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PRESS RELEASE

Damiani S.p.A:

Board of Directors approves the Group's interim report for the first quarter ending June 30, 2012 of financial year 2012/2013

Foreign and retail revenues in increase

- **Consolidated revenues:** 31.4 million euro -4.5% (32.8 million euro at June 30, 2011)
- **Retail revenues:** +12.3% vs 2011
- **Wholesale revenues:** -11.5% vs, 2011
- **Foreign revenues:** +18.3% vs 2011
- **Revenues in Italy:** -11.9% vs 2011
- **Consolidated EBITDA:** -1.1 million euro (-0.8 million euro at June 30, 2011)
- **Group Net Result:** -2.8 million euro (-2.3 million euro at June 30, 2011)
- **Net financial debt:** 26.5 million euro (28.6 million euro at March 31, 2012; 26.8 million euro at June 30, 2011)

Valenza, August 10, 2012 – 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 ended **June 30, 2012.**

In the first quarter Damiani DOS in Italy and abroad showed a revenues **increase on the average of around 19%** and multibrand boutiques also showed positive results, with an improvement over June 30, 2011.

Wholesale sales abroad showed a good performance while the domestic market hit by consumptions weakness and a general situation still uncertain, showed a decrease.

However the net debt decreased compared to March 31, 2012.

CONSOLIDATED REVENUES

During the **first quarter of financial year 2012/2013 Damiani Group consolidated revenues from sales and services** were equal to **31.4 million euro** compared to 32.8 million euro as of June 30, 2011, with a -4.5% decrease at current exchange rates and with a decrease of -6.0% at constant exchange rates.

Revenues Breakdown by Distribution Channel

In the **first quarter of financial year 2012/2013 retail revenues** grew by **12.3%** at current exchange rates and by **9.0%** at constant exchange rates. In the retail channel **Damiani monobrand stores** in Italy and abroad grew by **19.0%** reflecting a positive trend in the medium / long term

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that confirmed the quality of the brand Damiani. Also **Rocca multibrand stores** signed a positive increase **+7.0%**.

At June 30, 2012 the Group's monobrand stores network included **47 Directly Operated Stores (DOS)** located in the most important fashion streets in Italy and abroad.

In the **first quarter of financial year 2012/2013 wholesale revenues** decreased by **-11.5%** at current exchange rates and by **-12.3%** at constant exchange rates as of June 30, 2011.

Revenues by Sales Channel <i>(in thousands of Euro)</i>	I Quarter			
	Financial Year 2012/2013	Financial Year 2011/2012	Current exchange rates	Constant exchange rates
Retail	10,863	9,675	12.3%	9.0%
<i>Percentage on total revenues</i>	<i>34.6%</i>	<i>29.4%</i>		
Wholesale	20,494	23,162	-11.5%	-12.3%
<i>Percentage on total revenues</i>	<i>65.3%</i>	<i>70.4%</i>		
Total revenues from sales and services	31,357	32,837	-4.5%	-6.0%
<i>Percentage on total revenues</i>	<i>99.9%</i>	<i>99.8%</i>		
Other revenues	44	61		
<i>Percentage on total revenues</i>	<i>0.1%</i>	<i>0.2%</i>		
Total Revenues	31,401	32,898	-4.6%	-6.0%

Revenues Breakdown by Geographical Area

In the **first quarter of financial year 2012/2013, Italian revenues** decreased by **-11.9%** vs. the same period of last year.

Abroad the revenues of **first quarter of fiscal year 2012/2013** grew by **18.3%** vs the same period of previous year.

Revenues by Geographical Area <i>(in thousands of Euro)</i>	Financial Year 2012/2013		I Quarter Financial Year 2011/2012		Current exchange rates	Constant exchange rates
		% of total		% of total		
Italy	21,872	69.7%	24,821	75.4%	-11.9%	-11.9%
Rest of World	6,327	20.1%	1,326	4.0%	42.4%	40.0%
Japan	2,262	7.2%	2,250	6.8%	0.6%	-12.2%
Americas	896	2.9%	1,326	4.0%	-32.4%	-39.7%
Total revenues from sales and services	31,357	99.9%	32,837	99.8%	-4.5%	-6.0%
Other revenues	44	0.1%	61	0.2%		
Total Revenues	31,401	100.0%	32,898	100.0%	-4.6%	-6.0%

OPERATING RESULT AND NET RESULT

Damiani Group closed the first quarter of financial year 2012/2013 with a **consolidated EBITDA negative for -1.1 million euro**, compared to -0.8 million euro as of June 30, 2011.

Consolidated EBIT was negative and equal to **-1.8 million euro**, compared to -1.5 million euro as of June 30, 2011.

Consolidated net result amounted to **-2.8 million euro** compared to -2.3 million euro achieved on June 30, 2011.

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NET FINANCIAL DEBT

As of June 30, 2012 the Group's net financial debt was equal to **26.5 million euro** in improvement compared to 28.6 million euro as of March 31, 2012 and compared to 26.8 million euro as of June 30, 2011, thanks to careful monitoring of working capital, which is a critical issue in the present global financial crisis, and on which the Group is working with particular attention.

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.

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Damiani S.p.A.

Damiani S.p.A., founded in Valenza in 1924 and led 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 47 stores and 28 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.

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Attachments:

Consolidated Income and Balance Sheet statements as of June 30, 2012.

Consolidated Income Statement of I Quarter (april-june) FY 2012/2013 and FY 2011/2012

Main economic data	I Quarter		
	Financial Year 2012/2013	Financial Year 2011/2012	Change
<i>(in thousands of Euro)</i>			
Revenues from sales and services	31,357	32,837	(1,480)
Total Revenues	31,401	32,898	(1,497)
Cost of production	(32,500)	(33,651)	1,151
EBITDA	(1,100)	(753)	(347)
EBITDA %	-3.5%	-2.3%	
Operating income	(1,828)	(1,504)	(324)
Result before taxes	(2,310)	(1,775)	(535)
Net result of the Group	(2,827)	(2,252)	(575)
Basic Earnings (Losses) per Share	(0.04)	(0.03)	

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Consolidated Balance Sheet Statement as of June 30 2012 and as of March 31 2012

Balance sheet data <i>(in thousands of Euro)</i>	June 30 2012	March 31 2012	change
Fixed Assets	50.276	50.015	261
Net working capital	67.303	71.956	(4.653)
Non current Liabilities	(6.794)	(7.205)	411
Net Capital Invested	110.785	114.766	(3.981)
Net Equity	84.287	86.178	(1.891)
Net Financial Position	26.498	28.588	(2.090)
Sources of Financing	110.785	114.766	(3.981)

Net Financial Debt <i>(in thousands of Euro)</i>	June 30 2012	March 31 2012	change
Medium-Long term loans and financing- Current portion	5.800	6.075	(275)
Usage of credit lines, short term financing and others	10.057	8.617	1.440
Medium-Long term loans and financing with related parties- Current portion	984	975	9
Current financial indebtness	16.841	15.667	1.174
Medium-Long term loans and financing- Non current portion	7.875	10.000	(2.125)
Medium-Long term loans and financing with related parties- Non current portion	9.334	9.579	(245)
Non-current financial indebtness	17.209	19.579	(2.370)
Total financial indebtness	34.050	35.246	(1.196)
Cash and cash equivalents	(7.552)	(6.658)	(894)
Net Financial Debt	26.498	28.588	(2.090)