

Outlook for 2006

The trend in orders for 2006 is showing the positive response of the partners in the various markets to the new products and the new commercial initiatives being undertaken. In line with the trends reported in the second half of 2005, we are also expecting further improvement in the performance of the directly managed stores.

The significant increase in volumes and a product mix that is focused on growth in accessories and high-value segments of the various collections, such as jackets and various articles of menswear, should lead to an increase in consolidated revenues for 2006 at least in line with the growth posted in 2005.

In 2006, the outlook is also for significant growth in markets in the Mediterranean, eastern Europe, Korea, China, and India.

Furthermore, the Company will continue to focus on the search for specific competencies and international industrial poles in which to develop our know-how, so as to guarantee the quality of our products and the satisfaction of the consumer. The ongoing quest for efficiency within our manufacturing and commercial systems is expected to result in an operating profit margin on the order of 9.5-10% of consolidated sales and net income of around 6.5%.