A strong partnership for the future

Q1 2010 results

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.

Agenda

- Introduction
- Q1 2010 Results
- Renewed partnerships

Introduction

Signs of improvements in Q1 2010…

1 Business environment
- **Healthier** business environment in **America**
- **Strong** performance of **Asian markets**
- **More difficult** trading in **Europe**

2 Sales drivers
- **Volumes** growth and negative **price/mix**
- Strong performance of **Carrera, expanding in Europe**
- Improving results for a number of **high-end brands**

3 Profitability
- **More adequate** industrial setting of European factories
- **Smaller** and more efficient **retail business**
- **Prudent Group's policies** in the wholesale business

4 Financial Leverage
- **Recapitalization plan** completed
- Focus on **Working Capital**
- Focus on core business **investments**

Q1 2010 Results

Q1 2010 financial highlights

in millions of Euro and % of net sales	Q1 2010	Q1 2009	% Change
Net sales	**286.0** *100.0%*	**287.9** *100.0%*	**-0.7%**
Gross profit	**173.6** *60.7%*	**174.6** *60.6%*	**-0.6%**
EBITDA	**34.6** *12.1%*	**30.2** *10.5%*	**+14.6%**
Operating result	**24.1** *8.4%*	**19.1** *6.6%*	**+26.2%**
Group net result	**1.7** *0.6%*	**1.7** *0.6%*	**-0.3%**
Net financial position	**315.4**	**617.7**	**-48.9%**

+3.9% at constant currencies and perimeter

Q1 2009 adjusted for the sale of retail activities in Spain and Australia.

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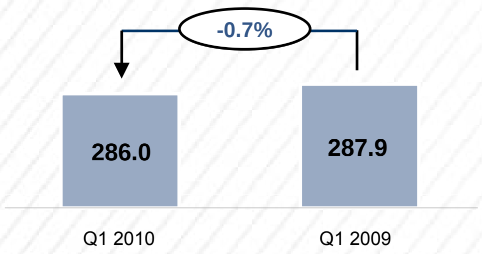
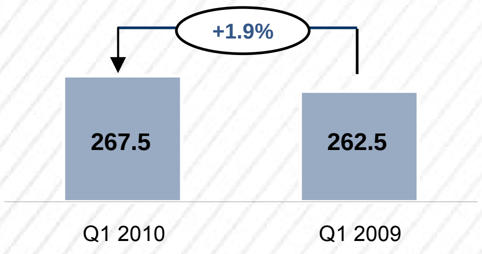
Q1 2010: sales overview

Total Sales (€m)



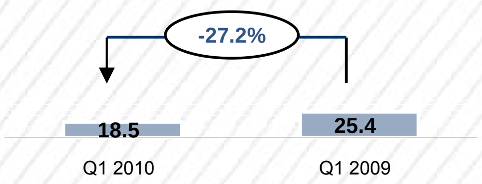
- **Total sales up by 3.9%** at constant exchange rates and perimeter

Wholesale Sales (€m)



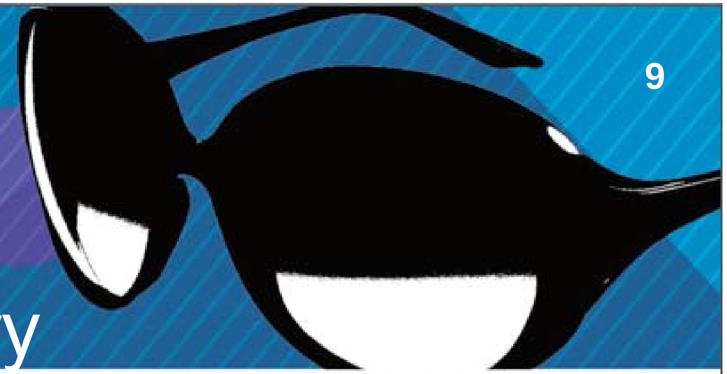
- **Wholesale up by 3.0**% at constant exchange rates, driven by:
  - **good** growth in **volumes**
  - negative **price/mix effect**
  - strong **Carrera**

Retail Sales (€m)



	Q1 2010	Q1 2009
# of Stores	219	324

- **Retail up by 17.9**% at constant exchange rates and perimeter, driven by:
  - strong Solstice **comps sales**
  - Improved performance of the **Mexican stores**



Q1 2010 sales by product/country

in millions of Euro

	Q1 2010	Q1 2009	% Change	Constant currency/ perimeter
Net sales	**286.0** *100.0%*	**287.9** *100.0%*	**-0.7%**	**+3.9%**
key drivers:				
Sunglasses	158.3 *55.3%*	162.4 *56.4%*	-2.5%	**-0.3%** • negative price/mix • volumes growth
Prescription frames	112.6 *39.4%*	109.2 *37.9%*	+3.1%	**+5.6%** • volumes growth • strengthening products offer
Sport products and other	15.1 *5.3%*	16.3 *5.7%*	-7.4%	
Europe	128.2 *44.8%*	131.7 *45.8%*	-2.7%	**+0.1%** • improving results of South European countries • weak sunglasses business and price/mix
America	111.8 *39.1%*	110.0 *38.2%*	+1.6%	**+5.1%** • good results at department stores and Solstice
Asia	41.0 *14.3%*	37.1 *12.9%*	+10.5%	**+14.1%** • China, HK and India the strongest markets
Rest of the world	5.0 *1.7%*	9.1 *3.2%*	-45.1%	

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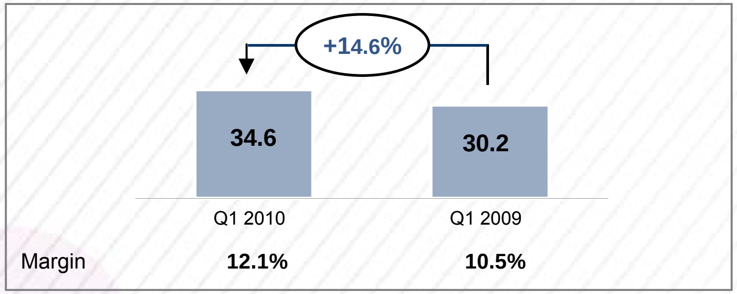
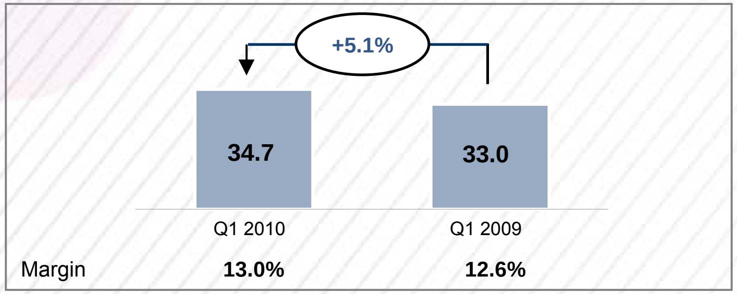
Q1 2010: EBITDA performance

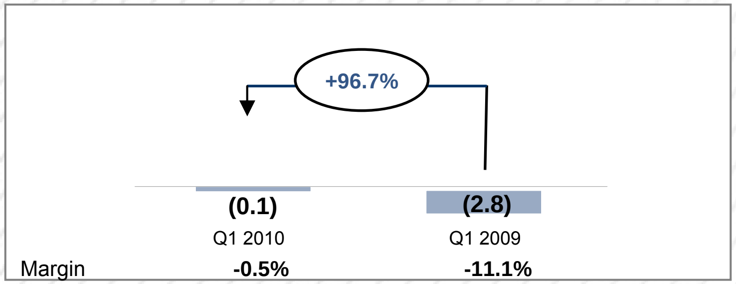
Total EBITDA (€m)



Wholesale EBITDA (€m)



Retail EBITDA (€m)



- Gross operating profitability **up by 160bp:**:
  - **Gross margin** (+10 bp): **increase driven by a better set-up** of the **European production plants**
  - **SG&A** (-150 bp): lower **retail costs**, **prudent Group's** commercial **approach**

Q1 2010 net result

in millions of Euro and % on net sales

	Q1 2010	Q1 2009
Group Net Result	**1.7** *0.6%*	**1.7** *0.6%*

key drivers:

	Q1 2010	Q1 2009
• **Net financial charges:** (including exchange rate differences)	**12.3** *4.3%*	**14.4** *5.0%*
• **Income taxes:**	**8.7** *3.1%*	**2.6** *0.9%*

• Net profitability **in line**:

- **Lower net financial charges** due to lower interest rates and average gross debt
- **Higher income taxes** due to the Group's prudent policy not to accrue deferred tax assets

Q1 2010 cash flow generation

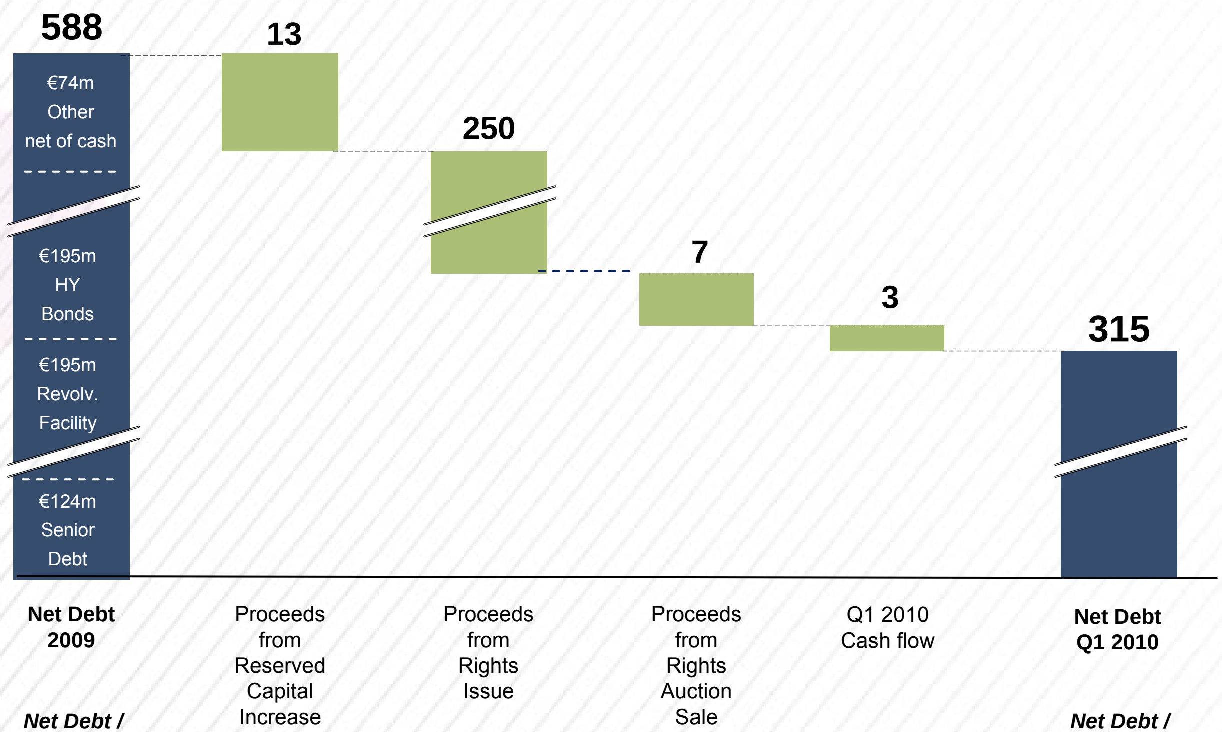
in millions of Euro

	Q1 2010	Q1 2009
Free cash flow	**3.1**	**(44.7)**
key drivers:		
Cash flow from operating activities	**9.2**	**(32.0)**
- net profit and other changes	22.9	21.3
- change in working capital	(13.7)	(53.3)
Cash flow from investing activities	**(6.1)**	**(12.7)**

Net financial position as at 31 March 2010	315.4
Δ vs FY 2009 position of 588.0	-272.6
Δ vs Q1 2009 position of 617.7	-302.3

Net Financial Position

in millions of Euro



Net Debt / EBITDA Adj: 8.9x

Net Debt / EBITDA Adj: 4.5x

Note: EBITDA Adj. 2009 equal to €65.7m

Renewed partnership

- Achieving good results on the fastest growing brands

Global licensing agreement with MARC JACOBS

and MARC BY MARC JACOBS

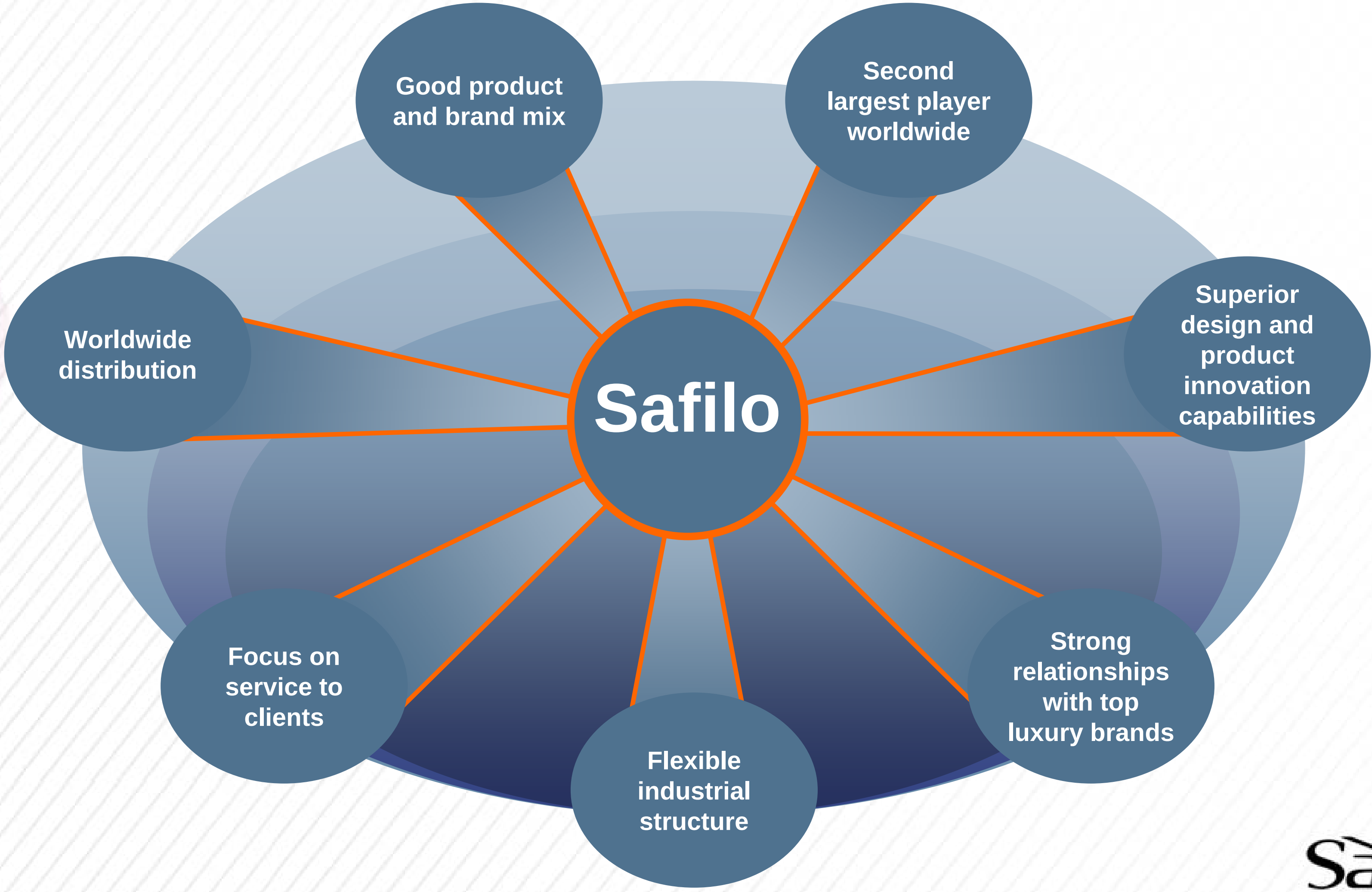
extended until the end of 2015

Q&A

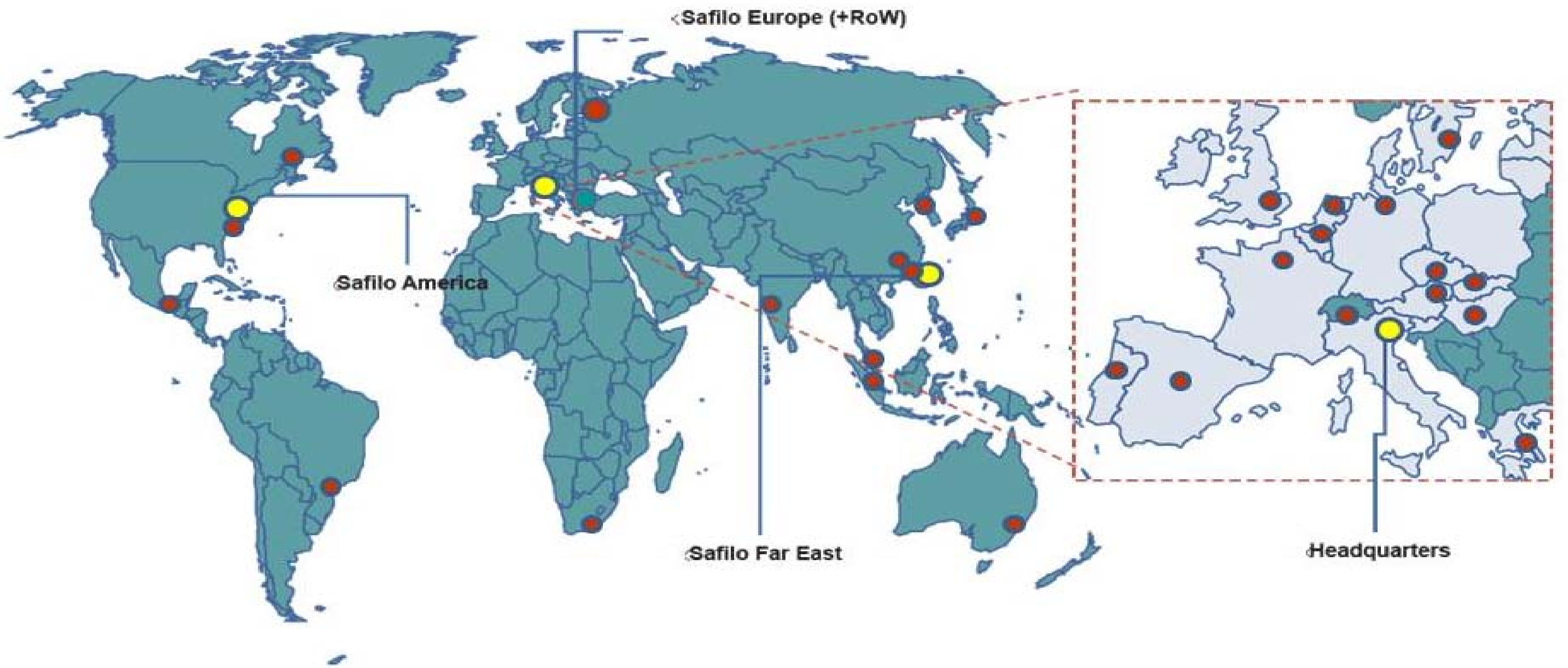
Appendices

Safilo at a glance

Safilo today…

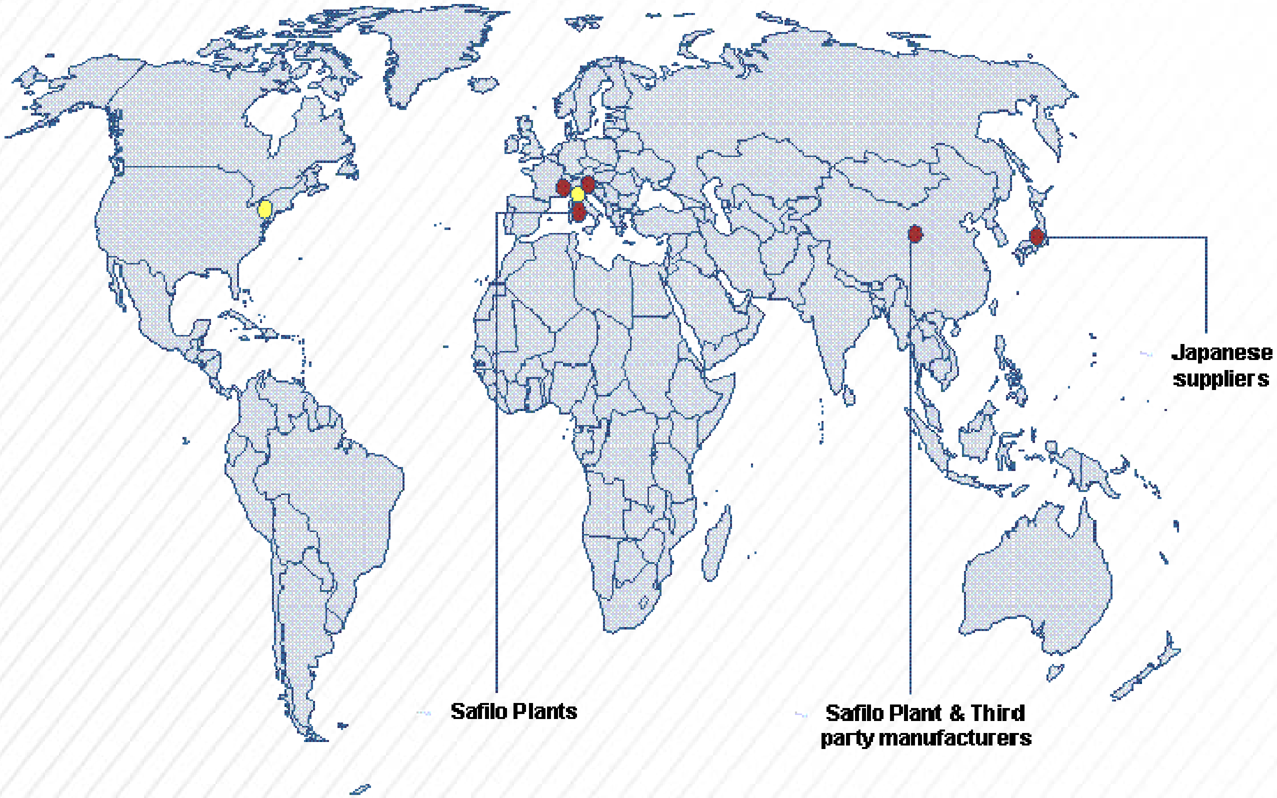


Worldwide Presence



32 SUBSIDIARIES REACHING 80.000 RETAILERS IN 130 COUNTRIES

Production & Operations



Manufacturing facilities
Distribution centers

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Brands Portfolio

House brands

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OXYDO

Blue Bay for dreamers only

CARRERA RACING SUNGLASSES SINCE 1956

SMITH OPTICS

Licensed brands

ALEXANDER McQUEEN

A|X ARMANI EXCHANGE

BALENCIAGA

BANANA REPUBLIC

BOTTEGA VENETA

DIESEL

55 DSL

Dior

EMPORIO ARMANI

FOSSIL

GIORGIO ARMANI

GUCCI

BOSS HUGO BOSS

HUGO HUGO BOSS

JIMMY CHOO

JLO BY JENNIFER LOPEZ

JUICY COUTURE

kate spade NEW YORK

liz claiborne

MARC JACOBS

MARC BY MARC JACOBS

MaxMara

MAX&Co.

NINE WEST

pierre cardin PARIS

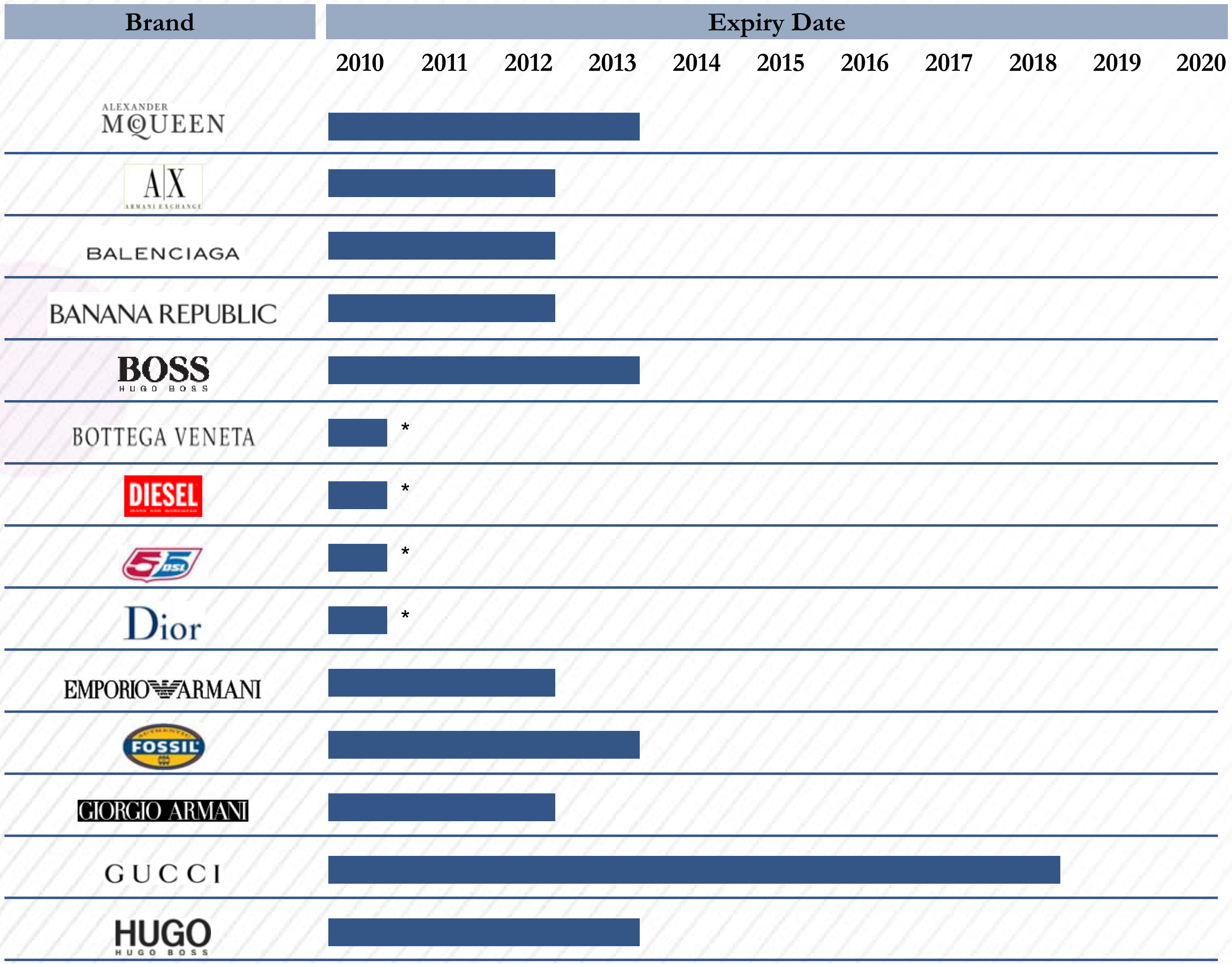
SAKS FIFTH AVENUE

TOMMY HILFIGER

VALENTINO

YVES SAINT LAURENT

Licensed brands



* Under discussion

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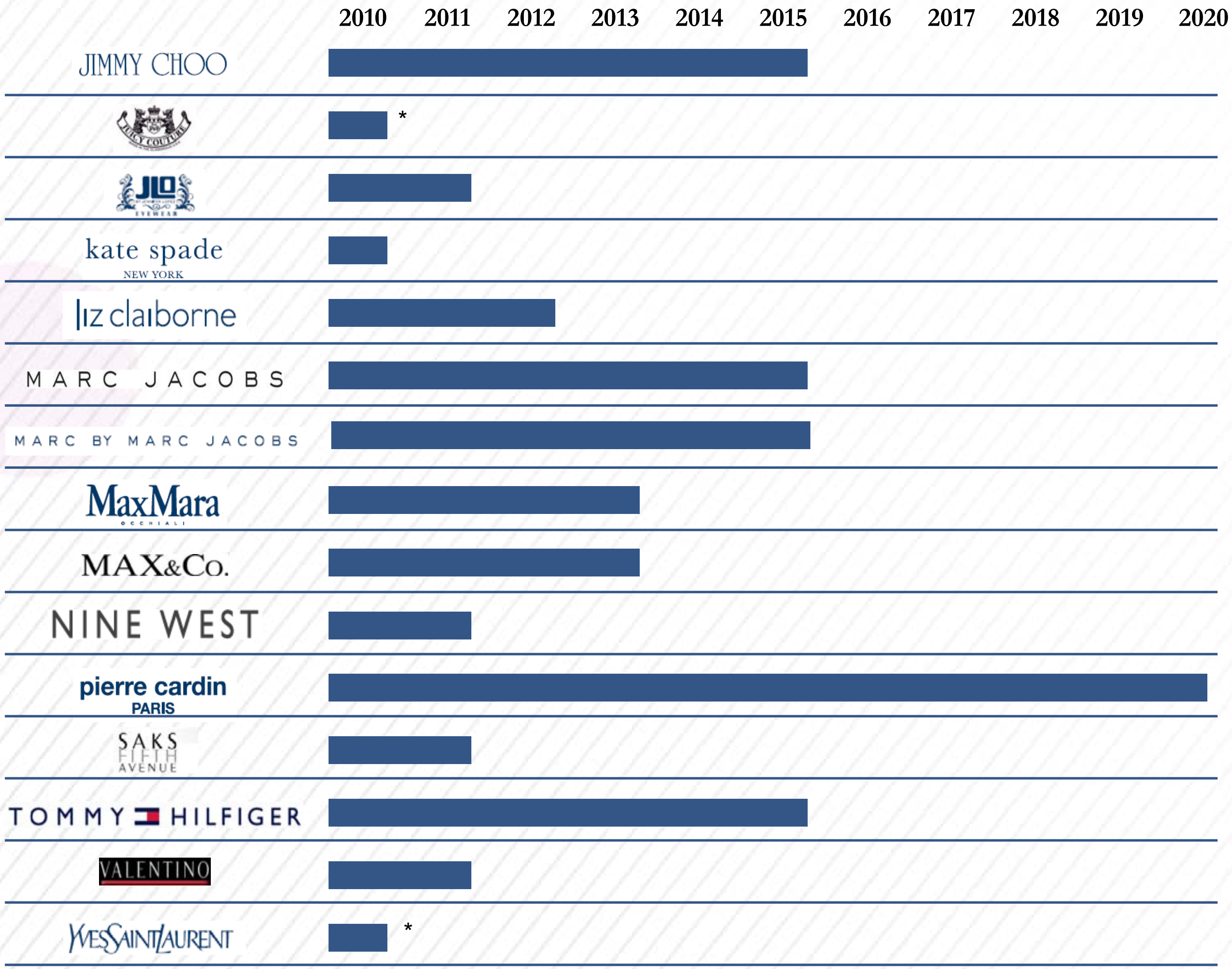
Licensed brands



* Under discussion

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Consolidated balance sheet

in millions of Euro

	Q1 2010	2009	Change	Q1 2009
Net working capital	352.7	327.1	+25.6	425.0
Tang.-intang. fixed assets	776.7	745.1	+31.6	1,083.3
Financial fixed assets	12.9	12.0	+0.9	13.4
Other assets/(liabilities)	(63.8)	(50.2)	-13.6	(72.0)
Net capital employed	**1,078.5**	**1,034.0**	**+44.5**	**1,449.7**
Net financial position	315.4	588.0	-272.6	617.7
Minority interest	10.4	7.6	+2.8	9.1
Shareholders' equity	752.7	438.4	+314.3	822.9

Net working capital

in millions of Euro

	Q1 2010	Q1 2009	Change	% Change
Net working capital	**352.7**	**425.0**	**-72.3**	**-17.0%**
Trade receivables	314.2	320.9	-6.7	-2.1%
Inventories	200.0	264.3	-64.3	-24.3%
Trade payables	(161.5)	(160.2)	-1.3	+0.8%