

DAMIANI

PRESS RELEASE

Damiani S.p.A:

Board of Directors approves the Group's interim report for the first quarter ending June 30, 2011 of fiscal year 2011/2012

- **Consolidated revenues:** 32.9 million euro (26.4 million euro at June 30, 2010)
- **Retail revenues:** 9.0 million euro (7.9 million euro at June 30, 2010)
- **Wholesale revenues:** 23.9 million euro (18.5 million euro at June 30, 2010)
- **Consolidated EBITDA:** -0.8 million euro (-2.0 million euro at June 30, 2010)
- **Consolidated EBIT:** -1.5 million euro (-4.2 million euro at June 30, 2010)
- **Group Net Result:** -2.3 million euro (-4.5 million euro at June 30, 2010)
- **Net financial debt:** 26.8 million euro (28.9 million euro at March 31, 2011; 39.5 million euro at June 30, 2010)

Valenza, August 8, 2011 – The Board of Directors of **Damiani S.p.A.** (Milan, Star: DMN), the parent company of the Damiani Group, a creator, producer and distributor of luxury and designer jewels in Italy and abroad, today approved the Group's interim consolidated results for the first quarter ending **June 30, 2011**.

In the first quarter, which is a period of low seasonality for the Group, Damiani DOS showed a revenues increase on the average of around 39% indicating customer satisfaction for our collections and multibrand boutiques also showed positive results, in improvement over June 30, 2010.

Wholesale sales abroad showed a good performance after the recent crisis. The domestic market that in the recent past was marked by weakness showed a double digit increase thanks to the positive trend of the boutiques over mentioned and to wholesale signs of recovery in a general situation still uncertain. The net debt decreases compared to March 31, 2011 and was in a strong improvement as compared to the same period of last period.

CONSOLIDATED REVENUES

During the first quarter of fiscal year 2011/2012 **Damiani consolidated revenues from sales and services** were equal to **32.8 million euro** compared to 26.4 million euro as of June 30, 2010, with a **24.4% increase** at current exchange rates and with an **increase of 25.2%** at constant exchange rates.

Revenues Breakdown By Distribution Channel

In the **first quarter of fiscal year 2011/2012 retail revenues** grew by **13.7%** at current exchange rates and by **14.4%** at constant exchange rates. In the retail channel Damiani brand grew by **39.4%** reflecting how much consumers appreciate our products,.

At June 30, 2011 the Group's monobrand stores network included **32 Directly Operated Stores (DOS)** located in the most important fashion streets in Italy and abroad.

In the **first quarter of fiscal year 2011/2012 wholesale revenues** increased by **29.0%** at current exchange rates and by **29.7%** at constant exchange rates as of June 30, 2010.

DAMIANI

Revenues by Sales Channel

I Quarter

<i>(in thousands of Euro)</i>	Financial Year 2011/2012	Financial Year 2010/2011	Change % at current exchange rates	Change % at constant exchange rates
Retail	8,977	7,896	13.7%	14.4%
<i>Percentage on total revenues</i>	27.3%	29.9%		
Wholesale	23,860	18,499	29.0%	29.7%
<i>Percentage on total revenues</i>	72.5%	70.0%		
Total revenues from sales and services	32,837	26,395	24.4%	25.2%
<i>Percentage on total revenues</i>	99.8%	99.8%		
Other revenues	61	51	19.6%	19.6%
<i>Percentage on total revenues</i>	0.2%	0.2%		
Total Revenues	32,898	26,446	24.4%	25.2%

Revenues Breakdown By Geographical Area

In the **first quarter of fiscal year 2011/2012**, **Italian revenues** grew by **27.3%** vs. the same period of last year, accounting for more than 75% of consolidated revenues.

Abroad the revenues of **first quarter of fiscal year 2011/2012** grew by **16.3%** vs the same period of last year accounting for around 24% of consolidated revenues. In detail:

- in the **Americas**, **revenues** grew by **44.9%** at current exchange rates and **64.1%** at constant exchange rates compared to June 30, 2010.
- Revenues in **Japan** showed a **-6.5% decrease** at current exchange rates compared to the same period of the previous year and with a **-6.2% decrease** at constant exchange rates.
- Revenues in the **Rest of the World** showed a **24.2% increase** at current exchange rates and with a **24.7% increase** at constant exchange rates.

DAMIANI

Revenues by Geographical Area <i>(in thousands of Euro)</i>	I Quarter Financial Year 2011/2012	% of total	I Quarter Financial Year 2010/2011	% of total	Change % at current exchange rates	Change % at constant exchange rates
Italy	24,821	75.4%	19,502	73.7%	27.3%	27.3%
Americas	1,326	4.1%	915	3.5%	44.9%	64.1%
Japan	2,250	6.8%	2,404	9.1%	-6.5%	-6.2%
Rest of the World	4,440	13.5%	3,574	13.5%	24.2%	24.7%
Other revenues	61	0.2%	51	0.2%	19.6%	19.6%
Total Revenues	32,898	100.0%	26,446	100.0%	24.4%	25.2%

OPERATING RESULT AND NET RESULT

Damiani Group closed the first quarter of fiscal year 2011/2012 with a **consolidated EBITDA negative for -0.8 million euro**, compared to -2.0 million euro as of June 30, 2010.

Consolidated EBIT was negative and equal to **-1.5 million euro**, in improvement vs. -4.2 million euro as of June 30, 2010.

Consolidated net result amounted to **-2.3 million euro** compared to -4.5 million euro achieved on June 30, 2010.

NET FINANCIAL DEBT

As of June 30, 2011 the Group's net financial debt was equal to **26.8 million euro** in improvement compared to 28.9 million euro as of March 31, 2011 and in strong improvement compared to 39.5 million euro as of June 30, 2010.

The executive responsible for preparing corporate accounting documents (Dott. 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.

For more information:

Paola Burzi
Investor Relations and Press Officer
Damiani Group
Tel: +39 02.46716340 Email: paolaburzi@damiani.it

Damiani S.p.A.

Damiani S.p.A., founded in Valenza in 1924 and leaded today by the third generation, 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 49 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 its tradition and with the innovative spirit of its origins.

DAMIANI

Attachments:

Consolidated Income and Balance Sheet statements as of June 30, 2011.

Consolidated Income Statement of I Quarter (april-june) FY 2011/2012 and FY 2010/2011

Main economic data <i>(in thousands of Euro)</i>	I Quarter			
	Financial Year 2011/2012	Financial Year 2010/2011	Change	Change %
Revenues from sales and services	32,837	26,395	6,442	24.4%
Total Revenues	32,898	26,446	6,452	24.4%
Costs of production	(33,651)	(28,429)	(5,222)	18.4%
EBITDA	(753)	(1,983)	1,230	62.0%
EBITDA %	-2.3%	-7.5%		
Operating income	(1,504)	(4,181)	2,677	64.0%
Result before taxes	(1,775)	(5,216)	3,441	n.m.
Net result of the Group	(2,252)	(4,532)	2,280	50.3%
Basic Earnings (Losses) per Share	(0.03)	(0.06)		
Personnel Cost	(6,497)	(6,353)	(144)	2.3%
Average numbers of employees (**)	572	581	(9)	-1.5%

DAMIANI

Consolidated Balance Sheet Statement as of June 30 2011 and as of March 31 2011

Balance sheet data <i>(In thousands of Euro)</i>	June 30 2011	March 31 2011
Fixed Assets	51,224	51,684
Net working capital	75,833	79,653
Non current Liabilities	(7,344)	(7,380)
Net Capital Invested	119,713	123,957
Net Equity	92,864	95,106
Net Financial Debt	26,849	28,851
Sources of Financing	119,713	123,957
Net Financial Debt <i>(in thousands of Euro)</i>	June 30 2011	March 31 2011
Medium-Long term loans and financing- Current portion	6,822	7,147
Usage of credit lines, short term financing and others	6,185	5,965
Medium-Long term loans and financing with related parties- Current portion	917	714
Current financial indebtness	13,924	13,826
Medium-Long term loans and financing- Non current portion	13,443	15,602
Medium-Long term loans and financing with related parties- Non current portion	10,318	10,714
Non-current financial indebtness	23,761	26,316
Total financial indebtness	37,685	40,142
Financial current assets	(790)	(1,074)
Cash and cash equivalents	(10,046)	(10,217)
Net Financial Debt	26,849	28,851