Press Release

THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A.
APPROVES THE RESULTS OF THE FIRST HALF 2008

Results of the first half 2008:

- ***Net sales at 637.0 million Euro (667.8 in the first half 2007)***
- ***EBITDA at 85.2 million Euro (100.5 in the first half 2007)***
- ***Operating Profit at 65.1 million Euro (81.2 in the first half 2007)***
- ***Net Profit at 21.1 million Euro (33.3 in the first half 2007)***
- ***Net Financial Position at 541.2 million Euro (514.6 at the end of 2007 and 520.7 in the first half 2007)***

Padova, 30th July 2008, h. 5.30pm – The Board of Directors of SAFILO GROUP S.p.A. today reviewed and approved the results for the first half 2008.

The performance of the first six months of the year has suffered from the ever more marked weakness of the US dollar which, compared to the first half 2007, lost around 15% of its value to the single European currency.
The Group, that registers around 40% of its business in dollars, has seen its sales penalised as a result of the negative impact of exchange rates. At constant currencies, net sales in the first half in fact registered a growth of 1.3% compared to the same period of the previous year, while in the second quarter the improvement reached 1.8%.
The American market, at constant exchange rates, achieved double digit growth, thanks both to the consolidation of the new retail stores and the Sunglass Island chain in Mexico, and the good increase in volumes of prescription frames and sunglass sales in the wholesale business.
Asia also achieved double digit growth in the period at constant exchange rates, with particularly brilliant results in the Chinese and Korean markets.
During the second quarter the Group also began implementation of its retail strategy in Asia.
In the same period, the European market has instead experienced a further slowdown, and seen a reduction in the re-assortments of the main prescription frame and sunglass collections in the most important countries of the area.

"The first half of the year was characterised by strong volatility in consumer patterns, above all in Europe, our reference market." stated Massimiliano Tabacchi, Vice Chairman and Chief Executive Officer of Safilo.
"In the American market, we continue instead to achieve significant results as well as we maintain good growth rates in the Far East, where we have also opened the first two directly operated stores.
We are continuing with the development of our retail business, and are paying greater attention to those markets today more reactive.
We believe that the European market will continue to remain weak even in the upcoming months and we are therefore looking to the second part of the year with greater caution."

Consolidated Income Statement

Key Operating data of Safilo Group

(in millions of euro)	1 Half 2008	1 Half 2007	% Change	2Q 2008	2Q 2007	% Change
Net sales	637.0	667.8	-4.6%	311.0	326.4	-4.7%
Gross profit	373.0	393.5	-5.2%	180.1	188.9	-4.7%
%	58.6%	58.9%		57.9%	57.9%	
Ebitda	85.2	100.5	-15.3%	38.5	42.0	-8.4%
%	13.4%	15.1%		12.4%	12.9%	
Operating profit	65.1	81.2	-19.8%	28.2	32.3	-12.5%
%	10.2%	12.2%		9.1%	9.9%	
Net profit attrib. to the Group	21.1	33.3	-36.7%	7.9	12.5	-36.9%
%	3.3%	5.0%		2.5%	3.8%	

Net sales of Safilo Group, in the first six months of 2008, reached 637.0 million Euro compared to the 667.8 million Euro registered in the same period of the previous year.
At constant exchange rates net sales registered an increase of 1.3%.
In the second quarter Safilo recorded revenues for 311 million Euro, a decrease of 4.7% compared to the same period of 2007. At constant exchange rates growth in the second quarter was equal to 1.8%.

In the geographical breakdown, America achieved, in the first six months of the year, an increase at constant exchange rates of 12.6% (-0.5% at current exchange rates), thanks to the contribution of the Mexican Sunglass Island stores, acquired at the beginning of 2008, and to the satisfactory results achieved in the United States by the collections of prescription frames sold in independent opticians' stores.
Asia, in the first six months, registered an increase of 15.3% at constant exchange rates (+5.7% at current exchange rates), thanks to the good sales performance in all the main countries of the area (with the exception of Japan) and in particular in China and Korea.
During the second quarter of 2008 two directly operated stores, dedicated principally to the sale of prescription frames, were opened in Asia.
The European market, in the first six months of the year, experienced an overall fall of 5.0%, due also to the particularly difficult comparison with the first six months of 2007 which saw strong growth particularly in Europe.
The weak performance, already experienced during the course of the first quarter of 2008 in some important European markets, was again evident in the second quarter through lower than the expected levels of re-assortments of prescription frame and sunglass collections. Sales in Spain, the U.K. and Germany were particularly hit by the fragile nature of consumer buying. Italy has instead registered results in line with the first six months of the previous year, thanks above all to the strong performance of the Carrera sunglass collections, the increasing demand for which is confirmation of their appeal to the end consumer.
Performance by distribution channel highlighted the growth of the retail business, which at the end of June counted 283 directly operated stores (163 in June 2007).
The growth of the retail channel in the first six months of 2008 was equal to 61.3% at constant exchange rates (+47.6% at current exchange rates), and is due above all to the two acquisitions concluded at the beginning of the year in Australia and Mexico (for a total of 77 stores).
In the United States, the sunglass chain Solstice achieved an improvement in sales of 17,7% at constant exchange rates, thanks to the contribution deriving from new stores.
In Spain, the Loop Vision chain suffered from the slowdown of the country, and registered a fall in sales of around 8%, due also to the closure of two stores during the period.
The wholesale business registered a fall of 2.1% at constant exchange rates in the first six months of the year (7.6% at current exchange rates), caused above all by the evident weakness of the European markets and the general tendency to purchase prescription frames and sunglasses with more competitive price points.

Gross profit in the first six months of the year reached 373.0 million Euro against the 393.5 million Euro of the same period of 2007, with a margin on sales of 58.6% (58.9% in the first six months of 2007). Factors which contributed above all to this result are the slowdown of production volumes and the unfavourable country mix related to the greater incidence of sales from the American market, currently less profitable owing to the weakness of the US dollar.
In the second quarter of 2008, the gross margin remained at 57.9%, in line with that of the same quarter of the previous year.

EBITDA in the first half 2008 was equal to 85.2 million Euro compared to 100.5 million Euro in the first six months of 2007. The margin moved from 15.1% to 13.4%.
The EBITDA performance is influenced by the new retail openings of the period.
In the wholesale channel, selling expenses, although lower in absolute amounts compared to the first six months of 2007, increased their incidence on revenues. The incidence of these costs has however decreased during the second quarter, thanks to the results of a series of activities aimed at reducing fixed costs.
In the second quarter of 2008 the Group's EBITDA reached 12.4% of revenues compared to 12.9% registered in the second quarter of 2007.

Operating profit was equal to 65.1 million Euro compared to the 81.2 million Euro in the first six months of 2007. The operating margin reached 10.2% compared to 12.2% in the same period of the previous year.
In the second quarter of 2008, the Group's operating profit reached 9.1% of revenues compared to 9.9% registered in the second quarter of 2007.

Net profit attributable to the Group was 21.1 million Euro compared to the 33.3 million Euro of the first six months of 2007, with an incidence on revenues which shifted from 5.0% to 3.3%.
The incidence of net financial costs increased as a result of the increase of the average net financial position and interest rates.
The tax rate for the period increased slightly to 40.5% compared to 39.0% in the first semester of 2007.
In the second quarter of 2008, the Group's net profit reached 2.5% of revenues, compared to 3.8% in the second quarter of 2007.

Consolidated Balance Sheet

Key Financial data of Safilo Group

(in millions of Euro)	1 Half 2008	2007	Var.	1 Half 2007
Net working capital	386.5	395.4	(8.9)	409.0
Tangible and intangible fixed assets	997.0	980.3	16.7	1,021.1
Financial fixed assets	13.4	14.7	(1.3)	16.0
Other assets/(liabilities)	(51.8)	(34.9)	(16.9)	(56.8)
Net Capital employed	1,345.1	1,355.5	(10.4)	1,389.3
Net financial position	541.2	514.6	26.6	520.7
Minority interests	5.0	4.9	0.1	6.8
Group shareholders' equity	798.9	836.0	(37.1)	861.8

Net working capital, equal to 386.5 million Euro in the first six months of 2008, fell by 8.9 million Euro compared to the end of 2007 and by 22.5 million Euro in the more important comparison with the first half of the previous year, and was influenced by the following factors:

- The lower incidence of the trade receivables due to the greater incidence of retail sales;
- The firm containment of products in stock;
- The decrease in trade payables.

Consolidated Cash Flow

Key Cash flow data of Safilo Group

(in millions of Euro)	1 Half 2008	1 Half 2007
Cash flow from operating activities before changes in working capital	42.0	60.6
Changes in working capital	13.0	(27.8)
Cash flow from (for) operating activities	55.0	32.8
Cash flow from (for) investment activities	(57.4)	(22.7)
Free Cash Flow	(2.4)	10.1

The Free Cash Flow relating to the first half 2008 was characterised by the improvement in cash flows from operating activities, which increased in the period to 55.0 million Euro compared to 32.8 million Euro in the first six months of 2007. Operating cash flow improved thanks to the cash generation at the net working capital level, due, in particular, to the inventory containment policy implemented by the Group during the period.

The total investments for the six month period totalled 57.4 million Euro compared to 22.7 million Euro in the first six months of 2007. Of this increase, approximately 26 million Euro relate to the two retail acquisitions perfected at the beginning of the year in Australia and Messico, while the construction of the new production site in China required an investment of around 7 million Euro.

Investments for the ordinary maintenance of plants and machinery in the existing production sites have remained instead stable compared to the first six months of 2007, as have the investments dedicated to the expansion of the retail channel.

The net financial position, increased from 514.6 million Euro at 31st December 2007 to 541.2 million Euro at the end of June 2008 as a result of the normal seasonality of the business.
The increase compared to the net financial position registered at the end of June 2007 was due to the acquisitions made at the beginning of the year and the greater dividends distributed in May 2008.

Outlook for the year

On the basis of the half year results and the more pronounced market weakness expected by the Group in certain of the main European markets in particular, the growth of revenues for the financial year 2008 is today estimated, at constant exchange rates, at around 4% compared to the previous forecast of an increase of 7%-8%.
On the basis also of the actions which the Group is implementing at the gross margin level and the cost containment policies expected in the second half of the year, the EBITDA for the full year is today estimated at around 13.5% - 14% of revenues (compared to the previous estimate of around 15%), while the net profit should reach 3.0% - 3.5% of revenues (the previous estimate was around 4.5% - 5%).

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, in particular in the "Outlook for the Year" section, 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 6.00pm CET, 12.00pm EST today a conference call will be held with the financial community during which the Group's economic and financial results will be discussed.
It is possible to connect to the call by dialling the following number: +39 02 802 09 11 (for journalists: +39 02 802 09 28) and to listen to the playback by dialling the number +39 02 806 137 80 (access code: 707#).

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 on 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, Oxydo, Blue Bay, and the licensed branded collections are: Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS by Hugo Boss, Boucheron, 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, Stella McCartney, Valentino, Yves Saint Laurent.

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

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Consolidated statement of operations

	Six months ended June 30,			2nd quarter		
(Euro/000)	2008	2007	Change %	2008	2007	Change %
Net sales	636,960	667,812	-4.6%	310,940	326,417	-4.7%
Cost of sales	(263,962)	(274,322)	-3.8%	(130,882)	(137,489)	-4.8%
Gross profit	**372,998**	**393,490**	**-5.2%**	**180,058**	**188,928**	**-4.7%**
Selling and marketing expenses	(242,952)	(245,948)	-1.2%	(120,931)	(122,321)	-1.1%
General and administrative expenses	(64,692)	(66,256)	-2.4%	(30,689)	(33,952)	-9.6%
Other op. income and (expenses), net	(262)	(121)	n.s.	(226)	(400)	-43.5%
Operating profit	**65,092**	**81,165**	**-19.8%**	**28,212**	**32,255**	**-12.5%**
Share of income (loss) of associates	75	224	-66.5%	37	185	-80.0%
Interest expense and other financial charges, net	(26,547)	(22,602)	17.5%	(12,876)	(10,287)	25.2%
Profit before taxation	**38,620**	**58,787**	**-34.3%**	**15,373**	**22,153**	**-30.6%**
Income taxes	(15,650)	(22,906)	-31.7%	(6,927)	(8,774)	-21.1%
Net profit	**22,970**	**35,881**	**-36.0%**	**8,446**	**13,379**	**-36.9%**
Net profit attributable to minority interests	1,904	2,581	-26.2%	586	927	-36.8%
Net profit attributable to the Group	**21,066**	**33,300**	**-36.7%**	**7,860**	**12,452**	**-36.9%**
EBITDA	**85,153**	**100,532**	**-15.3%**	**38,455**	**41,990**	**-8.4%**
Basic EPS (Euro)	0.07	0.12		0.03	0.05	
Diluted EPS (Euro)	0.07	0.12		0.03	0.05	

Net sales by geographical region (Euro in millions)	Six months ended June 30, 2008	%	2007	%	Change %	Second quarter 2008	%	2007	%	Change %
Europe	319.3	50.1	336.0	50.3	-5.0	152.3	49.0	163.5	50.1	-6.9
The Americas	219.6	34.5	220.6	33.0	-0.5	106.4	34.2	110.0	33.7	-3.3
Asia Pacific	82.2	12.9	77.8	11.6	+5.7	44.0	14.1	38.4	11.8	+14.6
Other	15.9	2.5	33.4	5.1	-52.4	8.3	2.7	14.6	4.4	-43.4
Total	**637.0**	**100.0**	**667.8**	**100.0**	**-4.6**	**311.0**	**100.0**	**326.4**	**100.0**	**-4.7**

Net sales by product (Euro in millions)	Six months ended June 30, 2008	%	2007	%	Variaz.%	Second quarter 2008	%	2007	%	Change %
Prescription frames	231.9	36.4	239.8	35.9	-3.3	113.5	36.5	121.4	37.2	-6.5
Sunglasses	370.3	58.1	394.0	59.0	-6.0	183.2	58.9	189.8	58.1	-3.5
Sport products	22.5	3.5	24.0	3.6	-6.2	7.9	2.5	10.6	3.2	-25.5
Other	12.3	2.0	9.9	1.5	+23.8	6.4	2.1	4.7	1.5	+36.0
Total	**637.0**	**100.0**	**667.8**	**100.0**	**-4.6**	**311.0**	**100.0**	**326.4**	**100.0**	**-4.7**

Consolidated Balance Sheet

(Euro/000)	30/06/2008	31/12/2007	Change
ASSETS			
Current assets			
Cash in hand and at banks	57,950	56,882	1,068
Trade receivables, net	342,318	315,792	26,526
Inventory, net	241,859	274,283	(32,424)
Derivative financial instruments	635	271	364
Other current assets	33,130	44,009	(10,879)
Total current assets	**675,892**	**691,237**	**(15,345)**
Non-current assets			
Tangible fixed assets	215,025	201,858	13,167
Intangible fixed assets	22,623	23,526	(903)
Goodwill	759,372	754,920	4,452
Investments in associates	11,557	12,279	(722)
Financial assets available-for-sale	1,813	2,443	(630)
Deferred tax assets	79,739	75,495	4,244
Derivative financial instruments	3,281	1,608	1,673
Other non-current assets	11,108	8,628	2,480
Total non-current assets	**1,104,518**	**1,080,757**	**23,761**
Total assets	**1,780,410**	**1,771,994**	**8,416**
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	157,530	161,709	(4,179)
Trade payables	197,661	194,714	2,947
Tax payables	21,931	20,568	1,363
Derivative financial instruments	32	-	32
Other current liabilities	72,213	73,725	(1,512)
Provisions for risks and charges	864	803	61
Total current liabilities	**450,231**	**451,519**	**(1,288)**
Non-current liabilities			
Long-term borrowings	441,659	409,827	31,832
Employee benefit liability	39,475	37,840	1,635
Provisions for risks and charges	12,855	12,789	66
Deferred tax liabilities	14,961	11,080	3,881
Derivative financial instruments	66	359	(293)
Other non-current liabilities	17,285	7,642	9,643
Total non-current liabilities	**526,301**	**479,537**	**46,764**
Total liabilities	**976,532**	**931,056**	**45,476**
Equity			
Share capital	71,349	71,349	-
Share premium reserve	747,471	747,471	-
Losses carried forward and other reserves	(41,916)	(33,540)	(8,376)
Fair value and cash flow reserves	940	(280)	1,220
Profit attributable to the Group	21,066	51,018	(29,952)
Group shareholders' equity	**798,910**	**836,018**	**(37,108)**
Minority interests	**4,968**	**4,920**	**48**
Total shareholders' equity	**803,878**	**840,938**	**(37,060)**
Total liabilities and equity	**1,780,410**	**1,771,994**	**8,416**

Consolidated Statement of Cash Flow

(Euro/000)	1st semester 2008	1st semester 2007
A - Opening net cash and cash equivalents (net financial indebtness - short term)	**(28,469)**	**6,989**
B - Cash flow from (for) operating activities		
Net profit for the period (including minority interests)	22,970	35,881
Amortization & depreciation	20,061	19,367
Stock option	279	279
Share (income) loss on equity investments	(75)	(224)
Net movements in the employee benefit liability	1,672	(3,016)
Net movements in other provisions	148	995
Interest expenses	20,889	18,694
Income taxes	15,650	22,906
Income from operating activities prior to movements in net working capital	**81,594**	**94,882**
(Increase) Decrease in trade and other current receivables	(28,051)	(30,694)
(Increase) Decrease in inventory, net	34,861	6,270
Increase (Decrease) in trade and other current payables	6,180	(3,346)
Interest expenses paid	(18,643)	(18,191)
Income taxes paid	(20,961)	(16,169)
Total (B)	**54,980**	**32,752**
C - Cash flow from (for) investing activities		
Purchase of tangible fixed assets (net of disposals)	(28,706)	(18,940)
Business unit acquisition (net of cash and cash equivalents acquired)	(26,344)	-
(Acquisition) Disposal of investments in associates and financial assets	78	-
Purchase of intangible fixed assets	(2,475)	(3,717)
Total (C)	**(57,447)**	**(22,657)**
D - Cash flow from (for) financing activities		
Proceeds from borrowings	61,261	24,192
Repayment of borrowings	(17,819)	(12,090)
Share capital increase	-	6,243
Dividends distribution	(25,852)	(6,907)
Total (D)	**17,590**	**11,438**
E - Cash flow for the period (B+C+D)	**15,123**	**21,533**
Translation exchange difference	(1,412)	(261)
Total (F)	**(1,412)**	**(261)**
G - Closing net cash and cash equivalents (net financial indebtness - short term) (A+E+F)	**(14,758)**	**28,261**