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PRESS RELEASE

Damiani S.p.A: Board of Directors approves the group's first half interim report at September 30, 2008¹

- **Consolidated revenues:** 66.1 million euro (74.2 million euro at September 30, 2007⁽²⁾)
- **Retail revenues:** 6.7 million euro (4.2 million euro at September 30, 2007)
- **Consolidated EBITDA:** 4.5 million euro (10.3 million euro at September 30, 2007⁽²⁾)
- **Consolidated EBIT:** 2.8 million euro (9.0 million euro at September 30, 2007⁽²⁾)
- **Net Profit:** 1.8 million euro (3.4 million euro at September 30, 2007⁽²⁾)
- **Net financial position:** Net debt of 31.3 million euro, an improvement of 15.5 million euro compared to the net debt of 46.8 million euro as of September 30, 2007⁽³⁾

Milan, November 26, 2008 – The Board of Directors of **Damiani S.p.A.** (Milan, Star: DMN), the parent company of the Damiani Group, active in the design, production and distribution of luxury and designer jewellery in Italy and abroad, today approved the interim consolidated results for the first six-months ending on **September 30, 2008**.

CONSOLIDATED REVENUES

During the **first half of the financial year 2008/09**, **Group consolidated revenues** amounted to **66.1 million euro** compared to 74.2 million euro recorded during the same period in the previous financial year, a decline of **10.3%** at constant exchange rates and **10.9%** at current exchange rates.

Revenues breakdown by distribution channel

In the **first half of financial year 2008/09**, **retail revenues** amounted to **6.7 million euro**, up by **60.1%** at constant exchange rates (**+18%** net of Rocca revenues) and by **58.6%** at current exchange rates, when compared to the 4.2 million euro of retail revenues recorded as of September 30, 2007. The positive trend of the retail sales is attributable both to the good performance of the existing Directly Operated Stores (DOS) in Italy, the increased number of DOS, and the Rocca boutiques, included in the perimeter of operations starting September 1, 2008⁽¹⁾.

In the **first half of financial year 2008/09** **wholesale revenues** amounted to **51.6 million euro**, a decrease of **22.5%** at constant exchange rates and **22.9%** at current exchange rates compared to 66.9 million euro recorded in the same period of the previous year. This decrease is mainly due to the stagnation of the Italian market.

Other channels/other revenues amounted to **7.8 million euro** as of September 30, 2008, a significant improvement compared to the 3.0 million euro recorded as of September 30, 2007.

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- (1) It should be noted that the consolidation perimeter of Damiani S.p.A as of March 31, 2008 is different than the consolidation perimeter as of September 30, 2007 due to the acquisition of 100% of Rocca S.p.A which was completed on September 15, 2008. The consolidation of Rocca Group is effective starting September 1, 2008, the closing date of the accounting period closest to the acquisition date.
 - (2) Data at September 30, 2007 were net of 7.6 million euro of non recurring revenues related to two real estate transactions; the net effect on EBITDA is 7,1 million euro and on Group net profit was 6,6 million euro
 - (3) Net debt at September 30, 2008 includes 39,7 million euro of net debt of Rocca Group

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Revenues breakdown by distribution channel			% change at constant exchange rates	% change at current exchange rates
(in thousands of Euro)	I Half FY 2008/2009	I Half FY 2007/2008		
Retail	6,740	4,248	60.1%	58.6%
<i>% of total revenues</i>	<i>10.2%</i>	<i>5.7%</i>		
Wholesale	51,612	66,949	(22.5%)	(22.9%)
<i>% of total revenues</i>	<i>78.1%</i>	<i>90.3</i>		
Other channel/other revenues	7,751	2,954	n.m.	n.m.
<i>% of total revenues</i>	<i>11.7%</i>	<i>3.6%</i>		
Consolidated revenues net of non recurring revenues	66,103	74,152	(10.3%)	(10.9%)
Non recurring revenues	0	7,612		
Consolidated revenues	66,103	81,764	(18.6%)	(19.2%)

REVENUE BREAKDOWN BY GEOGRAPHICAL REGION

During the first half of financial year 2008/2009, revenues for **Italy** amounted to **44.0 million euro** (-15.1% vs. September 30, 2007), equal to 66.6% of consolidated revenues.

This decrease is mainly due to a slowdown in the wholesale revenues, partially offset by the increase in the sales of the retail channel where the Group is concentrating a significant part of its investments with the goal of increasing its presence in the Italian market and of establishing a more direct relationship with the end customers that appreciate the brands of the Group and the contribution of the multi-brand Rocca boutiques from September 1, 2008.

In the **Americas**, revenues (accounting for 6.3% of consolidated revenues) amounted to **4.2 million euro**, up by **13.1%** at constant exchange rates revenues (**+2.6%** at current exchange rates) compared to September 30, 2007.

As of September 30, 2008, revenues in **Japan** amounted to 4.5 million euro, down by 8.2% at constant exchange rates and of 8.3% at current exchange rates compared to the same period of the previous year). This trend reflects the negative effect of the stagnation in Japanese consumption.

During the first half year of the financial year 2008/09, revenues in the **Rest of the World** amounted to 13.4 million euro, an improvement of 0.9% compared to 13.3 million euro at September 30, 2007, net of non recurring revenues.

Some countries where the Group is increasing its presence, in particular the former Soviet Union Republics and the Middle East are showing growth.

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Revenues breakdown by region (in thousands of Euro)	I Half FY 2008/2009	% on total	I Half FY 2007/2008	% on total	% change exchange rates	% change exchange rates
Italy	44,030	66.6%	51,890	70.0%	(15.1%)	(15.1%)
Americas	4,159	6.3%	4,052	5.5%	13.1%	2.6%
Japan	4,520	6.8%	4,931	6.6%	(8.2%)	(8.3%)
Rest of world	13,395	20.3%	13,278	17.9%	(0.9%)	0.9%
Consolidated revenues net of non recurring revenues	66,103	100%	74,152	100%	(10.3%)	(10.9%)
Non recurring revenues	0		7,612			
Consolidated revenues	66,103		81,764		(18.6%)	(19.2%)

STORES NETWORK

As of September 30, 2008, following the acquisition of Rocca S.p.A, the Group operates through **41 directly operating stores** (of which 23 directly managed by Rocca Group), in addition to **36 stores held under franchise** which are located in the most prestigious streets of both Italian and International fashion.

During the first half 2008/09, the Group opened several new monobrand boutiques directly managed including: 1 in **Los Angeles**, 1 in **Turin** and 1 in **Naples** for the Damiani brand; 1 in **Brescia**, 1 in **Alessandria**, 1 in **Turin** and 1 boutique in franchising in **Osaka** for the Bliss brand. The opening of this boutique in Japan, a country that is the number one consumer of luxury goods in the world, is in line with the plan of making Bliss an internationally recognized brand.

The Group also opened 1 Salvini boutique and 1 Calderoni boutique in **Milan**.

OPERATING RESULTS AND NET PROFIT

Damiani Group closed the **first half of the financial year 2008/09** with **consolidated EBITDA** of **4.5 million euro**, representing a decrease of **56.5%** compared to 10.3 million euro reported as of September 30, 2007.

Consolidated EBITDA margin was **6.8%**, down by 13.9% when compared to the same period for the financial year 2007/08.

The reduction in EBITDA for the first half of financial year 2008/2009, in addition to the decrease in sales, is mainly due to an increase in operating costs (for services and personnel), while the cost for raw materials and other materials (including the cost of finished goods) remained substantially the same in terms of percentage on revenues. In fact, despite the increase in the price of raw materials, in particular of gold, these costs were equal to 39.6% as of September 30, 2008 versus 39.1% as of September 30, 2007.

The increase of other costs is due to both the higher structural costs incurred for the strategic

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development of the retail channel, the increase of the internal production capacity and for the new professional employees related to the listing process.

Consolidated EBIT was **2.8 million euro**, a decrease of **68.5%** compared to the 9 million euro recorded on September 30, 2007, with a margin on revenues of 4.3%.

Net Profit for the first half of the financial year 2008/09 amounted to **1.8 million euro** compared with 3.4 million euro reported at September 30, 2007, net of the non recurring items (a decline of **46.5%** compared to September 30, 2007).

NET FINANCIAL POSITION

In the **first half of the year 2008/09**, the **Damiani Group** reported a financial indebtedness of 31,3 million euro, an improvement of 15,5 million euro compared to 46,8 million euro as of September 30, 2007, but in decrease of 59,7 million euro compared with the net cash of 28,4 million euro at March 31, 2008. The variation is mainly due to the consolidation of the Rocca Group (that had a net financial indebtedness of 39.7 million euro as of September 30, 2008), and to the cash outlay for the acquisition of this group (Rocca S.p.A.) and for the share buyback plan.

SHARE BUYBACK PLAN UPDATE

As of **September 30, 2008**, 2,256,223 ordinary shares were purchased, equal to 2.73% of the Damiani S.p.A. share capital with a total outlay of 4.6 million euro and an average price of 2.02 euro per share.

SIGNIFICANT EVENTS OCCURRED DURING THE FIRST HALF ENDING AT SEPTEMBER 30, 2008

On September 15, 2008 Damiani S.p.A. acquired 100% of the share capital of Rocca S.p.A, the leading retail chain in Italy for the sale of high end watches and jewellery. The value of the transaction was 7 millions euro. Thanks to this acquisition the Damiani Group strengthened its position in the retail segment and also consolidated its leadership in the domestic market.

On September 29, 2008, Damiani S.p.A. signed an agreement with a local partner for the commercial distribution of the Bliss brand in Japan. The agreement also covered the opening, by 2013, of more than 40 Bliss single-brand sales outlets throughout Japan, the first ones already having been opened in Tokyo (in the Ginza, Shinjuku, Ikebukuro) and Osaka areas.

During this first half year the Group signed two agreements for the production of jewellery collections for **Maison Martin Margiela** and **Jil Sander**, making its production capacity to companies outside the Group, that have turned to Damiani for its well known expertise and quality in the production of jewellery.

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.

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Damiani S.p.A.

Damiani S.p.A. is the flagship company of the Damiani Group, leader in the Italian market for the production and sales of high-end jewels and design and active in the jewellery sector with prestigious brands such as Damiani, Calderoni 1840, Salvini, Alfieri & St. John and Bliss. It also owns Rocca 1794, a prestigious Italian chain with over 200 years of expertise in the retail sale of the world's most famous international brands of watches and jewellery.

With over 700 employees, the Damiani Group is active in Italy and the main world markets with its own operative affiliates and manages 41 direct points of sale and 38 more in franchise located on the main world international fashion streets.

Strong with a tradition that has lasted for centuries in the world of high end jewellery thanks to historically famous brands that make up the Group's portfolio, the Group today is careful in interpreting its legendary patrimony and presents it with full respect for tradition and the innovative spirit of its origins.

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Attachments:

Reclassified consolidated Income Statement and Balance Sheet schedules at September 30, 2008

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Income statement 1 Half 2008/2009 and 1 Half 2007/2008

(in thousands of Euro)	I Half			I Half	
	FY 2008/2009	FY 2007/2008	change %	FY 2007/2008 adjusted (1)	change %
Revenues from sales and services	65,692	73,893	(11.1%)	73,893	(11.1%)
Consolidated revenues	66,103	81,764	(19.2%)	74,152	(10.9%)
Cost of production	(61,627)	(64,416)	(4.3%)	(63,856)	(3.5%)
EBITDA	4,476	17,348	(74.2%)	10,296	(56.5%)
<i>EBITDA margin</i>	<i>6.8%</i>	<i>21.2%</i>		<i>13.9%</i>	
Depreciation and amortisation	(1,635)	(1,279)	27.8%	(1,279)	27.8%
EBIT	2,840	16,069	(82.3%)	9,017	(68.5%)
<i>EBIT margin</i>	<i>4.3%</i>	<i>19.7%</i>		<i>12.2%</i>	
Net finance income (expense)	1,249	(675)	n.m.	(675)	n.m.
Net Profit before taxes	4,090	15,394	(73.4%)	8,342	(51.0%)
Group Net profit	1,806	9,961	(81.9%)	3,376	(46.5%)
Earnings per share	0.02	0.16			

(1) Data at September 30, 2007 were net of 7.6 million euro of non recurring revenues related to two real estate transactions; the related net effect on EBITDA was 7.1 million euro and on Groups net profit was 6.6 million euro.

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Balance Sheet at September 30th 2008, March 31st2008, September 30th 2007

Balance sheet data			
(in thousands of Euro)	September 30, 2008	March 31, 2008	September 30, 2007
Non current assets	61,036	41,817	33,238
<i>of which: Rocca Group</i>	<i>13,260</i>		
Net working capital	123,909	94,987	104,080
<i>of which: Rocca Group</i>	<i>30,062</i>		
Non current liabilities	(8,052)	(9,272)	(7,073)
Net invested capital	176,892	127,532	130,245
Net Shareholders' equity	145,628	155,959	83,460
Net financial position	31,264	(28,427)	46,785
<i>of which: Rocca Group</i>	<i>39,682</i>		
Sources of financing	176,892	127,532	130,245

Net Financial Position			
(in thousands of Euro)	September 30, 2008	March 31, 2008	September 30, 2008
Medium/long term loans - current portion	8,751	4,474	3,917
Current financial debt from banks and others	19,861	2,593	19,368
Medium/long term loans with related parties current portion	785	688	602
Current financial debt	29,397	7,755	23,887
Medium long term financing - non current portion	9,270	8,562	24,036
Medium long term financing with related parties - non current portion	16,638	8,069	8,434
Non current debt	25,908	16,631	32,470
Total gross debt	55,305	24,386	56,357
Cash and cash equivalents	(24,042)	(52,813)	(9,572)
Net Financial Position	31,264	(28,427)	46,785