PRESS RELEASE
MARIELLA BURANI FASHION GROUP
Cavriago, December 16, 2009

The recapitalization of the Company has been approved. Update with respect to the restructuring agreement with financial institutions

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1. Resolutions adopted by shareholders at the Extraordinary Shareholder's meeting

Shareholders of Mariella Burani Fashion Group (MBFG), convened today on third call, approved the following resolutions:

First point - Cancellation of the nominal value of shares: Shareholders agreed to cancel the nominal value of MBFG's outstanding ordinary shares; as a consequence, ownership is represented by shares without nominal value.

Second point - Resolutions pursuant to article 2447 of the Civil Code and injection of financial resources: Shareholders reviewed the capital structure of the Company as of September 30, 2009 which showed, for the nine month period ended September 30, 2009, losses of Euro 104.3 million and negative shareholder's equity of € 70.7 million. Shareholders examined and approved, pursuant to the article 2447 of the Civil Code, necessary measures to replenish the above mentioned losses of Euro 104.3 million, including the injection of Euro 83.5 million of financial resources to replenish losses registered at September 30, 2009 and to restore shareholder's equity.

Shareholders approved the following measures at the Extraordinary shareholder's meeting:

1) To replenish losses included in shareholder's equity of the Company as of September 30, 2009, of Euro 104,340,961.00 by (a) applying Euro 18,049,593.00, the full amount of existing capital reserves on September 30, 2009; (b) reducing the existing share capital of Euro 15,431,999.84, subject to the execution of the capital increase, as hereinafter referred in paragraph (2), from Euro 15,551,999.84 to Euro 120,000.00, which would then leave Euro 70,859,368.16 of losses still to be replenished;

2) To restore, and increase through separate single or multiple payments, the Company's share capital for a maximum amount of Euro 83,497,495.00 by means of the issuance of ordinary shares, without par value, to be offered, via options, to the existing shareholders

that could subscribe, even with compensation in the form of receivables of any nature as long as they are certain, liquid, and already collectible based on the accounting principles of the Company, at a price not higher than Euro 2.574 and totally recorded as share capital, that will be determined by the Board of Directors (which has a mandate in such respect) and will be communicated to shareholders and the market in proximity to the capital increase, taking into account the most recent market price, provisions for similar transactions, and that the options to acquire the newly issued shares shall be offered to the shareholders in proportion to existing share ownership;

3) To grant the Board of Directors the authority to freely allocate to third parties options to underwrite the remaining (un-opted) shares after having offered the options to the market, as provided by the article 2441, paragraph 3 of the Civil Code;

4) To replenish the remaining loss of Euro 70,859,369.16, subject to the successful completion and to the effectiveness of the capital increase referred to in the previous paragraph 2) - by applying excess reserves and/or newly reducing the share capital (increased as indicated above) by Euro 70,859,369.16 without any share cancellation;

5) To subscribe the above mentioned share capital increase within September 30, 2010, indicated as the expiration date; if the share capital increase should not be fully subscribed within the expiration date, the share capital will be considered increased for an amount subscribed until the expiration date, but only provided that reach the total amount, before the new reduction of share capital referred to the previous paragraph 4) of Euro 70,859,369.16;

Moreover, the Extraordinary shareholders meeting conferred the mandate to the Board of Directors to:

a) Commence procedures to verify the occurrence of cause for winding up the Company, pursuant to article 2484, paragraph 4, of the Civil Code, and to implement any necessary steps including, eventually, procedures provided by the applicable law if, (i) within February 12, 2010 (included), the Company should not receive evidence of a binding commitment from majority shareholders and/or third parties, including the lending banks, to replenish the remaining losses for a minimum total amount of Euro 70,859,369.16, thus to restore shareholder’s equity (such evidence may take various forms and, for example, may include receivables conversion and/or evidence of the realization of contingent assets, for a minimum amount of Euro 70,859,369.16, but must be sufficient to replenish the remaining losses and to restore shareholder’s equity), or (ii) within April 16, 2010 inclusive, the Company should not receive the liquidity and/or should not receive, as compensation, receivables of any nature, as long as they are certain, liquid, and collectible based on the accounting principles of the Company, and/or

there is no evidence of the realization of contingent assets, sufficient to replenish the remaining losses and to restore shareholder's equity; and

b) Continue to evaluate and closely monitor the Company's cash flow requirements, based on specific assumptions regarding projected cash outflows and possible cash inflows expected within the next few weeks. If the expected cash inflows are not realized, the Board of Directors will analyze, jointly with the advisors and it being understood the continuous negotiations with the lending banks, even before the expiration date of the terms provided by the aforementioned recapitalization, more opportune measures to include (i) the implementation of the necessary steps to liquidate the Company and (ii) procedures provided by applicable law.

Third point - Granting the Board of Directors the authority to increase share capital:

Shareholders at the Extraordinary shareholder's meeting agreed to grant the Board of Directors, pursuant to the Article 2443 of the Italian Civil Code, the authority to increase the company's share capital, through separate single or multiple payments, within a period of 5 years from the date of this resolution, for a maximum amount equal to 100 million Euros, including any premium share costs, by issuing ordinary and/or preferred shares, also via issuance of warrants whose characteristics will be determined at the discretion of the Board .

Fourth point - Modification of Article 2 of the Corporate bylaws

Shareholders, at the Extraordinary shareholder's meeting, noted the obligation to register the Company as a financial intermediary (as provided by Articles 113 and 106 of Legislative Decree, September 1, 1993 number 385) to reflect the fact that financial activities of the Company exceed non financial activities of the Company. Accordingly, shareholders agreed to modify Article 2 of the Corporate bylaws to reflect corporate activities as the provision of financial resources to its subsidiary companies, not to the public, and the acquisition of equity interest in companies whose operations are principally not financial and are coherent with the operations of the Companies subsidiaries.

Fifth point - Modification of Article 14 of the Corporate bylaws

With respect to the necessary procedures to call a Board of Directors meeting, shareholders, at the extraordinary shareholder's meeting, agreed to facilitate the process, and in particular agreed that the meetings will be convened by the President by means of of telephone calls, fax, letters, or telegrams to each Director and Auditor at least five days of such meeting, to be reduced to one day in the case of emergencies.

Status of implementation of the MBFG debt restructuring plan

The resolutions adopted by shareholders at the Extraordinary Shareholders meeting and communicated during such meeting are hereby communicated by the Board of Directors of MBFG to the public:

As disclosed to the market on November 15, 2009, the continuation of negotiations with financial institutions in order to finalize a debt restructuring agreement and a debt moratorium are conditional on the following:

a) the complete reimbursement to MBFG of Euro 15.775 million of receivables by companies that indirectly control the Group; today Euro 9.2 million have been received;

b) Fulfillment by Walter Burani of its obligation to transfer 2,608,696 common shares of Antichi Pellettieri to MBFG; today these shares have been transferred.

c) immediate evidence of the availability of Euro 50 million, which shall be utilized to underwrite the capital increase, as guaranteed by the indirect majority shareholder..

Even if the indirect majority shareholder, Walter Burani, has sent MBFG a letter in which a financial company has ensured the existence of € 50 million destined to the group's recapitalization, the lending banks required immediate (short-term) evidence that such amount had been deposited in an account at a primary bank, and unconditionally reserved to the recapitalization of the Company.

In the past few weeks, due to the lack of evidence of such deposit by the Company's major shareholder, the Board of Directors of the Company discussed with the lending banks the possibility to proceed with the recapitalization notwithstanding the lack of participation in the proposed recapitalization by the major shareholder.

As communicated in the extraordinary shareholder's meeting, yesterday afternoon, the Company received communication from the banks most exposed to the outstanding debt regarding to their involvement in the Group's debt restructuring. More specifically, the noted banks formally communicated that they are not willing to subscribe a debt restructuring agreement in the absence of proof from the controlling shareholder, by today, of the existence of funds in the form of €50 million euro deposited with a primary banking institution, free and available for the capital increase deliberated by the Board today.

The Board, upon receipt of said communication from the banks and given the fact that the evidence required has not been provided by the majority shareholder, in accordance with the

mandate received by shareholders in today's meeting, will promptly analyze, prior to the expiration dates cited in the recapitalization proposal, together with its advisors and within the context of the continuing negotiations with the banks, the adoption of more opportune measures to include the implementation of the necessary steps to liquidate the Company and procedures provided by applicable law. This analysis will also take into consideration the cash flow of the Company, and in particular, the cash needs which will be monitored continuously by the Board in order to ascertain that the Company can rely on enough cash inflows to guarantee continued operations until an efficient financial and industrial restructuring plan is in place.

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