

## **First Six Months 2004: Marcolin Group turnover increases by over 15%**

- Increase in sales on all markets, particularly in the fashion sector
- Clear improvement in economic indicators

*Longarone, 8 September 2004.* The Board of Directors of Marcolin S.p.A., which met today at the company headquarters in Longarone, chaired by Giovanni Marcolin Coffen, has approved the six-monthly Group report at 30 June 2004.

### **Marcolin Group**

In the first six months of the year consolidated turnover amounted to approximately 97.6 million euro, compared to approximately 84.5 million euro in the first six months of the previous financial year, representing an increase of 15.5%. At the same exchange rates recorded in the first six months of 2003 Group sales would show an increase of approximately 18%.

An analysis of turnover by geographic area shows a significant increase in sales on the domestic market (approximately +22.5%) and on the European market (+15.8%) and excellent results for the French (+42%), Spanish (+20%) and German (+17%) branches.

There has also been a recovery of turnover on the American market with an increase in sales of approximately 7.4% (approximately +19% at the same exchange rate), also due to the positive effects of the restructuring plan launched during the previous financial year, the key elements of which have been substantially completed.

The following lines predominantly contributed to overall growth in turnover: Dolce & Gabbana Eyewear (approximately +33%), D&G Dolce & Gabbana Eyewear (approximately +15%), Roberto Cavalli Eyewear (approximately +64%) and, with reference to the American branch, the Kenneth Cole line, which went on sale within department store outlets at the end of the previous year.

EBITDA represents approximately 13% of turnover (approximately 9% at 30 June 2003) and corresponds to 12.9 million euro (7.7 million euro at 30 June 2003).

EBIT represents approximately 9% of turnover (approximately 4% at 30 June 2003) and corresponds to approximately 8.4 million euro (approximately 3.1 million euro in the first six months of 2003).

Group profits before tax in the first six months of 2004 total approximately 6.2 million euro, as compared to the substantial break-even recorded at 30 June 2003.

The excellent economic results achieved by the Marcolin Group over the six-month period highlight consistent recovery in margins, also due to the positive effects of the restructuring plan launched by Marcolin in the USA in the previous financial year.

The Group's net financial position, equal to approximately 34.2 million euro, shows a significant improvement of approximately 9.7 million euro, as compared to the previous financial year; the debt/equity ratio has also improved, at 30 June 2004 it is equal to 0.56 as compared to a value of 0.82 at 31 December 2003.



### **Marcolin SpA**

With reference to the Parent Company's six-monthly data, there has been significant progress in terms of turnover, equal to approximately 55.5 million euro (46.4 at 30 June 2003), EBIT, equal to 8.1 million euro (5.9 million euro at 30 June 2003) and EBITDA, which totals approximately 10.5 million euro (8 million euro at 30 June 2003).

*"We are extremely satisfied with our results over the first six months of the year, both in terms of sales and profitability. The success of our collections - despite the weak economic situation - shows that the company is capable of maximising its product/brand combination on the basis of its skills, satisfying market demand and anticipating new trends. In view of these results we have every confidence that we can maintain this performance at year end,"* commented Antonio Bortuzzo CEO and Managing Director of the Group.

The Marcolin Group is a leading company in the production and sale of prescription and sun glasses frames. It can rely on over 1,100 employees within its 4 global plants and 14 global branches. Its portfolio of products 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. The Group also produces and sells a wide range of own brands including Marcolin and C  b   (ski goggles and sport glasses).

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*Enclosed: account statements and summaries for the Marcolin Group and Marcolin SpA (data pending audit by Auditing Firm and approval by the Board of Auditors)*



MARCOLIN GROUP

BALANCE SHEET - ASSETS	06/30/2004	06/30/2003	12/31/2003
<i>Intangible fixed assets</i>	14.073	14.029	13.257
<i>Tangible fixed assets</i>	13.784	15.093	14.211
<i>Financial assets</i>	2.016	2.722	2.115
<b>Total fixed assets</b>	<b>29.873</b>	<b>31.844</b>	<b>29.583</b>
<b>Total current assets</b>	<b>137.950</b>	<b>125.239</b>	<b>128.954</b>
<b>Prepayments and accrued income</b>	<b>2.158</b>	<b>2.838</b>	<b>2.419</b>
<b>TOTAL ASSETS</b>	<b>169.981</b>	<b>159.921</b>	<b>160.957</b>

Shareholders'equity and liabilities	06/30/2004	06/30/2003	12/31/2003
<b>Shareholders'equity</b>	60.351	59.272	53.342
Share capital & reserves attributable to minority interests			
<b>Total shareholders'equity</b>	<b>60.351</b>	<b>59.272</b>	<b>53.342</b>
<b>Total provisions</b>	<b>8.353</b>	<b>5.983</b>	<b>6.643</b>
<b>Total payables</b>	<b>99.284</b>	<b>93.010</b>	<b>99.742</b>
<b>Accrued liabilities and deferred charges</b>	<b>1.994</b>	<b>1.656</b>	<b>1.230</b>
<b>TOTAL LIABILITIES AND DEFERRED CHARGES</b>	<b>169.981</b>	<b>159.921</b>	<b>160.957</b>

Profit and Loss	06/30/2004		06/30/2003		12/31/2003	
Revenues form sales and services	97.595	100,0%	84.525	100,0%	157.294	100,0%
Other income	1.421	1,5%	1.141	1,4%	2.557	1,6%
<b>Total revenues</b>	<b>99.016</b>	<b>101,5%</b>	<b>85.666</b>	<b>101,4%</b>	<b>159.850</b>	<b>101,6%</b>
Cost of sales	64.765	66,4%	56.515	66,9%	108.111	68,7%
<b>Value added</b>	<b>34.251</b>	<b>35,1%</b>	<b>29.151</b>	<b>34,5%</b>	<b>51.739</b>	<b>32,9%</b>
Personnel Costs	21.365	21,9%	21.421	25,3%	41.693	26,5%
<b>Gross operating margin (EBITDA)</b>	<b>12.886</b>	<b>13,2%</b>	<b>7.731</b>	<b>9,1%</b>	<b>10.046</b>	<b>6,4%</b>
Provisions and depreciations	1.695	1,7%	1.130	1,3%	2.166	1,4%
Amortizations	2.714	2,8%	3.409	4,0%	6.833	4,3%
<b>Operating profit (EBIT)</b>	<b>8.478</b>	<b>8,7%</b>	<b>3.192</b>	<b>3,8%</b>	<b>1.046</b>	<b>0,7%</b>
Financial income and charges	(2.219)	-2,3%	(2.866)	-3,4%	(4.767)	-3,0%
Extraordinary income and expenses	(30)	0,0%	(263)	-0,3%	(140)	-0,1%
<b>Profit (loss) before taxes</b>	<b>6.228</b>	<b>6,4%</b>	<b>63</b>	<b>0,1%</b>	<b>(3.861)</b>	<b>-2,5%</b>

MARCOLIN SPA

BALANCE SHEET - ASSETS	06/30/2004	06/30/2003	12/31/2003
<i>Intangible fixed assets</i>	3.003	1.038	1.986
<i>Tangible fixed assets</i>	4.286	4.905	4.268
<i>Financial assets</i>	37.358	43.534	37.384
<b>Total fixed assets</b>	44.648	49.477	43.638
<b>Total current assets</b>	102.090	85.333	87.092
<b>Prepayments and accrued income</b>	878	932	972
<b>TOTAL ASSETS</b>	147.615	135.742	131.702

Shareholders'equity and liabilities	06/30/2004	06/30/2003	12/31/2003
<b>Shareholders'equity</b>	58.906	57.820	52.111
<b>Total provisions</b>	7.632	5.285	6.041
<b>Total payables</b>	80.136	72.105	73.016
<b>Accrued liabilities and deferred charges</b>	941	531	534
<b>TOTAL LIABILITIES AND DEFERRED CHARGES</b>	147.615	135.742	131.702

Profit and Loss	06/30/2004		06/30/2003		12/31/2003	
Revenues form sales and services	55.501	100,0%	46.484	100,0%	85.794	100,0%
Other income	1.151	2,1%	615	1,3%	1.388	1,6%
<b>Total revenues</b>	<b>56.652</b>	<b>102,1%</b>	<b>47.099</b>	<b>101,3%</b>	<b>87.182</b>	<b>101,6%</b>
Cost of sales	37.391	67,4%	30.998	66,7%	59.281	69,1%
<b>Value added</b>	<b>19.261</b>	<b>34,7%</b>	<b>16.101</b>	<b>34,6%</b>	<b>27.901</b>	<b>32,5%</b>
Personnel Costs	8.727	15,7%	8.082	17,4%	15.912	18,5%
<b>Gross operating margin (EBITDA)</b>	<b>10.534</b>	<b>19,0%</b>	<b>8.019</b>	<b>17,3%</b>	<b>11.989</b>	<b>14,0%</b>
Provisions and depreciations	1.254	2,3%	636	1,4%	1.259	1,5%
Amortizations	1.166	2,1%	1.452	3,1%	3.165	3,7%
<b>Operating profit (EBIT)</b>	<b>8.114</b>	<b>14,6%</b>	<b>5.931</b>	<b>12,8%</b>	<b>7.564</b>	<b>8,8%</b>
Financial income and charges	(1.352)	-2,4%	(6.075)	-13,1%	(14.182)	-16,5%
Extraordinary income and expenses	33	0,1%	(296)	-0,6%	(318)	-0,4%
<b>Profit (loss) before taxes</b>	<b>6.795</b>	<b>12,2%</b>	<b>(439)</b>	<b>-0,9%</b>	<b>(6.935)</b>	<b>-8,1%</b>

