Press release

THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES THE FINANCIAL RESULTS AT 30TH SEPTEMBER 2009

Key highlights of the first 9 months of 2009:

- ***Net Sales at Euro 774.7 million***
- ***EBITDA from ordinary activities at Euro 55.0 million, 7.1% margin***
- ***Net financial debt at Euro 586.3 million***

Recapitalisation Plan

- ***Only 1.03% extra of the Safilo Notes have been tendered at Early Bird date***
- ***HAL pays 60 cts per Note up to November 18***
- ***If Tender Offer on Notes fails, the company will be in a hugely leveraged situation***

Padova, 11th November 2009 – The Board of Directors of SAFILO GROUP S.p.A. today approved the results for the first 9 months of 2009.

During the third quarter net sales have decreased by 7.0% at current exchange rates (-7.7% at constant exchange rate).

During the third quarter Europe registered a slight improvement, whilst the US market has remained stable in comparison with the other quarters of the year. Asia remains the region where we suffer the most, Japan not showing any signs of recovery yet.

During the third quarter the wholesale channel (90% of sales) has decreased by 9.5% at current exchange rates (-10.4% at constant exchange rate) whilst sales of the retail operations grew slightly due to new openings (comp growth was negative by 15.5%)

The first 9 months results have been impacted by non-cash, non-recurring items amounting to Euro 128.1 million, related to the industrial reorganization and the write-off of the goodwill associated with certain Cash Generating Units. In addition, the completion of the proposed transaction with HAL (and specifically the disposal to HAL of the non-strategic retail network) would result in additional non-cash, non-recurring losses amounting to approximately Euro 28 million.

Recapitalisation

On October 19th the Board of Directors approved the recapitalization plan in co-operation with HAL Holding to strengthen Safilo's capital structure and we expect to have a cash inflow for a total amount of Euro 283 million, which will provide the necessary financial flexibility in the long term.

Condition precedent to the overall recapitalization plan is, amongst others, the successful completion, by November 18th, 2009, of the cash tender offer launched by HAL for the outstanding Safilo Notes 2013. The company has been informed by HAL that only 1.03% has been tendered at the Early Bird date (in addition to the 38.76% committed prior to the Tender Offer by existing Note-holders). The company has also been informed that currently HAL does not own any of the Safilo Notes itself. As a result, the chance that the tender will not be successful cannot be neglected.

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 3rd November 2005.

In such event, the overall recapitalization plan might not take place and the company would again be in a highly leveraged situation and will, in all likelihood, default under its banking facilities by year-end.

Shareholders' meeting

The Board of Directors has resolved to re-call the shareholders' meeting, already called for 23rd, 24th and 30th November 2009 (in first, second and third call), for 14th, 15th and 16th December 2009 (in first, second and third call) to deliberate the same items already in the agenda, given that antitrust clearance in connection with the possible acquisition of the control of the company by HAL is only expected to be received just before these dates.
The retraction of the previous call and the notice of the new call will be published tomorrow, 12th November 2009, in a national newspaper and will be made available on the Company's internet website at www.safilo.com/en/investors.html.

Principal financial highlights

Key Operating data of Safilo Group

(in millions of euro)	9 Months 2009	9 Months 2008	% Change	Q3 2009	Q3 2008	% Change
Net sales	774.7	865.7	-10,5%	212.6	228.7	-7,0%
Gross profit	446.4	503.2	-11,3%	115.2	130.1	-11,5%
%	57.6%	58.1%		54.2%	56.9%	
EBITDA	47.5	101.8	-53,3%	3.5	16.7	-79,1%
%	6.1%	11.8%		1.6%	7.3%	
*EBITDA from ordinary activities **	*55.0*	101.8	-46,0%	*3.5*	16.7	-79,1%
%	7.1%	11.8%		1.6%	7.3%	
Operating profit/(loss)	(134.5)	71.7	n.s.	(35.6)	6.5	n.s.
%	-17.4%	8.3%		-16.8%	2.9%	
*Operating profit/(loss) from ordinary activities ***	*21.7*	71.7	-69,8%	*(7.6)*	6.5	n.s.
%	2.8%	8.3%		-3.6%	2.9%	
Net profit/(loss) attrib. to the Group	(186.2)	14.5	n.s.	(50.1)	(6.7)	n.s.
%	-24.0%	1.7%		-23.6%	-2.9%	
*Net profit/(loss) attrib. to the Group, from ordinary activities ***	*(30.0)*	14.5	n.s.	*(22.1)*	(6.7)	n.s.
%	-3.9%	1.7%		-10.4%	-2.9%	

* for the 9 months 2009, before the provision of 7.4 million euro for non recurring costs related to the industrial reorganisation plan
** for the third quarter 2009, before the write down of assets for 28 million Euro in view of the possible impact of the sale of retail companies, which will presumably be concluded in the fourth quarter of 2009. For the 9 months 2009, before the provision of 7,4 million euro, the goodwill write down of 120.7 million euro and the write down of assets for 28 million Euro in view of the possible impact of the sale of retail companies.

Net Sales of Safilo Group, in the first nine months of 2009, reached 774.7 million Euro, down by 10.5% compared to the 865.7 million Euro registered in the first nine months of 2008.
At constant exchange rates, net sales registered a decrease of 13.3%.
In the third quarter, Safilo recorded revenues for 212.6 million Euro, a decrease of 7.0% compared to the same period of 2008. At constant exchange rates, the slowdown in the third quarter was equal to 7.7%.

In the geographical breakdown, the American market experienced, in the first nine months of 2009, a contraction at current exchange rates of 3.6% (-10.6% at constant exchange rates). In the third quarter of 2009 sales in the area registered a slight improvement compared to the previous quarters of the year, declining by 7.9% at current exchange rates (-8.8% at constant exchange rates). Sales performance of the independent opticians (normally used by the American consumers for the purchase of prescription frames) remained satisfactory. In the USA, sales performance of prescription frames was affected by the strong growth of these products during the third quarter 2008. On the other hand, in the third quarter 2009, the offer of more accessible price ranges for sunglasses became stronger.
Sales in department stores and in the large retail chains continued to be very weak.

The European market closed the first nine months of 2009 with a fall of 17.8%, recording a decrease of 11.7% (-9.4% at constant exchange rates) in the course of the third quarter. Within these results, the good performance of the house brand Carrera is included, which recorded a growth over 30% in the first nine months of 2009. After representing a mass phenomenon during 2008, Carrera is progressively expanding its market reach, in particular in Spain and France.

The performance in Asia, which decreased by 12.1% at current exchange rates in the first nine months of 2009 (-19.0% at constant exchange rates), registered a slowdown of 16.9% at current exchange rates during the course of the third quarter of 2009 (-17.6% at constant exchange rates). The Japanese market, more oriented towards the highest price point products, did not indicate any recovery. During the third quarter 2009, other important countries, such as China and Hong Kong, remained weak.

Performance by distribution channel. In the first nine months of 2009 the wholesale turnover reached 692.0 million Euro, compared to the 787.7 million Euro of the first nine months of 2008, highlighting a contraction in the channel of 12.1% at current exchange rates (-15.2% at constant exchange rates). In the third quarter of 2009, the wholesale turnover reached 184.3 million Euro compared to the 203.7 million Euro of the third quarter of 2008. The decrease in the channel in the quarter was equal to 9.5% at current exchange rates (-10.4% at constant exchange rates).

The retail business, which at the end of September 2009 counted 326 directly operated stores (307 stores in September 2008), recorded, in the first nine months of 2009, a growth of 6.0% at current exchange rates (+5.0% at constant exchange rates), thanks to the greater number of stores. The result of the directly operated channel was penalised by the performance of those stores open for at least a year.
In the third quarter of 2009, the retail channel grew by 13.2% at current exchange rates (+14.4% at constant exchange rates).

The **Gross Profit** which, in the first nine months of 2009 reached 57.6% of sales at 446.4 million Euro, compared to 58.1% registered in the first nine months of 2008 (503.2 million Euro), was substantially stable thanks to the new development and industrialization processes for the collections, and the lower costs relating to obsolete products.
In the third quarter of 2009, the Profit decreased compared to the corresponding period of 2008, reaching 54.2% of sales (56.9% in the third quarter of 2008). The result was affected by the further under-utilization of the production capacity during the quarter and the consequent lower absorption of industrial fixed costs.

With regards to selling, administrative and general costs, the greater incidence of costs in the first nine months of 2009 was due to the new openings in the retail channel and the negative performance recorded by the directly operated stores open for more than a year.
To add to this, in the wholesale channel, is the greater incidence on sales of some fixed costs, such as the advertising and marketing expenses related for many licensed brands to the previous year's sales, and the royalties which are guaranteed for a fix amount.

The agreement reached with the trade unions regarding the resizing of production capacity in Italy and Slovenia, which involves around 750 people, led to the definition of an incentives plan and unemployment benefits for the workers for a value of 7.4 million Euro, the full amount being set aside in the first semester 2009.

EBITDA from ordinary activities (gross of the provision for non-recurring costs) in the first nine months of 2009 was equal to 55.0 million Euro compared to 101.8 million Euro registered in the first nine months of 2008. The gross operating margin reached 7.1% of sales compared to 11.8% during the same period of the previous year.
In the third quarter of 2009, EBITDA from ordinary activities was equal to 3.5 million Euro (1.6% of sales) compared to the 16.7 million Euro registered in the third quarter of 2008 (7.3% of sales). This

result was also influenced by the greater allowance for doubtful accounts that the Group decided to set apart in light of the still uncertain business environment.

As already explained during the first semester 2009, in consideration of the evolution of market conditions, the Group considered it appropriate to carry out a complete impairment test on its goodwill value. The evolution of the market in which the company is operating, the increase of the risk rates and growth rates, applied to the single Cash Generating Units, suggested the Group write down the value of goodwill to 120.7 million Euro (equal to 14.9% of the total value of the goodwill).
In relation to the previously announced recapitalization plan to be operated by HAL Holding N.V. (HAL), Safilo also decided to wrote off assets for 28 million Euro in the third quarter in view of the possible impact of the sale of retail companies, which will presumably be concluded in the fourth quarter of 2009.

Operating profit (EBIT) from ordinary activities (gross of the provision for non-recurring costs and the write down of assets), in the first nine months of 2009, was equal to 21.7 million Euro compared to 71.7 million Euro of the first nine months of 2008. The operating profitability reached 2.8% of sales compared to 8.3% in the same period of the previous year.
In the third quarter of 2009, the operating profit (EBIT) from ordinary activities was equal to a loss of 7.6 million Euro (-3.6% of sales) compared to an operating profit of 6.5 million Euro registered in the third quarter of 2008 (2.9% of sales).

The Group's net result from ordinary activities (gross of the provision for non-recurring costs and the write down of assets), in the first nine months of 2009 was negative for 30.0 million Euro compared to the net profit of 14.5 million Euro in the first nine months of 2008.
In the third quarter of 2009, the net loss from ordinary activities was equal to 22.1 million Euro compared to the net loss of 6.7 million Euro registered in the third quarter of 2008.
The net result of the period was affected by the non accrual of deferred tax assets, while the net financial costs were further reduced following the positive impact of exchange rate differences in the dollar denominated debt.

Key Cash flow data of Safilo Group

(in millions of Euro)	9 Months 2009	9 Months 2008
Cash flow from operating activities before changes in working capital	9.4	50.4
Changes in working capital	6.6	0.3
Cash flow from (for) operating activities	16.0	50.7
Cash flow from (for) investment activities	(28.3)	(76.2)
Free Cash Flow	(12.3)	(25.5)

The Free Cash Flow relating to the first nine months of 2009 improved, registering a cash absorption of 12.3 million Euro, compared to a cash absorption of 25.5 million Euro in the first nine months of 2008.
This result was due to the lower absorption of resources from investing activities, amounting to 28.3 million Euro in the first nine months of 2009 compared to the 76.2 million Euro recorded in the first nine months of 2008. The investments concerned the renewal and improvement of the production sites and the completion of the new production site in China.

The cash flow from operating activities was equal to 16.0 million Euro in the first nine months of 2009 compared to the 50.7 million Euro in the first nine months of 2008, owing to the lower net result of the period and to the better management of working capital in particular in the component relating to the reduction of inventories.

The Net Financial Position reached, at the end of September 2009, 586.3 million Euro, an improvement compared to the 592.1 million Euro registered at the end of June 2009. The increase compared to 570.0 million Euro at 31 December 2008, is instead due to the normal cyclical nature of the business.

Outlook for the year

The volatility of the current market demand suggests the management should provide only quarterly updates.

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 contains 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

At 6.00 pm CET today a conference call will be held with the financial community during which the results of the first nine months and third quarter 2009 will be reviewed.
It is possible to connect to the call by dialling the following number: +39 02 36269665 or +44 203 0379162 (for journalists: +39 02 36009085) and to listen to the playback by dialling the number +39 02 36008100 or +44 208 1961998 (access code: 6670820#). The conference call can also be followed with the webcast on the site www.safilo.com/en/investors.html.
The presentation is available and may be downloaded from the company website in the Presentations section.

Intermediate report at 30th September 2009

Please note that before the end of the day, the intermediate report at 30th September 2009 will be made available to the public at the company's registered offices and the offices of Borsa Italiana S.p.a.; furthermore, the report will be published on the company's internet website at the address www.safilo.com/en/investors.html

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 39 subsidiaries in primary markets (U.S.A., Europe and Far East). The main proprietary branded collections distributed are: Safilo, Carrera, Smith, Oxydo, Blue Bay, and the licensed branded collections are: Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS by Hugo Boss, Diesel, 55DSL, 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, Valentino, Yves Saint Laurent.

This press release is also available on the website www.safilo.com.

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Sàfilo Group S.p.A.

Consolidated statement of operations

	Nine months ended September 30,			3rd quarter		
(Euro/000)	2009	2008	Change %	2009	2008	Change %
Net sales	774,700	865,726	-10.5%	212,559	228,766	-7.1%
Cost of sales	(328,304)	(362,570)	-9.5%	(97,314)	(98,608)	-1.3%
Gross profit	**446,396**	**372,998**	**19.7%**	**115,245**	**180,058**	**-36.0%**
Selling and marketing expenses	(325,609)	(336,910)	-3.4%	(90,711)	(93,958)	-3.5%
General and administrative expenses	(99,772)	(95,037)	5.0%	(32,227)	(30,345)	6.2%
Other op. income and (expenses), net	648	446	n.s.	88	708	n.s.
Restructuring cost non recurring	(7,422)	-	n.s.	-	-	n.s.
Impairment loss on goodwill	(148,695)	-	n.s.	-	-	n.s.
Operating profit (loss)	**(134,454)**	**65,092**	**n.s.**	**(7,605)**	**28,212**	**n.s.**
Share of income (loss) of associates	(76)	732	n.s.	285	657	n.s.
Interest expense and other financial charges, net	(32,284)	(40,700)	-20.7%	(9,703)	(14,153)	-31.4%
Profit (loss) before taxation	**(166,814)**	**38,620**	**n.s.**	**(17,023)**	**15,373**	**n.s.**
Income taxes	(18,335)	(14,912)	23.0%	(4,951)	738	-770.9%
Net profit (loss)	**(185,149)**	**22,970**	**n.s.**	**(21,974)**	**8,446**	**n.s.**
Net profit attributable to minority interests	1,008	2,289	-56.0%	168	385	-56.4%
Net profit (loss) attributable to the Group	**(186,157)**	**21,066**	**n.s.**	**(22,142)**	**7,860**	**n.s.**
EBITDA	**47,540**	**101,817**	**-53.2%**	**3,476**	**16,664**	**-79.1%**
Basic EPS (Euro)	(0.65)	0.05		(0.18)	(0.02)	
Diluted EPS (Euro)	(0.65)	0.05		(0.18)	(0.02)	

Sàfilo Group S.p.A.

Consolidated net sales

Net sales by geographical region	Nine months ended September 30,					Third Quarter				
(Euro in millions)	2009	%	2008	%	Ch. %	2009	%	2008	%	Ch. %
Europe	337.9	43.6	411.0	47.5	-17.8	81.0	38.1	91.7	40.1	-11.7
The Americas	312.3	40.3	323.9	37.4	-3.6	96.1	45.2	104.3	45.6	-7.9
Asia	98.2	12.7	111.7	12.9	-12.1	24.5	11.5	29.5	12.9	-16.9
Other	26.3	3.4	19.1	2.2	37.7	11.0	5.2	3.2	1.4	243.8
Total	**774.7**	**100.0**	**865.7**	**100.0**	**-10.5**	**212.6**	**100.0**	**228.7**	**100.0**	**-7.0**

Net sales by product	Nine months ended September 30,					Third Quarter				
(Euro in millions)	2009	%	2008	%	Ch. %	2009	%	2008	%	Ch. %
Prescription frames	310.2	40.0	343.3	39.6	-9.6	95.7	45.0	111.4	48.8	-14.1
Sunglasses	410.8	53.0	466.0	53.8	-11.8	89.9	42.3	95.7	41.8	-6.1
Sport products	36.7	4.7	38.6	4.5	-4.9	19.4	9.1	16.1	7.0	20.5
Other	17.0	2.2	17.8	2.1	-4.5	7.6	3.6	5.5	2.4	38.2
Total	**774.7**	**100.0**	**865.7**	**100.0**	**-10.5**	**212.6**	**100.0**	**228.7**	**100.0**	**-7.0**

Sàfilo Group S.p.A.

Consolidated balance sheet

(Euro/000)	30/09/2009	31/12/2008	Change
ASSETS			
Current assets			
Cash in hand and at banks	46,211	53,653	(7,442)
Trade receivables, net	261,500	301,562	(40,062)
Inventory, net	221,852	272,102	(50,250)
Derivative financial instruments	0	772	(772)
Other current assets	59,981	50,703	9,278
Total current assets	**589,544**	**678,792**	**(89,248)**
Non-current assets			
Tangible fixed assets	221,997	228,758	(6,761)
Intangible fixed assets	21,848	22,725	(877)
Goodwill	677,260	807,209	(129,949)
Investments in associates	11,434	12,298	(864)
Financial assets available-for-sale	975	861	114
Deferred tax assets	50,932	53,434	(2,502)
Derivative financial instruments	284	455	(171)
Other non-current assets	12,201	12,838	(637)
Total non-current assets	**996,931**	**1,138,578**	**(141,647)**
Total assets	**1,586,475**	**1,817,370**	**(230,895)**
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	161,912	162,645	(733)
Trade payables	140,757	205,363	(64,606)
Tax payables	17,136	22,587	(5,451)
Derivative financial instruments	287	-	287
Other current liabilities	69,653	76,437	(6,784)
Provisions for risks and charges	29,066	1,053	28,013
Total current liabilities	**418,811**	**468,085**	**(49,274)**
Non-current liabilities			
Long-term borrowings	470,600	461,084	9,516
Employee benefit liability	44,580	42,075	2,505
Provisions for risks and charges	20,024	13,263	6,761
Deferred tax liabilities	6,454	5,184	1,270
Derivative financial instruments	6,380	5,740	640
Other non-current liabilities	16,691	17,662	(971)
Total non-current liabilities	**564,729**	**545,008**	**19,721**
Total liabilities	**983,540**	**1,013,093**	**(29,553)**
Equity			
Share capital	71,349	71,349	-
Share premium reserve	747,471	747,471	-
Losses carried forward and other reserves	(29,915)	7,980	(37,895)
Fair value and cash flow reserves	(8,087)	(7,620)	(467)
Profit attributable to the Group	(186,157)	(23,315)	(162,842)
Group shareholders' equity	**594,661**	**795,865**	**(201,204)**
Minority interests	**8,274**	**8,412**	**(138)**
Total shareholders' equity	**602,935**	**804,277**	**(201,342)**
Total liabilities and equity	**1,586,475**	**1,817,370**	**(230,895)**

Sàfilo Group S.p.A.

Consolidated statement of cash flow

(Euro/000)	Firs nine months 2009	Firs nine months 2008
A - Opening net cash and cash equivalents (net financial indebtness - short term)	**(20,442)**	**(28,469)**
B - Cash flow from (for) operating activities		
Net profit for the period (including minority interests)	(185,149)	16,775
Amortization & depreciation	33,300	30,163
Impairment loss on goodwill	148,695	-
Stock option	-	418
Share (income) loss on equity investments	288	(298)
Net movements in the employee benefit liability	2,549	3,585
Net movements in other provisions	6,780	308
Interest expenses	31,474	30,597
Income taxes	18,335	14,912
Income from operating activities prior to movements in net working capital	**56,272**	**96,460**
(Increase) Decrease in trade and other current receivables	33,976	6,459
(Increase) Decrease in inventory, net	49,430	22,329
Increase (Decrease) in trade and other current payables	(76,810)	(28,506)
Interest expenses paid	(29,523)	(22,585)
Income taxes paid	(17,333)	(23,435)
Total (B)	**16,012**	**50,722**
C - Cash flow from (for) investing activities		
Purchase of tangible fixed assets (net of disposals)	(24,231)	(42,159)
Business unit acquisition (net of cash and cash equivalents acquired)	-	(30,159)
(Acquisition) Disposal of investments in associates and financial assets	128	64
Purchase of intangible fixed assets	(4,218)	(3,901)
Total (C)	**(28,321)**	**(76,155)**
D - Cash flow from (for) financing activities		
Proceeds from borrowings	34,503	61,261
Repayment of borrowings	(7,018)	(17,819)
Share capital increase	-	-
Dividends distribution	(1,954)	(25,852)
Total (D)	**25,531**	**17,590**
E - Cash flow for the period (B+C+D)	**13,222**	**(7,843)**
Translation exchange difference	(5,232)	(1,412)
Total (F)	**(5,232)**	**(1,412)**
G - Closing net cash and cash equivalents (net financial indebtness - short term) (A+E+F)	**(12,452)**	**(37,724)**

Disclosure requirements in accordance with article 114, paragraph 5, of the Legislative Decree 58 of 24th February 1998 are provided below as already contained in the Nine-month financial report as of September 30th, 2009.

Main items of the Net financial position :

Net financial position *(Euro/000)*	**September 30, 2009**	**June 30 2009**	**Change Sept-Jun**	**December 31, 2008**	**Change Sept - Dec**
Current portion of long-term borrowings	(54.873)	(58.091)	3.218	(37.646)	(17.227)
Bank overdrafts and short-t. bank borrowings	(58.663)	(58.159)	(504)	(74.095)	15.432
Other short-term borrowings	(48.376)	(51.370)	2.994	(50.904)	2.528
Cash and cash equivalents	46.211	47.891	(1.680)	53.653	(7.442)
Short-term net financial position	**(115.701)**	**(119.729)**	**4.028**	**(108.992)**	**(6.709)**
Long-term borrowings	(470.600)	(472.415)	1.815	(461.084)	(9.516)
Long-term net financial position	**(470.600)**	**(472.415)**	**1.815**	**(461.084)**	**(9.516)**
Net financial position	**(586.301)**	**(592.144)**	**5.843**	**(570.076)**	**(16.225)**

Covenants in the current contractual agreement are calculated as a ratio between net financial position and EBITDA and EBITDA and financial income and expenses.
The Group obtained from the banks a derogation of the verification of the financial covenant's levels at June 30th, 2009 and the prorogation of the installment of June 30th, 2009 to December 31st, 2009.

It should be noted that on 19 October 2009 was issued by the banks a "letter of undertaking", which is attached the text of the final loan agreement called the "Amendment Agreement", which substantiates the restructuring agreement, which banks undertake to subscribe, subject to the transaction proposed by HAL Holding N.V. ("HAL"). The above restructuring agreement provides better conditions for the Group compared to the existing senior loan, such as increased duration, much lower margins and less stringent financial covenants as a whole and in particular, during the first 24 months, where it is expected that the two main financial covenants not be detected.

At September 30th, 2009 there are no situations of non-compliance with the covenants or other constraints defined by the loan contracts.

Overdue payables:

(Euro/000)	**at September 30, 2009**	**of which, overdue**	**%**
Current payables:			
Financial debts	161.912	0	0%
Trade payables	140.757	4.173	3%
Tax payables	17.136	0	0%
Other current liabilities	69.653	35	0%
Total	**389.458**	**4.208**	**1%**

At 30 September 2009, the current payables of the Group amounted to Euro 389,458 thousand. The share overdue at that time and not yet paid amounts to Euro 4.208 thousands, and relates to payments made mostly in October 2009 or debit positions presently subject to dispute.

In view of these payables overdue there is no significant action for the recovery forced by the creditors.

Related parties transactions:

Related parties transactions *(Euro/000)*	**Relationship**	**September 30, 2009**	**December 31, 2008**
Receivables			
Optifashion As	(a)	-	146
Elegance International Holdings Ltd	(b)	419	443
Minority shareholders	(c)	110	-
Island Cabo S.A. de C.V.	(c)	4	16
Leasing Cancun S.A. de C.V.	(c)	134	-
Servicios Optico del Caribe, S.C.	(c)	12	-
Total		**679**	**605**
Payables			
Elegance International Holdings Ltd	(b)	5.484	7.292
Minority shareholders	(c)	10	5
Leasing Cancun S.A. de C.V.	(c)	1.509	2.292
Servicios Optico del Caribe, S.C.	(c)	19	14
Total		**7.022**	**9.603**

Related parties transactions	**Relationship**		**Nine months ended September 30,**
(Euro/000)		**2009**	**2008**
Revenues			
Elegance International Holdings Ltd	(b)	2	8
Optifashion As	(a)	56	90
Minority shareholders	(c)	1	-
Island Cabo S.A. de C.V.	(c)	21	-
Total		**80**	**98**
Costs			
Elegance International Holdings Ltd	(b)	9.977	13.437
TBR Inc.	(b)	919	786
Minority shareholders	(c)	125	-
Island Cabo S.A. de C.V.	(c)	1	-
Leasing Cancun S.A. de C.V.	(c)	296	-
Servicios Optico del Caribe, S.C.	(c)	180	-
Total		**11.498**	**14.223**

(a) Unconsolidated subsidiary
(b) Associated company
(c) Company with minority shareholders of Mexican company Tide Ti S.A. de C.V.