

# DAMIANI

## PRESS RELEASE

Damiani S.p.A.:

**The Shareholders' Meeting approves the Financial Statements at 31 March 2009  
Renewal of authorization for the purchase and usage of the company's own shares  
Approval of two plans based on financial instruments, pursuant to  
article 114, second part, of the T.U.F. (Consolidated Finance Act)**

Milan, July 22 2009 – the Shareholders' Meeting of **Damiani S.p.A.** (Milan, Star: DMN), the parent company of the Damiani Group, which creates, produces and distributes high-end jewels and design both in Italy and abroad, approved today, at first call, the Yearly Financial Statements of the Group Parent Company Damiani S.p.A. at March 31 2009.

During the year 2008/09 Damiani S.p.A. achieved Revenues of 71.2 million Euro and a positive Net Result of 0.7 million Euro

At consolidated level the Damiani Group closed the year 2008/09 with consolidated Revenues of 149.8 million Euro, compared to the 165.6 million Euro that were achieved in the previous fiscal year<sup>1</sup> with a consolidated reported EBITDA of 1.1 million Euro (adjusted consolidated EBITDA<sup>2</sup> of 7 million Euro) compared to the 20.7 million Euro for the year closed at March 31 2008<sup>1</sup>.

The Consolidated Net Result was –4.9 million Euro (Adjusted Group Net Result<sup>2</sup> of 0.7 million Euro) compared to the 7.6 million Euro for the year closed at March 31 2008<sup>1</sup>.

The Shareholders' Meeting passed a resolution to post all the profit of Damiani S.p.A. to reserves.

### **RESOLUTION PASSED TO CONFER A NEW MANDATE FOR THE PURCHASE AND USAGE OF THE COMPANY'S OWN SHARES**

The Shareholders' Meeting passed a resolution giving the authorization, subject to prior revocation, for the part not utilized, of the resolution passed by the Shareholders' Meeting on February 22 2008, for the purchase of the company's own shares, pursuant to the combination of the measures laid down in article 2357 and 2357, third part, of the Italian Civil Code and in article 132 of the Legislative Decree 58/1998.

The reasons underlying the authorization, which will enable the company to have an important operational and strategic flexibility tool, are the possibility of putting in place plans based on financial instruments, pursuant to article 114, second part, of the Legislative Decree 58/98 approved today by the Shareholders' Meeting, as well as being able to increase the so-called "securities store" for the purpose of using the company's own shares in the context of operations that interest the Issuer and also the possibility of being able to intervene, in the interests of the Company and of all the Shareholders, in relation to contingent market situations, in order to carry out any actions that support the level of the liquidity of the security itself, favoring the existence of a regular progress and trend of the share dealings, while fully respecting all the applicable legislation, rules and regulations and, in any case, ensuring the parity of treatment of the Shareholders.

The authorization to purchase the company's own shares is structured as follows:

Maximum Number of shares purchasable: the company can purchase a maximum number of ordinary shares whose total nominal value does not exceed one tenth of the Share Capital and, therefore, a maximum number of

8,260,000 ordinary shares and, in case no higher than 10% of the Share Capital, with the nominal value of 0.44 Euro each, also taking into account for this purpose the shares already owned by the company and its subsidiaries.

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<sup>1</sup> The data at 31 March 2008 are shown net of 8.5 million Euro of non-recurring revenues relative to real estate operations. The correlated net impact amounted to 7.9 million Euro on the EBITDA and 7.5 million Euro on the Group's net result.

<sup>2</sup> The EBITDA, the EBIT and the net profit at 31 March 2009 were adjusted mainly for provisions posted to the assets value for a total overall amount of 5.9 million Euro at both the EBITDA and the EBIT levels and of 5.4 million Euro as an impact on the consolidated net result.

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- Duration of the authorization: the authorization has been issued for a period of 18 months from today's date, which means until January 22 2011.
- Minimum and maximum purchase price – Purchase related fees: the purchase price of each of the company's own shares is fixed at an amount, including the ancillary purchase charges, (a) minimally no lower than 20 % (twenty percent) of the official price of the security in the Stock Exchange session before each individual operation and (b) no higher than 20 % (twenty percent) of the official price of the security in the Stock Exchange session before each individual operation.
- Purchasing methodologies: the purchases of the company's own shares can be made on regulated stock markets, while observing the legislation, also regulator, which is currently in force, regarding such matters and, specifically, pursuant to article 132 of the Legislative Decree of February 24 1998, number 58, to article 144, second part, paragraph 1, letter b, of the Consob (Italian SEC) Regulation number 11971/99 and its successive changes and additions, following the operational methodologies laid down in the organizational and operational regulations of the stock markets, in such a way as to ensure parity of treatment between the shareholders.

Furthermore, the Shareholders' Meeting authorized, without any time limits, the sale of the company's own shares that have been purchased for a minimum price that must not create any negative financial impacts for the company but, in any case, that is not less than 90% of the average of the official trading prices recorded by the Computerized Stock Market in the five days before the day of the sale, which can only be suspended in the case of the exchange or ceding of the company's own shares in the context of realizing industrial projects and in the case of assignment and/or ceding of the shares in carrying out distribution plans, either for value or free of charge of shares, or options on them, to Directors, employees or collaborators of the Damiani Group and, in general, regarding any plan, whatsoever, which is adopted pursuant to article 114, second part of the Legislative Decree of February 24 1998, number 58, as well as plans of free of charge assignment to the shareholders.

The usage of the purchased shares can take place, a number of times, even before the total amount of the authorized purchases has been made, in those ways that are considered to be most opportune for the interests of the company, including through trading sales on the Stock Exchange, by disposals of blocks of shares, by means of exchanges with holdings or other assets in the context of industrial projects, in order to carry out incentive programs and, in any case, through plans pursuant to article 114, second part, of the Legislative Decree of February 24 1998, number 58, or also by means of a Public Sale or Exchange Offer.

It is to be remembered that, at today's date, Damiani S.p.A. holds n.5.216.378 of the company's own shares, amounting to 6.32 % of its Share Capital, with the nominal value of 0.44 Euro each. On the other hand the Company does not hold any of its own shares through any subsidiary companies, trust companies or intermediate persons.

## **TWO PLANS BASED ON FINANCIAL INSTRUMENTS, PURSUANT TO ARTICLE 114 , SECOND PART, OF THE T.U.F. (CONSOLIDATED FINANCE ACT) RESOLVED ON**

Lastly, the Shareholders' Meeting approved the adoption of two plans based on financial instruments, pursuant to article 114, second part, of the Legislative Decree of February 24 1998, number 58, called the "Stock Grant Plan 2009" and the "Stock Option Plan 2009".

The "Stock Grant Plan 2009" foresees the free of charge assignment of Damiani shares to, basically, all of the company's employees and, eventually, also to the Directors of the Group, in one or more lots, within five years from the date of its approval by the Shareholders' Meeting.

The "Stock Option Plan 2009", which is the plan to sell options for the purchase of Damiani shares, is aimed at the Management of the Damiani Group and can be actuated in one or more lots, within five years from the date of its approval by the Shareholders' Meeting.

The Board of Directors then received the mandate from the Shareholders' Meeting to identify the names of the Beneficiaries, at the time of the actuation of each plan.

The shares that service both of these Plans will be withdrawn from the securities portfolio of the company's own shares that have been purchased and held by the Issuer, in conformity with the resolutions passed by the Shareholders' Meeting for the authorization of the purchase and usage of the company's own shares, pursuant to articles 2357 and 2357, third part, of the Italian Civil Code. The maximum overall number of the company's own shares that can be used to service the abovementioned plans is n.4,500,000: n.1,000,000 shares to service the "Stock Grant Plan 2009" and n.3,500,000 shares to service the "Stock Option Plan 2009".

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The Board of Directors then approved the new program for the purchase of the company's own shares, in conformity with the authorization resolution passed today by the Shareholders' Meeting, also for the purpose of being able to carry out the plans based on financial instruments, pursuant to article 114 , second part of the Legislative Decree 58/98 that were approved today by the Shareholders' Meeting, as well as to increase the so-called "securities store" for the purpose of using the company's own shares in the context of operations that interest the Issuer.

The new program approved by the Board of Directors refers to purchase to be made starting from 23 July 2009 and continuing till January 22 2011, for a maximum number of ordinary shares of Damiani S.p.A., also taking into account for the purpose of this calculation the shares already owned by the company which do not exceed a tenth part of its Share Capital and, therefore, for a maximum number of 3.043.810 shares with the nominal value of 0.44 Euro each, for a total amount of 12.175.240 Euro.

The Board of Directors then identified Equita SIM S.p.A. as the intermediary that must occupy itself with the actuation of the aforesaid purchase program, while fully respecting all those parameters regarding it that have been described above, and it has conferred upon its Chairman and CEO Guido Grassi Damiani, the mandate to be able to confer this assignment upon the intermediary, specifically taking care to agree with it that the Program has to be carried out in full observance of the EEC Regulation number 2273/2003 and anyway with all those practices that were approved with the Consob (Italian SEC) resolution number 16839 of March 19 2009.

In the case where purchase are made, Damiani shall speedily communicate the details of the operations that have been carried out and, specifically, the number of the shares that have been purchased, the average purchase price per share and the total overall amount that has been paid for them.

At the end of the authorized purchase period the company shall take care to inform the general public of the outcome of the program, while it remains understood that in the communication that will follow regarding today's Board of Directors Meeting it will be pointed out that there is absolutely no firm guarantee, whatsoever, that the program itself will actually be actuated.

*The company executive entrusted with the drawing up of the company's accounting documents, Dr. Gilberto Frola, hereby declares, pursuant to article 154, second part, paragraph 2, of the Consolidated Finance Act that the accounting information section contained in this communication reflects the contents of the company's accounting documents, books and postings.*

## **Damiani S.p.A.**

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

The Damiani Group is active in Italy and the main world markets with its own operative affiliates and manages 40 direct points of sale and 40 more in franchising located on the main world international fashion streets.

Strong with a tradition that has lasted for centuries in the world of high end jewellery 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 and also has licenses to design, manufacture and distribute jewellery collections for prestigious international brands, such as Jil Sander and Gianfranco Ferrè.

For further information please contact:

Paola Burzi  
**Investor Relations Officer**  
**Damiani Group**  
Tel: +39 02.46716340  
Email: [paolaburzi@damiani.it](mailto:paolaburzi@damiani.it)

Paola Maini  
**Corporate Media Relations**  
**Damiani Group**  
Tel: +39 02.46716237  
Email: [paolamaini@damiani.it](mailto:paolamaini@damiani.it)