

DAMIANI

PRESS RELEASE

Damiani S.p.A:

Board of Directors approves the Group's interim report for the first 9 months ending December 31, 2012 of fiscal year 2012/2013

**Revenues from sales and services 107.5 million euros
Damiani monobrand boutiques +26%**

Milan, 8 february 2013 – The Board of Directors of **Damiani S.p.A.** (Milan, Star: DMN) today approved the Group's interim consolidated results for the first 9 months ending **December 31, 2012.**

In the first 9 months Damiani retail sales showed an increase confirming a trend that has been going on for some time. **Damiani monobrand stores** directly managed in Italy and abroad showed an **increase of 26%**. It shows the quality offer and consumers' appreciation for the brand.

In the domestic market in a period hit by a consumption weakness, Multibrand Rocca boutiques also showed a growth, instead wholesale sales continued to be penalized by the lower propensity to buy from the wholesalers.

CONSOLIDATED REVENUES

During the nine months of financial year 2012/2013 **Damiani Group consolidated revenues from sales and services** were equal to **107.5 million euro** compared to 118.2 million euro as of September 31, 2012, with a -9.1% decrease at current exchange rates.

Revenues Breakdown by Channel

Revenues by Sales Channel (in thousands of Euro)	Nine Months			
	Financial Year 2012/2013	Financial Year 2011/2012	Change % current exchange rates	Change % constant exchange rates
Retail*	38,757	35,208	10.1%	8.0%
<i>Percentage on total revenues</i>	<i>36.0%</i>	<i>29.7%</i>		
Wholesale	68,726	83,022	-17.2%	-17.8%
<i>Percentage on total revenues</i>	<i>63.9%</i>	<i>70.1%</i>		
Total revenues from sales and services	107,483	118,230	-9.1%	-10.1%
<i>Percentage on total revenues</i>	<i>99.9%</i>	<i>99.8%</i>		
Other revenues	143	213		
<i>Percentage on total revenues</i>	<i>0.1%</i>	<i>0.2%</i>		
Total Revenues	107,626	118,443	-9.1%	-10.1%

*Retail refers to mono and multibrand stores directly managed by the Group

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Revenues Breakdown by Geographical Area

Revenues by Geographical Area <i>(in thousands of Euro)</i>	Nine Months			
	Financial Year 2012/2013	Financial Year 2011/2012	change % current exchange rates	change % constant exchange rates
Italy	76,358	87,622	-12.9%	-12.9%
Americas	3,813	5,228	-27.1%	-33.5%
Japan	9,333	7,478	24.8%	15.3%
Rest of world	17,979	17,862	0.7%	-0.4%
Other revenues	143	213		
Total revenues	107,626	118,443	-9.1%	-10.1%

OPERATING RESULT AND NET RESULT

Damiani Group closed the first nine months of financial year 2012/2013 with a **consolidated EBITDA negative for –1.0 million euro**, in decrease compared to 1.4 million euro positive as of December 31, 2011.

The ebitda trend was penalized by the decline in revenues, partially offset by savings for some cost components.

Consolidated EBIT was negative and equal to **–3.2 million euro**, in decrease compared to -0.8 million euro as of December 31, 2011.

In the first nine months of 2012/2013 the Group has gradually implemented a series of actions which will be completed by the end of the year, with the aim of rationalizing some business processes. The full benefits of these actions will be visible only in the next financial year 2013/2014, while the income statement at 31 December 2012 already keeps track of the related costs.

Consolidated net result amounted to **–4.7 million euro** in improvement compared to –5.3 million euro achieved on December 31, 2011.

NET FINANCIAL DEBT

As of December 31, 2012 the Group's net financial position was negative and equal to **36.7 million euro** (28.6 million euro as of March 31, 2012).

The executive responsible for preparing corporate accounting documents (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 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 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.

Attachments:

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

Consolidated Income Statement of December (April-December) FY 2012/2013 and FY 2011/2012

Main economic data	Nine months		
	Financial Year 2012/2013	Financial Year 2011/2012	Change
(in thousands of Euro)			
Revenues from sales and services	107,483	118,230	(10,747)
Total revenues	107,626	118,443	(10,817)
Cost of production	(108,592)	(117,024)	8,432
EBITDA	(966)	1,419	(2,385)
EBITDA %	-0.9%	1.2%	
Amortization and depreciation	(2,228)	(2,257)	29
Operating income	(3,194)	(838)	(2,356)
Operating income %	-3.0%	-0.7%	
Net financial income (expenses)	(1,335)	(1,783)	448
Result before taxes	(4,529)	(2,621)	(1,908)
Net result of the Group	(4,738)	(5,304)	566
Basic Earnings (Losses) per Share	(0.06)	(0.07)	

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Consolidated Balance Sheet Statement as of December 31 2012 and as of March 31 2012

Balance sheet data (In thousands of Euro)	December 31 2012	March 31 2012	change
Fixed Assets	48,521	50,015	(1,494)
Net working capital	75,490	71,956	3,534
Non current Liabilities	(6,201)	(7,205)	1,004
Net Capital Invested	117,810	114,766	3,044
Net Equity	81,078	86,178	(5,100)
Net Financial Position	36,732	28,588	8,144
Sources of Financing	117,810	114,766	3,044

Net Financial Position (in thousands of Euro)	December 31 2012	March 31 2012	Change
Medium-long term loans and financing - Current portion	5,579	6,075	(496)
Usage of credit lines, short term financing and others	27,861	8,617	19,244
Medium-long term loans and financing with related parties	1,020	975	45
Current financial indebtness	34,460	15,667	18,793
Medium-long term loans and financing - Non current portion	5,125	10,000	(4,875)
Medium-long term loans and financing with related parties	8,531	9,579	(1,048)
Non current financial indebtness	13,656	19,579	(5,923)
Total financial indebtness	48,116	35,246	12,870
Cash and cash equivalents	(11,384)	(6,658)	(4,726)
Net Financial Position	36,732	28,588	8,144