

DAMIANI S.P.A.

INFORMATION DOCUMENT

Drafted pursuant to article 71-*bis* of the Regulation implementing Legislative Decree no. 58 of 24 February 2008 passed by CONSOB (Italian National Commission for Listed Companies and the Stock Exchange) by means of the resolution no. 11971 dated May 14th 1999 (as subsequently amended and supplemented), in compliance with attachment 3B, schedule no. 4, to the same Regulation

**PERTAINING THE ACQUISITION BY DAMIANI S.P.A. OF THE ENTIRE SHARE CAPITAL OF
ROCCA S.P.A. OWNED BY W.J.R. PARTICIPATIONS S.A.**

Deposited at the registered office and with Borsa Italiana S.p.A. (Italian Stock Exchange)
on September 29th 2008

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FOREWORD

The present document (the “**Information Document**”) has been drawn up in order to offer the market a complete picture of the acquisition by Gruppo Rocca S.p.A. (“**Rocca Group**”), as resolved by the Board of Directors (the “**Board**”) of Damiani S.p.A. (“**Damiani**”, the “**Company**”, the “**Issuer**” or the “**Purchaser**”) during the meeting of September 15th 2008.

In particular, the picture provided by the Information Document refers to the acquisition by Damiani S.p.A. of the entire share capital of Rocca S.p.A. held by W.J.R. Participations S.A. (hereinafter referred to as “**WJR**”) (hereinafter also referred to as the “**Transaction**” or the “**Acquisition**”).

W.J.R. Participations S.A. is a company regulated by the law of Luxembourg and indirectly (and wholly) owned by Guido, Giorgio and Silvia Grassi Damiani (hereinafter referred to as “**Damiani Siblings**”) and controlled by Guido Grassi Damiani; therefore, as detailed below, the Acquisition is a transaction between related parties, as provided for by article 2, paragraph 1, letter h) of the CONSOB Regulation no. 11971/99.

The present Information Document, prepared in order to totally comply with transparency principles as well as to provide all relevant information to the investors, has been drawn up in compliance with CONSOB Regulation no. 11971 dated May 14th 1999 and following amendments and supplements (the “**Issuers Regulations**”) and therefore it takes into account the peculiarity of the Transaction (carried out with a related party) and suits Enclosure 3B, scheme no. 4 of the Issuers Regulations.

1. WARNINGS

1.1 RISKS CONNECTED TO THE TRANSACTION

As already pointed out in the foreword, the share capital of Rocca S.p.A. has been entirely purchased by W.J.R. Participations S.A., a company indirectly owned by the Damiani Siblings and controlled by Guido Grassi Damiani, as detailed in paragraph 2.2 below.

As shown by other documents already published (see, for instance, the information provided by Damiani financial statement as at March 31st 2008 available over the internet at the address www.damiani.com, as well as the updates on relevant holdings available on the internet site www.consob.it), the Damiani Siblings own – both directly and indirectly – relevant shares in the Issuer and, in particular, as at the date of approval of the present Information Document:

- Guido Grassi Damiani controls – by right – the company Leading Jewels S.A., which holds 52,59% of Damiani S.p.A.'s share capital.; furthermore, Guido Grassi Damiani directly holds 5,01 % of Damiani S.p.A.'s share capital (for completeness's sake please note that Damiani S.p.A, which is controlled by Guido Grassi Damiani, holds own shares representing the 3,7% of the share capital);
- Giorgio Grassi Damiani directly holds 6,11 % of Damiani S.p.A.'s share capital;
- Silvia Grassi Damiani directly holds 5,67 % of Damiani S.p.A.'s share capital.

Moreover, the Damiani Siblings are part of the Issuer's administrative body in their quality of executive members and, in particular: Guido Grassi Damiani is the President of the Board of Directors and Managing Director; Giorgio and Silvia Grassi Damiani are Vice Presidents of the Board of Directors and Executive Directors.

In connection with the above, please note that:

- a) pursuant to article 2, paragraph 1, letter h) of CONSOB Regulation no. 11971/99, W.J.R. Participations S.A. is a Related Party to Damiani S.p.A., and
- b) considering that the selling company is (indirectly) owned by the Damiani Siblings, Damiani Siblings are to be considered subjects having relevant interests in the Acquisition, as provided by article 2391 of the Civil Code (as to the selling conditions and, in particular, as to the agreed price).

In this connection, also in order to avoid any risk that the Transaction could be made carried out and/or implemented with modalities and under terms and/or conditions

influenced by the aforementioned correlation and interests, as well as in order to implement the Transaction in the best interest of the Issuer and of its stakeholders:

a) during the meetings of the Board of Directors regarding the Transaction, the Damiani Siblings provided the other Directors and the Board of Auditors with all the information as required by the law and by the corporate governance procedures adopted by the Issuer regarding, in particular, the existence of the correlation between Damiani S.p.A. and WJR, and the kind, significance, origin and terms of their relevant interests as provided for by article 2391 of the Civil Code.;

b) the Damiani Siblings refrained from implementing the transaction, entrusting the board with this regards, and during all Board of Directors' meetings the same Damiani Siblings deemed appropriate to refrain from voting;

c) the Board of Directors of Damiani S.p.A. arranged and carried out the Acquisition with the modalities and terms corresponding to the best market practice on corporate governance, as detailed hereinafter (paragraph 2,4), also stressing the importance of the role of the Internal Control Committee (whose members are non-executive directors and mostly independent) within the administrative body;

d) the Company appointed Euromobiliare SIM S.p.A., an independent expert of proved professionalism and experience, as *Financial Advisor* whose task, among other, was to assess the economic capital of Gruppo Rocca S.p.A..

Please note that there is no shareholding relationship between Euromobiliare SIM and (i) the Issuer, (ii) its controlled companies, (iii) the subjects controlling the Issuer, and that directors of the companies referred to under points (i) and (ii) do not have any relationships with Euromobiliare SIM; this latter company was appointed by the Issuer to implement the purchase of own shares; such relationship was not defined as relevant with respect to the Financial Advisor's independence and its appointment.

2. INFORMATION ON THE TRANSACTION

2.1 DESCRIPTION OF THE CHARACTERISTICS, MODALITIES, TERMS AND CONDITIONS OF THE TRANSACTION

2.1.1 Preliminary description of Gruppo Rocca S.p.A., target of the Purchase

The Transaction consists of the purchase by the Issuer of the entire share capital of Rocca S.p.A. (represented by no. 9.000.000 shares), which in its turn holds the entire share capital of Rocca International S.A., a company incorporated under Swiss law, and 51% of Courmayeur Rocca S.r.l. share capital.

The price of purchase of Rocca share capital, as well as the modalities, terms and conditions of the Transaction are detailed in the following paragraph 2.1.2.

Gruppo Rocca S.p.A. has been the leading company in the retail distribution of jewellery and watches (mostly Italian), active since 1794.

By means of a chain of prestigious boutiques located in the most exclusive streets of the Italian art cities (including Rome, Milan, Turin, Mantua, Padua, Porto Ercole, Bari, Lecce, Taormina, Catania), the Italian company Rocca S.p.A. offers to its customers the most prestigious and refined international brands, especially regarding watches, and, to a lesser degree, jewellery (including those made by Damiani Group) which, for a long time, granted to Rocca Group their trustworthiness.

The Swiss company, Rocca International S.A., wholly controlled by Rocca, carries out a similar activity to the one of its controlling company by means of two shops located in prestigious areas at Lugano.

The company Courmayeur Rocca S.r.l., of which Rocca Group holds 51% of share capital, carries out the activity through a shop in the central street (via Roma) in Courmayeur.

The activity carried out by all the companies belonging to the Rocca Group is therefore the sale of multi-brand products through sales points which are located in the most prestigious streets for shopping (in Italy and abroad) and which are made available by means of lease agreements, agreements for the lease of business units or other agreements for commercial co-operation.

Please find hereafter some schematic corporate information regarding Rocca S.p.A. and its subsidiaries:

ROCCA SPA

<i>Type:</i>	“ <i>Società per Azioni</i> ”
<i>Registered Office:</i>	Milan
<i>Duration:</i>	31/12/2050
<i>Share Capital:</i>	Euro 4.680.000,00 divided into no. 9.000.000 shares whose nominal value is Euro 0,52 each.

ROCCA INTERNATIONAL S.A.

<i>Corporate name:</i>	Rocca International S.A.
<i>Type:</i>	S.A. regulated by the Swiss law
<i>Registered Office:</i>	Lugano
<i>Duration:</i>	unlimited
<i>Share Capital:</i>	600.000,00 Swiss francs, divided into 600 shares whose value is 1.000,00 francs each, wholly paid up.

COURMAYEUR ROCCA SRL

<i>Corporate name:</i>	Courmayeur Rocca S.r.l.
<i>Type:</i>	“ <i>Società a responsabilità limitata</i> ” incorporated under Italian law
<i>Registered office:</i>	Courmayeur
<i>Duration:</i>	March 31 st 2050
<i>Share Capital:</i>	Euro 100.000,00.

2.1.2 Modalities, conditions and terms of the Acquisition and means and timing of payments.

On September 15th 2008, with the previous favorable opinion of the Internal Control Committee, the Board of Directors of Damiani S.p.A. resolved to acquire the ownership of Rocca S.p.A. by entering a purchase agreement of the no. 9.000.000 of Rocca's shares, representing 100% of the share capital.

The purchase agreement was entered into on September 15th 2008 and, on the same date, the shares were endorsed to Damiani S.p.A..

The purchase price was fixed in Euro seven million, out of which Euro 4.950.000,00 to be paid cash and Euro 2.050.000,00 to be paid by means of the transfer of no. 1.000.000 own shares; in this connection, parties agreed to fix the transfer price of each Damiani S.p.A. share at Euro 2,05, corresponding to the average weighted price on September 12th 2008; such price exceeded by around 15% the value of the shares listed at the Stock Exchange on the date of completion of the Transaction.

The payment in cash was made on the same date the agreement was entered into and the shares representing the whole Rocca S.p.A.'s share capital endorsed; on the same date Damiani transferred no. 1.000.000 own shares to WJR.

2.2 RELATED PARTIES WITH WHOM THE TRANSACTION WAS CARRIED OUT, KIND OF CORRELATION, NATURE AND SIGNIFICANCE OF THE INTERESTS OF SUCH PARTIES IN THE TRANSACTION.

As already pointed out, the Issuer purchased the share capital of Rocca S.p.A. from W.J.R. Participations S.A., a company indirectly owned by the Damiani Siblings and controlled by Guido Grassi Damiani.

More in detail:

- 100% of W.J.R. Participations S.A.'s share capital is held by Jewels Manufacturing S.A. which, in its turn, is wholly owned by Sparkling Investment S.A.;
- the share capital of Sparkling Investment is distributed as follows: Guido Grassi Damiani holds 18,58%, Giorgio and Silvia Grassi Damiani hold 19,71%; the remaining 42% is held by D.Holding S.A., a company whose share capital is held by 49% by the Damiani Siblings and which is controlled by Guido Grassi Damiani (holding 51,0034% of the same);
- therefore, WJR is wholly owned by the Damiani Siblings and subject to the control of Guido Grassi Damiani.

The Damiani Siblings own – directly or indirectly – relevant shares in the Issuer and, in particular, as at the date of approval of the present Information Document:

- Guido Grassi Damiani controls - by right - the company Leading Jewels S.A. which, in its turn, holds 52,59% of Damiani S.p.A. share capital; moreover, the same Guido Grassi Damiani directly holds 5,01 % of Damiani S.p.A. share capital;
- Giorgio Grassi Damiani directly holds 6,11 % of Damiani S.p.A. share capital;
- Silvia Grassi Damiani directly holds 5,67% of Damiani S.p.A. share capital.

Furthermore, the Damiani Siblings hold the following offices within the Issuer:

- Guido Grassi Damiani: President of the Board of Directors and Managing Director;
- Giorgio Grassi Damiani: Vice-President and Executive Director;
- Silvia Grassi Damiani: Vice-President and Executive Director.

Keeping into account the above:

- a) the Transaction was carried out and completed by Damiani S.p.A. with a Related Party (WJR), wholly held by the Damiani Siblings – who are all executive directors of the Issuer – and subject to the control of the same controlling subject (Guido Grassi Damiani);
- b) the Damiani Siblings, being directors with relevant interests as defined by article 2391 of the Civil Code, refrained from carrying out the Transaction as provided for by article 2391, paragraph 1, Civil Code and promptly informed the other members of the Issuer administrative body about the existence and significance of their interests; they also deemed appropriate to refrain from voting during meetings where the Transaction was approved.

In relation to the above, the Transaction was conducted following the *corporate governance* procedure which, in compliance with the *best practice*, is detailed in paragraph 2.4 below.

2.3 ECONOMICAL REASONS OF THE ISSUER FOR CARRYING OUT THE TRANSACTIONS.

Gruppo Rocca S.p.A. is now the sole big luxury multi-brand chain of jeweller's shops in Italy (and one of the few worldwide) and has at its disposal some very prestigious locations.

As already detailed by the Issuer in the prospectus published after the admission of its shares to the MTA arranged and managed by the Italian Stock Exchange (see paragraph 6.1.7: “Future Plans and Strategies”), Damiani Group intends to strengthen its leadership position on the market of high standard jewels, both by consolidating its wholesale activity and by selectively increasing its retail activity.

The Acquisition was implemented in order to realize the purchase by Damiani Group - in a short period of time – of the current chain of shops belonging to Rocca located in Italy and Switzerland, producing an increase of the consolidated sales turnover starting already from the current fiscal year, as well as with the aim:

- a) to strengthen the presence of its brands in very prestigious locations in order to increase their notoriety and to increase Damiani Group's sales profit margin and turnover, also availing of Rocca Group's boutiques;
- b) to exploit the diversity of the Group's brand portfolio which, by including five complementary brands, would be well placed within the multi-brand shops belonging to Rocca Group;
- c) to acquire the know how developed by the management of Rocca Group over more than 220 years of experience in managing very prestigious jewelers' and watch's boutiques with a view to strengthen its presence in the retail market;
- d) in particular, to carry out a selective policy aimed at developing its retail channel, both by developing single-brand shops – in order to launch new brands or to strengthen the leadership of those already on the market – and, from a medium/long term perspective – to develop multi-brands shops in accordance with the tradition regarding the management and development of Rocca's shops;
- e) to make use of the synergies produced by the integration, also by reducing the current structural expenses.

2.4 CORPORATE GOVERNANCE PROCEDURE APPLIED TO THE TRANSACTION; MODALITIES USED FOR FIXING THE PRICE OF THE TRANSACTION AND ASSESSMENTS REGARDING ITS CONGRUITY IN COMPARISON WITH SIMILAR MARKET TRANSACTIONS.

During the meeting of June 26th 2008, the Board of Directors of the Issuer, following to the favorable opinion expressed by the Internal Audit Committee and considering the strategic importance of the transaction as well as the nature of the other party (a Related Party whose indirect shareholders are Guido, Giorgio and Silvia Grassi Damiani and which is subject to the mutual control of Guido Grassi Damiani together with Damiani S.p.A.), resolved upon starting a in-depth study propaedeutical to the approval of the Transaction – which was successively approved by the Board on September 15th 2008 – aimed, in particular, at studying in detail the advantages and suitability of the Acquisition for Damiani Group.

In particular and taking also into account the regulatory measures issued by CONSOB in relation to transactions with related parties (lastly in its public consultation with the market in the view of the enforcement of article 2391 *bis* of Civil Code):

a) an internal team - led by one of the Company's managers - was formed and worked together with the Internal Audit Committee – consisting of non-executive directors most of which were also independent – and with Mr. Giancarlo Malerba, President of the Internal Audit Committee;

b) Mr. Stefano Graidì, one of the Company's directors, acting in concert with the Internal Audit Committee and in force of his high standard professionalism as well as at his acknowledged experience in such kind of transactions, appointed Euromobiliare SIM as *Financial Advisor* of the Transaction; the latter company was appointed for assisting the working team with the structure of the transaction, the coordination of the due diligence, the assessment of Gruppo Rocca S.p.A.'s economic capital and any communication to the market;

c) the Internal Audit Committee held several meetings with the working team and with Euromobiliare SIM S.p.A. to report on the state of affairs and to study the feasibility and advantages of the transaction (meetings were held, in particular, on June 26th 2008, on July 8th 2008, on 15th July 2008, on 18th July 2008, on 4th September 2008);

d) on September 15th 2008, following the favorable opinion of the Internal Audit Committee, the Board of Directors - having acknowledged the work carried out by the Financial Advisor and agreed on the methods used and results achieved, having considered the results of the legal and fiscal due diligence and the professional advice sought to Cushman & Wakefield on the value of the key money of some of the shops rented by Rocca Group – resolved to set the purchase price for the Company's entire share capital at Euro 7 million; said price was located in the low part of the range of “before-synergies-values” assessed by the financial Advisor; Mr. Giancarlo Malerba was appointed in order to enter into Rocca S.p.A.'s Shares Purchase Agreement;

e) at the end of the meeting, Euromobiliare SIM issued its opinion on the congruity of said price from a financial perspective (see attachment no. 1 to the present Information Document).

In order to assess the economic capital of Rocca S.p.A., the financial advisor availed of assessment methods in line with national and international praxis, taking also into account

the aims of the assessment, the characteristics of the company, the kind of activity carried out by the same and the markets the company dealt with; in particular, the following criteria were used: (i) pro-forma consolidated net patrimony as at 31 December 2007 drafted according to IFRS, also in its version rectified with the result of the financial year 2008; (ii) the break-up value, in a business discontinuity perspective; (iii) actualized cash-flows, in a business continuity perspective, also in the version including the possible synergies within the Damiani Group; (iv) values applied to similar transactions made in the same sector in the period between 2005 and August 2008; (v) market values of a basket of comparable listed companies. On the basis of the abovementioned criteria (to be considered not singularly but as joint parts of a process of appraisal which is sole) Euromobiliare SIM determined a range of values for the economical capital of the Company.

With reference to the terms of payment of the price, please note that management body deemed appropriate to use part of the Company's own shares, amounting to no. 1.000.000 out of no. 3.117.614 held as at September 12th 2008.

The acquisition of further Damiani S.p.A. own shares by the Damiani Siblings was deemed to represent, for the market, a further signal of confidence towards the Company, also considering that in the ambit of the transaction the shares were transferred – in the interest of Damiani Group – at their weighted average price, which exceeded by 15% the values fixed by the Italian Stock Exchange on the date in which the transaction was completed.

Please note also that the transaction was approved by the administrative body with the unanimous favorable vote of present directors (being saved the abstention of the Damiani Siblings).

Therefore, the Damiani Board of Directors deems to taken all the necessary steps in order to best manage any risks involved in transactions between related parties.

2.5 PRO-FORMA ECONOMICAL, PATRIMONIAL AND FINANCIAL EFFECTS

2.5.1 Summarized consolidated data on the Issuer and the purchased company.

A. CONSOLIDATED INCOME STATEMENT

Values expressed in thousands of Euro	Consolidated Financial Statements of Damiani Group as at March 31 st 2008 IFRS	Consolidated pro-forma financial statements of Rocca Group as at December 31 st 2007 IFRS	Consolidated pro-forma financial statements of Damiani Group as at March 31 st 2008 IFRS
Revenues	174.108	39.197	205.611
Operating result	26.136	(460)	23.913
Result before taxes	24.977	(2.315)	20.417
Income tax	(9.675)	282	(8.577)
Year-end result including the part of third parties	15.302	(2.033)	11.840
Year-end results pertaining to the Group	15.127	(2.009)	11.689

B. CONSOLIDATED ASSET & LIABILITY STATEMENT

Values expressed in thousands of Euro	Consolidated Financial Statements of Damiani Group as at March 31 st 2008 IFRS	Consolidated pro-forma financial statements of Rocca Group as at December 31 st 2007 IFRS	Consolidated pro-forma financial statements of Damiani Group as at March 31 st 2008 IFRS
Invested capital	184.386	(19.256)	150.361
Net financial standing	28.427	(25.827)	(2.650)
Net equity	155.959	6.571	153.011

2.5.2 Pro-forma economical, financial and patrimonial data pertaining Damiani Group

2.5.2.1 Pro-forma consolidated asset & liabilities statement and pro-forma consolidated income statement as at March 31st regarding Damiani Group

Foreword

The present Chapter shows the consolidated asset & liabilities statement as well as the consolidated income statement as at March 31st 2008 ("**Pro-forma Consolidated statements**").

The Consolidated pro-forma statements have been drawn up in order to be included in this Information Document a simulate – pursuant to principles of assessment in line with historical data and with consistent with the methodology of calculation of pro-forma data set forth by CONSOB communication no. DEM/1052803 of July 5th 2001 – of the effects produced by the acquisition of Rocca S.p.A. and of its subsidiaries (the “Rocca Group”) by Damiani S.p.A., which are both controlled by common shareholders, regulated by the Purchase Agreement (the “Agreement”) entered into on September 15th 2008 between Damiani S.p.A. and W.J.R. Participations S.A. (the “Acquisition”), about the economic and patrimonial position of Damiani Group, as though such acquisition was virtually put into effect on March 31st 2008 (as to the asset & liability consequences) and on April 1st 2007 (as to the income consequences).

Pursuant to the methods of calculation of pro-forma financial data provided for by CONSOB Communication no. DEM/1052803 of July 5th 2001, the Consolidated Pro-Forma statements were drawn up amending rectifying historical data, taken from the consolidated financial statement as at March 31st 2008 of Damiani Group, in order to show the patrimonial, financial and economical results of the Acquisition.

Furthermore, the attached **Pro-forma Consolidated Statements** were drawn up in order to simulate the effects of the relevant transactions which were carried out by Rocca Group in the view of the acquisition of Rocca Group by Damiani Group (and hereinafter described). In particular, the relevant transactions are the followings:

- i) the purchase, made by Rocca Group on April 22nd 2008, of 55% of Idea Rocca S.r.l.'s share capital (already held by 45%) from the related party Sparkling Investment S.A., at the price of Euro 106 thousand (in its turn, Idea Rocca S.r.l. holds 51% of Rocca Courmayeur S.r.l.);
- ii) the transfer by Rocca Group to the related party Miralto S.r.l., on August 29th 2008, of the property of two premises located in Milan, Piazza del Duomo no. 25 and in Taormina, Corso Umberto no. 200, used as shops, at the price of Euro 11.000 thousand and Euro 370 thousand respectively, and subsequent lease agreements regarding the same premises;
- iii) the transfer, by Rocca Group to the related party Immobiliare Miralto S.r.l., on August 29th 2008, of the leasing agreement of the premises located in Padua, via Cavour no. 3, at the price of Euro 250 thousand, and subsequent lease agreement regarding the same building;
- iv) the planned sale of a part of the left-over stock (with book value of Euro 6.261 thousand and break-up value of Euro 3.265 thousand), by means of "barter" agreements and, to a lower extent, by means of auctions and scrapings with recovery of raw materials, which are still to be completed on the date this enclosed consolidated pro-forma statements was completed.

The accounting principles used for the Pro-Forma Consolidated Statements are the same used for the consolidated financial statement of Damiani Group as at March 31st 2008, namely IFRS (International Financial Reporting Standards), as described in the section "Accounting Principles" of Damiani Group's "Notes to the Consolidated Financial Statement" as at March 31st 2008.

The consolidated financial statement of Damiani Group as at March 31st 2008, drawn up in compliance with IFRS (International Financial Reporting Standards), was audited by Reconta Ernst & Young S.p.A. whose report was issued on July 4th 2008. The consolidated financial statement as at March 31st 2008 of Damiani Group is copied herein in the first column of the attached Pro-Forma Consolidated Statements.

As pointed out in Chapter 2.5.1, the closing date of Rocca Group's fiscal year is December 31st and therefore the consolidated financial statement of Rocca Group refers to the closing date of December 31st 2007. Rocca Group has not drawn up a consolidated financial statement as at March 31st 2008. Therefore, in order to draw up the pro-forma consolidated

statement as at March 31st 2008, information from the consolidated financial statements of Rocca Group as at December 31st 2007 were used, based on the following assumptions:

- i) the closing date as at December 31st 2007, differing of three months from the closing date of Damiani Group's consolidated financial statements, is included in the allowed range of time provided for by IAS 27 (International Accounting Standards) for the consolidation of data as at March 31st 2008;
- ii) the directors of Rocca Group certified that, during the first quarter of the calendar year 2008, no significant events took place which might have caused variation to the consolidated assets & liabilities and income statements regarding the fiscal year as at December 31st 2007 for the purpose of the consolidation pro-forma into the consolidated financial statement of Damiani Group as at March 31st 2008.

Rocca Group's consolidated financial statement as at December 31st 2007, drawn up as provided for by the law and accounting principles generally accepted in Italy, was audited by Reconta Ernst & Young S.p.A., whose report was issued on April 30th 2008. The management of Rocca Group made some amendments to the aforementioned consolidated financial statement in order to render it consistent with the IFRS approved by EU, with the sole aim of standardizing them – for the drawing-up of pro-forma statements – to accounting principles used by Damiani Group. Such statements, amended as described above, are copied in the second column of the Pro-forma consolidated statements.

Furthermore, the management of Rocca Group made to said consolidated statement all the pro-forma amendments necessary in order to consolidate the subsidiary company Idea Rocca S.r.l. with Courmayeur Rocca S.r.l., a company totally controlled by Idea Rocca S.r.l. as at December 31st 2007, assuming that the control of said company – as at April 22nd 2008 – was virtually obtained, as far as the assets & liabilities statement is concerned, on December 31st 2007 and, as far as the income statement is concerned, on January 1st 2007.

Idea Rocca S.r.l.'s financial statements as at December 31st 2007 and Courmayeur Rocca S.r.l.'s financial statements as at March 31st 2008, drawn up pursuant to the law and to the accounting principles generally accepted in Italy, were not subject to auditing, with the sole aim of standardizing them – for the drawing-up of pro-forma statements – to accounting principles used by Damiani Group. Such statements, amended in the way described above, are copied in the third column of the Pro-Forma Consolidated Statements.

The fourth column of the Pro-forma Consolidated Statements shows the pro-forma amendments determined by the transactions of sale of the premises located in Milan and Taormina and the transfer of the leasing agreement pertaining the premises located in Padua, which were contextually substituted by rent agreements of the same premises; moreover, the aforementioned fourth column also shows the arranged disinvestment transactions, still to be completed, of some of the remnants of stock/products by Rocca Group.

Pro-forma consolidated information regarding Rocca Group, modified as described above, are copied in the fifth column of the attached Pro-Forma Consolidated Statements.

Finally, in the sixth column of the attached Pro-Forma Consolidated Statements are copied the pro-forma amendments reflecting the effects of the Purchase of Rocca Group by Damiani Group, as provided for by the Agreement, inclusive of the elision and consolidation records.

The seventh and last column of the attached Consolidated Pro-forma statements shows consolidated pro-forma information pertaining to Damiani Group assuming the acquisition of Rocca Group.

For the correct interpretation of the information supplied by the statements, it is important to take into account the following points:

- (i) information provided by the pro-forma statements reflects the application of a number of specific hypothesis; therefore, should the company acquisition and any further transaction were actually carried out by Damiani Group on the dates used in the pro-forma statements – rather than on their effective dates - the same effects would not necessarily have been produced;
- (ii) pro-forma data do not reflect and are not meant to reflect perspective assessments, since they are drawn up in order to show isolated effects objectively assessable solely, without taking into account potential effects due to change in management policies or to decisions consequent to the same transactions.

Furthermore, as a consequence of the different purposes of pro-forma data compared to data included in the historical financial statements, as well as at the different modalities of calculation of the effects of the purchase on the purchased companies and of any further transactions made in relation to the assets & liabilities statement and income statement, the Pro-Forma Consolidated Statements must be read and interpreted separately, without any connections between the two documents.

The acquisition of the control of Rocca Group as well as the sale of the premises and leasing agreement by Rocca Group - with contextual rental back of the same premises - took place among parties controlled by common subjects and can therefore be defined as transactions between subjects “*under common control*” within a corporate reorganization in which all companies are controlled by the same company or individual, both before and after the business combination, and such control is never temporary.

For the time being, the accountability treatment of such transactions is not regulated by any IFRS – which do not include any specific provisions referring to the accountability treatment of subjects under common control – being said treatment still under studying by accounting international bodies entrusted with the drafting of said principles; as a consequence, in compliance with the same IFRS, reference was made to “similar” accounting principles. In the transaction at stake, reference was made to the market praxis and to the document named “Preliminary Guidelines” no. 1 on IFRS.

Based on such criteria, the transactions were recorded by entering the historical values previous to the transactions, since it is not possible - by definition - to determine objective current values for transaction among subjects who are “*under common control*”. Accordingly any possible higher or lower (compared to the historical values) amounts paid or received for the acquisition and sales are treated as a capital distribution increase of patrimonial reserves.

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENT AND PROFIT & LOSS ACCOUNT FOR THE PERIOD
ENDING 31 MARCH 2008

Pro-forma consolidated assets and liabilities statement as at 31 March 2008

Amounts in €'000	Consolidated Damiani Group IFRS 31 Mar 2008	Consolidated Gruppo Rocca IFRS 31 December 2007	Consolidated pro-forma Gruppo Idea Rocca, IFRS 31 Dec 2007 (A)	Pro-forma adjust- ments	note s	Consolidated pro-forma Gruppo Rocca, IFRS 31 Dec 2007	Pro- forma adjust- ments	note s	Cons. pro- forma Grupp o Damiani IFRS 31 Mar 2008
ASSETS									
Goodwill	5,002	376	-	-		376	-		5,378
Other intangible fixed assets	7,056	160	403	-		563	-		7,619
Tangible fixed assets	14,698	10,367	672	-		11,039	-		25,737
Other investments	169	405	(405)	-		-	-		169
Financial credits & other non current assets	2,663	1,809	(1,602)	-		207	-		2,870
Credit for anticipated assets	12,229	508	70	941	(C)	1,519	1,954	(F)	15,702
Total non-current assets	41,817	13,625	(862)	941		13,704	1,954		57,475
Inventory	94,713	26,927	5,947	(6,261)	(C)	26,613	(6,223)	(F)	115,103
Commercial credits	65,794	1,717	(70)	-		1,647	(3,988)	(G)	63,453
Tax credits	394	305	1,385	-		1,690	-		2,084
Credits towards group companies not elided in the pro-forma financial statement	-	-	-	-		-	61	(H)	61
Other current assets	14,718	1,030	90	11,763	(B) (C)	12,883	-		27,601
Cash and other available funds	52,813	969	94	600		1,663	(5,250)	(I)	49,226
Total current assets	228,432	30,948	7,446	6,102		44,496	(15,400)		257,528
TOTAL ASSETS	270,249	44,573	6,584	7,043		58,200	(13,446)		315,003
LIABILITIES AND NET EQUITY									
NET EQUITY									
Share capital	36,344	4,680	-	-		4,680	(4,680)	(J)	36,344
Reserves	117,869	2,607	(454)	(284)	(B)	1,869	(4,839)	(K)	114,899
Total group net equity	154,213	7,287	(454)	(284)		6,549	(9,519)		151,243
Third parties' net equity	1,746	-	22	-		22	-		1,768
TOTAL NET EQUITY	155,959	7,287	(432)	(284)		6,571	(9,519)		153,011
Medium-long term loans	16,631	7,438	149	6,043	(B)	13,630	-		30,261
Staff retirement indemnity	4,223	831	7	-		838	-		5,061
Debts for deferred taxes	2,608	395	-	734	(B)	1,129	-		3,737
Other debts and non-current liabilities	2,441	26	-	-		26	-		2,467
Total non-current liabilities	25,903	8,690	156	6,777		15,623	-		41,526
Current portion of medium-long term loans	5,162	2,577	40	550	(B)	3,167	-		8,329
Commercial debts	65,305	14,512	6,748	-		21,260	(9,228)	(G)	77,337
Current financial debts towards banks and other financers	2,593	10,693	-	-		10,693	-	-	13,286
Tax debts	8,977	99	16	-		115	-		9,092
Debts toward group companies not elided in the pro-forma financial statement	-	-	-	-		-	5,301	(H)	5,301
Other current liabilities	6,350	715	56	-		771	-		7,121
Total current liabilities	88,387	28,596	6,860	550		36,006	(3,927)		120,466
TOTAL LIABILITIES AND NET EQUITY	270,249	44,573	6,584	7,043		58,200	(13,446)		315,003

Pro-forma consolidated profit and loss account for the period ending 31 March 2008

Amounts in €'000	Consolidated Damiani Group IFRS 31 Mar 2008	Consolidated Gruppo Rocca IFRS 31 December 2007	Consolidated pro-forma Gruppo Idea Rocca, IFRS 31 Dec 2007 (A)	Pro-forma adjust- ments	note s	Consolidated pro-forma Gruppo Rocca, IFRS 31 Dec 2007	Pro- forma adjust- ments	note s	Cons. pro- forma Grupp o Damiani IFRS 31 Mar 2008
Revenues from sale of goods and rendering of services	164,919	37,890	1,056	-		38,946	(7,785)	(L)	196,080
Other recurring revenues	683	251	-	-		251	(848)	(L)	86
Intragroup revenues with companies not elided in the pro-forma financial statement	-	-	-	-		-	939	(H)	939
Other non-recurring revenues	8,506	-	-	-		-	-		8,506
Total revenues	174,108	38,141	1,056	-		39,197	(7,694)		205,611
Cost of raw and other materials	(69,898)	(28,161)	(611)	-		(28,772)	8,619	(M)	(90,051)
Costs for services	(53,719)	(4,872)	(715)	-		(5,587)	887	(L)	(58,419)
Personnel costs	(24,249)	(3,720)	(357)	-		(4,077)	-		(28,326)
Other net operating income (charges)	2,397	533	(20)	-		513	611	(L)	3,521
Intragroup costs with companies not elided in the pro-forma financial statement	-	-	(7)	-		(7)	(4,186)	(H)	(4,193)
Depreciation and devaluations	(2,503)	(956)	(260)	(511)	(B)	(1,727)	-		(4,230)
Total operating costs	(147,972)	(37,176)	(1,970)	(511)		(39,657)	5,931		(181,698)
Operating profit	26,136	965	(914)	(511)		(460)	(1,763)		23,913
Financial expenses	(3,312)	(1,385)	(3)	(570)	(B)	(1,958)	-		(5,270)
Financial income	2,153	121	(18)	-		103	(482)	(N)	1,774
Profit before taxation	24,977	(299)	(935)	(1,081)		(2,315)	(2,245)		20,417
Taxes on income	(9,675)	(167)	69	380	(B)	282	816	(O)	(8,577)
Profit/(loss) for the period	15,302	(466)	(866)	(701)		(2,033)	(1,429)		11,840
Portion of third parties	175	-	(24)	-		(24)	-		151

Detail of the pro-forma adjustments

The effects of the pro-forma adjustments on the individual items in the consolidated financial statement are described below:

- (A) For the purposes of drawing up the pro-forma consolidated statements it has been assumed that the control of Idea Rocca S.r.l. (and, indirectly, of Courmayeur Rocca S.r.l., since the latter is 51% owned by Idea Rocca S.r.l.) had been gained on 31 December 2007 for financial statement purposes and on 1 January 2007 for profit and loss account purposes, rather than on 22 April 2008 as was actually the case. The main effects of the pro-forma consolidation of Idea Rocca S.r.l. are the following:
- i) The net equity of Gruppo Rocca at 31 December 2007 decreases by €432,000 as a result of the consolidation of the Gruppo Idea Rocca. This decrease is due to the difference between the book value (prior to the transaction and equal to €79,000) of the net assets and liabilities acquired through the corporate aggregation and the prices paid for said acquisition (for a total of €511,000). The difference is accounted by reducing net equity, as described in the Preface;
 - ii) The profit for the year 2007 is reduced by €866,000, relating to the results recorded by Idea Rocca S.r.l. (a loss of €816,000) and Courmayeur Rocca S.r.l. (a loss of €50,000) in 2007;
 - iii) Financial receivables and other non-current assets suffer a net decrease of €1,602,000, in particular in relation to the elision of a loan granted from Rocca S.p.A. to Idea Rocca S.r.l. for the sum of €1,671,000.
- (B) The abovementioned sales of properties used as shops in Milan and Taormina and the subsequent execution of a rental contract, as well as the disposal of the leasing contract relating to the property used as a shop in Padua, are treated as “sale and leaseback” transactions executed between companies under common control. The effects of said treatment are detailed as follows:

- i) increase of other current assets of €8,498,000, included within the overall increase in this item of €11,763,000 (see point (C) below for the difference of €3,265,000). The €8,498,000 amount includes the following items:
 - a) €8,298,000 relates to the difference between the disposal price of the properties in Milan and Taormina (totalling €11,370,000) and the cash received at the signing of the contract (equal to €550,000) plus the taking over of loans of Rocca S.p.A. (of €2,522,000). Payment of the €8,298,000 is deferred - interest free - to 31 March 2009;
 - b) the remaining amount of €200,000 refers to the receivable deriving from the disposal of the leasing contract (for an amount of €250,000) net of €50,000 received in cash at the signing of the contract. Payment of €200,000 is deferred - interest free - to 31 March 2009;

It is pointed out that the pro-forma adjustments, being limited to the material aspects of the transactions, have not considered the receivables due on 31 March 2009 amongst non-current assets, and neither have the amounts been actualized.

- ii) In connection with the matters detailed in point i) above, cash balances increase by €600,000 as a result of the receipt in cash of part of the sale price of the properties and leasing contract, on the date the related contracts were entered into;
- iii) Medium-long term loans increase by €6,043,000, whilst short-term loans increase by €550,000, making a total increase of €6,593,000. This net adjustment represents the accounting treatment of the sale and leaseback transactions, described above, which required the current value of the debt relating to rental payments to be shown as a loan (equal to €9,115,000) net of the value of the loans (equal to €2,522,000) taken over by the entity purchasing the properties, Immobiliare Miralto S.r.l., as detailed in point i);

- iv) An adjustment is made to record a deferred taxation debt, equal to €734,000, to reflect the tax-related repercussions connected with the transactions described above.
- v) The followings are the consequences on the consolidated profit and loss account deriving from the accounting of the sale and leaseback transactions described above:
 - a) An increase in depreciation of €511,000 (deriving from a shorter duration of the rental contracts);
 - b) An increase in financial charges of €570,000 (deriving from the contractual financing charges);

The net overall effect of these adjustments, net of the related taxation effect of €380,000, amounts to €701,000.

- vi) As regards to the pro-forma net assets of the Gruppo Rocca at 31 December 2007, which are showing as negative €25,827,000, it is pointed out that this figure does not include receivables, equal to €8,498,000, that will be collected in the near future, as commented on in point i); these receivables are connected with the real estate transactions that have given rise to the pro-forma adjustments at stake. In addition, the net assets include the €9,115,000 debt, which has also emerged as a pro-forma adjustment, relating to the current value of the future rental payments, arisen out of the real estate transactions.

- (C) The adjustment related to inventory, a decrease of €6,261,000, is a direct consequence of the hypothesis that part of the stock of finished goods will be retired. In particular the management of Rocca Group, in view of the integration of the group within Damiani Group and consequent change of commercial and distribution strategies, has assumed that stocks of finished goods no longer considered strategic, with a book value of €6,261,000 and an estimated sale value of €3,265,000, should be retired, by means of barter contracts and, to a minor extent, by auction and by scrapping with recovery of raw materials. Consequently, the Pro-Forma Consolidated Statements consider a decrease in the value of finished goods inventory of €6,261,000 and the recognition of a receivable related to the presumed sale value of €3,265,000, shown amongst current assets. After these

transactions the pro-forma net equity decreases, net of the associated taxation effect of €941,000, by a net amount of €2,055,000. The taxation effect of €941,000 has been accounted as anticipated tax payments. In line with the methodology used to draw up the pro-forma data, ruled under CONSOB Communication no. DEM/1052803 of 5 July 2001, the capital loss is not reflected in the pro-forma consolidated profit and loss account, as it is considered to be a one-off component of the sale transaction.

- (D) After the adjustments described above have been made, the net equity reserves of the Gruppo Rocca show an overall net decrease equal to €284,000, which can be summed up thus:
- a) An increase of €1,771,000 consequent to the higher value recognised on the disposal of the properties and the leasing contract compared to the book values in the financial statement, net of the related taxation effect. As this higher value has been realised with a company under common control, as described in the Foreword, it has been booked as an increase to reserves. In greater detail, an increase in value arising from the sale of the Milan and Taormina properties and the sale of the leasing contract for the Padua property has been attributed to the Gruppo Rocca, in amounts of €1,704,000, €9,000 and €58,000 respectively, net of the related taxation effects.
 - b) A decrease of €2,055,000 associated with the expected capital loss deriving from the proposed disposal to third parties and scrapping of stocks of finished goods, as detailed in note (C), above.
- (E) The pro-forma financial statements values for Gruppo Rocca individually have been shown in the column entitled “Consolidated pro-forma Gruppo Rocca IFRS 31 December 2007”. The effects deriving from the consolidation of the Gruppo Rocca within the Damiani Group have been excluded from this column, but instead are detailed in the next column, headed “Pro-forma adjustments”.
- (F) The adjustment to reduce inventory by €6,223,000 relates to the writing back of the marginality component of Gruppo Rocca inventory in relation to finished goods purchased from Damiani Group. Said margins booked by Damiani Group are not

considered to be realised vis-à-vis third parties following the pro-forma consolidation of the Gruppo Rocca. The taxation effect of writing back the intragroup margins, equal to €1,954,000, is shown amongst anticipated tax payments.

- (G) The adjustments to reduce commercial credits and commercial debts, for €3,988,000 and €9,228,000 respectively, are attributable to the elimination of intragroup receivables and payables as part of the pro-forma consolidated process of the Gruppo Rocca within the Damiani Group.

- (H) Credits towards group companies which have not been eliminated in the Pro-Forma Consolidated Statements amount to €61,000. Under this heading have been classified the sums of intragroup credits / debits which could not be cancelled in the consolidation process due to the different financial statement dates of the Gruppo Rocca (31 December 2007) and the Damiani Group (31 March 2008). Debts towards Damiani Group owed by Damiani Group not eliminated in the Pro-Forma Consolidated Statements, identical in nature, amount to €5,301,000. These debts are mainly debts of Gruppo Rocca toward Damiani Group for supplies, the amount of which has decreased during the period between 1 January 2008 and 31 March 2008 mainly as a result of collection.

Further consequences of the different closing dates of the consolidated financial statements are €939,000 of non-elided revenues and €4,186,000 of non-elided costs resulting in the profit and loss statement. The accounting of these differences among the abovementioned items has not produced any effect on the net equity and profit for the period referred to in the Pro-Forma Consolidated Statements.

- (I) The negative adjustment of available funds of €5,250,000 is related to the portion of the price paid to acquire the participation in Rocca S.p.A., which the Damiani Group paid to the Seller, W.J.R. Participations S.A. on 15 September 2008, equal to €4,950,000, plus €300,000 representing the estimated accessory expenses of the transaction.

- (J) The negative share capital adjustment of €4,680,000 is associated with the pro-forma consolidation of Rocca Group into the Damiani Group and consequent annulment of the share capital of Rocca S.p.A.
- (K) The negative adjustment to reserves, amounting of €4,839,000 is caused by:
- i) A negative adjustment of €4,269,000, net of the related taxation effect, due to the write-back of intragroup margins in the inventory of Rocca Group associated with the purchase of finished goods from Damiani Group;
 - ii) A negative adjustment of €1,869,000, calculated as part of the pro-forma consolidation of the Rocca Group, in relation to the write-back of the pro-forma reserves of Rocca Group as at 31 December 2007, inclusive of the effect of the extraordinary transactions;
 - iii) A positive adjustment to reserves of €2,050,000 as a consequence of the utilisation of own shares, purchased prior to 31 March 2008 and carried at this value, as part of the consideration paid to W.J.R. Participations S.A. for the purchase of 100% of the share capital of Rocca S.p.A.;
 - iv) A negative adjustment of €751,000, arising from the difference between the overall purchase cost, equal to €7,300,000, and the pro-forma net equity of the Rocca Group as at 31 December 2007, equal to €6,549,000, inclusive of the effect of the pro-forma adjustments associated with the transactions connected to the integration; this difference was allocated as a diminution of reserves due to the matters set out above.
- (L) The adjustments to decrease revenues for sales of goods and rendering of services and other recurring revenues, for €7,785,000 and €848,000 respectively, derive from the write-back of Damiani-Rocca intragroup transactions, as are the adjustments to decrease and increase the costs for services and other operating income, equal to €887,000 and €611,000 respectively.
- (M) The adjustment to reduce the cost of raw materials for an overall amount to €8,619,000 is referred to the write back the cost of raw materials due to intragroup elimination as to €10,382,000, . Said effect is partially counterbalanced by the write-back of the inventory margins relating to purchases from Damiani Group, equal to €1,763,000.

- (N) The adjustment to reduce financial income, equal to €482,000, represents the estimate of lower financial income that Damiani Group would have earned should the subsequent transactions had been carried out at the beginning of the financial year: i) the payment made on 15 September 2008 of part of the contractual price, equal to €4,950,000, and of the expenses accessory to the acquisition, estimated at €300,000, as detailed in note (I), and ii) the reimbursement to the parent company W.J.R. Participations S.A. and the related party Sparkling Investments S.A., as provided for by the Contract and to be made within 15 days of its execution, of the loans granted to Rocca Group during the financial year 2008, for a total amount of €7,094,000.
- (O) The adjustment to reduce the tax item, equal to €816,000, arises from measuring the taxation effect of the write-back of the inventory margin (commented in note (M)), as well as from the taxation effects connected to the adjustments explained in point (O) above.

The Acquisition

On 15 September 2008, following the opinion of the Internal Auditing Committee, the Board of Directors of Damiani S.p.A. resolved the acquisition of the ownership of Rocca S.p.A. to be realized by entering into a Contract for the purchase of 9,000,000 shares in Rocca, representing 100% of share capital.

The consideration of the purchase was fixed at €7,000,000, of which €4,950,000 to be paid in cash and €2,050,000.00 to be paid by means of the transfer of 1,000,000 own shares held by the Issuer; with this regard parties agreed to fix the value of each share in Damiani S.p.A. at € 2.05 per share, equal to their book value in the Damiani financial statement as at 31 March 2008, and by 15% higher than the stock market price of the same shares on the date of completion of the Transaction.

The payment was made on the same date the contract was entered into and the shares representing the whole of Rocca S.p.A.'s share capital were endorsed; the transfer of 1,000,000 Damiani own shares to WJR was also completed on the same date.

With regard to the integration of Rocca Group into Damiani Group, the following extraordinary transactions were made by Rocca Group prior to 15 September 2008:

- On August 29th 2008, the sale by Rocca S.p.A. of two properties located in Milan at Piazza del Duomo 25 and in Taormina at Corso Umberto 200, Taormina, used as shops, to the related party Immobiliare Miralto S.r.l., at the price of € 11,000,000 and € 370,000 respectively, and the subsequent execution of rental contracts for the same properties. In particular the rental contract relating to the Milan property has a duration of six years and shall be subject to tacit renewal for a further six-year period unless the tenant gives notice to cancel (being saved the cases of denial of renewal provided for under article 29 of Law 392/78). The annual rental is fixed at €500,000 for the first year, €600,000 for the second year, €1,000,000 for the third year and €1,100,000 for subsequent years, with increases equal to the maximum extent allowed by the law starting from September 1st 2012. Also the rental contract relating to the property located in Taormina has a duration of six years, with tacit renewal for a further six years unless the tenant gives notice to cancel (being saved the cases of denial of renewal provided for under article 29 of Law 392/78). The annual consideration is fixed at €65,000 per year, with an annual increase equal to the maximum extent allowed by the law.
- On August 29th 2008, the disposal of the leasing contract relating to a property located at Via Cavour 3, Padua, to the related party Immobiliare Miralto S.r.l., at the price of €250,000 and the subsequent execution of a rental contract for the same property. The rental contract has a duration of six years, with tacit renewal for a further six years unless the tenant gives notice to cancel (being saved the cases of denial of renewal provided for under article 29 of Law 392/78). The rental is fixed at € 45,000 per year, with an annual increase equal to the maximum extent allowed by the law.
- The planned dismissal by means of barter contracts and, to a minor extent, by auction and by scrapping with recovery of raw materials, of the stocks of finished goods with a book value of € 6,261,000 and an estimated realisable value of € 3,265,000 - which was still to be completed at the date on which the Pro-Forma Consolidated Statements were drawn up.

Please also note that the Contract to acquire the shares in Rocca S.p.A. provides for a commitment of Damiani to ensure that – within 15 days of the signing of the Contract – Rocca S.p.A. repays to WJR Participations S.A. and to the related company Sparkling Investment S.A. the loans granted by said companies to the Rocca Group at the beginning of 2008, for the amounts of € 5,594,000 and € 1,500,000 respectively, plus any interest accruing up to the date of payment.

Accounting of the Acquisition

As described above, the Contract provides for an overall price of €7,000,000, of which €4,950,000 to be paid in cash and €2,050,000 to be paid by means of the transfer of 1,000,000 own shares held by the Issuer (equal to their book value in the Damiani financial statements as at 31 March 2008). Taking into consideration also the accessory expenses of the Acquisition, currently estimated at €300,000, the total value of the transaction amounts to €7,300,000.

As described in the Foreword, the Acquisition of the shares in Rocca S.p.A. was carried out between entities controlled by the same individuals and is therefore a transaction between entities “under common control” in the ambit of a business reorganisation in which all companies or business units participating thereto are controlled by the same company or individual, both before and after the merger, and said control is not temporary. The Acquisition shall therefore be accounted maintaining the historic values existing prior to the transaction. Consequently any greater or lesser amount possibly paid or received within the Acquisition, compared to the historical values, shall be treated respectively as capital distributions or increase of net equity reserves.

In order to draft the pro-forma consolidated data, the schedule below summarises the values in the financial statements as at December 31st 2007 of the purchased net assets of Rocca Group S.p.A., the price paid and the part of the paid price in excess of the net asset value, which shall be classified as a reduction of the consolidated net equity of Damiani Group:

(in € thousands)	31 March 2008
Net equity of the Rocca Group as at 31 December 2007, preliminarily determined in conformity with IFRS, inclusive of the effects of the transactions performed in view of the integration of Rocca Group within Damiani Group (A)	6,549
Costs of the corporate aggregation (B)	(7,300)
Difference (B-A), reducing pro-forma consolidated net equity	(751)

Other expenses relating to the Acquisition

The accessory costs of the acquisition of Rocca S.p.A., described above and currently estimated by the management of Damiani S.p.A. in €300,000, are costs for advisory, legal and audit services.

Conciliation of consolidated net equity and net profit of Damiani Group with pro-forma consolidated net equity and net profit

Net equity (in € thousands)	31 March 2008
Consolidated Damiani Group net equity	154,213
Pro-forma consolidated Rocca Group net equity	6,549
Disposal of own shares for the Acquisition (and consequent increase in net equity other reserves)	2,050
Elimination of pro-forma value of acquisition of the Rocca S.p.A. shareholding	(7,300)
Write-back of intragroup margins present in the inventory of Rocca Group relating to purchases made from Damiani Group, net of the related taxation effects	(4,269)
Total pro-forma consolidated Damiani Group net equity	151,243
Minority interest net equity	1,768
Total pro-forma consolidated Damiani Group net equity, including minority interest	153,011
<hr/>	
Net profit (in € thousands)	Period ending 31 March 2008
Consolidated Damiani Group net profit	15,302
Pro-forma consolidated Rocca Group net loss	(2,033)
Write-back of intragroup margins present in the inventory of Rocca Group relating to purchases made from Damiani Group in 2007, net of the related taxation effects	(1,106)
Recording of lower financial income corresponding to connected disbursements, net of the related taxation effects	(323)
Total pro-forma consolidated Damiani Group net profit	11,840

2.5.2.2 Pro-forma indices relating to Damiani shares

Per share comparison between historic and pro-forma data

Amounts in €	Damiani Group 31 March 2008	Damiani Group pro-forma 31 March 2008
Weighted average number of ordinary shares	71,361,622	71,361,622
Operating profit per share	0.37	0.34
Base profit per share	0.21	0.17
Diluted profit per share	0.21	0.16
Cash flow per share (*)	0.25	0.23
Consolidated net equity per share	2.19	2.14

(*) Cash flow is conventionally defined as the net profit of the Damiani Group plus amortisation and depreciation

Significant variations in per share data

The number of shares in Damiani S.p.A. corresponds to the weighted average number of circulating shares during the period ending on 31 March 2008. Please note that for the purposes of the calculating the pro-forma per share data, the effects connected with the transfer of 1,000,000 own shares to the Seller – as part of the purchase price of the Rocca S.p.A. shareholding – were not taken into account. This is due to the fact that own shares had started being purchased by the Issuer in March 2008, therefore, the effects of said purchases were not material.

Per share data at 31 March 2008 shows a decrease in operating profit, base profit and pro-forma diluted profit per share, if compared to the historic data of Damiani Group. In the same way a diminution in cash flow per share and of the consolidated net equity per share occurred. Said decreases are a direct consequence of the effects on the indicators shown above with reference to the pro-forma adjustments.

2.5.2.3 Report of the audit company on the audit of the pro-forma consolidated profit and loss account and financial statement

The report of the audit company on the audit of the pro-forma consolidated profit and loss account and financial statement, attesting the reasonableness of the assumptions utilized in drawing up the pro-forma data is attached to the present Information Document.

2.6 POSSIBLE CHANGES IN THE REMUNERATION OF DIRECTORS OF DAMIANI S.P.A. AND OF ITS SUBSIDIARIES AS A CONSEQUENCE OF THE TRANSACTIONS

No changes of the remuneration of the directors of Damiani S.p.A. and of its subsidiaries are provided for as a consequence of the completion of the Transaction described in this Information Document.

2.7 DIRECTORS, STATUTORY AUDITORS, GENERAL MANAGERS OR EXECUTIVES WHO ARE RELATED PARTIES IN THE TRANSACTION

Apart from the Damiani Siblings, whose shares in the Issuer are above detailed, there are no other related parties amongst the members of the management and control bodies, general managers or executives of the Issuer.

Annexes:

- 1) Fairness opinion issued by Euromobiliare SIM S.p.A.
- 2) Report of the audit company on the audit of the pro-forma consolidated economical and patrimonial data.

On behalf of the Board of Directors
The Chairman of the Board of Directors
(Mr. Guido Grassi Damiani)

STRICTLY CONFIDENTIAL

DAMIANI S.p.A.
Viale Santuario, 46
15048 Valenza

For the attention of the Board of Directors

Milan, 15 September 2008

Fairness opinion on the price to be paid by Damiani S.p.A. for the purchase of the entire share capital of Rocca S.p.A.

On 26 June 2008 the Board of Directors of Damiani S.p.A. (“Buyer” or “Damiani”) resolved to start a deepen analysis propaedeutical to the approval of the purchase from W.J.R. Participations S.A. (“Seller”) of 9.000.000 ordinary shares with notional amount of Euro 0,52 each (“Shares”), representing the entire share capital of Rocca S.p.A. (“Company”), with registered office in Milan, via Mario Pagano 40 (“Transaction”).

Rocca S.p.A. is totally controlled by W.J.R. Participations S.A., which is totally controlled by Mr Guido Damiani, President of the Board of Directors and Managing Director of Damiani S.p.A. as well owner – directly and indirectly – of a share equal to the 60,1% of the share capital of Damiani S.p.A.

During said propaedeutical activity, on 9 July 2008 the Board of Directors of Damiani entrusted EUROMOBILIARE S.I.M. S.p.A. (“Euromobiliare SIM”) with the role of “Financial Advisor” of the Transaction.

On 15 September 2008, with the favourable vote of the Internal Audit Committee, the Board of Directors of Damiani S.p.A. resolved to purchase the share capital of Rocca S.p.A. at the price of Euro 7 millions, to be paid in cash as to Euro 4,95 millions and by transferring 1.000.000 Damiani ordinary shares - owned by the Purchaser and appraised Euro 2,05 each – as to Euro 2,05 millions (“Price”).

Within the ambit of said appointment, Euromobiliare SIM drafted this opinion on the fairness, from a financial point of view, of the Price offered for the purchase of the Shares of the Company (“Opinion”). This opinion is subject to the terms and conditions included in the letter of appointment entered into by Damani and Euromobiliare SIM on 9 July 2008.

In the implementation of its task, Euromobiliare SIM drafted the present Opinion for the internal use of the Board of Directors of Damiani solely and for supporting the autonomous determinations of its competence in the ambit of the Transaction. In no

case what expressed by Euromobiliare SIM in this Opinion is to be considered as possible confirmation of the fairness of the Price in a context different from the one at stake. In particular, Euromobiliare SIM does not express any opinion neither on the market prices at which the ordinary shares of Damiani might be traded following this Transaction, nor on the industrial and financial profiles of the Transaction.

The Opinion is not addressed to any subject other than the Board of Directors of Damiani and therefore no other subject will be entitled to rely upon this Opinion; any considerations by third parties, shareholders included, with reference to the evaluation of the Transaction shall remain in their exclusive competence and responsibility.

This Opinion cannot be published or disclosed, either totally or partially, to third parties, or used for purposes other than those listed in the same Opinion. Any different use shall be previously agreed and authorized in written by Euromobiliare SIM. Euromobiliare SIM shall not be held liable, neither directly nor indirectly, for any damages which might arise out of an improper use of the information included in this Opinion, and/or the use of the same information by subjects other than the Board of Directors of Damiani.

In carrying out its task, Euromobiliare SIM relied upon data and information received, directly and indirectly, from Damiani and included in the following documents:

- financial statements of Rocca S.p.A. as of 31 December 2005, 2006 and 2007, drawn up in accordance with the Italian accounting standards;
- consolidated financial statements of Rocca S.p.A. as of 31 December 2005, 2006 and 2007 drawn up in accordance with the Italian accounting standards;
- Impact of the IFRS (FTA) on the financial statements of Rocca S.p.A. and Idea Rocca S.p.A. as of 31 December 2007;
- Professional Opinion by Cushman & Wakefield LLP on the “key money” of 16 shops leased by the Company (31 July 2008);
- Draft *pro-forma* consolidated financial statement as of 31 December 2007 drawn up in accordance with IFRS (version of 6 August 2008) and Report by the auditing company, Reconta Ernest & Young S.p.A., on economic, patrimonial and financial *pro-forma* data (11 September 2008);
- Business Plan of Rocca Group 2008-2011 drawn up in accordance with the Italian accounting standards (version of 27 and 29 August 2008);
- Definition and assessment of synergies in the Damiani Group (versions of 27 and 29 August 2008);
- Report on legal, fiscal, employment and litigation due diligence carried out by Biscozzi Nobili law firm (11 September 2008).

Euromobiliare also availed of data and information publicly disclosed, and particularly of data and information published by Borsa Italiana, Bloomberg and Mergermarket.

Euromobiliare SIM assumed that all the information provided, directly and indirectly, by the Company, as well as all the information publicly disclosed, were accurate, true and complete and did not carried out any control whatsoever on the reliability of said information, nor of the validity of the juridical relationships pertaining the corporate activity on the basis of which the received historical and perspective information were

processed; in any case, the activity carried out by Euromobiliare SIM pursuant to its appointment never implied any accounting, financial, fiscal, legal, commercial and, in general, administrative control (autonomous and/or independent and/or internal) and/or technical evaluation of the activity of the Company. Information included in this Opinion shall never be deemed guaranty or information on the results of the Company.

Therefore, although Euromobiliare carried out its task with highest level of diligence, professionalism and independence, the same does not assume any liability nor provide any guaranty with regard to the information and data included and/or reflected in this Opinion.

Any financial appraisal and projection used by Euromobiliare SIM in order to draft this Opinion were either prepared by the Company or Damiani, or acquired from publicly available information, or deduced by assumptions of Euromobiliare SIM following to talks with the Company or Damiani. Moreover, provisional data processed and provided by the Company and Damiani bear, by nature, a certain degree of uncertainty and subjectiveness depending on the effective realization of the hypothesis and assumptions used in processing the provisions. Euromobiliare SIM shall not be liable for any appraisals and projections, nor with relation to the origin of said appraisals and projections.

With regard to the financial, economic and patrimonial information and projections provided by the Company or Damiani, Euromobiliare SIM also assumed that said information and projections have been processed with reasonableness and that reflect the best appraisals and opinions available to the same subjects. In particular, Euromobiliare SIM relied upon the absence of any omission about any data, event or situation able to materially influence – even though just potentially – data and information provided to Euromobiliare SIM.

In drafting this Opinion, Euromobiliare SIM applied the criteria of appraisals generally applied pursuant to the best Italian and international appraisal praxis, which consider: (i) pro-forma consolidated net patrimony as of 31 December 2007 drafted according to IFRS, also in its version rectified with the result of the financial year 2008; (ii) the break-up value, in a business discontinuity perspective; (iii) actualized cash-flows, in a business continuity perspective, also in the version including the possible synergies within the Damiani Group; (iv) values applied to similar transactions made in the same sector in the period between 2005 and August 2008; (v) market values of a basket of comparable listed companies. Said values has not to be considered singularly but as joint parts of a process of appraisal which is sole and limited to the objects listed in this Opinion.

Considerations included in this Opinion make reference to the regulatory and economical market conditions existing and appreciable as of the date of drafting of this Opinion. Any further evolution which might affect said conditions – although having a material impact on the evaluations – shall not produce any obligation of Euromobiliare SIM to update, review or confirm the Opinion.

Being saved the above, Euromobiliare SIM is not aware of – and therefore has not considered – the impact of facts which happened or the effects of facts which might

happen, including of regulatory nature also regarding the area of business of the Company, as well as specific situations of the Company which imply modifications of economic-financial projections and of other financial, economical and patrimonial information put on the ground of this Opinion. Therefore, should any of said facts happen implying any material modification of economic and financial projections and of the other financial economic and patrimonial information and/or of the other aspects and modalities of realization of the Transaction, the grounds of this Opinion will fail and, as a consequence, the conclusions of this Opinion will fail too.

On the basis of the data and information received, which constitutes the ground of this Opinion, and of the analysis and evaluations carried out, as well of the purpose of this appointment, the opinion of Euromobiliare SIM is that, as of the date hereof, the Price (equal to Euro 7 millions) offered for the purchase of the entire share capital of Rocca S.p.A. can be deemed fair from a financial point of view.

(Francesco Perilli) Managing Director EUROMOBILIARE S.I.M. S.p.A.	(Andrea Vismara) Investment Banking EUROMOBILIARE S.I.M. S.p.A.
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[Letterhead ERNST&YOUNG]

Damiani S.p.A.

Pro-Forma Consolidated Statements
as of 31 March 2008

Report of the Auditing Company on
the Pro-Forma Consolidated
Statements

REPORT OF THE AUDITING COMPANY ON THE PRO-FORMA CONSOLIDATED STATEMENTS

For the attention of the Board of Directors
of Damiani S.p.A.

1. We examined the pro-forma consolidated financial statement and income statement (“Pro-Forma Consolidated Statements”) together with the explanatory notes of Damiani S.p.A. pertaining the financial year ending on 31 March 2008.

Said Pro-Forma Consolidated Statements are based on the historical data pertaining to:

- i) consolidated financial statement of Damiani S.p.A. and its subsidiaries (“Damiani Group”) of the financial year ending on 31 March 2008, drafted in accordance with the Financial Reporting Standards of the EU (“IFRS”);
- ii) consolidated financial statement of Rocca S.p.A. and its subsidiaries (“Rocca Group”) of the financial year ending on 31 December 2007, drafted in accordance with the rules and accounting standards generally accepted in Italy;
- iii) financial statement of Idea Rocca S.r.l. and its subsidiary Courmayeur Rocca S.r.l. pertaining the financial years respectively ending on 31 December 2007 and 31 March 2008, drafted in accordance with the rules and accounting standards generally accepted in Italy;

and on the pro-forma papers rectifying said documents and examined by us.

The consolidated financial statement of the Damiani Group of the financial year ending on 31 March 2008, drafted in accordance with IFRS, and the consolidated financial statement of Rocca Group of the financial year ending on 31 December 2007, drafted in accordance with the rules and accounting standards generally accepted in Italy, were subject to our audit following to which we issued our reports dated respectively 4 July 2008 and 30 April 2008.

The financial statement of Idea Rocca S.r.l. of the financial year ending on 31 December 2007 and the financial statement of Courmayeur Rocca S.r.l. of the financial year ending on 31 March 2008 were not subject to audit.

The Pro-Forma Consolidated Statements were drafted on the basis of the hypothesis described in the explanatory notes, in order to retroactively reflect the effects of the acquisition of the Rocca Group, which controlled by some of the shareholders of Damiani S.p.A., completed on 15 September 2008. As a consequence and for the purpose of drafting the Pro-Forma Consolidated Statements solely, the historical financial statements of Rocca S.p.A. and of its subsidiaries as well as those of Idea Rocca S.r.l. and Courmayeur Rocca S.r.l., have been preliminary rectified by the Direction of the Damiani Group to adjust them to the IFRS adopted by the Damiani Group.

Furthermore, the Pro-Forma Consolidated Statements reflect the material effects of the following transactions:

- i) the acquisition of the 55% of the share capital of Idea Rocca S.r.l. (already owned as to the 45%), completed by the Rocca Group on 22 April 2008;
 - ii) the sale of two premises in Milan and Taormina, completed on 29 August 2008, and the following execution of lease contract for the same premises;
 - iii) the sale of the leasing contract of one premises in Padova, completed by the Rocca Group on 29 August 2008, and the following execution of a lease contract for the same premises;
 - iv) the already planned sale of left-over stock having a book value of Euro 6.261 thousand, against an esteemed sale value of Euro 3.265 thousands, still to be completed as of the date of drafting of the attachments to the Pro-Forma Consolidated Statements, realized as a consequence of the change of commercial strategy and foreseen merger of Rocca Group and Damiani Group.
2. The Pro-Forma Consolidated Statements , together with their explanatory notes, regarding the financial years ending on 31 March 2008, have been drafted in order to comply with article 71bis of the Regulations bringing about Legislative Decree no. 58 of 24 February 1998, passed by CONSOB resolution no. 11971 of 14 May 1999 and subsequent amendments and integrations.

The Pro-Forma Consolidated Statements have been drafted in order to represent – pursuant to the criteria of assessment consistent with the historical information and complying with the applicable rules – the effects of the abovementioned transactions on the economical trend and financial status of Damiani Group, as though said transaction were virtually made on 31 March 2008 and, as to their economical effects solely, on 1 April 2007. However, please notice that should the acquisitions at stake and the further transactions above described had really been done on the assumed date, the effective results would not have necessarily been the ones outlined by the Pro-Forma Consolidated Statements .

The directors of Damiani S.p.A. are liable for the drawing up of the Pro-Forma Consolidated Statements .. It is our responsibility issuing a professional opinion on the reasonableness of the hypothesis taken into account by the directors for drawing up the Pro-Forma Consolidated Statements and on the correctness of the methodology for the same purpose. It is also our responsibility issuing a professional opinion on the correctness of the evaluation criteria and accounting principles used for drafting the same statements.

Milan, 15 September 2008

Reconta Ernst & Young S.p.A.

Maurizio Girardi
(Socio)