

# DAMIANI

## PRESS RELEASE

### **Damiani S.p.A: First Half 2012/2013 Foreign and retail revenues in increase**

Valenza, November 23, 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 consolidated results for the first half of the financial year ended **September 30, 2012.**

In the first half Damiani DOS in Italy and abroad showed a revenues **increase of 27.4%** following a trend that has been going on for some time. It shows the consumers' appreciation for the collections and for the brand. Multibrand boutiques also showed positive results, with an improvement over September 30, 2011 also in Italy.

Wholesale sales abroad showed a good performance while the domestic market hit by consumptions weakness and a general situation still uncertain, showed a lower propensity to buy from the wholesale.

The consumption weakness in Italy is also due to a lack of confidence certainly not helped by the roof of the thousand euro for cash payments imposed by the Government. For a sector such as luxury this roof affects sales and consumptions. In addition, there is a general hostility to luxury goods that have been and are still an important resource for the country.

#### **CONSOLIDATED REVENUES**

During the **first half of financial year 2012/2013 Damiani Group consolidated revenues from sales and services** were equal to **57.7 million euro** compared to 61.2 million euro as of September 30, 2011, with a -5.8% decrease at current exchange rates and with a decrease of -7.5% at constant exchange rates.

#### **Revenues Breakdown by Distribution Channel**

In the **first half of financial year 2012/2013 retail (mono and multi-brand) revenues** grew by **11.4%** at current exchange rates and by **8.5%** at constant exchange rates.

At September 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 half of financial year 2012/2013 wholesale revenues** decreased by **-14.8%** at current exchange rates and by **-15.9%** at constant exchange rates as of September 30, 2011 caused by the slowdown of the domestic market.

# DAMIANI

Revenues by Sales Channel (In thousands of Euro)	I Half 2012/2013	I Half 2011/2012	Change % current exchange rates	Change % constant exchange rates
<b>Retail</b>	<b>23,542</b>	<b>21,124</b>	11.4%	8.5%
<i>Percentage on total revenues</i>	<i>40.7%</i>	<i>34.5%</i>		
<b>Wholesale</b>	<b>34,150</b>	<b>40,090</b>	-14.8%	-15.9%
<i>Percentage on total revenues</i>	<i>59.1%</i>	<i>65.4%</i>		
<b>Total revenues from sales and services</b>	<b>57,692</b>	<b>61,214</b>	-5.8%	-7.5%
<i>Percentage on total revenues</i>	<i>99.8%</i>	<i>99.8%</i>		
<b>Other revenues</b>	<b>98</b>	<b>92</b>	6.6%	6.6%
<i>Percentage on total revenues</i>	<i>0.2%</i>	<i>0.2%</i>		
<b>Total Revenues</b>	<b>57,790</b>	<b>61,306</b>	-5.7%	-7.5%

## Revenues Breakdown by Geographical Area

In the **first half of financial year 2012/2013**, Italian revenues decreased by **-13.9%** vs. the same period of last year.

**Abroad** the revenues of **first half of fiscal year 2012/2013** grew by **17.6%** vs the same period of previous year.

Revenues by Geographical Area (In thousands of Euro)	I Half 2012/2013	% of total	I Half 2011/2012	% of total	change % current exchange rates	change % constant exchange rates
<b>Italy</b>	<b>39,031</b>	67.5%	<b>45,346</b>	74.0%	-13.9%	-13.9%
<b>Rest of the World</b>	<b>10,775</b>	18.6%	<b>8,322</b>	13.6%	29.5%	27.5%
<b>Japan</b>	<b>5,566</b>	9.6%	<b>4,672</b>	7.6%	19.1%	5.4%
<b>Americas</b>	<b>2,320</b>	4.0%	<b>2,873</b>	4.7%	-19.2%	-28.2%
<b>Altri ricavi</b>	98	0.2%	92	0.2%	6.6%	6.6%
<b>Total revenues</b>	<b>57,790</b>	<b>100%</b>	<b>61,306</b>	<b>100%</b>	-5.7%	-7.5%

## OPERATING RESULT AND NET RESULT

Damiani Group closed the first half of financial year 2012/2013 with a **consolidated EBITDA negative for -2.5 million euro**, in improvement compared to -3.3 million euro as of September 30, 2011.

**Consolidated EBIT** was negative and equal to **-4.0 million euro**, in improvement compared to -4.8 million euro as of September 30, 2011.

**Consolidated net result** amounted to **-5.4 million euro** in improvement compared to -7.2 million euro achieved on September 30, 2011.

## NET FINANCIAL DEBT

As of September 30, 2012 the Group's net financial position was negative and equal to **31.0 million euro** in increase, but under control, compared to 28.6 million euro as of March 31, 2012, caused by the seasonality of the business and the negative result of the period partially offset by the careful monitoring of working capital.

# DAMIANI

*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.*

With reference to the figures presented in this press release, please note that these data have not completed the auditing activities.

**For more informations:**

Paola Burzi

**Investor Relations and Press Officer**

**Damiani Group**

Tel: +39 02.46716340

Email: [paolaburzi@damiani.it](mailto:paolaburzi@damiani.it)

**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 stores and 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 September 30, 2012.**

**Consolidated Income Statement of September (april-september) FY 2012/2013 and FY 2011/2012**

<b>Main economic data</b> (in thousands of Euro)	<b>I Half</b> <b>2012/2013</b>	<b>I Half</b> <b>2011/2012</b>	<b>Change</b>
<b>Revenues from sales and services</b>	<b>57,692</b>	<b>61,214</b>	(3,522)
Total revenues	57,790	61,306	(3,516)
Cost of production	(60,318)	(64,588)	4,270
<b>EBITDA</b>	<b>(2,528)</b>	<b>(3,282)</b>	754
<b>EBITDA %</b>	<b>-4.4%</b>	<b>-5.4%</b>	
Depreciation and amortization	(1,487)	(1,496)	9
<b>Operating income</b>	<b>(4,015)</b>	<b>(4,778)</b>	763
<b>Operating income %</b>	<b>-7.0%</b>	<b>-7.8%</b>	
Net financial incomes (expenses)	(921)	(971)	50
Result before taxes	(4,936)	(5,749)	813
Net result of the Group	(5,374)	(7,190)	1,816
Basic Earnings (Losses) per Share	(0.07)	(0.10)	

# DAMIANI

## Consolidated Balance Sheet Statement as of September 30 2012 and as of March 31 2012

<b>Balance sheet Data</b> (In thousands of Euro)	Situation at September 30 2012	Situation at March 31 2012	<b>change</b>
Fixed Assets	49,307	50,015	(708)
Net working capital	69,873	71,956	(2,083)
Non current Liabilities	(6,592)	(7,205)	613
<b>Net Capital Invested</b>	<b>112,588</b>	<b>114,766</b>	<b>(2,178)</b>
Net Equity	81,548	86,178	(4,630)
Net Financial position (*)	31,040	28,588	2,452
<b>Sources of Financing</b>	<b>112,588</b>	<b>114,766</b>	<b>(2,178)</b>

<b>Net Financial Position</b> (in thousands of Euro)	<b>Situation at September 30 2012</b>	<b>Situation at March 31 2012</b>	<b>change</b>
Medium-long term loans and financing - current portion	5,690	6,075	(385)
Usage of credit lines, short term financing and others	17,208	8,617	8,591
Medium-long term loans and financing with related parties - current po	999	975	24
<b>Current financial indebtness</b>	<b>23,897</b>	<b>15,667</b>	<b>8,230</b>
Medium-long term loans and financing - non current portion	7,250	10,000	(2,750)
Medium-long term loans and financing with related parties - non curren	8,794	9,579	(785)
<b>Non current financial indebtness</b>	<b>16,044</b>	<b>19,579</b>	<b>(3,535)</b>
<b>Total gross financial indebtness</b>	<b>39,941</b>	<b>35,246</b>	<b>4,695</b>
Financial current assets	(1,955)	-	(1,955)
Cash and cash equivalents	(6,946)	(6,658)	(288)
<b>Net Financial Position</b>	<b>31,040</b>	<b>28,588</b>	<b>2,452</b>