

DAMIANI

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PRESS RELEASE

Damiani S.p.A.:
The Shareholders' Meeting approves the financial statements at March 31, 2011
Authorization to purchase own shares is renewed
Change to Stock Option Plan 2010 and Stock Grant Plan 2009 are approved
Change art.20 of new Board of Statutory Auditors approved

Valenza, July 27, 2011 - The Shareholders' meeting of Damiani S.p.A. (Milan, Star: DMN) today unanimously approved, on first call, the annual financial statements of their parent company Damiani S.p.A. as at March 31, 2011.

At the consolidated level, the Damiani Group closed the financial year 2010/11 with consolidated revenues amounting to 143.5 million euros compared with 145.8 million euros reported in the previous year with a Consolidated Net Result equal to -14.5 million euros compared with -18.2 million euros at March 31, 2010. At March 31, 2011 the Net Debt of Damiani Group was 28.9 million euros with an improvement of 10.2 million euros vs March 31, 2010.

During the 2010/11 financial year, Damiani S.p.A. recorded revenues of 60.8 million euros(+ 7.2% vs previous year) and a Net Result amounting to -5,3 million euros (Net Result was -11.2 as at March 31, 2010)

RESOLUTION FOR THE NEW AUTHORIZATION FOR PURCHASE AND DISPOSAL OF TREASURY SHARES

The Shareholders' Meeting resolved to authorize - subject to revocation, for the part not carried out -of the resolution adopted by the Shareholders at the meeting on July 21, 2010 – the purchase and disposal of own shares under co-joined Articles 2357 and 2357 ter of the Civil Code and Art. 132, D. of Decree Law 58/1998.

The reasons for the authorization, which will allow the Company to acquire an important tool for management and strategic flexibility, consist of the possibility of (a) using own shares in operations related to projects of interest to the issuer as arises the opportunity for exchanges or transfers of share holdings, (b) performing operations to support the liquidity of these same shares in the interest of the Company and all members, in relation to contingent market situations, promoting the course of trading, according to law and regulations while ensuring the equal treatment of shareholders; (c) invest in Company shares if the stock trends or the liquidity available make the investment convenient (d)give/sell out shares to the employees and implementing distribution programs of shares or options in full compliance with art. 114-bis of T.U.F.; (e) the purchase will be in relation to commercial operations that will be in the Company's interest.

The authorization to purchase treasury shares is structured as follows:

- maximum number of shares allowed to be purchased: the Company may purchase a maximum number of ordinary shares whose nominal value does not exceed the limits of the law, for a maximum of 16,250,000 ordinary shares, at a nominal value of 0.44 euros each, also keeping in consideration the shares held by the Company and any which may be held by subsidiaries;
- duration of the purchase authorization: the authorization was granted for a period of 18 months starting as of today's date and lasting until the date of January 27, 2013;
- minimum and maximum purchase – As per the applicable acts: the purchase price of each of the own shares is set by the Board of Directors and must be, at an amount including additional expenses of purchase, as a minimum not less than 20% (twenty percent) and as a maximum not more than 20% (twenty percent) of the official price registered by the title in the trading session of the MTA on the day before each purchase;
- method of purchase: purchase transactions may be made under Article 132 TUF, and Art. 144 bis of Consob Reg. No 11971/99, (i) through a public tender offer of exchange or purchase, (ii) on the market, according to procedures established by the company in charge of managing the market which do not permit the direct matching of orders of purchase with pre-determined proposals of orders for sale, (iii) through the purchase and sale of derivatives traded on the market, as stated in the regulations, (iv) through the attribution of a put option to the

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Shareholders proportionally to the shares owned that has to be exercised within 18 months from today and in all cases to ensure equal treatment of shareholders and compliance with all applicable laws, including European Community regulations. The purchase of treasury shares will be carried out in ways other than those listed above, as is permitted in accordance with laws in force, taking into account the need to comply with the principle of equal treatment for shareholders.

For further details please refer to the Directors' Report on the agenda of the ordinary part under article n. 125 ter of the legislative decree n. 58/1998 available on the internet website of the Company, section *Investor Relations/Shareholders/Shareholders' Meeting*.

Please note that as of this date, Damiani SpA holds 5,573,309 shares, equal to 6.75% of company capital, at a thought out average price of 1,4645 euros, for a total of 8,162,350 euros.

The Company does not own shares through affiliates, trustees or third parties.

CHANGE TO THE STOCK OPTION PLAN APPROVED BY THE SHAREHOLDERS' MEETING HELD ON 21 JULY 2010

With a view to best pursuing the incentive objectives relative to the Stock Option Plan 2010, the Shareholders' Meeting of the company approved the change proposed by the Board of Directors. According to this change there is now recognized the right to exercise their stock options also by those beneficiaries who, even though they did have the necessary relevant relationship at the date when their options arrived at maturity, had ceased to have that relationship at the date when they actually exercised their option right.

CHANGE TO THE STOCK GRANT PLAN APPROVED BY THE SHAREHOLDERS' MEETING HELD ON 22 JULY 2009

For the purpose of best pursuing the incentive objectives relative to the Stock Grant Plan 2009, the Shareholders' Meeting of the company approved the change, which was proposed by the Board of Directors. According to this change from now on the administrative body of the company has been allowed, at the time of the actuation of the Plan, to also assign the shares to those Beneficiaries whose relevant relationship with the company has already ceased at the date of the assignment of the shares.

CHANGE TO ARTICLE 20 OF THE ARTICLES OF INCORPORATION OF THE COMPANY IN CONFORMITY WITH THE CONSOB REGULATION N° 17221/10

The Shareholders' Meeting of the company approved the change to article 20 of the Articles of Incorporation of the company, for the purposes of making the faculties allowed by the CONSOB Regulation n° 17221/10 both applicable and effective and of the Regulation and that is laid down by the relative procedure, in conformity with the applicable legislation. Specifically, the operations by interested parties concluded giving respect to procedures approved by the Board of Directors to apply laws in force.

These procedures foresee, as exceptions to ordinary rules, specific ways to conclude operations with interested parties (i) in urgent cases and (ii) in urgent cases connected to company crises.

The manager responsible for preparing corporate accounting documents (Mr. Gilberto Frola) states under 'Article 154 bis, paragraph 2, of the Consolidated Finance Act that the accounting information contained in this press release corresponds to the documents, registers and accounting records.

Damiani S.p.A.

Damiani S.p.A. is the flagship company of the Damiani Group, a leader in Italy in manufacturing and marketing high end jewelry and luxury watches. Active in the jewelry sector with prestigious owned brands such as Damiani, Calderoni, 1840, Salvini, Alfieri & St. John and Bliss, the Group also manages various lines of prestigious international brands under license. The Group owns the Rocca 1794 chain, which has over 200 years of experience in retail sales of the best known brands of watches and jewelry. The Damiani Group operates in Italy and in major world markets through its operating subsidiaries and manages 32 stores and 46 franchises situated on the main streets of international fashion. With a tradition that is centuries-old, the group is careful to interpret its historical heritage with respect for both its traditions and the innovative spirit of its origins.

For more information:

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