



## **PRESS RELEASE**

**Rubelli SpA has reached an agreement on the purchase of Donghia Inc., a U.S. company specializing in the design and distribution of high-end furniture, fabrics and interior accessories.**

**With a significant investment, the Venice-based Rubelli group is strengthening its position in the luxury furniture sector by combining its already broad range with more contemporary designs.**

Rubelli S.p.A. – an established family-run company from Venice, Italy, a leader in the design, manufacture and distribution of fabrics for residential and contract furnishing – has reached an agreement on the purchase of the U.S. group Donghia, a high-end designer and distributor of home furnishing textiles, furniture and accessories.

The transaction was managed and successfully concluded by Rubelli after more than a year of negotiations. This is the most important investment that the Venice-based company has ever been involved in and it was made possible with the help of four of its business partners: Leclercq, Sahco, Pecci and Seguso.

Rubelli, with almost 150 years of history producing fabrics, is considered one of the most prestigious companies in this industry. With its four textile collections - Rubelli, Bises, Lisio and Dominique Kieffer – it meets the demands of all customers who care about quality, tradition and design.

With 240 employees, three subsidiaries and two affiliated companies, the Rubelli Group is one of the few companies in the home furnishings industry to have a vertical production system, which is based at its own textile mill in Cucciago (Como) and includes distribution to the world's most important cities.

Its product ranges are aimed at both the residential sector and contract sector (hotels, ships, special projects) and are distributed through 13 of its own showrooms and 20 partner showrooms in the United States, as well as through agents and distributors located all over the world.

Rubelli fabrics decorate world-famous theatres, castles and museums all over Europe, royal residences, ministries and Italian and international embassies. It was recently commissioned to restore the décor of the Albertina Museum in Vienna, La Fenice Opera House in Venice and La Scala Opera House and Museum in Milan. Fabrics produced by the Rubelli Group can be found in luxury hotels, including such prestigious chains as Four Seasons, Orient Express, Sheraton and Intercontinental, and on board Princess, Crystal Cruises and Costa Cruises ships.

The financial year 2004 closed with a consolidated turnover of 40 million euros, the same as 2003. Profits were high thanks to internal reorganization and restructuring.

Donghia – a company founded in 1968 by Angelo Donghia, a brilliant Italian-American interior designer – designs and produces luxury furniture, textiles, lighting, wallcovering and trim using the finest materials with an unmistakable signature style. Donghia's designs can be found in top international hotels, historic department stores and high-end boutiques all over the world. From New York to Dubai, from Sydney to Hong Kong, from Toronto to Berlin, Donghia can be found at Radio City Music Hall in New York and the Cartier boutique in Paris, in First Class on British Airways and in the Trump Tower in New York.

In 2004 the Donghia Group recorded a turnover of \$42 million, a 16% increase on the previous year, with excellent prospects for growth for the next few years thanks to a complete internal reorganization and relaunch planned by Rubelli.

The Group operates almost exclusively in the U.S. market, where it makes 90% of its revenue. Only 5% comes from Europe, and the remaining 5% from the rest of the world.

Besides the headquarters in New York, which employs 160 people in its design, sales and logistics offices and showrooms, Rubelli has also taken on a further 11 showrooms located in major U.S. cities which currently carry other prestigious names from the home furnishings industry besides the Donghia collections.

The Chairman of Donghia will be Alessandro Favaretto Rubelli, Chairman of Rubelli, who this year celebrates 50 years on the Board of Directors of the family business. Sherri Donghia, the creative spirit behind the Group, will continue to be Creative Director and Executive Vice President of Design and Marketing. The Managing Director will be Crans Baldwin, one of the most experienced executives in the industry, who has been working with Rubelli for the past few years.

With this major takeover, Rubelli hopes to soon double its turnover. The Venice-based company has the right experience to manage an American group thanks to the expertise it has gained over the last few years with two other big players in the U.S. market: a distribution network with a 2004 turnover of \$18 million and a textile sales agency operating exclusively for U.S. textile manufacturers.

An excellent distribution network, efficient American management and the Italian group's technological and production skills will prove to be the right assets to further develop Donghia successfully on the world market.