

DOLCE & GABBANA AND PROCTER & GAMBLE - PERFUME PARTNERS

Procter & Gamble and Dolce & Gabbana announced today that P&G Prestige Products - P&G's fine fragrance business unit - has signed a contract to enter into a license agreement with Dolce & Gabbana S.r.l. The existing fragrance portfolio will be marketed and distributed by P&G as of July 1st, 2006. Until June 2006, the existing fragrance licensee will be responsible for the marketing and distribution of the current fragrance line-up. P&G and Dolce & Gabbana intend to design and develop new beauty products to be launched globally as of July 1st, 2006.

The signature of the Dolce & Gabbana license is in line with the P&G Beauty Corporate strategy to strengthen its core businesses and focus on higher-growth, higher-margin businesses.

"Dolce & Gabbana is famous all over the world as a symbol of Italian glamour. The brand stands for a timeless style for an unconventional luxury, which season after season combines innovation with the strong Mediterranean flavor of its origins. Its sensual and unique style has a following of Hollywood and Music celebrities alike – enjoying an iconic status. These factors create an outstanding dream level that lends the brand all the key assets to build and grow successful fragrance classics," commented Hartwig Langer, President P&G Prestige Products. "The signing of the Dolce & Gabbana license represents a winning partnership between Dolce & Gabbana's creativity and style with our key strengths of consumer insights, market segmentation, innovation and partnership with our retail customers to build a successful global business. The brand also fits with our strategy to grow the business through brands with strong growth potential, occupying positions of global or regional market leadership."

With this agreement the Dolce & Gabbana Group further asserts its strength in closing powerful partnerships in the licensed business as well as its will to remain focused on its core business.

"This agreement is in line with the Group's objective to focus on its clothing and accessories core business and follows both the collaboration with another international key player for the eyewear license as well as the Group's decision to manage the production and distribution of D&G branded clothing and accessories in-house. It is not by chance that it concurs with the Dolce & Gabbana brand's 20th anniversary," commented Domenico Dolce and Stefano Gabbana. "We are at a very crucial point in the history of our company and today's choices ensure the strength and the solidity of tomorrow's Dolce & Gabbana and of its brands in particular. We see in P&G, a partner capable of supporting us in achieving our growth objectives not only in business terms but also, and above all, in terms of the brand's consolidation: nothing like a perfume can make a brand become universally known and timeless."

The signing of the Dolce & Gabbana fragrance license will add a strong range of luxury fine fragrances to P&G Prestige Products' current business portfolio, complementing and further enforcing their strong luxury offer.

The subject of the multi-year license agreement, with which both partners expect to play a leading role in the global prestige beauty business, will be fragrances and all related products.

FOR FURTHER INFORMATION:

Michela Ratti – P&G Prestige Beauté External Relations Leader – 0041 22 709 6057

Simona Baroni – Dolce & Gabbana Group, International Press – 0039 02 77427505

Antonella Zunino – Dolce & Gabbana Group, Italian Press – 0039 02 77427546

P&G Prestige Products, a division of P&G Beauty, is headquartered in Geneva. It owns or has the license to market the brands that include: Hugo Boss Parfums, Lacoste Parfums, Gucci Parfums, Escada Fine Fragrances, Jean Patou parfums, Dunhill Fine Fragrances and Valentino parfums.

P&G Beauty sells more than 130 different brands in over 180 countries worldwide that touch and improve lives daily. P&G Beauty had more than \$19 billion in global sales in fiscal year 2004/05, making it one of the world's largest beauty companies. The global leading beauty company at mass, P&G Beauty brands include: Pantene®, Head and Shoulders®, Olay®, Max Factor®, Cover Girl®, Gillette® Complete Skin Care for Men, Always®, Joy®, Wella®, Herbal Essences®, Clairol Nice 'n Easy® and SK-II®.

Please visit www.pg.com for the latest news and in-depth information about P&G Beauty and its brands.

Dolce & Gabbana S.r.l.

The Dolce & Gabbana Group – which owns the Dolce & Gabbana and D&G Dolce & Gabbana brands - creates, produces and distributes clothing, knitwear, leather goods, footwear and accessories for the luxury goods sector. Current licensing agreements cover Dolce & Gabbana and D&G Dolce & Gabbana branded fragrances and eyewear and D&G Dolce & Gabbana clothing, wristwatches and jewels. The Company has direct control over the entire value chain, from creation to sale (with the exception of licensed products such as fragrances, eyewear, wristwatches), for the Dolce & Gabbana brand and, starting with the Spring/Summer 2007, for the D&G Dolce & Gabbana brand as well.

At the end of the fiscal year on March 31st 2005, the Group, which heads Dolce & Gabbana S.r.l., registered consolidated revenues of €686.4 million. The EBITDA amounted to €204.2 million, while the EBIT amounted to €143.4 million.

Additional Group information is available on the web at www.dolcegabbana.it. The current fragrance portfolio comprises: Dolce & Gabbana Parfum, Dolce & Gabbana Pour Homme, Dolce & Gabbana Light Blue, Sicily Dolce & Gabbana, By Dolce & Gabbana Woman and Man, and D&G Feminine and Masculine.