

DAMIANI

PRESS RELEASE

Damiani S.p.A:
Board of Directors approves the group's quarterly report of FY 2007/08
ending 31st March 2008

Revenues: +5.5% at constant exchange rates in FY 2007/08

12 months results of FY 2007/08

- **Total consolidated revenues:** 175.2 million euro, +5.5% yoy at constant exchange rates (+4.3% at current exchange rates)
- **Retail channel revenues:** 9.9 million euro, +9.2% yoy at constant exchange rates (+7.5% at current exchange rates)
- **Consolidated EBITDA:** 29.1 million euro, +4.6% yoy with a margin of 16.6%
- **Consolidated EBIT:** 26.6 million euro, +7.1% yoy
- **Net Profit:** 15.5 million euro, +10.7% yoy
- **Net debt:** cash of 28.5 million euro, with an improvement of 2.6 million of euro compared to 31 december 2007 and with an improvement of 76.4 million euro compared to 31 March 2007

Milan, May 14th 2008 – The Board of Directors of **Damiani S.p.A.** (Milan, Star: DMN), the parent company of the Damiani Group, a creator, producer and distributor of luxury and designer jewels in Italy and abroad, today approved the fourth quarter consolidated results ending 31st March 2008 .

CONSOLIDATED REVENUES

In FY 2007/08 **Consolidated revenues** reached **175.2 million euro**, with an improvement of 4.3% at current exchange rates compared to 168 million euro as of 31 March 2007 (**+5.5%** at constant exchange rates).

Revenues breakdown by channel

In the first twelve months of FY 2007/08, **Wholesale revenues** reached **148.1 million euro** with an improvement of **2.1%** at current exchange rates compared to 145.0 million euro as of the same period last year. At constant exchange rates wholesale revenues rose by **3.3%**.

As of 31 March 2008 **Retail revenues** amounted to **9.9 million euro**, with an improvement of **7.5%**, at current exchange rates, compared to 9.2 million euro as of 31 March 2007. At constant exchange rates retail sales grew by **+9.2%**.

This channel's growth was substantially organic and driven by the success of the group's collections among the final customers

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Other channels/other revenues at 31 March 2008 amounted to **17.2 million euro**, with an improvement of **25.1%**, at current exchange rates, compared to 13.7 million euro as of 31 March 2007. At constant exchange rates revenues in this channel grew by **25.4%**.

Revenues by sales channel

(In thousand of euro)	12 Months FY 2007/08	12 Months FY 2006/07	% change at constant exchange rates	% change at current exchange rates
Wholesale	148.120	145.038	3,3%	2,1%
<i>% of total revenues</i>	84,6%	86,4%		
Retail	9.856	9.169	9,2%	7,5%
<i>% of total revenues</i>	5,6%	5,5%		
Total of wholesale and retail revenues	157.976	154.207	3,7%	2,4%
<i>% of total revenues</i>	90,2%	91,8%		
Other channels/other revenues	17.203	13.748	25,4%	25,1%
<i>% of total revenues</i>	9,8%	8,2%		
Total revenues	175.179	167.955	5,5%	4,3%

Revenues breakdown by Geographical Regions

During the FY 2007/2008 **Italian revenues** were **122.3 million euro (-4.2% yoy)**, accounting for 69.9% of consolidated turnover. The trend in the Italian market was influenced both by the strategic decision to select the Damiani wholesale customers, which started in 2004 and substantially completed and by a general slowdown in the domestic economic.

In the **Americas revenues** reached **8.6 million euro** revenues (accounting for 4.9% of consolidated revenues) with an increase of **26.3%** from the same period. At constant exchange rates revenues grew by **43%**.

Also turnover in **Rest of the World** made significant progress. Core revenues, net of non recurring revenues, amounted to **24.8 million euro** improving by **25%** (**32.5** million of euro with an increase of **61.2%** including non-recurring revenues), driven mainly by excellent performance of the Russian market. During the twelve months the Group started a penetration of the arabian markets in particular in the Emirates and Kuwait

During the 12 months of FY 2007/08 in **Japan**, Group revenues were **11.8 million euro (-11.8%)**. This result has been adversely affected by the slowdown of economic environment and by the negative exchange rate. (**-4%** at constant exchange rates).

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Revenues by Regions

(In thousand of Euro)	12 Months FY 2007/08	% on total	12 Months FY 2006/07	% on total	% change at constant exchange rates	% change at current exchange rates
Italia	122.368	69,9%	127.676	76,0%		-4,2%
Americas	8.558	4,9%	6.778	4,0%	43,0%	26,3%
Japan	11.794	6,7%	13.372	8,0%	-4,0%	-11,8%
Rest of World	32.459	18,5%	20.129	12,0%		61,3%
Total Revenues	175.179	100,0%	167.955	100,0%	5,5%	4,3%

NETWORK MONOBRAND STORES

As of 31 March 2008 the Group had 54 boutiques monobrand with 11 DOS (6 in Italy and 5 abroad) During the 12 months of FY 2007/08 the Group opened for Damiani brand 1 DOS in Bologna, 1 DOS in Tokyo, 1 DOS in Paris and monobrand franchised store in Taipei, Dubai, Macao and Kuwait City, the second boutique in Hong Kong as well as a corner in Jerusalem and for Bliss the Group opened 1 DOS in Rome, and 2 franchised stores, 1 in Mexico City and 1 in Milan

OPERATING RESULTS AND NET PROFIT

The Damiani Group closed the 12 months of FY 2007/08 with **consolidated EBITDA of 29.1 million euro**, with an increase of 4.6% from 27.8 million euro as of 31 March 2007.

Consolidated EBITDA margin was **16.6%**, in line with the same period of last year.

Consolidated EBIT was **26.6 million euro**, an increase of 7.1% from 24.8 million euro at 31 March 2007 with an operating profit margin of 15.2%.

Net Profit amounted to **15.5 million euro** compared with 14.0 million euro in the 12 months ended 31 March 2007 (+10.7%).

NET FINANCIAL POSITION

As of 31 March 2008 the Group had net cash for **28.5 million euro**, an improvement of 2.6 million euro vs. net cash of 25.9 at 31 December 2007 and with an improvement of 76.4 million euro vs. Net Debt of 47.9 million euro at 31 March 2007.

In the 12 months 2007/08 the Group's net financial position improved thanks to a good operating cashflow generation and to the 73.8 million euro (gross of related costs) of IPO proceeds. On November 8 2007 Damiani listed its ordinary shares on the STAR segment managed by Borsa Italiana.

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The manager in charge of preparing the company's financial reports (Gilberto Frola) declares, pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting entries on the basis on best estimations available.

Trading commencement date: 08.11.2007

Operation Listing Partners: Unicredit and Merrill Lynch

Damiani S.p.A.

Damiani S.p.A. is the parent company of the Damiani Group, a leading Italian producer and distributor of top-quality designer jewellery, operating in the jewellery sector through prestigious brands, such as Damiani, Salvini, Alfieri & St. John and Bliss, as well as the recently acquired Calderoni brand.

Master craftsmen ever since 1924, the Damiani Group boasts a long-standing tradition in the art of goldsmithery which has always interpreted with an innovative spirit. It holds the unbeaten record of a \good 22 Diamond International Awards (18 for Damiani and 4 for Calderoni). Every jewel created by Damiani is handmade according to the finest craft tradition and the elegance of Italian style. With more than 500 employees, the Damiani group operates both in Italy and abroad through distribution companies that fully cover the European, American and Asian markets. These include in particular: Damiani International BV (based in Amsterdam), Damiani USA Corp. (based in New York) and Damiani Japan K.K. (based in Tokyo). The Group also has 55 own-brand stores located in the main fashion streets in Italy and throughout the world.

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Attachments :
Reclassified consolidated Income Statement and Balance Sheet schedules

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Income Statement 12 Months and IV Quarter Fiscal Year 2007/2008-2006/2007

	12 Months		
<i>(In thousand of Euro)</i>	FY 2007/2008	FY 2006/2007	% Change
Total revenues	175.179	167.955	4,3%
Cost of production	(146.090)	(140.145)	4,2%
EBITDA	29.089	27.810	4,6%
EBITDA margin	16,6%	16,6%	
Depreciation and amortisation	(2.489)	(2.969)	-16,2%
EBIT	26.600	24.841	7,1%
EBIT margin	15,2%	14,8%	
Net finance income (expense)	(1.159)	(2.953)	-60,8%
Pretax profit	25.441	21.888	16,2%
Pretax profit margin	14,5%	13,0%	
Income tax	(9.728)	(7.650)	27,2%
Net profit	15.714	14.238	10,4%
Net profit margin	9,0%	8,5%	
Minority Interest	192	214	
Group Net profit	15.522	14.024	10,7%
Group net profit margin	8,9%	8,3%	

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IV Quarter			
<i>(In thousand of Euro)</i>	FY 2007/2008	FY 2006/2007	Variazione %
Revenues from sales and services	24.210	19.697	22,9%
Other recurring revenues	211	125	68,8%
Other non recurring revenues	894	0	
Total revenues	25.315	19.822	27,7%
Cost of production	(29.324)	(26.410)	11,0%
EBITDA	(4.009)	(6.588)	39,1%
EBITDA margin	-15,8%	-33,2%	
Depreciation and amortisation	(708)	(747)	-5,2%
EBIT	(4.717)	(7.335)	35,7%
EBIT margin	-18,6%	-37,0%	
Net finance income (expense)	(68)	(600)	88,7%
Pretax profit	(4.785)	(7.935)	39,7%
Pretax profit margin	-18,9%	-40,0%	
Income tax	(287)	2.384	-112,0%
Net profit	(5.072)	(5.551)	8,6%
Net profit margin	-20,0%	-28,0%	
Minority Interest	(59)	2	
Group Net profit	(5.013)	(5.553)	9,7%
<i>Group net profit margin</i>	-19,8%	-28,0%	

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Balance sheet at March 31st 2008, March 31st 2007, December 31st 2007

Balance sheet data (In thousand of Euro)	March 31, 2008	March 31, 2007	December 31, 2007
Non current assets	38.939	37.526	36.757
Net working capital	98.216	94.418	107.931
Non current liabilities	(9.272)	(7.608)	(7.158)
Net invested capital	127.883	124.336	137.530
Shareholders' equity	156.371	76.430	163.424
Net debt	(28.488)	47.906	(25.894)
Sources of fund	127.883	124.336	137.530

Net debt (in thousand of Euro)	March 31, 2008	March 31, 2007	December 31, 2007
Debentures - current portion	5.162	8.386	1.845
Medium/long term financing current portion	1.020	14.824	8.473
Current loans and borrowings	6.182	23.210	10.318
Current debt - medium long term financing - non current portion	16.631	38.793	32.479
Non current debt	16.631	38.793	32.479
Total gross debt	22.813	62.003	42.797
Cash and cash equivalents	(51.301)	(14.097)	(68.691)
Net debt	(28.488)	47.906	(25.894)