



**THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A.  
APPROVES THE FINANCIAL RESULTS FOR 2010**

***Key highlights:***

- ***Net Sales at Euro 261.8 million in Q4 2010, +10.7% compared to Q4 2009***
- ***Net Sales at Euro 1,079.9 million in full year 2010, +6.8% compared to 2009***
- ***EBITDA at Euro 25.4 million in Q4 2010 (9.7% margin), from Euro 10.7 million in Q4 2009 (4.5% margin)***
- ***EBITDA at Euro 107.8 million in full year 2010 (10.0% margin), +85.1% compared to 2009***
- ***Net Result at Euro 4.4 million in Q4 2010 (1.7% margin) and return to break-even in full year 2010***
- ***Net Debt at Euro 256.2 million, down from Euro 588.0 million at the end of 2009. Net Debt/EBITDA to 2.4x***

**Padua, March 16, 2011, h. 5.40pm** – The Board of Directors of SAFILO GROUP S.p.A. today approved the consolidated financial statements for 2010<sup>1</sup>. The Board of Directors also reviewed the financial statements at December 31, 2010<sup>1</sup>, which will be submitted for approval to the Shareholders' Meeting called for April 27, 2011 (single call).

In the fourth quarter of 2010, Safilo consolidated the improvement in results achieved in the first nine months of the year, registering good progresses in terms of revenues, profitability and net financial position:

- Revenues increased by 10.7% at current exchange rates. At constant perimeter<sup>2</sup> and exchange rates, the growth of sales was equal to 8.0%, driven by the good performance of the American and Asian markets where consumers demand for premium eyewear collections was more solid, in particular in sunglasses.  
In Europe, the Group posted a more moderate improvement of sales, with France, Spain and key accounts achieving the best results.
- Operating performance grew in the fourth quarter thanks to a recovery of gross margin and a lighter incidence of SG&A expenses. This result, supported by the reduction of financial expenses, allowed the Group to register a positive net result of Euro 4.4 million (1.7% margin).

This press release uses some 'alternative performance indicators' not foreseen by the IFRS-EU accounting standards (EBITDA, Net Financial Position, Net Capital Employed and Free Cash Flow), and whose meaning and contents are illustrated in the specific section of the press release and in accordance with the CESR/05-178b recommendation published 3<sup>rd</sup> November 2005.

## Press release

In full year 2010, the Group's revenues were up 6.8% over 2009 (+6.0% at constant perimeter<sup>2</sup> and exchange rates), EBITDA grew by 85.1% to Euro 107.8 million and the net result was at break-even, positive for Euro 0.7 million.

The improved operating and financial performance, coupled with more focused investments in the core business and the careful control of working capital during the year, allowed the Group to close 2010 with a free cash flow of Euro 74.3 million and to reduce the net debt to 2.4x EBITDA.

Roberto Vedovotto, Chief Executive Officer of the Safilo Group, commented:

*“2010 will be remembered as one of the most meaningful years in Safilo's history and has been characterized by some significant key milestones.*

*Our new journey started in March with the successful completion of the recapitalization plan which allowed us to rebalance the Group's capital structure and represented the starting point of a process of ongoing improvements of our economic and financial results, strengthening of the Group's management team, and renewal of the partnerships with some of the most prestigious fashion and luxury brands.*

*After two challenging years, Safilo has begun to grow again, leveraging on its critical success factors, in the context of a general improvement of the business environment in the more mature markets and of the strong demand for premium eyewear products in the so-called emerging countries.*

*Throughout the year, in each of the four quarters we registered top-line growth, significant recovery in profitability and cash flow generation that allowed us to progressively reduce our net debt.*

*In particular, in the fourth quarter we confirmed the progress registered in the first nine months of the year, and our net financial position was at the lowest level in almost ten years.*

*Today, we are operating in a healthier economic environment and despite the uncertainties which still persist in selected areas, there are potential business opportunities which we could capitalize on with our enhanced and focused business model.”*

## Financial highlights

(in millions of euro)	2010	2009	% Change	Q4 2010	Q4 2009	% Change
Net sales	1,079.9	1,011.2	+6.8%	261.8	236.5	+10.7%
Gross profit	629.9	572.5	+10.0%	147.2	126.1	+16.7%
%	58.3%	56.6%		56.2%	53.3%	
EBITDA	107.8	58.2	+85.1%	25.4	10.7	n.s.
%	10.0%	5.8%		9.7%	4.5%	
<i>EBITDA from ordinary activities</i>	107.8	65.7 *	+64.2%			
%	10.0%	6.5%				
Operating profit/(loss)	67.8	(270.7)	n.s.	15.4	(136.2)	n.s.
%	6.3%	-26.8%		5.9%	-57.6%	
<i>Operating profit/(loss) from ordinary activities</i>	67.8	16.1 **	n.s.	15.4	(5.5) **	n.s.
%	6.3%	1.6%		5.9%	-2.3%	
Net profit/(loss) attrib. to the Group	0.7	(351.4)	n.s.	4.4	(165.3)	n.s.
%	0.1%	-34.8%		1.7%	-69.9%	
<i>Net profit/(loss) attrib. to the Group, from ordinary activities</i>	0.7	(33.7) ***	n.s.	4.4	(12.9) ***	n.s.
%	0.1%	-3.3%		1.7%	-5.5%	

\* in 2009, before the provision of Euro 7.4m for non-recurring costs related to the industrial reorganisation.

\*\* in the fourth quarter of 2009, before the write down of goodwill of Euro 137.0m.

In 2009, before the provision of Euro 7.4m, the write down of goodwill of Euro 257.7m and the loss on the sale of the retail activities of Euro 21.7m.

\*\*\* in the fourth quarter of 2009, before the write down of goodwill of Euro 137.0m and of deferred taxes of Euro 21.7m.

In 2009, before the provision of Euro 7.4m, the write down of goodwill of Euro 257.7m, the loss on the sale of the retail activities of Euro 21.7m and the write down of deferred taxes of Euro 30.9m.

In the fourth quarter of 2010, **net sales** of Safilo Group totalled Euro 261.8 million, up 10.7% compared to Euro 236.5 million reported in the fourth quarter of 2009 (+8.0% at constant perimeter<sup>2</sup> and exchange rates). In full year 2010, the Group's revenues reached Euro 1,079.9 million, increasing by 6.8% over 2009 (+6.0% at constant perimeter<sup>2</sup> and exchange rates).

The trend in sales was the result of:

- the performance of the wholesale channel, with revenues of Euro 241.8 million in the fourth quarter of 2010, up 13.8% at current exchange rates (+7.5% at constant exchange rates) compared to Euro 212.4 million in the same period of 2009.  
All the top licensed brands achieved double digit growth rates in the quarter, driven by solid volume increases and improving price/mix, particularly in the fast growing markets. The house brand Carrera continued to perform well, with very good results in Europe and in the US market thanks to its further expansion process.  
In full year 2010, the wholesale channel grew by 9.8% to Euro 992.9 million (+5.3% at constant exchange rates), compared to Euro 904.4 million in 2009.
- the performance of the retail channel, with sales of Euro 20.0 million in the fourth quarter of 2010, up 14.9% at constant perimeter<sup>2</sup> and exchange rates, mostly thanks to the strong results of the sunglass business at the Group's Solstice stores in the US. In full year 2010, retail sales increased by 15.6% at constant perimeter<sup>2</sup> and exchange rates.  
Taking into account the disposal of the Australian and Spanish stores which occurred in December 2009, the retail channel reported a contraction of 17.3% in the fourth quarter and of 18.5% in full year 2010.

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**From a geographical standpoint**, in the fourth quarter of 2010, sales in the Americas grew to Euro 109.3 million, up 24.7% at current exchange rates, 13.2% at constant exchange rates, further accelerating the pace of growth achieved in the previous nine months of 2010.

This performance was the result of the positive sunglass business in North America across all the Group's important brands and distribution channels as well as the strong rise of Latin American markets where the Group is increasing its focus in terms of organisation and service.

In full year 2010, sales in the Americas reached Euro 460.5 million, increasing by 15.1% at current exchange rates, 7.8% at constant exchange rates.

Sales performance in Europe remained positive in the fourth quarter of 2010 (at constant perimeter and exchange rates), despite some areas of market weakness and volatility. France, Spain and key accounts achieved the best results thanks to the good performance of the top licensed brands as well as the already mentioned growing penetration of the house brand Carrera. Sales in Italy remained relatively stable, while Greece continued to be weak.

In the fourth quarter of 2010, sales stood at Euro 106.2 million, -0.6% compared to the same period of 2009, +2.4% at constant perimeter and exchange rates.

In full year 2010, sales in Europe totalled Euro 440.4 million, contracting by 1.0% over 2009. Sales increased by 2.3% at constant perimeter and exchange rates, despite the distribution rationalization in the close-out channels.

Asian markets registered double digit growth rates also in the fourth quarter of 2010, with particularly strong results in China where the Group's business more than doubled in the period thanks to the growing success of the high-end collections.

The travel retail business continued to support the region's performance, whereas trading conditions in Japan marginally improved.

Sales in Asia in the fourth quarter of 2010 were of Euro 40.7 million, up 25.5% at current exchange rates, 14.0% at constant exchange rates. In full year 2010, sales in the region totalled Euro 161.6 million, increasing by 23.7% at current exchange rates, 15.7% at constant exchange rates.

**Gross profit**, amounting to Euro 147.2 million in the fourth quarter of 2010, grew by 16.7% compared to the gross profit of Euro 126.1 million registered in the fourth quarter of 2009.

Like in the previous quarters of the year, profitability improved thanks to the better absorption of production capacity, reaching 56.2% of sales from the 53.3% of the same period of 2009.

In full year 2010, gross profit totalled Euro 629.9 million, 58.3% of sales compared to 56.6% reported in the full year 2009.

**Operating profit (EBIT)** totalled Euro 15.4 million in the fourth quarter of 2010, compared to the operating loss from ordinary activities of Euro 5.5 million registered in the fourth quarter of 2009.

Operating profitability stood in the period at 5.9% of sales thanks to the recovery of the industrial margin and the lower incidence of SG&A expenses, mainly as a result of lower retail costs after the sale of the retail chains in Australia and Spain. Selling and marketing costs also benefitted of the more efficient commercial organisation implemented by the Group.

In full year 2010, operating profit totalled Euro 67.8 million compared to the operating profit from ordinary activities of Euro 16.1 million of full year 2009.

Operating profitability in 2010 improved to 6.3% of sales compared to the 1.6% margin from ordinary activities of 2009.

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**EBITDA** was equal to Euro 25.4 million in the fourth quarter of 2010 compared to the EBITDA of Euro 10.7 million achieved in the same period of 2009. The EBITDA margin stood at 9.7% of sales, improving by 520 basis points over the 4.5% EBITDA margin reached in the fourth quarter of 2009.

EBITDA in full year 2010 totalled Euro 107.8 million, increasing by 64.2% compared to the EBITDA from ordinary activities of Euro 65.7 million registered in 2009. The margin improved to 10.0% of sales, 350 basis points over the 6.5% EBITDA margin from ordinary activities achieved in 2009.

**The Group's net result** was positive for Euro 4.4 million in the fourth quarter of 2010 compared to the loss from ordinary activities of Euro 12.9 million registered in the same period of 2009.

The strong reduction of net interest expenses, due to the much lower net debt, contributed to the positive quarterly net result, which allowed the Group to close full year 2010 at break-even, with a net income of Euro 0.7 million (the loss from ordinary activities was equal to Euro 33.7 million in 2009).

## Key Cash Flow data

(in millions of Euro)	2010	2009	Q4 2010	Q4 2009
Cash flow from operating activities before changes in working capital	39.1	(13.2)	4.9	(22.6)
Changes in working capital	58.5	24.7	9.5	18.1
Cash flow from (for) operating activities	97.6	11.5	14.4	(4.5)
Cash flow from (for) investment activities	(23.3)	(22.3)	(4.6)	6.0
<b>Free Cash Flow</b>	<b>74.3</b>	<b>(10.8)</b>	<b>9.8</b>	<b>1.5</b>

**Free Cash Flow** in 2010 was positive for Euro 74.3 million compared with the cash absorption of Euro 10.8 million recorded in 2009.

In the fourth quarter of 2010, the Group generated a positive free cash flow of Euro 9.8 million thanks to the stronger business fundamentals and to the further reduction of working capital. The latter was achieved despite the increase in stock operated by the Group in the last months of the year to respond to volumes growth and service improvement. The seasonal rise of inventories and trade receivables was in fact temporarily counterbalanced by the contextual increase of trade payables.

The gross outflow for investing activities stood at Euro 10.4 million in the fourth quarter of 2010 (Euro 6.1 million in the fourth quarter of 2009) and it was partially counterbalanced by the proceeds from the disposal of the retail operations in Mexico occurred in December 2010.

In full year 2010, total investments, net of disposals, stood at Euro 23.3 million (Euro 22.3 million in 2009), below depreciation and amortization costs which in 2010 totalled Euro 40.0 million (Euro 49.5 million in 2009).

**The Net Debt** at the end of December 2010 declined to Euro 256.2 million compared to Euro 262.7 million at the end of September 2010, taking the leverage ratio (Net debt/EBITDA adj. LTM) to 2.4x from 2.8x at the end of September.

## Press release

### **Outlook**

In the first months of 2011, Safilo Group continues to register positive trends across all its main product categories. As evident in the previous year, the American and Asian markets are recording the best performance, while the recovery remains more moderate in Europe, still weak in some areas.

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Following the Group's recent return to the net break-even point after two years of losses and the completion of the restructuring plan in March 2010 aimed at strengthening the Group's capital structure, the Board of Directors deemed it advisable not to propose to the Shareholders' Meeting the distribution of a dividend.

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### **Other information**

As required by Article 84-bis of the Regulations for Issuers, approved with Consob Resolution no. 11971 on May 14, 1999 and subsequent amendments, notice is hereby given that, with reference to the Stock Option Plan 2010 – 2013, the Board of Directors today awarded the Options of the Second Tranche, after having identified, on the basis of the proposal of the Remuneration Committee, the eligible beneficiaries. All information are indicated in the table in Appendix B.

The features of the instruments awarded are the same as those described in the press release issued on October 4, 2010 and in the documents related to the Plan, available on the web site of the company <http://www.safilo.com/it/investors.html>.

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- <sup>1</sup> The consolidated Financial Statements and Financial Statements are currently subject to audit activities as yet not concluded.
  - <sup>2</sup> Excluding the sold optical retail chains in Australia and Spain, which had recorded sales of Euro 8.4 million in the fourth quarter of 2009 and Euro 36.3 million in full year 2009.
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## Press release

### Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for the preparation of the company's financial documents, Mr. Francesco Tagliapietra, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

### Disclaimer

This document may contain forward-looking statements, relating to future events and operating, economic and financial results for Safilo Group. Such forecasts, due to their nature, imply a component of risk and uncertainty due to the fact that they depend on the occurrence of certain future events and developments. The actual results may therefore vary even significantly to those announced in relation to a multitude of factors

### Alternative Performance Indicators

The definitions of the "Alternative Performance Indicators", not foreseen by the IFRS-EU accounting principles and used in this press release to allow for an improved evaluation of the trend of economic-financial management of the Group, are provided below:

- EBITDA (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and amortization;
- The net financial position is for Safilo the sum of bank borrowings and short, medium and long-term loans, net of cash in hand and at bank;
- The net capital employed for Safilo is the sum of current assets and non-current assets net of current liabilities and non current liabilities, with the exception of the items previously considered in the Net Financial Position;
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities.

### Conference Call

Today, at 6.00 pm CET (5.00 pm GMT; 1.00 pm EST) a conference call will be held with the financial community during which the results of the fourth quarter and full year 2010 results will be discussed.

It is possible to connect to the call by dialling the following number: +39 02 69682336 or +44 207 7841036 (for journalists: +39 02 69682337) and quoting the following confirmation code: 4250359. The playback of the conference call will be available until March 18, 2011 by dialling the number +39 02 30413127 o +44 207 1111244 (access code: 4250359#). The conference call can also be followed with the webcast on the site [www.safilo.com/en/investors.html](http://www.safilo.com/en/investors.html).

The presentation will be available and downloaded from the company website.

### Notice of the call of the Ordinary Shareholders' Meeting

In the coming days, the notice of the call of the Ordinary Shareholders' Meeting will be available on the website [www.safilo.com/en/investors.html](http://www.safilo.com/en/investors.html), where the Report from the Directors to the Shareholders' Meeting on the proposals regarding the items on the agenda, will also be made available.

## Press release

### Appendix A

#### Sáfilo Group S.p.A.

##### Consolidated income statement

<i>(Euro/000)</i>	Year		
	2010	2009	Change %
Net sales	1,079,937	1,011,236	6.8%
Cost of sales	(450,026)	(438,752)	2.6%
<b>Gross profit</b>	<b>629,911</b>	<b>572,484</b>	<b>10.0%</b>
Selling and marketing expenses	(428,297)	(427,271)	0.2%
General and administrative expenses	(135,987)	(131,402)	3.5%
Other operating income (expenses), net	2,178	2,330	-6.5%
Restructuring cost non recurring	-	(7,422)	n.s.
Impairment loss on goodwill and loss on disposal of retail subsidiaries	-	(279,400)	n.s.
<b>Operating profit/(loss)</b>	<b>67,805</b>	<b>(270,681)</b>	<b>n.s.</b>
Share of income/(loss) of associates	500	360	38.8%
Interest expenses and other financial charges, net	(39,555)	(54,257)	-27.1%
<b>Profit/(Loss) before taxation</b>	<b>28,750</b>	<b>(324,578)</b>	<b>n.s.</b>
Income taxes	(24,186)	(26,211)	-7.7%
<b>Net profit/(loss)</b>	<b>4,564</b>	<b>(350,789)</b>	<b>n.s.</b>
Non controlling interests	3,833	659	n.s.
<b>Net profit/(loss) attributable to the Group</b>	<b>731</b>	<b>(351,448)</b>	<b>n.s.</b>
<b>EBITDA</b>	<b>107,844</b>	<b>58,249</b>	<b>85.1%</b>
Basic EPS (Euro)	0.015	(24.629)	
Diluted EPS (Euro)	0.015	(24.629)	

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## Press release

### Sàfilo Group S.p.A.

#### Consolidated Balance sheet

<i>(Euro/000)</i>	December 31, 2010	December 31, 2009	Change
<b>ASSETS</b>			
<b>Current assets</b>			
Cash in hand and at bank	88,267	37,386	50,881
Trade receivables, net	271,317	268,750	2,567
Inventory, net	220,443	208,373	12,070
Derivative financial instruments	-	-	-
Other current assets	60,471	64,311	(3,840)
<b>Total current assets</b>	<b>640,498</b>	<b>578,820</b>	<b>61,678</b>
<b>Non-current assets</b>			
Tangible assets	203,680	208,579	(4,899)
Intangible assets	13,731	18,106	(4,375)
Goodwill	550,013	518,419	31,594
Investments in associates	13,202	12,032	1,170
Financial assets available-for-sale	540	806	(266)
Deferred tax assets	50,705	41,718	8,987
Derivative financial instruments	177	228	(51)
Other non-current assets	13,763	11,916	1,847
<b>Total non-current assets</b>	<b>845,811</b>	<b>811,804</b>	<b>34,007</b>
<b>Total assets</b>	<b>1,486,309</b>	<b>1,390,624</b>	<b>95,685</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings	56,643	178,124	(121,481)
Trade payables	204,189	150,068	54,121
Tax payables	17,795	18,651	(856)
Derivative financial instruments	1,827	5,549	(3,722)
Other current liabilities	72,298	63,437	8,861
Provisions for risks and charges	6,679	4,087	2,592
<b>Total current liabilities</b>	<b>359,431</b>	<b>419,916</b>	<b>(60,485)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	287,794	447,282	(159,488)
Employee benefit liability	43,419	41,818	1,601
Provisions for risks and charges	19,392	20,968	(1,576)
Deferred tax liabilities	1,708	3,531	(1,823)
Derivative financial instruments	265	-	265
Other non-current liabilities	7,265	11,117	(3,852)
<b>Total non-current liabilities</b>	<b>359,843</b>	<b>524,716</b>	<b>(164,873)</b>
<b>Total liabilities</b>	<b>719,274</b>	<b>944,632</b>	<b>(225,358)</b>
<b>Shareholders' equity</b>			
Share capital	284,110	71,349	212,761
Share premium reserve	461,491	745,105	(283,614)
Retained earnings (losses) and other reserves	9,689	(26,605)	36,294
Fair value and cash flow reserves	(21)	32	(53)
Income (Loss) attributable to the Group	731	(351,448)	352,179
<b>Total shareholders' equity attributable to the Group</b>	<b>756,000</b>	<b>438,433</b>	<b>317,567</b>
<b>Non controlling interests</b>	<b>11,035</b>	<b>7,559</b>	<b>3,476</b>
<b>Total shareholders' equity</b>	<b>767,035</b>	<b>445,992</b>	<b>321,043</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,486,309</b>	<b>1,390,624</b>	<b>95,685</b>

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### Sàfilo Group S.p.A.

#### Consolidated statement of cash flows

(Euro/000)	Year	
	2010	2009
<b>A - Opening net cash and cash equivalents (net financial indebtedness - short term)</b>	<b>(20,919)</b>	<b>(20,442)</b>
<b>B - Cash flow from (for) operating activities</b>		
Net profit (loss) for the period (including minority interests)	4,564	(350,789)
Depreciation and amortization	40,040	49,530
Impairment loss on goodwill and other non current assets	-	257,716
Loss on disposal of retail subsidiaries	-	21,684
Stock option	167	-
Share income/(loss) on equity investments	(44)	1,910
Net movements in the employee benefit liability	1,771	2,468
Net movements in other provisions	3,288	7,677
Interest expenses, net	26,965	42,574
Income tax expenses	24,185	26,211
<b>Income from operating activities prior to movements in working capital</b>	<b>100,936</b>	<b>58,981</b>
(Increase) Decrease in trade receivables	8,656	32,785
(Increase) Decrease in inventory, net	(8,375)	56,603
Increase (Decrease) in trade payables	52,861	(51,783)
(Increase) Decrease in other current receivables	5,462	(3,424)
Increase (Decrease) in other current payables	(94)	(9,520)
Interest expenses paid	(29,058)	(42,376)
Income tax paid	(32,796)	(29,791)
<b>Total (B)</b>	<b>97,593</b>	<b>11,476</b>
<b>C - Cash flow from (for) investing activities</b>		
Purchase of property, plant and equipment (net of disposals)	(26,734)	(31,332)
Disposal of retail subsidiaries (net of cash disposed of)	5,853	12,175
(Acquisition) Disposal of investments and bonds	-	128
Purchase of intangible assets	(2,430)	(3,245)
<b>Total (C)</b>	<b>(23,311)</b>	<b>(22,274)</b>
<b>D - Cash flow from (for) financing activities</b>		
Proceeds from borrowings	605	34,500
Repayment of borrowings	(242,752)	(15,948)
Share capital increase net of payed fees	260,576	-
Dividends paid	(2,148)	(3,143)
<b>Total (D)</b>	<b>16,281</b>	<b>15,409</b>
<b>E - Cash flow for the period (B+C+D)</b>	<b>90,563</b>	<b>4,611</b>
Translation exchange difference	2,851	(5,088)
<b>Total (F)</b>	<b>2,851</b>	<b>(5,088)</b>
<b>G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)</b>	<b>72,495</b>	<b>(20,919)</b>

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## Press release

**Säfilo Group S.p.A.**  
*Consolidated net sales*

Net sales by geographical area (Euro in millions)	Year				
	2010	%	2009	%	Change %
Europe	440.4	40.8	444.7	44.0	-1.0
The Americas	460.5	42.6	400.0	39.6	+15.1
Asia	161.6	15.0	130.6	12.9	+23.7
Rest of the world	17.4	1.6	35.9	3.5	-51.5
<b>Total</b>	<b>1,079.9</b>	<b>100.0</b>	<b>1,011.2</b>	<b>100.0</b>	<b>+6.8</b>

  

Net sales by product (Euro in millions)	Year				
	2010	%	2009	%	Change %
Prescription frames	410.9	38.0	402.0	39.8	+2.2
Sunglasses	586.2	54.3	524.6	51.9	+11.7
Sport products	70.3	6.5	60.1	5.9	+17.0
Other	12.5	1.2	24.5	2.4	-49.0
<b>Total</b>	<b>1,079.9</b>	<b>100.0</b>	<b>1,011.2</b>	<b>100.0</b>	<b>+6.8</b>

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## Press release

### Sàfilo Group S.p.A.

#### Income statement

<i>(Euro)</i>	Year		
	2010	2009	Change %
Net sales	1,030,000	1,030,000	0.0%
Cost of sales	-	-	-
<b>Gross profit</b>	<b>1,030,000</b>	<b>1,030,000</b>	<b>0.0%</b>
Selling and marketing expenses	-	-	-
General and administrative expenses	(5,054,826)	(1,576,960)	n.s.
Other operating income (expenses), net	16,202	28,591	-43.3%
<b>Operating profit/(loss)</b>	<b>(4,008,624)</b>	<b>(518,369)</b>	<b>n.s.</b>
Interest expenses and other financial charges, net	61,393	20,866	n.s.
Write-down of investments in subsidiaries	-	(359,472,000)	-100.0%
<b>Profit/(Loss) before taxation</b>	<b>(3,947,231)</b>	<b>(359,969,503)</b>	<b>-98.9%</b>
Income taxes	(578,417)	-	-
<b>Net profit/(loss)</b>	<b>(4,525,648)</b>	<b>(359,969,503)</b>	<b>-98.7%</b>
Basic EPS (Euro)	(0.092)	(25.226)	
Diluted EPS (Euro)	(0.091)	(25.226)	

## Press release

### Sàfilo Group S.p.A.

#### Balance sheet

<i>(Euro)</i>	December 31, 2010	December 31, 2009	Change
<b>ASSETS</b>			
<b>Current assets</b>			
Cash in hand and at bank	935,831	490,087	445,744
Trade receivables, net	2,776,113	1,540,113	1,236,000
Other current assets	54,930,900	53,219,523	1,711,377
<b>Total current assets</b>	<b>58,642,844</b>	<b>55,249,723</b>	<b>3,393,121</b>
<b>Non-current assets</b>			
Intangible assets	34,000	68,000	(34,000)
Investments in subsidiaries	702,660,209	447,000,218	255,659,991
Deferred tax assets	-	-	-
<b>Total non-current assets</b>	<b>702,694,209</b>	<b>447,068,218</b>	<b>255,625,991</b>
<b>Total assets</b>	<b>761,337,053</b>	<b>502,317,941</b>	<b>259,019,112</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade payables	2,376,547	1,247,820	1,128,727
Tax payables	160,030	44,643	115,387
Other current liabilities	4,549,805	2,010,725	2,539,080
<b>Total current liabilities</b>	<b>7,086,382</b>	<b>3,303,188</b>	<b>3,783,194</b>
<b>Non-current liabilities</b>			
Employee benefit liability	93,536	81,646	11,890
Other non-current liabilities	8,465,615	9,453,659	(988,044)
<b>Total non-current liabilities</b>	<b>8,559,151</b>	<b>9,535,305</b>	<b>(976,154)</b>
<b>Total liabilities</b>	<b>15,645,533</b>	<b>12,838,493</b>	<b>2,807,040</b>
<b>Shareholders' equity</b>			
Share capital	284,109,825	71,348,532	212,761,293
Share premium reserve	461,491,314	745,104,718	(283,613,404)
Retained earnings (losses) and other reserves	4,616,029	32,995,701	(28,379,672)
Net profit (loss) of the year	(4,525,648)	(359,969,503)	355,443,855
<b>Total shareholders' equity</b>	<b>745,691,520</b>	<b>489,479,448</b>	<b>256,212,072</b>
<b>Total liabilities and shareholders' equity</b>	<b>761,337,053</b>	<b>502,317,941</b>	<b>259,019,112</b>

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## Press release

**Sàfilo Group S.p.A.**

*Statement of cash flows*

<i>(Euro)</i>	Year	
	2010	2009
<b>A - Opening net cash and cash equivalents (net financial indebtedness - short term)</b>	<b>490,087</b>	<b>2,685,664</b>
<b>B - Cash flow from (for) operating activities</b>		
Net profit (loss) for the year	(4,525,648)	(359,969,503)
Write down on equity investments	-	359,472,000
Amortization	34,000	34,000
Stock option	7,164	-
Net movements in the employee benefit liability	6,235	(2,470)
Interest expenses	45	50
Income tax expenses	-	-
<b>Income (loss) from (for) operating activities prior to movements in working capital</b>	<b>(4,478,204)</b>	<b>(465,923)</b>
(Increase) Decrease in receivables	(3,565,161)	(8,943,907)
Increase (Decrease) in payables	3,412,934	7,214,303
Interest expenses paid	(45)	(50)
Income tax paid	-	-
<b>Total (B)</b>	<b>(4,630,476)</b>	<b>(2,195,577)</b>
<b>C - Cash flow from (for) investing activities</b>		
(Investments) disinvestments in subsidiaries	(255,500,000)	-
<b>Total (C)</b>	<b>(255,500,000)</b>	<b>-</b>
<b>D - Cash flow from (for) financing activities</b>		
Share capital increase net of payed fees	260,576,220	-
<b>Total (D)</b>	<b>260,576,220</b>	<b>-</b>
<b>E - Cash flow for the period (B+C+D)</b>	<b>445,744</b>	<b>(2,195,577)</b>
<b>G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)</b>	<b>935,831</b>	<b>490,087</b>

## REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

Name or Category	Position (to be stated solely for persons individually named)	<b>BOX 2</b>						
		Option ( <i>option grant</i> )						
		<b>Section 2</b>						
		Newly granted options on the basis of the decision of the competent body pursuant to the shareholders' meeting resolution						
		Date of shareholders' meeting	Description of the instrument	Number of financial instruments underlying the options assigned for each person or category	Date of assignment by the BoD or the competent body	Strike price	Market price of the financial instruments as at the assignment date	Option maturity date
<b>MEMBER OF THE BOARD OF DIRECTOR OF THE ISSUING COMPANY</b>								
<b>ROBERTO VEDOVOTTO</b>	Chief Executive Officer	05/11/2010	<i>Options on the Safilo Group S.p.A. shares with physical settlement</i>	160,000.00 80,000.00	BoD 05/11/2010 BoD 16/03/2011	Euro 8.0470 Euro 12.55	Euro 11.92 <sup>1</sup> Euro 11.52 <sup>3</sup>	31/05/2016 31/05/2017
<b>MASSIMILIANO TABACCHI</b>	Member of the Board	05/11/2010	<i>Options on the Safilo Group S.p.A. shares with physical settlement</i>	30,000.00 15,000.00	BoD 05/11/2010 BoD 16/03/2011	Euro 8.0470 Euro 12.55	Euro 11.92 <sup>1</sup> Euro 11.52 <sup>3</sup>	31/05/2016 31/05/2017
<b>NAME OF THE GENERAL MANAGERS REFERRED TO IN ARTICLE 152-SEXIES, PARAGRAPH 1, SUBPARAGRAPH c)-c2 and c)-c3 OF THE ISSUER REGULATION</b>								
<b>VINCENZO GIANNELLI</b>	CFO	05/11/2010	<i>Options on the Safilo Group S.p.A. shares with physical settlement</i>	60,000.00 30,000.00	BoD 05/11/2010 BoD 16/03/2011	Euro 8.0470 Euro 12.55	Euro 11.92 <sup>1</sup> Euro 11.52 <sup>3</sup>	31/05/2016 31/05/2017
<b>KEY MANAGERS and OTHER EMPLOYEES</b>								
<b>KEY MANAGERS</b>		05/11/2010	<i>Options on the Safilo Group S.p.A. shares with physical settlement</i>	450,000.00	BoD 05/11/2010 BoD 14/12/2010	Euro 8.0470	Euro 11.92 <sup>1</sup> Euro 13.06 <sup>2</sup>	31/05/2016
				245,000.00	BoD 16/03/2011	Euro 12.55	Euro 11.52 <sup>3</sup>	31/05/2017

<sup>1</sup> "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on November, 4, 2010, the last day on which markets were open before the assignment date.

<sup>2</sup> "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on December, 13, 2010, the last day on which markets were open before the assignment date.

<sup>3</sup> "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on March, 15, 2011, the last day on which markets were open before the assignment date.

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## Press release

The Safilo Group is worldwide leader in the premium eyewear sector and maintains a leadership position in the prescription, sunglasses, fashion and sports eyewear sectors. Present in the international market through exclusive distributors and 30 subsidiaries in primary markets (U.S.A., Europe and Far East). The main proprietary branded collections distributed are: Safilo, Carrera, Smith Optics, Oxydo, Blue Bay, and the licensed branded collections are: Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS by Hugo Boss, Boss Orange, Dior, Emporio Armani, Fossil, Giorgio Armani, Gucci, HUGO by Hugo Boss, J.Lo by Jennifer Lopez, Jimmy Choo, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max&Co., Nine West, Pierre Cardin, Saks Fifth Avenue, Tommy Hilfiger, Valentino, Yves Saint Laurent.

This press release is also available on the website [www.safilo.com](http://www.safilo.com).

*For further information:*

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