared to a negative euro 166.172 million at December 31, 2013, an increase in indebtedness of 13.996 million.

Specifically, the following may be observed:
- a euro 15.041 million decrease in cash and bank balances;
- a euro 853 thousand decrease in short-term financial receivables;
- a euro 2.097 million decrease in short-term borrowings;
- a euro 200 thousand increase in long-term borrowings.

CONSOLIDATED INCOME STATEMENT

The Group's consolidated income statement to date at March 31, 2014 is summarized below against the corresponding results to date at March 31, 2013.

The Viva acquisition had a significant impact on the Group's financial statement results, so the first quarter 2014 income statement results are incomparable with those of first quarter 2013.
Therefore, the notes describing the first quarter 2014 results will also present the results excluding the Viva Group's contribution to first quarter 2014.

CONSOLIDATED INCOME STATEMENT

(euro/000)	**3/31/2014**	% of revenue	**3/31/2013 Pro-forma**	% of revenue
REVENUE	98,702	100.0%	56,555	100.0%
GROSS PROFIT	(39,721)	(40.2)%	(21,803)	(38.6)%
EBITDA	9,797	9.9%	6,419	11.4%
OPERATING INCOME - EBIT	7,476	7.6%	5,301	9.4%
FINANCIAL INCOME AND COSTS	(5,140)	(5.2)%	(2,452)	(4.3)%
PROFIT BEFORE TAXES	2,336	2.4%	2,850	5.0%
NET PROFIT	278	0.3%	743	1.3%

The 2014 net revenues to date are euro 98.7 million, compared to euro 56.6 million for first quarter 2013 (the 2013 data excludes Viva). Considering Viva in 2013, the 2013 pro-forma revenues are euro 97.3 million, 1.4% higher than for the same period of 2014.
However, exchange rates were very significant, especially for the U.S. dollar; at constant exchange rates the growth like for like perimeter is 3.8%.

March 2014 Ebitda is euro 9.8 million, or 9.9% of sales, a clear improvement from the prior year. Including Viva, at constant perimeter, the corresponding pro-forma amount is euro 8.4 million, or 8.6% of sales. March 2013 Ebitda as reported is euro 6.4 million, or 11.4%.

Ebit is euro 7.5 million, or 7.6% of sales. For the first three month of 2013, including Viva, Ebit is euro 6.4 million, corresponding to 6.6% of sales (euro 97.3 million). In 2013 same period the amount reported is euro 5.3 million, equal to 9.4% of sales.

The Group’s margins were influenced by non-recurring transactions, which in the first quarter of 2014 had an adverse impact on Ebitda of nearly euro 1.6 million (in 2013, including the costs of the absorbed company, Cristallo, the adverse effect was about euro 2.9 million).
In order to better understand the business performance, those effects must be eliminated; they mainly refer to costs for reorganization, one-offs for business development, and other non-recurring transactions that took place in the period (one-off costs of the Viva integration plan for 2014).
Excluding the effects of those transactions, the 2014 adjusted Ebitda is euro 11.4 million (11.6% of sales), against the 2013 amount of euro 11.3 million (11.6% of sales).

The normalized adjusted key performance indicator, filtered of the significant effects of the non-recurring costs, is as follows:

ECONOMIC INDICATORS - ADJUSTED

(euro/000)	2014	% of revenue	2013 Pro-forma	% of revenue
EBITDA *	**11,400**	**11.6%**	**9,322**	**16.5%**
EBITDA CONSTANT PERIMETER **	**11,400**	**11.6%**	**11,324**	**11.6%**

* 2013 =Cristallo +Marcolin Group
** 2013= Cristallo +Marcolin Group+Viva

7. Revenue

The following table sets forth the net sales revenue by geographical area:

NET SALES BY GEOGRAPHIC AREA	3/31/2014		3/31/2013		Increase (Decrease)	
(euro/000)	Turnover	% on total	Turnover	% on total		
- Europe	38,039	38.5%	26,031	46.0%	12,007	46.1%
- U.S.A.	36,588	37.1%	14,611	25.8%	21,976	150.4%
- Asia	7,361	7.5%	5,873	10.4%	1,488	25.3%
- Rest of World	16,715	16.9%	10,039	17.8%	6,676	66.5%
TOTAL	**98,702**	**100%**	**56,555**	**100%**	**42,148**	**74.5%**

In the first quarter of 2014 revenues were euro 98.702 million, an increase of euro 42.148 million (74.5%) from the first quarter of 2013.

With the same consolidation perimeter, excluding Viva's first quarter 2014 results, net sales are euro 59.412 million, up by 5.1% from March 31, 2013.
With a constant perimeter, sales in the USA rose by 2.0% and in Europe by 5.1%, whereas the combined sales of Asia and the Rest-of-World segment grew by 11.4%.
On a constant perimeter basis and at constant exchange rates, revenues for the three months ended March 31, 2014 are approximately 3.8% higher than the revenue recorded for the same period in 2013.

8. Cost of sales

The following table shows a detailed breakdown of the cost of sales:

COST OF SALES *(euro/000)*	03/31/2014	03/31/2013	Increase (decrease)	%
Purchase of materials and finished products	24,769	8,865	15,904	179.4%
Changes in inventories	4,696	5,019	(322)	(6.4)%
Cost of personnel	4,834	4,421	412	9.3%
Outsourced processing	2,127	1,801	326	18.1%
Amortization, depreciation and writedowns	500	583	(83)	(14.2)%
Other costs	2,795	1,114	1,681	150.9%
Total	**39,721**	**21,803**	**17,918**	**82.2%**

The cost of sales is euro 17.918 million higher than for the first quarter of 2013.

With a constant perimeter, the cost of sales is euro 24.183 million, increasing in comparison to the same period of 2013.The average cost is in line with last year.
The first quarter gross margin increased by euro 0.5 million from the same period of the prior year, due to a lower average price mainly in domestic sales, and to a brand mix effect in the entire market, especially in domestic sales.
The other costs refer principally to transportation expenses and customs duties on purchases.

9. Distribution and marketing expenses

Below is the detailed breakdown of the distribution and marketing expenses:

DISTRIBUTION AND MARKETING EXPENSES *(euro/000)*	03/31/2014	03/31/2013	Increase (decrease)	%
Cost of personnel	15,020	7,250	7,770	107.2%
Commissions	3,259	1,957	1,302	66.5%
Amortization	842	244	598	245.6%
Royalties	12,946	8,505	4,441	52.2%
Advertising and PR	7,198	3,578	3,621	101.2%
Other expenses	5,381	3,143	2,238	71.2%
Total	**44,647**	**24,677**	**19,970**	**80.9%**

Distribution and marketing expenses rose by euro 19.970 million. These expenses are 45.2% of sales.

With a constant perimeter, the distribution and marketing expenses are euro 26.493 million, up by 7.4% from the first quarter of 2013, due particularly to higher advertising and public relations costs for additional activities and advances paid for fairs and events.

The other expenses consist mainly of costs relating to product distribution.

10. General and administration expenses

The general and administrative expenses are set forth below:

GENERAL AND ADMINISTRATION EXPENSES *(euro/000)*	03/31/2014	03/31/2013	Increase (decrease)	%
Cost of personnel	3,214	1,835	1,379	75.2%
Writedowns of receivables	157	116	41	35.3%
Amortization and writedowns	822	175	647	370.7%
Other expenses	3,641	3,548	93	2.6%
Total	**7,834**	**5,673**	**2,161**	**38.1%**

General and administration expenses rose by euro 2.161 million compared to the first quarter of the prior year.
With a constant perimeter, the general and administration expenses are euro 4.801 million, down by 15.4%, due mainly to lower consulting costs incurred in the first quarter of 2014 and successful actions taken to improve efficiency and contain costs.

"Other expenses" consist mainly of compensation for Directors and Statutory Auditors, expenses for other general and administration services and IT consulting fees.

11. Other operating income and expenses

The other operating income and expenses are set forth below:

OTHER OPERATING INCOME AND EXPENSES	03/31/2014	03/31/2013
(euro/000)		
Transport refund	844	326
Release of provision	38	70
Other income	283	621
Total other income	**1,165**	**1,017**
Losses on receivables	-	-
Other expenses	(189)	(117)
Total other expenses	**(189)**	**(117)**
TOTAL	**975**	**900**

The balance of this item is a positive euro 975 thousand.
"Other income" consists principally of:

- euro 844 thousand charged for transportation expenses incurred by the Parent Company;
- euro 39 thousand charged for advertising material;
- euro 176 thousand representing the share of profits of subsidiaries accounted for with the equity method.

With a constant perimeter, other operating income and expenses are euro 295 thousand, a decline from the same period of the previous year due to non-recurring income recognized in 2013.

12. Financial income and costs

Financial income and costs are set forth below:

FINANCIAL INCOME AND COSTS	03/31/2014	03/31/2013
(euro/000)		
Financial income	995	957
Financial costs	(6,135)	(3,409)
Total	**(5,140)**	**(2,452)**

As shown in the following table, the net financial costs increased by euro 2.688 million compared to the first quarter of the previous year.

The composition of financial incomes and costs are shown below:

FINANCIAL INCOME	03/31/2014	03/31/2013
(euro/000)		
Interest income	-	-
Other income	205	171
Gains on currency exchange	789	786
Total	**995**	**957**

FINANCIAL COSTS	03/31/2014	03/31/2013
(euro/000)		
Interest expense	(5,041)	(2,486)
Financial discounts	(491)	(201)
Losses on currency exchange	(602)	(722)
Total	**(6,135)**	**(3,409)**

As shown in the table above, the most significant changes refer to the following:

- interest expense, which rose by euro 2.555 million against the first quarter of 2013, due primarily to the greater interest expense on the bond notes compared to the interest expense on the pre-existing loans and, to a lesser extent, to the reversal of amortized transaction costs (2013: euro 2.445 million bank interest expense; 2014: euro 4.279 million bond interest expense and euro 483 thousand amortized costs);
- financial discounts, which rose by euro 290 thousand, nearly entirely attributable to subsidiary Viva International.

With a constant perimeter, the balance of financial income and costs is a net cost of euro 4.886 million.

OTHER INFORMATION

DISCLOSURE OF ATYPICAL, UNUSUAL AND RELATED-PARTY TRANSACTIONS

The information with respect to atypical and unusual transactions and transactions with related parties is provided below.

Significant non-recurring events and transactions
On April 28, 2014, pursuant to the agreement stipulated on March 3, 2011 by Marcolin S.p.A, Marcolin USA and 001 Corporation, the option to renew the Tom Ford license was exercised for the period from January 1, 2016 to December 31, 2022.
On May 6, 2014 the licensing agreement with Skechers USA Inc. was renewed for the worldwide manufacturing and distribution of eyeglasses and sunglasses.

Atypical and unusual transactions
In the first Quarter 2014 there were no atypical and/or unusual transactions, including with other Group companies, nor were there any transactions outside the scope of the ordinary business activity that could significantly impact the financial position, financial performance or cash flows of Marcolin S.p.A. and the Group.

Transactions with related parties
In addition to the transactions between the consolidated companies, during the year transactions took place with the equity-accounted associates and other related parties.
Intercompany and related-party transactions are mainly of a trade nature and are conducted on an arm's length basis.

The transactions and outstanding balances with respect to related parties as at March 31, 2014 are shown below, as required by IAS 24:

Company *(euro/000)*	**Expenses**	**Revenues**	**Payables**	**Receivables**	**Type**
Asociates companies					
Finitec Srl	-	-	-	67	Associated
Total associates companies				**67**	
Other related parties					
Tod's S.p.A	573	287	385	287	Related party
Pai Patners Sas	-	-	-	-	Related party
O.T.B Group	742	4	6,055	137	Related party
Marmolada Spa	-	0	-	3,999	Related party
Other related parties	341	-	246	-	Related party
Total Other related parties	**1,656**	**291**	**6,686**	**4,424**	
	1,656	**291**	**6,686**	**4,491**	

All related party transactions are carried out at arm's length.

Milan; May 27, 2014
For the Board of Directors
Giovanni Zoppas