

PRESS RELEASE

## Ermenegildo Zegna Group Strong growth in revenues and profitability

Revenues in 2010 reach € 963 million (up 21%).

Outstanding growth in Ebitda (+65%).

Net financial position doubles for the 2<sup>nd</sup> year running, to € 180 million.

*Retail continues fast growth in 1<sup>st</sup> quarter of 2011 (+21%).*

Milan, 5 May 2011 – Meeting today, the board of directors of Ermenegildo Zegna Group, the world's leading luxury menswear, approved the 2010 consolidated financial statements, with sales of €963m (up 21% at current exchange rates) and Ebitda of €140m (14.6% of sales, against 10.7% in 2009).

The results for 2010 are significantly positive even when compared to 2008, the year before the world economy's *annus horribilis*. With respect to 2008, in fact, the net financial position (€180m) has been quadruplicated and sales have grown by nearly €100m, while net profit, at €60m, has returned to pre-crisis levels.

Over 90% of sales were exports to Europe, America and Asia, the latter accounting for 46%. China, Hong Kong, Russia, Brazil and India, together with a number of other emerging nations, account for 40% of the Group's sales.

China was once again the main driving force and Ermenegildo Zegna Group's most important market in terms of retail sales. But excellent results were also posted in the traditional US and European markets, the latter headed by Germany, Italy and the UK. An important contribution to the growth in retail sales was also made in Turkey, a country, like China, that the Group observes with great attention and in which it is organizing various initiatives to celebrate the 20<sup>th</sup> anniversary of its arrival.

At the end of 2010, the Group's monobrand stores numbered 560, of which over 300 directly owned. In China, the Group opened four new stores designed by Peter Marino. In Shanghai, on the occasion of the Group's Centennial celebrations, Zegna opened its biggest global store in Asia. Around 20 new openings are scheduled for 2011, half of which in China and the others in new markets like Vietnam and South Africa as well as in India, the USA and Europe.

Of special note is the expansion of the accessories offering, which currently accounts for 20% of sales, and the recent agreement with Estée Lauder Companies, world leader in fragrances and cosmetics, concerning the distribution of fragrances under Ermenegildo Zegna Group brands and the development of new product lines.

*"The results achieved in the year of our Centennial," said CEO Ermenegildo Zegna, "in terms of sales, margins, net financial position and capital investments, make us even stronger and more determined than we were before the economic crisis that profoundly changed the world. They are results that enable us to take up challenges not only in markets where we are firmly established but also to continue to follow up our insights with the pioneering spirit that characterizes our enterprise DNA. Retail figures for 1<sup>st</sup> quarter 2011 confirm sustained growth, at an average rate of over 20% at constant exchange rates, which puts us in a leading position in global luxury retailing despite the drop in sales in Japan following the dramatic environmental problems that have hit the country. To help Japanese people Zegna promptly funded a number of projects to provide both immediate aid and support during reconstruction".*

For further information:

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