

DAMIANI

PRESS RELEASE

Damiani S.p.A.:

The Shareholders' Meeting appointed the Board of Directors, approved unanimously the Financial Statements to 31 March 2012, renewed the authorisation to acquire and dispose of treasury shares and approved the Remuneration Report

Valenza, 26 July 2012 – The Shareholders' Meeting of **Damiani S.p.A.** (Milan, Star: DMN) today **appointed the new Board of Directors**, confirming the following people for a further three years period, until approval of the Financial Statements to 31 March 2015:

Guido Roberto Grassi Damiani
Giorgio Andrea Grassi Damiani
Silvia Maria Grassi Damiani
Stefano Graidì
Giancarlo Malerba
Fabrizio Redaelli (*)
Francesco Minoli (*)

from the list presented by the majority shareholder Leading Jewels S.A., and Roberta Benaglia (*), from the list presented by the minority shareholder DGPA SGR S.p.A.

(*) Directors stating they have the requisites of independence pursuant to Art. 148, sub-para. 3, Legisl. Dec. 58/98

The CVs of the directors appointed are available on-line from the website www.damiani.com.

The participations held by the directors at the date of appointment are indicated in the Table shown in the Appendix.

The Shareholders' Meeting has therefore:

a) **renewed the authorisation for the acquisition and disposal of treasury shares**, pursuant to the joint provision of Articles 2357 and 2357 *ter* of the Civil Code and Art. 132 of Legislative Decree 58 dated 24 February 1998, subject to the revocation of the resolution adopted by the Meeting of 27 July 2011 as not used. See the Press Release issued on 14 June 2012 and the Directors' Report as per Art. 125-*ter* of Legislative Decree 58 dated 24 February 1998, available to the public on the company website www.damiani.com, for more details;

b) given a favourable opinion on the first section of the Remuneration Report drawn up by the Board of Directors pursuant to Art. 123-*ter* of Legislative Decree 58 dated 24 February 1998 and 84-*quater* of CONSOB Regulation 11971/99, with special reference to the remuneration policy of Damiani S.p.A.

Please note that, at today's date, Damiani S.p.A. holds 5,566,409 treasury shares, equivalent to 6.7% of the share capital. The company does not, however, hold treasury shares through subsidiary companies, trusts or a third party.

The Shareholders' Meeting **approved unanimously the Financial Statements to 31 March 2012** in the version prepared by the Board of Directors' meeting of 14 June 2012. The significant data of the balance sheet was released to the market in a special announcement on the same date.

At the consolidated level, the Damiani Group closed the financial year 2011/2012 with consolidated revenues of 151.6 million euros, compared to 143.5 million euros reported in the previous year and with a consolidated net result of -11.9 million euros, in reduction from -14.5 million euros at 31 March, 2011.

At 31 March, 2012, net debt of the Damiani Group was 28.6 million euros, with an improvement compared to 28.9 million euros at 31 March, 2011.

During the financial year 2011/12, the parent company Damiani S.p.A. achieved revenues of 64.8 million euros (+6.5% over the previous year) and a net result of EUR -5.9 million (previous year net loss was equal to -5.3 million euros).

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RESOLUTIONS OF THE BOARD OF DIRECTORS

The Board of Directors of Damiani S.p.A., meeting immediately after the Meeting, has, *inter alia*:

- (iv) appointed Guido Grassi Damiani President of the Board of Directors and CEO, and Giorgio and Silvia Grassi Damiani Vice-President, Stefano Graidì director responsible for the system of internal control and risk management, and Fabrizio Redaelli *Lead Independent Director*, similarly conferring delegated powers on the deputy chairmen;
- (v) called on the directors Fabrizio Redaelli (as chairman), Giancarlo Malerba and Roberta Benaglia to form the Remuneration Committee and the Control and Risks Committee, subject to an appropriate check on the possession of the requisites of not being executive and independence (pursuant to both Art. 148 of Legislative Decree 58 of 24 February 1998 and Art. 3 of the Corporate Governance code for Listed Companies);
- (vi) approved to continue the implementation of the Stock Option Plan 2009; the options (strike price at euro 1.45) can thus be exercised from 13/9/2014 to 30/9/2014 against payment of a price of euro 0.0202 corresponding to the market value, determined by the Board and the Remuneration Committee with the aid of Equita SIM S.p.A.; Detailed information will be supplied in the manner and terms established by current legislation;

The Board of Directors likewise approved the merger projects for the incorporation in Damiani S.p.A. of the wholly owned companies Alfieri & St. John S.p.A. and New Mood S.p.A., with the aim of ensuring greater efficiency and also greater functionality of the corporate structure from the economic, management and financial point of view. The merger operations will not lead to any increase in the capital of the acquired company and, in compliance with CONSOB Regulation 17221/10, are not subject to the procedure on transactions with related parties since they are with companies wholly owned without any significant interest from other related parties.

Pursuant to the law and the statutes in force of the companies involved, the mergers will be resolved upon by the respective administrative bodies, except for the right of shareholders of Damiani S.p.A. representing at least 5% of the share capital to ask for, within eight days of the deposit as per Art. 2501-ter, sub-para. 3 of the Civil Code, the decision on the approval of the mergers to be adopted by the Shareholders' Meeting of the company. The documentation referring to the said mergers will be made available to the public in the manner and terms set out by the legislation in force, including the regulatory legislation.

Director	Position	Executive	Independence ex TUF	Independence ex Self-Regulatory	No. Damiani shares held
Guido Grassi Damiani	President and CEO	YES	NO	NO	53,026,622 (*)
Giorgio Grassi Damiani	Vice President with powers of attorney	YES	NO	NO	5,047,371
Silvia Grassi Damiani	Vice President with powers of attorney	YES	NO	NO	4,379,371
Fabrizio Redaelli	Director and <i>Lead Independent Director</i>	NO	YES	YES	-
Giancarlo Malerba	Director	NO	NO	NO	-
Stefano Graidì	Director with responsibility for the internal control system	YES	NO	NO	-
Francesco Minoli	Director	NO	YES	NO	-
Roberta Benaglia	Director	NO	YES	YES	-

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() Of which no. 4,943,850 directly, no. 46,884,366 indirectly through the Leading Jewels SA and n. 1,198,406 indirectly through Sparkling Investment SA.*

The senior manager responsible for drafting the corporate accounting documents (Mr Gilberto Frola) states that the accounting information in this announcement corresponds to the document results, books and accounting records pursuant to Article 154 bis, sub-para. 2, of the Unified Finance Law.

Damiani S.p.A.

Damiani S.p.A., founded in Valenza in 1924 and today run by the 3rd generation, heads the Damiani group, leader in the Italian market for the production and marketing of jewellery and high-end watches. Damiani works in the jewellery sector with its prestigious brands such as Damiani, Calderoni 1840, Salvini, Alfieri & St. John and Bliss and also manages some ranges of prestigious international brands under licence. The group also owns the chain Rocca 1794, with more than 200 years of history in the retail sector of the best-known watch and high-end jewellery brands. The Damiani group can be found in Italy and major world markets through its operational branches. The company manages 47 direct points of sale and has 28 in franchising positioned in leading international fashion streets. Strengthened by hundreds of years of tradition, the group is an attentive interpreter of a historic heritage proposed with full respect for tradition with the same innovative spirit as its origins.

For additional information:

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