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as of MArch 31th, 2009

Sàfilo S.p.A.

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This thee-month report is available on the website:

www.safilo.com

SAFILO S.P.A.

Settima Strada, 15

35129 Padua - Italy

Contents

CORPORATE OFFICERS AS OF MARCH 31th, 2008

Board of Directors

Chairman	Vittorio Tabacchi
Executive Vice Chairman	Massimiliano Tabacchi
Chief Executive Officer	Roberto Vedovotto
Directors	Giannino Lorenzon Ennio Doris Riccardo Ruggiero

Board of Statutory Auditors

Chairman	Franco Corgnati
Regular Auditor	Lorenzo Lago
Regular Auditor	Giampietro Sala

Independent Auditors

PricewaterhouseCoopers S.p.a.

DIRECTORS' REPORT ON OPERATIONS

General information and activities of the Group

Safilo S.p.A., the holding company, is a limited liability company registered in Italy. The registered office is located in Pieve di Cadore (BL) – Piazza Tiziano n. 8, whilst the administrative headquarters are located in Padua – Settima Strada n. 15.

Companies included in the consolidation area are reported in paragraph 1.2 "Consolidation method and consolidation area".

Safilo has been in the eyewear market for over 70 years and is one of the major operators, in terms of revenues, in the design, manufacture and distribution of glasses and other eyewear products. Safilo is the global leader in the high-end eyewear segment of the market and also one of the top three sports eyewear producers and distributors worldwide.

Safilo designs, produces and distributes high quality optical eyewear, sunglasses, sports goggles and accessories. Distribution is through specialised outlets and retail distribution chains.

The Group manages a brand portfolio of both licensed and house brands, selected according to competitive positioning and international prestige criteria and in order to implement a clear segmentation strategy of customers. Safilo has extensively integrated its house brand portfolio with numerous brands from the luxury and fashion industry, building long-term relationships with the licensors through license agreements, most of which are repeatedly renewed.

The Group's brands include *Safilo, Oxydo, Carrera, Smith* and *Blue Bay* while the licensed brands include *Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, BOSS - Hugo Boss, Bottega Veneta, Diesel, 55DSL, Dior, Emporio Armani, Fossil, Giorgio Armani, Gucci, HUGO - Hugo Boss, Jimmy Choo, J. Lo by Jennifer Lopez, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max & Co., Nine West, Pierre Cardin, Saks Fifth Avenue, Valentino* and *Yves Saint Laurent*.

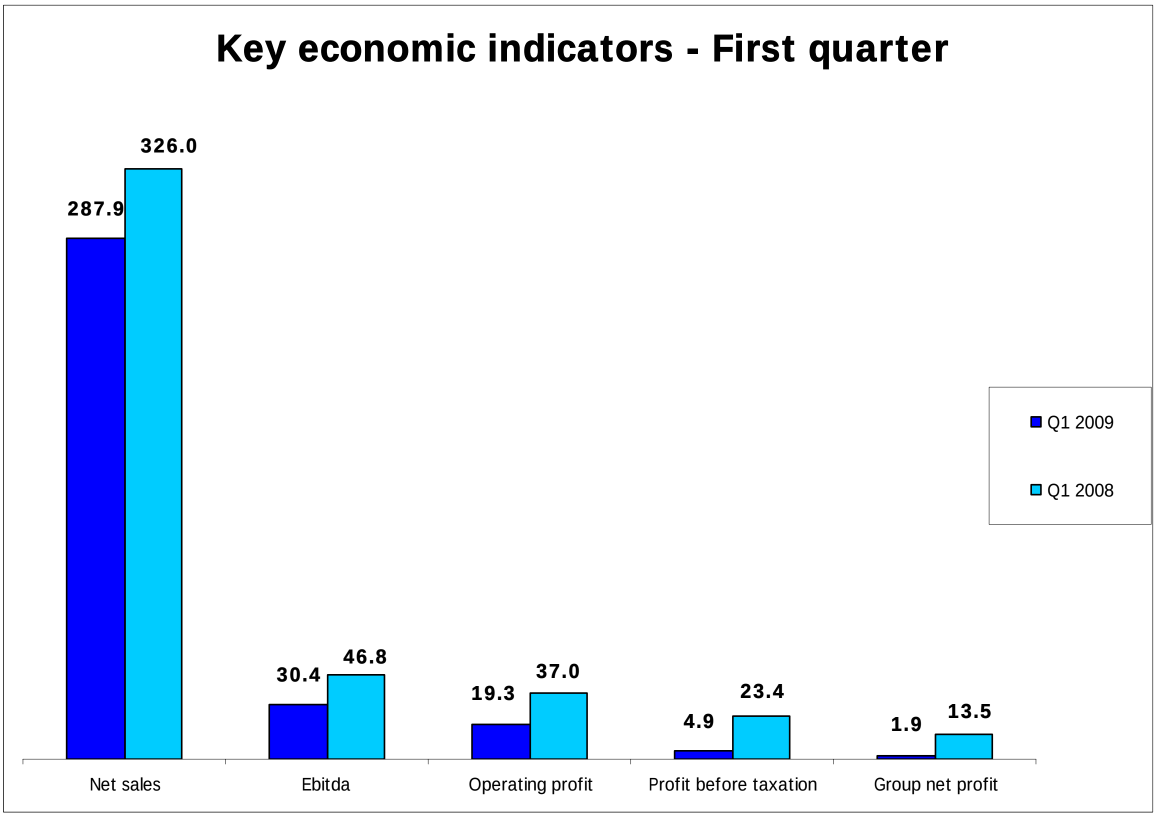
Key consolidated performance indicators

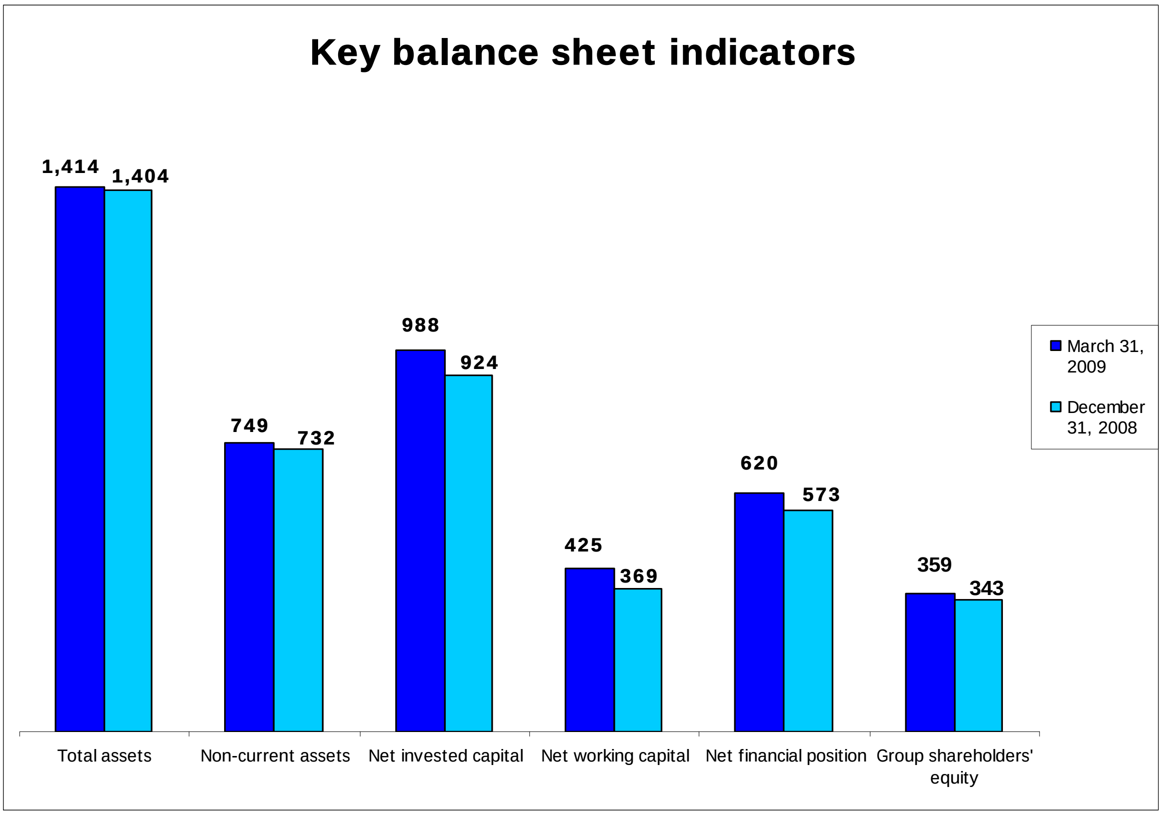
Economic data *(Euro in millions)*	Q1 2009	%	Q1 2008	%
Net sales	287.9	100.0	326.0	100.0
Cost of sales	(113.3)	39.4	(133.1)	40.8
Gross profit	174.6	60.6	192.9	59.2
Ebitda	30.4	10.5	46.8	14.3
Operating profit	19.3	6.7	37.0	11.3
Profit before taxation	4.9	1.7	23.4	7.2
Group net profit	1.9	0.7	13.5	4.1

Balance sheet data *(Euro in millions)*	March 31, 2009	%	December 31, 2008	%
Total assets	1,414.1	100.0	1,403.6	100.0
Non-current assets	749.4	53.0	732.0	52.2
Net invested capital	988.3	0.0	924.2	65.8
Net working capital	425.2	30.1	368.8	26.3
Net financial position	(619.9)	43.8	(572.7)	40.8
Group shareholders' equity	359.3	25.4	343.1	24.4

Financial data *(Euro in millions)*	Q1 2009	Q1 2008
Cash flow operating activities	(31.7)	(6.7)
Cash flow investing activities	(12.7)	(37.1)
Cash flow financing activities	31.8	20.3
Closing net cash and cash equivalents	(35.0)	(57.3)

We underline that:
- certain figures in the Directors' Report on Operations, including percentage amounts, have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them;
- "Ebitda" means operating profit before amortization and depreciation;
- "Net working capital" means the algebraic sum of inventories, trade receivables and trade payables;
- "Net financial position" means the sum of bank borrowings, short, medium and long-term borrowings, net of cash held in hand and at bank.


Key economic indicators - First quarter
326.0
287.9
30.4
46.8
19.3
37.0
4.9
23.4
1.9
13.5
Q1 2009
Q1 2008
Net sales
Ebitda
Operating profit
Profit before taxation
Group net profit


Key balance sheet indicators
1,414
1,404
749
732
988
924
425
369
620
573
359
343
March 31, 2009
December 31, 2008
Total assets
Non-current assets
Net invested capital
Net working capital
Net financial position
Group shareholders' equity

Informations on Group economic results

The first quarter of 2009 evolved in a very difficult market situation. The signs of the global economy slowing down, already evident in the second quarter of 2008, have been confirmed in the first part of the year, with a direct impact on the sales of companies belonging to the high-end accessories industry. The Group is reacting to this different competitive scenario by refocusing its sales proposal on products that are more in line with the current price range tendency of end consumers. Meanwhile, it has developed a series of activities which are aimed at improving industrial efficiency in order to minimize as far as possible the inevitable negative effects resulting from lower absorption of fixed production and commercial costs. All this has allowed the slowdown in sales compared to last year to be limited and positive net profitability to be maintained, while being lower than for the first quarter of 2008.

Consolidated revenues registered a reduction of 11.7% compared to the first quarter of 2008 (-14.9% at constant exchange rates), with the reduction being more evident in Europe than in other geographical areas due to the greater penetration of sunglasses in the European market. Even in the first quarter of the year, in fact, all the main world markets experienced a drop in sunglasses compared to optical products which, while still down, proved to be less sensitive to the change in the end consumer's approach to buying.

In the context of a particularly difficult and competitive market, the Group has implemented its commercial strategies without using aggressive discount policies, which would have compromised its profitability. The positioning of proposals towards more "accessible" ranges has been accompanied by a corresponding reduction in the cost of the product and this was also due to streamlining actions that were planned and developed during 2008. These activities, both in terms of product definition and containmemt of production cost, allowed the Group to reach, in the first quarter, the best industrial profitability result of recent years

To continue maintaining good industrial efficiency, discussions are underway with trade union groups for a plan to rationalize the workforce in the Italian production sites, where the production capacity currently available is not being used efficiently in relation to requested production volumes. Good results at an industrial level are however counterbalanced by a greater incidence of general and administrative costs which, although substantially unchanged, in the presence of reduced turnover weigh more heavily in percentage terms.

It is also appropriate to underline how the difficulties of the consumer market are particularly penalising the retail segment, which today is contributing negatively to the consolidated operating income. Despite some actions taken to cut costs, the concentration of the Group's stores in countries that are particularly hit by the international crisis (for example USA and Spain) continues to penalise footfall in the stores and the corresponding capacity to generate revenue.

Net profitability, while down considerably on the first quarter of 2008 (-87%), is however improving when compared with previous quarters, thanks to the results achieved through industrial cost reductions.

Cash flow management led to an absorption of short term resources as a consequence of the reduction of debt towards suppliers. The Group's net financial position at the end of the quarter was around 618 million Euro, against a debt of 570 million Euro at the end of 2008.

Group economic results

Consolidated statement of operations *(Euro in millions)*	**Q1 2009**	**%**	**Q1 2008**	**%**	**Change %**
Net sales	287.9	100.0	326.0	100.0	-11.7%
Cost of sales	(113.3)	(39.4)	(133.1)	(40.8)	-14.8%
Gross profit	**174.6**	**60.6**	**192.9**	**59.2**	**-9.5%**
Selling & marketing expenses	(122.6)	(42.6)	(122.0)	(37.4)	0.5%
General & administrative expenses	(32.5)	(11.3)	(33.9)	(10.4)	-4.1%
Other operating income/(expenses), net	(0.1)	(0.0)	0.0	(0.0)	n.s.
Operating profit	**19.3**	**6.7**	**37.0**	**11.3**	**-47.8%**
Interest expenses and other financial charges, net	(14.4)	(5.0)	(13.6)	(4.2)	6.0%
Profit before taxation	**4.9**	**1.7**	**23.4**	**7.2**	**-79.1%**
Income taxes	(2.6)	(0.9)	(8.6)	(2.6)	-69.9%
Net profit	**2.3**	**0.8**	**14.8**	**4.5**	**-84.5%**
Net profit attributable to minority interests	0.4	0.1	1.3	0.4	-68.1%
Net profit attributable to the Group	**1.9**	**0.7**	**13.5**	**4.1**	**-86.1%**
EBITDA	**30.4**	**10.5**	**46.8**	**14.3**	**-35.1%**

(*) Percentage impacts and changes have been calculated on figures in thousand.

Market performance was challenging again in the first quarter of 2009. Worries concerning a possible further slowdown in consumer demand during the spring season led independent opticians and chains to reduce product purchases, with particular reference to sunglasses, the products which are most linked to consumer impulse buying. Furthermore, the Group is paying extreme attention to the solvency of clients, even at the risk of occasionaly penalising sales opportunities.

Total net income was 287.9 million Euro, down by 11.7% compared to the first quarter of 2008 (-14.9% at constant exchange rates). The slowdown in turnover was greater in the wholesale sector while the retail sector benefited from a greater number of stores compared to the first quarter 2008. Comparable store sales did however fall.

As for the analysis per brand, there was a substantially uniform performance between the various brands in the Group portfolio, while the strong increase in sales of Carrera branded products continued, a brand which is beginning to be highly appreciated also by consumers from markets outside of Italy. The success of this *housebrand* regarded also the sport channel, due to a huge request for ski goggles and helmets.

The European market once again showed a significant reduction in spending in the Iberian peninsula, which continued to be the area with the greatest recorded fall in sales. Despite the difficult situation, there was very significant growth in the sales of Carrera products in Spain, which was due also to several specific supporting activities on a communication level. In the context of a generally challenging market, satisfying results were nevertheless achieved in France, Germany and Greece during the quarter.

Sales in the American continent, in local currency, experienced a slowdown caused especially by the fall in department stores purchases, which represent the main channel for distributing sunglasses. Sales to independent opticians on the other hand remained stable, as these are normally used by American consumers to purchase optical

frames. As for other countries in this area, while sales in Canada remained strong, significant reductions were seen in countries in the Central and South American areas, caused also by a high contraction of the local currencies.
In the Far East and in China in particular, greater attention was paid to the ability of opticians to maintain payment commitments. The consequent extremely selective delivery policy adopted in the first quarter allowed exposure towards important clients of the area to be reduced, even if this worked against sales results. The economic situation of some important countries in this area remained to prove difficult, including Japan first of all, where sales fell by double figures. Good sales performance in South Korea and Australia.

Net sales by geographical region	Q1				
(Euro in millions)	**2009**	**%**	**2008**	**%**	**Change %**
Europe	131.7	45.8	167.0	51.2	-21.1
The Americas	110.0	38.2	113.2	34.7	-2.8
Asia Pacific	37.1	12.9	38.2	11.7	-2.8
Other	9.1	3.1	7.6	2.4	+19.7
Total	**287.9**	**100.0**	**326.0**	**100.0**	**-11.7**

Net sales by product	Q1				
(Euro in millions)	**2009**	**%**	**2008**	**%**	**Change %**
Prescription frames	109.2	37.9	118.4	36.3	-7.8
Sunglasses	162.4	56.4	187.1	57.4	-13.2
Sport products	11.5	4.0	14.6	4.5	-21.2
Other	4.8	1.7	5.9	1.8	-18.6
Total	**287.9**	**100.0**	**326.0**	**100.0**	**-11.7**

The projects implemented during 2008 and some of the activities embarked upon in the first quarter of the current year led to a definite improvement in industrial profitability, which reached 60.6% of sales. In particular, a series of activities undertaken for new collections aimed at optimizing the product design/cost relationship began to give positive results. Furthermore, at an industrial level, use of welfare support in the Group's Italian plants led to the reduction of some of the inefficiencies normally linked to a fall in production volumes. This allowed partial compensation for the negative impact deriving from lower absorption of the fixed costs of the plants.
The good results registered at an industrial level were counterbalanced by the greater incidence of fixed costs in terms of marketing expenses and by the performance of the retail business which in part absorbs the improvements in the wholesale channel. The greater weight of publicity costs was due to the structure of the license agreements regarding marketing expenses, as the yearly expenditure allocation is decided using the criteria of the previous year's results, thus in a situation of a slowdown in sales the incidence is particularly onerous, and this will only be balanced out the following year. In the first quarter of 2009 the incidence of commercial costs of the wholesale sector, including marketing support for the Carrera brand, increased by around 4 percentage points.
As for the performance of the retail sector, as better illustrated below, the slowdown in purchases, together with the seasonal nature of sales led this business to have an operational loss, penalising the Group's overall result.

The incidence on turnover of general and administrative costs, for which specific measure have been put into place in order to limit them, is once again linked to the performance of sales. In absolute values, in fact, these costs fell compared to the first quarter of 2008.

As a consequence of all the above, the EBITDA reached 30.2 million Euro, equal to 10.5% of sales, down compared to the first quarter of 2008.

Financial management, which slightly deteriorated, reflects the increase in average debt.

Group net profit, equal to 1.7 million Euro, remained at positive levels, even if it was below those of last year due to the slowdown of sales which has already been mentioned frequently.

Analysis by distribution channel – Wholesale / Retail

The main data per activity sector is shown in the table below:

	WHOLESALE				RETAIL			
	Q1				Q1			
(Euro in millions)	2009	2008	Change	Change %	2009	2008	Change	Change %
Sales	262.5	301.4	-38.9	-12.9%	25.4	24.6	0.8	3.3%
Ebitda	33.2	46.7	-13.5	-28.9%	-2.8	0.1	-2.9	n.s.
%	*12.6%*	*15.5%*			*11.1%*	*0.2%*		

The consolidated results above take on more importance if analysed by activity sector. Starting with the wholesale channel, the slowdown in sales was equal to 12.9% whilst the industrial profitability improved compared to the first quarter of 2008.

In addition to what has previously been said regarding industrial optimisation, the way in which the cost containing activities have been put into place, regarding both commercial and structural costs, should be noted as they have allowed a substantial reduction in the impact of the lesser absorption of fixed costs.

In the retail sector, it is important to note that the first quarter of the year nevertheless represents a low season period, especially for the US chains and Mexico which are oriented almost exclusively towards the sales of sunglasses. Furthermore, the concentration of points of sale in countries where the economic crisis was felt more than in others, led to a decline in store footfall; in order to countermeasure this cost-containing actions, as well as sales incentive activities were put into action which, moreover, will only be completely successful when the end consumers are more inclined to make purchases.

Total sales increased thanks to the greater number of stores (324 compared to 268 in the first quarter of 2008), while comparable sales showed an overall downturn of 17%.

An improvement in gross profitability was also registered, although this was completely absorbed by the greater weight of the cost of the sales personnel which significantly affected the results. Fixed structure costs showed a slight reduction.

Balance sheet and financial situation

Condensed reclassified BS *(Euro in millions)*	**March 31, 2009**	**December 31, 2008**	**Change**
Trade receivables, net	320.9	301.6	19.3
Inventories	264.3	272.1	(7.8)
Trade payables	(160.0)	(204.9)	44.9
Net working capital	**425.2**	**368.8**	**56.4**
Property, plant and equipment	232.9	228.8	4.1
Intangible fixed assets and goodwill	431.9	422.4	9.5
Financial fixed assets	13.4	13.1	0.3
Net fixed assets	**678.2**	**664.3**	**13.9**
Employee benefit liability	(43.0)	(42.0)	(1.0)
Other assets/(liabilities) net	(72.0)	(66.9)	(5.1)
Net invested capital	**988.4**	**924.2**	**64.2**
Cash in hand and at bank	36.6	51.0	(14.4)
Short-term borrowings	(157.3)	(162.6)	5.3
Long-term borrowings	(499.3)	(461.1)	(38.2)
Net financial position	**(620.0)**	**(572.7)**	**(47.3)**
Group shareholders' equity	**(359.3)**	(343.1)	(16.2)
Minority interests	**(9.1)**	(8.4)	(0.7)
Total shareholders' equity	**(368.4)**	**(351.5)**	**(16.9)**

Financial situation

The following table reports the main items of the statement of cash flow as at 31th, March 2009 compared with the corresponding values of the same period of previous year.

Free cash flow *(Euro in milions)*	**Q1 2009**	**Q1 2008**	**Change**
Cash flow operating activities	(31.7)	(6.7)	(25.0)
Cash flow investing activities	(12.7)	(37.1)	24.4
Free cash flow	**(44.4)**	**(43.8)**	**(0.6)**

Management of the cash flow remained approximately the same as the first quarter of 2008.

This result is in fact the consequence of an absorption of resources following the lower net result and an increase in working capital in the component related to the commitments towards suppliers. Ordinary investments remained substantially unchanged compared to the previous year in which there had been an extraordinary cash absorption deriving from the acquisition of the chains of stores in Australia and Mexico.

Net working capital

The value of the net working capital related to commercial activity decreased by 11.4 million Euro compared to 31st March 2008, thus increasing its incidence on turnover during the previous 12 month period due to the sales performance.

Net working capital *(Euro in millions)*	**March 31, 2009**	**March 31, 2008**	**Change mar '09 - mar '08**	**December 31, 2008**
Trade receivables, net	320.9	345.7	(24.8)	301.6
Inventories	264.3	258.7	5.6	272.1
Trade payables	(160.0)	(167.7)	7.7	(204.9)
Net working capital	**425.2**	**436.7**	**(11.5)**	**368.8**
% net sales	*38.3%*	*37.2%*		*32.1%*

The slowdown in sales in the last six months and the special attention paid to the solvency of opticians allowed the Group to reduce its exposure to customers. This result was partly compensated for by the slight increase in inventory and by the lesser debt towards suppliers, on which the effect of the different exchange rates in the conversion of currencies of foreign companies had a large impact.

The increase in working capital compared to the end of the previous financial year can be explained mainly by the normal seasonality of its components and, furthermore, their reduction compared to 31st March 2008 should be noted.

Investments in property, plant and equipment and intangible fixed assets

The investments in tangible and intangible fixed assets carried out by the Group amount to 11.9 million Euro compared to 9.9 million Euro for the same period of the previous year and are divided as follows:

Capital expenditure *(Euro in millions)*	**Q1 2009**	**Q1 2008**	**Change**
Padua headquarters	1.6	1.0	0.6
Production facilities	7.4	4.4	3.0
Europe	0.3	0.8	(0.5)
The Americas	2.3	3.6	(1.3)
Asia Pacific	0.3	0.1	0.2
Total	**11.9**	**9.9**	**2.0**

The investments relating to the production sites of the Group were carried out at the new Chinese industrial plant for a total of 4.5 million Euro, and the rest was used for the routine maintenance and improvement of the factories, machinery and equipment of the plants located in Italy and Slovenia.

The investments in America refer mainly to the retail area and were used for the opening of new stores or the restructuring of pre-existing stores.

Net financial position

Net financial position *(Euro in millions)*	**March 31, 2009**	**December 31 2008**	**Change**
Current portion of long-term borrowings	(38.8)	(34.8)	(4.0)
Bank overdrafts and short-term borrowings	(71.6)	(72.7)	1.1
Other short-term borrowings	(46.9)	(50.0)	3.1
Cash and cash equivalents	36.6	55.1	(18.5)
Short-term net financial position	**(120.8)**	**(102.4)**	**(18.4)**
Long-term borrowings	(499.3)	(441.7)	(57.6)
Long-term net financial position	**(499.3)**	**(441.7)**	**(57.6)**
Net financial position	**(620.0)**	**(544.1)**	**(75.9)**

The Group's net financial position increased compared to the end of 2008 due to the effect of the normal seasonality of the working capital, going from 570 million Euro in December 2008 to the current 617.7 million Euro.

The increase compared to December depends also, for some millions, on the exchange rates at the of the quarter for the part regarding the debt in currencies different from the Euro. There are no substantial changes to the timeframe of the lines of credit.

Personnel

Group personnel as at March 31th, 2009, December 31st, 2008 and March 31th, 2008 is shown in the following table:

	March 31, 2009	**December 31, 2008**	**March 31, 2008**
Padua headquarters	864	866	868
Production facilities	4,632	4,909	4,658
Commercial companies	1,337	1,235	1,412
Retail	1,666	1,788	1,742
Total	**8,499**	**8,798**	**8,680**

The reduction in personnel compared to 31st December 2008 occurred mostly in the production plants of the Group following the industrial restructuring in course. The increase in personnel in the commercial subsidiaries resulted essentially from the seasonality of the sales force in some of the companies in the Far East.

Significant events after March 31th, 2009 and the outlook for the year

In the period subsequent to 31st March 2009 there were no events that can be considered to have significantly affected the data contained in this report.

In April, the company's Corporate Rating was audited by the ratings agency Moody's and downgraded from B3 to B2.

As noted in the report on the consolidated financial statements of 2008 , the deterioration and the volatility of the current market demand make it increasingly difficult to formulate annual forecasts, and it is for this reason that the management will provide quarterly updates and indications.

A difficult second quarter may already be expected, while some improvements could become evident during the course of the second semester of 2009.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

(Euro/000)	Note	March 31, 2009	December 31, 2008
ASSETS			
Current assets			
Cash in hand and at bank	2.1	36,642	50,967
Trade receivables, net	2.2	320,882	301,562
Inventory, net	2.3	264,289	272,102
Derivative financial instruments	2.4	371	772
Other current assets	2.5	42,513	46,162
Total current assets		**664,697**	**671,565**
Non-current assets			
Property, plant and equipment, net	2.6	232,871	228,758
Intangible assets	2.7	22,876	22,623
Goodwill	2.8	409,000	399,737
Investments in associates	2.9	12,882	12,298
Financial assets available-for-sale	2.10	557	861
Deferred tax assets	2.11	57,969	53,434
Derivative financial instruments	2.4	398	455
Other non-current assets	2.12	12,857	13,833
Total non-current assets		**749,410**	**731,999**
Total assets		**1,414,107**	**1,403,564**

(Euro/000)	*Note*	March 31, 2009	December 31, 2008
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	*2.13*	157,292	162,645
Trade payables	*2.14*	160,027	204,899
Tax payables	*2.15*	26,464	22,545
Derivative financial instruments	*2.4*	0	0
Other current liabilities	*2.16*	114,294	116,021
Provisions for risks and charges	*2.17*	944	1,053
Total current liabilities		**459,021**	**507,163**
Non-current liabilities			
Long-term borrowings	*2.13*	499,261	461,084
Employee benefit liability	*2.18*	42,978	41,991
Provisions for risks and charges	*2.17*	13,305	13,263
Deferred tax liabilities	*2.11*	5,340	5,184
Derivative financial instruments	*2.4*	7,553	5,740
Other non-current liabilities	*2.19*	18,251	17,662
Total non-current liabilities		**586,688**	**544,924**
Total liabilities		**1,045,709**	**1,052,087**
Shareholders' equity			
Share capital	*2.20*	35,000	35,000
Share premium reserve	*2.21*	2,305	2,305
Retained earnings and other reserves	*2.22*	329,251	327,535
Fair value and cash flow reserves	*2.23*	(9,141)	(7,620)
Income (Losses) attributable to the Group		1,872	(14,155)
Total shareholders' equity attributable to the Group		**359,287**	**343,065**
Minority interests		**9,111**	**8,412**
Total shareholders' equity		**368,398**	**351,477**
Total liabilities and shareholders' equity		**1,414,107**	**1,403,564**

Consolidated statement of operations

		First quarter	
(Euro/000)	***Note***	**2009**	**2008**
Net sales	*3.1*	287,909	326,020
Cost of sales	*3.2*	(113,331)	(133,080)
Gross profit		**174,578**	**192,940**
Selling and marketing expenses	*3.3*	(122,647)	(122,021)
General and administrative expenses	*3.4*	(32,534)	(33,923)
Other operating income/(expenses), net	*3.5*	(105)	(35)
Operating profit		**19,292**	**36,961**
Share of income/(loss) of associates	*3.6*	35	38
Interest expenses and other financial charges, net	*3.7*	(14,452)	(13,636)
Profit before taxation		**4,875**	**23,363**
Income taxes	*3.8*	(2,581)	(8,585)
Net profit		**2,294**	**14,778**
Net profit attributable to minority interests		421	1,318
Net profit attributable to the Group		**1,873**	**13,460**

Consolidated statement of cash flow

(Euro/000)	**Q1 2009**	**Q1 2008**
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	**(23,128)**	**(36,639)**
B - Cash flow from (for) operating activities		
Net profit for the period (including minority interests)	2,293	14,778
Depreciation and amortization	11,065	9,812
Stock option	0	139
Share income/(loss) on equity investments	(35)	(38)
Net movements in the employee benefit liability	1,018	1,586
Net movements in other provisions	(72)	244
Interest expenses, net	11,029	10,373
Income tax expenses	2,581	8,585
Income from operating activities prior to movements in working capital	**27,879**	**45,479**
(Increase) Decrease in trade receivables and other current receivables	(13,503)	(23,036)
(Increase) Decrease in inventory, net	12,024	11,518
Increase (Decrease) in trade payables and other current payables	(51,605)	(28,313)
Interest expenses paid	(4,395)	(4,463)
Income tax paid	(2,063)	(7,865)
Total (B)	**(31,663)**	**(6,680)**
C - Cash flow from (for) investing activities		
Purchase of property, plant and equipment (net of disposals)	(10,726)	(9,801)
Acquisition of subsidiaries (net of cash acquired)	0	(26,671)
(Acquisition) Disposal of investments and bonds	100	(21)
Purchase of intangible assets	(2,089)	(588)
Total (C)	**(12,715)**	**(37,081)**
D - Cash flow from (for) financing activities		
Proceeds from borrowings	34,491	28,179
Loan from parent company	2,000	0
Reimbursement of loan given to parent company	0	14,000
Repayment of borrowings	(4,631)	(6,882)
Dividends paid	(84)	(15,030)
Total (D)	**31,776**	**20,267**
E - Cash flow for the period (B+C+D)	**(12,602)**	**(23,494)**
Translation exchange difference	734	2,834
Total (F)	**734**	**2,834**
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	**(34,996)**	**(57,298)**

Statement of changes in shareholders' equity

First quarter 2008 and 2009.

(Euro/000)	Share capital	Share premium reserve	Shareholders' stock account payment	Treasury shares	Translation difference	Fair value and cash flow reserves	Retained earnings	Net profit (Loss)	Total equity
Parent shareholders' equity at January 1, 2008	**35,000**	**2,305**	**299,523**	**(80,988)**	**(40,347)**	**(280)**	**130,375**	**53,267**	**398,855**
Prevoius year's profit allocation	-	-	-	-	-	-	53,267	(53,267)	-
Dividends distribution	-	-	-	-	-	-	-	-	-
Total profit (loss) related to parent's shareholders	-	-	-	-	(20,646)	(1,335)	(68)	13,460	(8,589)
Parent shareholders' equity at March 31, 2008	**35,000**	**2,305**	**299,523**	**(80,988)**	**(60,993)**	**(1,615)**	**183,574**	**13,460**	**390,266**
Minority interests at January 1, 2008	**-**	**-**	**-**	**-**	**(147)**	**-**	**1,542**	**3,525**	**4,920**
Prevoius year's profit allocation	-	-	-	-	-	-	3,525	(3,525)	-
Dividends distribution	-	-	-	-	-	-	(447)	-	(447)
Net profit (loss) related to minority's interests	-	-	-	-	(222)	-	431	1,318	1,527
Minority interests at March 31, 2008	**0**	**0**	**0**	**0**	**(369)**	**0**	**5,051**	**1,318**	**6,000**
Consolidated total profit (loss)					**(20,868)**	**(1,335)**	**363**	**14,778**	**(7,062)**
Consolidated net equity at March 31, 2008	**35,000**	**2,305**	**299,523**	**(80,988)**	**(61,362)**	**(1,615)**	**188,625**	**14,778**	**396,266**

(Euro/000)	Share capital	Share premium reserve	Shareholders' stock account payment	Treasury shares	Translation difference	Fair value and cash flow reserves	Retained earnings	Net profit	Total equity
Parent shareholders' equity at January 1, 2009	**35,000**	**2,305**	**299,523**	**(80,988)**	**(30,747)**	**(7,620)**	**139,746**	**(14,155)**	**343,065**
Previous year's profit allocation	-	-	-	-	-	-	(14,155)	14,155	-
Dividends approved	-	-	-	-	-	-		-	-
Total profit (loss) related to parent's shareholders	-	-	-	-	15,561	(1,521)	309	1,872	16,221
Parent shareholders' equity at March 31, 2009	**35,000**	**2,305**	**299,523**	**(80,988)**	**(15,186)**	**(9,141)**	**125,901**	**1,872**	**359,286**
Minority interests at January 1, 2009	**-**	**-**	**-**	**-**	**526**	**-**	**5,111**	**2,775**	**8,412**
Previous year's profit allocation	-	-	-	-	-	-	2,775	(2,775)	-
Dividend distribution	-	-	-	-	-	-	(85)	-	(85)
Net profit (loss) related to minority's interests	-	-	-	-	349	-	14	421	784
Minority interests at March 31, 2009	**0**	**0**	**0**	**0**	**875**	**0**	**7,815**	**421**	**9,111**
Consolidated total profit (loss)					**15,910**	**(1,521)**	**323**	**2,293**	**17,005**
Consolidated net equity at March 31, 2009	**35,000**	**2,305**	**299,523**	**(80,988)**	**(14,311)**	**(9,141)**	**133,716**	**2,293**	**368,397**

Consolidated statement of recognised profit and loss

(Euro/000)	*Note*	Q1 2009	Q1 2008
Profit (loss) attributable to the cash flow reserve	*2.23*	(1,317)	(692)
Profit (loss) attributable to the fair value reserve	*2.23*	(204)	(643)
Profit (loss) attributable to the conversion fund	*2.22*	15,910	(20,868)
Profit (loss) attributable to shareholders' equity	*2.22*	323	363
Total profit / (loss) attributable to shareholders' equity		**14,712**	**(21,840)**
Net profit for the period		2,293	14,778
Total recognized profit for the period		**17,005**	**(7,062)**
Attributable to:			
Group		16,221	(8,589)
Minority interests		784	1,527
Total recognized profit for the period		**17,005**	**(7,062)**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

1.1 General information

These consolidated financial statements, expressed in thousands of Euro, refer to the financial period from January 1st 2009 to March 31st 2009. Economic and financial informations are provided with reference to the first three months of 2009 and 2008, whilst balance sheet informations are provided with reference to March 31st 2009 and December 31st 2008.

The consolidated financial informations reported for the period ended March 31st 2009 have been prepared in accordance with the IFRS issued by the *International Accounting Standards Board* and approved by the European Commission. In particular, this interim financial report has been prepared in accordance with IAS 34 – *Interim Financial Reporting*.

1.2 Accounting standards, amendments and interpretations applied from 1st January 2009

IAS 1 Reviewed – Presentation of the financial statements

The new version of the IAS 1 prohibits the presentation of the profit and loss components income and expenses (defined as "variations generated from transactions with no-shareholders") in the statement of variations of equity, and requests that they are separately indicated compared to the variations generated by the transactions with shareholders.

According, in fact, to the revised version of the IAS 1, all the variations deriving from transactions with the no-shareholder must be highlighted in a single, separate statement which illustrates the performance of the period (statement of the total profits and losses recorded). Such variations must be highlighted separately also in the Statement of variations of the equity.

The Group has applied the reviewed version of the IAS 1 retrospectively from 1st January 2009, choosing to highlight all the variations deriving from transactions with non-partners in two separate statements respectively entitled "Consolidated Income Statement" and "Statement of the total profits and losses recorded in the period", and has consequently modified the presentation of the Statement of the variations of the net assets.

Furthermore, within the scope of the 2008 annual Improvement process conducted by the IASB, an amendment to the Revised IAS 1 was published in which it is set down that the assets and the liabilities deriving from derivative financial instruments, which are not retained for the purposes of the negotiation, are classified in the Balance Sheet, with the distinction between current and non-current assets and liabilities. In this regard it is noted that the adoption of this amendment did not result in any change in the presentation of the items relating to the assets and the liabilities deriving from derivative financial instruments, given that the Group presents the Balance Sheet with the indication of the distinction of the current and non-current items.

1.3 Consolidation method and consolidation area

The direct and indirect holdings, included in the consolidation scope under the line-by-line method, and other than the holding company Safilo S.p.A., are the following:

	Value	Share capital	Quota held %
ITALIAN COMPANIES			
Safilo S.p.A. – Pieve di Cadore (BL)	EUR	35.000.000	100,0
Oxsol S.p.A. - Pieve di Cadore (BL)	EUR	121.000	100,0
Lenti S.r.l. – Bergamo	EUR	500.000	75,6
Smith Sport Optics S.r.l. (in liquidazione) – Padova	EUR	102.775	100,0
FOREIGN COMPANIES			
Safilo International B.V. - Rotterdam (NL)	EUR	24.165.700	100,0
Safint B.V. - Rotterdam (NL)	EUR	18.200	100,0
Safilo Capital Int. S.A. - Lussemburgo (L)	EUR	31.000	100,0
Luxury Trade S.A - Lussemburgo (L)	EUR	1.650.000	100,0
Safilo Benelux S.A. - Zaventem (B)	EUR	560.000	100,0
Safilo Espana S.L. - Madrid (E)	EUR	3.343.960	100,0
Navoptik S.L. - Madrid (E)	EUR	664.118	100,0
Safilo France S.a.r.l. - Parigi (F)	EUR	960.000	100,0
Safilo Gmbh - Colonia (D)	EUR	511.300	100,0
Safilo Nordic AB - Taby (S)	SEK	500.000	100,0
Safilo CIS - LLC - Mosca (Russia)	RUB	10.000.000	100,0
Safilo Far East Ltd. - Hong Kong (RC)	HKD	49.700.000	100,0
Safint Optical Investment Ltd - Hong Kong (RC)	HKD	10.000	51,0
Safilo Hong-Kong Ltd – Hong Kong (RC)	HKD	100.000	51,0
Safilo Singapore Pte Ltd - Singapore (SGP)	SGD	400.000	100,0
Safilo Optical Sdn Bhd – Kuala Lumpur (MAL)	MYR	100.000	100,0
Safilo Trading Shenzen Limited- Shenzen (RC)	CNY	2.481.000	51,0
Safilo Eyewear (Shenzen) Company Limited - (RC)	USD	700.000	51,0
Safilo Eyewear (Suzhou) Industries Limited - (RC)	USD	3.000.000	100,0
Safilo Retail Shangai Co. Ltd - (RC)	USD	2.100.000	100,0
Safilo Korea Ltd – Seoul (K)	KRW	300.000.000	100,0
Safilo Hellas Ottica S.a. – Atene (GR)	EUR	489.990	70,0
Safilo Nederland B.V. - Bilthoven (NL)	EUR	18.200	100,0
Safilo South Africa (Pty) Ltd. – Bryanston (ZA)	ZAR	3.383	100,0
Safilo Austria Gmbh -Traun (A)	EUR	217.582	100,0
Carrera Optyl D.o.o. - Ormoz (SLO)	EUR	563.767	100,0
Safilo Japan Co Ltd - Tokyo (J)	JPY	100.000.000	100,0
Safilo Do Brasil Ltda – San Paolo (BR)	BRL	8.077.500	100,0
Safilo Portugal Lda – Lisbona (P)	EUR	500.000	100,0
Safilo Switzerland AG – Liestal (CH)	CHF	1.000.000	100,0
Safilo India Pvt. Ltd - Bombay (IND)	INR	42.000.000	88,5
Safint Australia Pty Ltd.- Sydney (AUS)	AUD	3.000.000	100,0
Safilo Australia Partnership – Sydney (AUS)	AUD	204.081	61,0
Optifashion Australia Pty Ltd. - Sydney (AUS)	AUD	23.000.000	100,0
Just Spectacles Pty Ltd - Perth (AUS)	AUD	2.000	100,0
Just Spectacles (Franchisor) Pty Ltd - Perth - (AUS)	AUD	200	100,0
Just Specs Direct Pty Ltd - Perth (AUS)	AUD	400	100,0
Just Protection Eyewear Pty Ltd - Perth (AUS)	AUD	2	100,0
Optifashion Hong Kong Ltd - Hong Kong (RC)	HKD	300.000	100,0
Safint Optical UK Ltd. - Londra (GB)	GBP	21.139.001	100,0
Safilo UK Ltd. - North Yorkshire (GB)	GBP	250	100,0
Safilo America Inc. - Delaware (USA)	USD	8.430	100,0
Safilo USA Inc. - New Jersey (USA)	USD	23.289	100,0
Safilo Realty Corp. - Delaware (USA)	USD	10.000	100,0
Safilo Services LLC - New Jersey (USA)	USD	-	100,0
Smith Sport Optics Inc. - Idaho (USA)	USD	12.162	100,0
Solstice Marketing Corp. – Delaware (USA)	USD	1.000	100,0
Solstice Marketing Concepts LLC – Delaware (USA)	USD	-	100,0
Safint Eyewear de Mexico - Cancun (MEX)	MXP	100.000	100,0
Tide Ti S.A. de C.V. - Cancun (MEX)	MXP	52.010.000	60,0
2844-2580 Quebec Inc. – Montreal (CAN)	CAD	100.000	100,0
Safilo Canada Inc. - Montreal (CAN)	CAD	2.470.425	100,0
Canam Sport Eyewear Inc. - Montreal (CAN)	CAD	300.011	100,0

1.4 Translation of financial statements in currencies other than the Euro

The exchange rates applied in the conversion of subsidiaries' financial statements prepared in a currency other than the Euro were as follows:

Currency	Code	As of December 31, 2008	As of December 31, 2007	(Appreciation)/ Depreciation %	Avg. for the financial year 2008	2007	(Appreciation)/ Depreciation %
US Dollar	USD	1.3308	1.3917	-4.4%	1.3028	1.4976	-13.0%
Hong-Kong Dollar	HKD	10.3140	10.7858	-4.4%	10.1016	11.6737	-13.5%
Swiss Franc	CHF	1.5152	1.4850	2.0%	1.4977	1.6014	-6.5%
Canadian Dollar	CAD	1.6685	1.6998	-1.8%	1.6207	1.5022	7.9%
Japanese Yen	YEN	131.1700	126.1400	4.0%	121.9963	157.7987	-22.7%
British Pound	GBP	0.9308	0.9525	-2.3%	0.9088	0.7570	20.1%
Swedish Krown	SEK	10.9400	10.8700	0.6%	10.9410	9.3996	16.4%
Australian Dollar	AUD	1.9216	2.0274	-5.2%	1.9648	1.6533	18.8%
South-African Rand	ZAR	12.6140	13.0667	-3.5%	12.9740	11.2736	15.1%
Russian Ruble	RUB	45.0320	41.2830	9.1%	44.4165	0.0000	n/a
Brasilian Real	BRL	3.0767	3.2436	-5.1%	3.0168	2.5851	16.7%
Indian Rupee	INR	67.3920	67.6360	-0.4%	64.7948	59.6098	8.7%
Singapore Dollar	SGD	2.0234	2.0040	1.0%	1.9709	2.1107	-6.6%
Malaysian Ringgit	MYR	4.8514	4.8048	1.0%	4.7259	4.8325	-2.2%
Chinese Reminbi	CNY	9.0942	9.4956	-4.2%	8.9066	10.7268	-17.0%
Korean Won	KRW	1,840.6300	1,839.1300	0.1%	1,847.5900	1,430.8400	29.1%
Mexican Peso	MXN	18.7623	19.2333	-2.4%	18.7267	16.1862	0.1570

Foreign currency transactions are converted into the currency using the exchange rate at the transaction date. The foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1.5 Use of estimates

The preparation of the consolidated financial statements requires the Directors to apply accounting principles and methods that, in some circumstances, are based on difficult and subjective valuations and estimates based on historical experience and assumptions which are from time to time considered reasonable and realistic according to the prevailing circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the balance sheet, the income statement and the cash flow statement, and on the disclosures in the notes to the accounts. The final outcome of the various accounts in the financial statements, which uses the above-mentioned estimates and assumptions, may differ from those reported in the financial statements due to the uncertainty which characterises the assumptions and the conditions upon which the estimates are based.

Some valuation processes, in particular the most complex such as the calculation of permanent impairments in values for fixed assets, are only made in full for the preparation of the Annual financial statements when all the necessary information is available, unless "impairment" indicators exist that require an immediate valuation of a potential loss in value.

2. Notes on the consolidated balance sheet

2.1 Cash in hand and at bank

The account above amounts to Euro 36,642 thousand, compared to Euro 50,967 thousand as of December 31st, 2008 and represents the temporary liquidity held, invested at market rates. The book value of cash in hand and at bank is in line with its fair value at the balance sheet date and the credit risk is very limited, being the counterparts primary financial institutions.

The following table shows the reconciliation with the closing net cash reported in the cash flow statement:

(Euro/000)	**March 31, 2009**	**March 31, 2008**
Cash in hand and at bank	36,642	43,268
Bank overdrafts	(71,638)	(100,566)
Total	**(34,996)**	**(57,298)**

2.2 Trade receivables, net

This account is comprised as follows:

(Euro/000)	**March 31, 2009**	**December 31, 2008**
Gross value	344,306	324,809
Allowance for doubtful accounts	(23,424)	(23,247)
Net value	**320,882**	**301,562**

Net trade receivables increased mainly as a result of the seasonality of the business; it should be noted that the Group does not have a significant concentration of its credit risk as its trade receivables are related to a large number of customers.

Allowance for doubtful accounts includes the accrual for insolvency accounted for in the income statement under "general and administrative expenses" (note 3.4). The allowance for doubtful accounts also includes the accrual for products supplied to clients which, in accordance with specific contractual clauses, are expected to be returned when not sold to the final customer. This accrual is accounted for as a reduction of sales in the income statement.

2.3 Inventory, net

This account is comprised as follows:

(Euro/000)	March 31, 2009	December 31, 2008
Raw materials	43,837	50,754
Work-in-progress	5,091	6,315
Finished products	252,484	251,621
Gross	**301,412**	**308,690**
Obsolescence provision (-)	(37,123)	(36,588)
Total	**264,289**	**272,102**

For obsolete and slow moving items, a specific provision has been accounted for, based on their possible future sale or use. The above provision impacted upon the income statement at the line "cost of sales" (note 3.2).
The following table shows the movements in the obsolescence provision:

(Euro/000)	Balance at January 1, 2009	Posted to income statement	Transl. diff.	Balance at March 31, 2009
Obsolescence provision	36,588	65	470	37,123
Total	**36,588**	**65**	**470**	**37,123**

2.4 Derivative financial instruments

The following table represents the amounts related to the derivative financial instruments contained in the balance sheet:

(Euro/000)	March 31, 2009	December 31, 2008
Current assets:		
- Foreign currency contracts - at fair value through P&L	371	772
- Foreign currency contracts - at fair value through shareholders' equity	-	-
- Interest rate swaps - at fair value through P&L	-	-
Total	**371**	**772**
Non-current assets:		
- Interest rate swaps - cash flow hedge	-	-
- Options	398	455
Total	**398**	**455**
Current liabilities:		
- Foreign currency contracts - at fair value through P&L	-	-
- Interest rate swaps - at fair value through P&L	-	-
Total	**-**	**-**
Non-current liabilities:		
- Interest rate swaps - cash flow hedge	7,553	5,740
Total	**7,553**	**5,740**

The fair value of the currency hedging contracts amounts to Euro 371 thousands, compared to Euro 772 thousands as of December 31, 2008 and has been calculated as the *mark to market* of each contract as of the reporting date.

The fair value of the *Interest Rate Swaps* contracts has been calculated as the *mark to market* as of the reporting date by leading financial institutions. The hedging effect, accounted into the *cash flow reserve*, is released through P&L as soon as the relevant hedged flow occurs.

The following table summarises the main terms and fair values of the existing *IRS* contracts as of March 31, 2009 and December 31, 2008:

Interest rate swaps *(Euro/000)*	**March 31, 2009**			**December 31, 2008**		
	Contractual value		***Fair value***	**Contractual value**		***Fair value***
	(USD/000)	*(Euro/000)*	*(Euro/000)*	*(USD/000)*	*(Euro/000)*	*(Euro/000)*
Expiry year 2010		55,000	(2,303)	-	55,000	(1,612)
Expiry year 2011		81,000	(3,727)	-	81,000	(2,545)
Expiry year 2011	70,038		(1,524)	70,038	-	(1,584)
Total	**70,038**	**136,000**	**(7,553)**	**70,038**	**136,000**	**(5,740)**

Profits and losses accounted into the *fair value reserve* are accounted through the P&L as soon as the hedging contracts expire.

The fair value of the advanced repayment option included in the notes issued by the subsidiary Safilo Capital International S.A., equal to Euro 512 thousand, is reported among non-current assets.

2.5 Other current assets

This account is comprised as follows:

(Euro/000)	**March 31, 2009**	**December 31, 2008**
Receivables from the holding company Safilo Group S.p.A.	34	59
VAT receivable	7,169	5,713
Tax credits and payments on account	8,101	6,925
Prepayments and accrued income	17,773	10,857
Receivables from agents	624	633
Other current receivables	8,812	21,975
Total	**42,513**	**46,162**

The tax credits and payments on account principally relate to the income tax payments on account and will be compensated against the related tax payables.

Pre-payments and accrued income at March 31st, 2009 include:

- prepaid advertising costs of Euro 4,031 thousand;
- prepaid insurance premiums of Euro 1,011 thousand;
- preapaid costs for royalties of Euro 6,378 thousand;
- prepaid rent and operating leases of Euro 1,669 thousand;
- prepaid costs incurred for the "Revolving Facility" loan of Euro 1,011 thousand;
- other prepaid costs, mainly commercial, for the remaining part.

The receivables from sales agents principally refer to receivables deriving from the sale of product samples.

2.6 Property, plant and equipment, net

(Euro/000)	Balance at January 1, 2009	Increase	Decrease	Reclass.	New acquisition	Transl. diff.	Balance at March 31, 2009
Gross value							
Land and buildings	129,048	4,768	(471)	6,858		837	141,040
Plant and machinery	177,913	1,509	(4)			414	179,832
Equipment and other assets	192,555	3,803	(1,226)	(2,869)		2,881	195,144
Assets under constructions	6,439	2,307	(126)	(5,725)		35	2,930
Total	**505,955**	**12,387**	**(1,827)**	**(1,736)**	**-**	**4,167**	**518,946**
Accumulated depreciation							
Land and buildings	33,708	1,437	(468)	545		116	35,338
Plant and machinery	116,305	2,741	(4)	81		112	119,235
Equipment and other assets	127,184	5,266	(1,196)	- 861		1,109	131,502
Total	**277,197**	**9,444**	**(1,668)**	**- 235**	**-**	**1,337**	**286,075**
Net book value	**228,758**	**2,943**	**(159)**	**(1,501)**	**-**	**2,830**	**232,871**

2.7 Intangible assets

(Euro/000)	Balance at January 1, 2009	Increase	Decrease / write-down	Reclass.	Transl. diff.	Balance at March 31, 2009
Gross value						
Software	17,754	900	(3)		286	18,937
Trademarks and licenses	42,930	39	(3)		22	42,988
Other intangible assets	9,413	384		612	169	10,578
Intangible assets in progress	431	1		(374)		58
Total	**70,528**	**1,324**	**(6)**	**238**	**477**	**72,561**
Accumulated depreciation						
Software	12,140	601	(1)		112	12,852
Trademarks and licenses	29,869	858			10	30,737
Other intangible assets	5,896	162			38	6,096
Total	**47,905**	**1,621**	**(1)**	**0**	**160**	**49,685**
Net book value	**22,623**	**(297)**	**(5)**	**238**	**317**	**22,876**

Amortization and depreciation expenses related to intangible assets and property, plant and equipment for the first three months of 2009 and 2008 are divided into the following income statement as follows:

		1Q	
(Euro/000)	***note***	**2009**	**2008**
Cost of sales	*3.2*	5,088	5,334
Selling and marketing expenses	*3.3*	2,520	1,059
General and administrative costs	*3.4*	3,457	3,420
Total		**11,065**	**9,813**

2.8 Goodwill

(Euro/000)	Balance at January 1, 2009	Increase	Decrease	Transl. diff.	Balance at March 31, 2009
Goodwill	399,737	529	-	8,734	409,000
Net book value	**399,737**	**529**	**-**	**8,734**	**409,000**

2.9 Investments in associates

Investments in associates refer to the following:

Company	Registered office or headquarters	% of share capital	Type of investment	Main activity
Elegance I. Holdings Ltd	Hong Kong	23.05%	Associated company	Commercial
Optifashion As	Turkey	50.00%	Non consolidated subsidiary	Commercial
TBR Inc.	USA	33.33%	Associated company	Real estate

The movements in investments in associates during the first three months of 2009 were as follows:

	31.12.2008			Movements for the period		
(Euro/000)	Gross value	Revaluation/(write-down)	Value at December 31, 2008	Share of results and write-down of divid. of assoc. comp.	Transl. diff.	Value at March 31, 2009
TBR Inc.	427	(244)	183	35	8	226
Elegance Ltd	5,307	6,567	11,874		541	12,415
Optifashion As	353	(112)	241			241
Total	**6,087**	**6,211**	**12,298**	**35**	**549**	**12,882**

The changes compared to December 31st, 2008 are mainly due to the net profits realized in the period, net of the dividends received, and to translation differences.

The company Optifashion A.s., a 50% held subsidiary of the Group with registered office in Istanbul (Turkey), is not included in the consolidation scope as the amounts are considered insignificant in relation to the true and fair view of the consolidated assets and liabilities, financial position and results of operations of the Group.

2.10 Financial assets available-for-sale

This account represents the financial assets which may be sold. They are measured at current value, calculated with reference to official listed market prices at the reporting date, with a corresponding entry in the fair value reserve.

(Euro/000)	Relationship	Value at March 31, 2009	Value at December 31, 2008
Gruppo Banco Popolare	Other equity investment	446	638
Unicredit S.p.A.	Other equity investment	38	50
Others	Other equity investment	73	173
Total		**557**	**861**

The movements of the account in the period are shown below:

(Euro/000)	31.12.2008 Gross value	Revaluation/(write-down)	Net value	Movements for the year Increase/(Decrease)	Revaluation/(write-down)	Value at March 31, 2009
Gruppo Banco Popolare	4,096	(3,458)	638	-	(192)	446
Unicredit S.p.A.	48	2	50	-	(12)	38
Others	173	-	173	(100)	-	73
Total	**4,317**	**(3,456)**	**861**	**(100)**	**(204)**	**557**

2.11 Deferred tax assets and deferred tax liabilities

(Euro/000)	March 31, 2009	December 31, 2008
Deferred tax assets	97,973	93,438
Deferred tax liabilities	(5,340)	(5,184)
Total	92,633	88,254
Depreciation Fund	(40,004)	(40,004)
Total, net	**52,629**	**48,250**

Deferred tax assets

Deferred tax assets refer to income taxes calculated on fiscal losses recoverable in future years and temporary differences between the tax basis of assets and liabilities and their book carrying amount. Deferred tax assets on Group losses have been calculated as there is the reasonable expectation of their recovery through future assessable incomes.

Deferred tax liabilities

Deferred tax liabilities refer to taxes calculated on the temporary differences between the book value of the assets and liabilities and the related tax value. The most important account included in deferred tax liabilities mainly relates the property, plant and equipment and the goodwill amortization, calculated only for fiscal purposes.

Provision for deferred tax assets

On December 31, 2008 deferred tax assets net of deferred tax liabilities in the financial statements of some companies of the Group, have been written down through a provision, in order to take into account the recent market trend and the changed expectations of future levels of profitability. The provision amount to Euro 40,004 thousand.

2.12 Other non-current assets

The account is comprised as follows:

(Euro/000)	March 31, 2009	December 31, 2008
Receivables from the holding company Safilo Group S.p.A.	2,838	993
Other non-current assets	10,019	12,840
Total	**12,857**	**13,833**

Receivables from the parent company Safilo Group S.p.A. refer primarily to the fiscal losses realized by Safilo S.p.A. during the financial year 2005 and 2006 and transferred to Safilo Group S.p.A. in accordance with the mechanism of the so-called "national tax consolidation".

At March 31st, 2009 the account balance "other non-current assets" amount to Euro 10,019 thousand and mainly refer:

- for Euro 6,586 thousand to the receivable relating to the quotas of employment benefit liability that the holding company Safilo S.p.A. has transferred to the Treasury Fund founded by the Italian Social Security Institution (INPS) further to the modifications introduced by the Finance Bill no. 296 of 2006;

- for Euro 3,141 thousand to receivables for guarantee deposits;

- for the remaining part to other long-term receivables due to various Group companies.

2.13 Bank loans and borrowings

This account is comprised as follows:

(Euro/000)	March 31, 2009	December 31, 2008
Short-term borrowings		
Bank overdrafts	13,120	4,238
Short-term bank loans	58,518	69,857
Short-term portion of long-term bank loans	38,817	37,646
Short-term portion of financial leasing	1,539	1,522
Debt to the factoring company	45,194	49,279
Other short-term loans	104	103
Total	**157,292**	**162,645**

Long-term borrowings		
Medium long-term loans	487,307	450,660
Payables for financial leasing	9,393	9,863
Loan from parent company Safilo Group S.p.A.	2,000	0
Other medium long-term loans	561	561
Total	**499,261**	**461,084**
Total borrowings	**656,553**	**623,729**

The short-term portion of long-term bank loans, equal to Euro 36,676 thousand, represents the portion of the senior loan, stipulated at the end of June 2006.

The long-term portion of the above loan, denominated "senior", equal to Euro 285,683 thousand, is included in the "Medium long-term loans". The loan above is structured as follows: Euro 200 millions, related to "Facility A", with half yearly repayments starting from December 2006 until December 2011, which is in turn subdivided into three tranches, of which one in Euro (Tranche A1, for an original notional equal to Euro 80 million), and two in US Dollars (Tranche A2 and Tranche A3, for an original notional of USD 70.4 million and USD 80.5 million respectively), due in December 31st 2011. As of March 31, 2009, the long term portion of this loan amounts to 90,683 thousand Euro and the spread applied is currently equal to 1.80%.

Euro 200 million, related to "Revolving Facility" expiring on December 31st, 2012, composed of two tranches also provided in US Dollars (Tranche B1: Euro 170 million, Tranche B2: Euro 30 million) utilised at March 31st, 2009 for Euro 195 million.

The contractual agreements relating to the Senior Loan granted to some Group companies from a pool of banks coordinated by Bayerische Hypo und Vereinsbank AG, include a series of obligations which concern the operating and financial aspects. In particular, it is requested that pre-determined levels related to certain parametric indices (covenants), calculated based on the data of the final statements at the end of every six month period, are respected. Should they not be complied with in the future, the conditions with which the loan relationship is to be continued must be negotiated with the financers, that is appropriate waivers or modifications to adapt the above-mentioned parameters. If this does not happen, an "Event of Default", that may involve obligatory early repayment of the loans granted, could take place. Covenants in the current contractual agreement are calculated as a ratio between net financial position and EBITDA and EBITDA and financial income and expenses. In the light of a possible misalignment of the covenants as of June 30, 2009 and following test dates, with respect to the levels required by the Senior Loan agreement, the management is currently negotiating with the lending banks more comfortable covenants, in line with the new market conditions.

The above loans, valued under the amortised cost method, are principally guaranteed by pledges on the shares of Safilo S.p.A. and by personal guarantees provided by the directly financed companies.

The account "Medium long-term loans" also include the High Yield bond, equal to a nominal value of Euro 195 million and the long-term portion of the borrowings present in the balance sheet of other Group companies, amounting to 11,732 thousand Euro

The payables for financial leases refer to property, plant and equipment acquired under leasing contracts by companies belonging to the Group. The average residual life of leasing contracts is 7 years. All leasing contracts at the interim balance sheet date are repayable through equal instalments and the contracts do not include any option for reviewing the original contract.

The repayment dates of medium long-term loans are as follows:

(Euro/000)	March 31, 2009	December 31, 2008
Within 2 years	46,530	41,950
Within 3 years	56,494	53,695
Within 4 years	199,703	168,047
Within 5 years	193,497	193,323
Beyond 5 years	3,037	4,069
Total	**499,261**	**461,084**

Borrowings by currency are as follows:

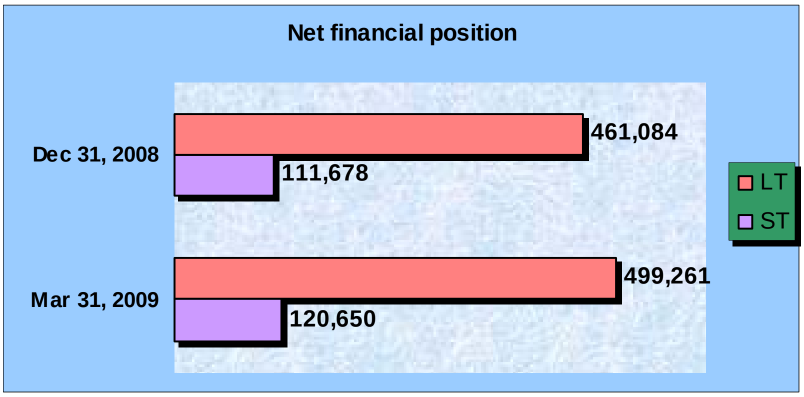
(Euro/000)	March 31, 2009	December 31, 2008
Short-term		
Euro	119,011	128,240
US Dollars	22,478	21,478
Chinese Reminbi	12,756	9,057
Yen	762	793
Swedish SEK	72	-
Mexican Pesos	383	472
Brasilian Real	1,830	2,597
Australian Dollars	-	-
South African Rand	-	8
Total	**157,292**	**162,645**
Medium long-term		
Euro	439,504	407,691
US Dollars	50,854	48,589
Chinese Reminbi	4,398	-
Yen	2,287	2,378
Swedish SEK	157	-
Mexican Pesos	1,394	1,670
Brasilian Real	27	-
Australian Dollars	640	756
Total	**499,261**	**461,084**
Total borrowings	**656,553**	**623,729**

The following table shows credit lines granted to the Group, their utilization and the credit lines available at March 31st 2009:

(Euro/000)	Credit lines granted	Uses	Credit lines available
Credit lines on bank accounts and short-term bank loans	154,387	72,230	82,157
Credit lines on long-term bank loans	341,968	336,968	5,000
Total	**496,355**	**409,198**	**87,157**

The Group net financial position as of March 31st, 2009 compared with the same as of December 31st, 2008 is the following:

Net financial position *(Euro/000)*	March 31, 2009	December 31, 2008	Change
Current portion of long-term borrowings	(38,817)	(37,646)	(1,171)
Bank overdrafts and short-t. bank borrowings	(71,638)	(74,095)	2,457
Other short-term borrowings	(46,837)	(50,904)	4,067
Cash and cash equivalents	36,642	50,967	(14,325)
Short-term net financial position	**(120,650)**	**(111,678)**	**(8,972)**
Long-term borrowings	(499,261)	(461,084)	(38,177)
Long-term net financial position	**(499,261)**	**(461,084)**	**(38,177)**
Net financial position	**(619,911)**	**(572,762)**	**(47,149)**



Legend:

- LT= long-term.
- ST= short-term.

2.14 Trade payables

(Euro/000)	March 31, 2009	December 31, 2008
Payables to the holding company Safilo Group S.p.A.	123	110
Trade payables for purchase of raw materials	30,321	42,371
Trade payables for purchase of finished goods	61,287	76,108
Suppliers from subcontractors	3,056	4,842
Trade payables for purchase of property, plant and equipment and intangible assets	3,137	5,129
Trade payables for commissions	6,494	5,677
Trade payables for royalties	5,111	14,703
Trade payables for advertising and marketing costs	24,941	25,817
Trade payables for services	25,557	30,142
Total	**160,027**	**204,899**

2.15 Tax payables

Tax payables as of March 31st, 2009 amount to Euro 26,464 thousand compared to Euro 22,545 thousand as at December 31st, 2008 and relate for Euro 17,174 thousand to income taxes, for Euro 5,433 thousand to VAT payables and for the remainder to WH Tax and local taxes.

The accrual for current income tax expenses is disclosed in the note related to income taxes (3.8).

2.16 Other current liabilities

(Euro/000)	March 31, 2009	December 31, 2008
Payables to the holding company Safilo Group S.p.A.	3,093	1,065
Payables to personnel and social security institutions	30,834	30,455
Premiums to clients	20,895	25,298
Agent fee payables	1,561	2,082
Payables to pension funds	714	1,106
Accrued advertising and sponsorship costs	996	775
Accrued interests on long-term loans	8,673	7,811
Other accruals and deferred income	3,594	2,830
Payables for dividends	41,531	41,370
Other current liabilities	2,403	3,229
Total	**114,294**	**116,021**

The debt towards the holding company Safilo Group S.p.A. refers to the account balance of the V.A.T. debt transferred to Safilo Group S.p.A. by virtue of the Group V.A.T. which Safilo Group S.p.A., Safilo S.p.A. and Smith Sport Optics S.r.l. in liquidation adhere to from January 1st, 2007.

The account "payables to personnel and social security institutions" mainly refers to wages and salaries for September, the accrual for Christmas bonuses and for vacation days matured and not taken.

The account "payables for dividends" relates to the dividends approved at the shareholders' Meetings and not yet paid at the interim balance sheet date.

2.17 Provisions for risks and charges

This account is comprised as follows:

(Euro/000)	Balance at January 1, 2009	Increase	Decrease	Transl. diff.	Balance at March 31, 2009
Product warranty provision	4,602	336	(206)	5	4,737
Agents' severance indemnity	4,888	162	(141)		4,909
Other provisions for risks and charges	3,773	71	(185)		3,659
Provisions for risks - long term	**13,263**	**569**	**(532)**	**5**	**13,305**
Provisions for risks - short term	**1,053**		**(109)**	**-**	**944**
Total	**14,316**	**569**	**(641)**	**5**	**14,249**

The product warranty provision was created against the costs to be incurred for the replacement of products sold before the interim balance sheet date.

The agents' severance provision was created against the risk deriving from the payment in the event of termination of the agency agreement. This provision has been calculated based on existing laws at the interim balance sheet date, considering all the future expected financial cash flows.

2.18 Employee benefit liability

This liability refers to different forms of defined benefit and defined contribution pension plans, in line with the local conditions and practices in the countries where the Group carries out its activities. This account shows the following movements:

(Euro/000)	Balance at January 1, 2009	Posted to income statement	Use / Payments	Transl. diff.	Balance at March 31, 2009
Defined contribution plan	6,099	1,800	(500)		7,399
Defined benefit plan	35,892	94	(376)	(31)	35,579
Total	**41,991**	**1,894**	**(876)**	**(31)**	**42,978**

This item refers to different forms of defined benefit and defined contribution pension plans, in line with the local conditions and practices in the countries in which the Group carries out its business.

The employee severance fund of Italian companies ("TFR"), which constitutes the main part of such benefits, has always been considered to be a defined benefit plan. However, following the changes in legislation governing the employment severance fund introduced by Italian law no. 296 of 27th December 2006 ("Financial Law 2007") and subsequent Decrees and Regulations issued in the first months of 2007, Safilo Group, on the basis of the generally agreed interpretations, has decided that:

- the portion of the employee benefit liability matured from 1st January 2007, whether transferred to selected pension funds or transferred to the treasury account established with INPS, must be classified as a "defined contribution plan";
- the portion of the employee benefit liability matured as of 31st December 2006, must be classified as a "defined benefit plan" requiring actuarial valuations that exclude future increases in salaries.

2.19 Other non-current liabilities

The other non-current liabilities as of March 31st, 2009 amount to Euro 18,251 thousand and mainly include:

- the value of the put options held by minority shareholders in some Group companies;

- liabilities deriving from existing contracts with licensors for the production and distribution of licensed products;

- and the liability deriving from the settlement agreement reached by an American subsidiary in relation to an action pending for the use of a patent.

SHAREHOLDERS' EQUITY

Shareholders' equity is made of the value contributed by the shareholders of Safilo S.p.A. (the share capital and the share premium reserve), plus the value generated by the Group in terms of profit gained from its operations (profit carried forward and other reserves). As of March 31st, 2009 the Group shareholders' equity amounted to 359,287 thousand Euro (9,111 thousand Euro represent the minority interests), compared to 343,065 thousand Euro (8,412 thousand Euro are the minority interests) as of December 31st, 2008.

Managing its capital, the Group's aim is to create value for the shareholders, developing its business and thus guaranteeing the continuity of the company.

The Group constantly monitors the ratio between indebtedness and shareholders' equity, for the purpose of maintaining a balance, also in respect of the long-term loans debt covenants currently in force.

2.20 Share capital

Safilo's capital stock as of March 31st, 2009 amounted to Euro 35,000 thousand and consisted of 35,000,000 ordinary shares having a nominal value of Euro 1 per share.

2.21 Share premium reserve

The share premium reserve amounts to Euro 2,305 thousand and refers to:

- the higher price paid by the parent company's shareholders above the nominal price, in relation to the decision to underwrite the share capital increase, approved in the Extraordinary shareholders' Meeting on April 30th, 2003;

- the higher price paid by the parent company's shareholders above the nominal value, in relation to underwriting the share capital increase, decided with the Extraordinary shareholders' Meeting on May 19th, 2004.

2.22 Retained earnings and other reserves

The retained earnings and other reserves include both the reserves of the subsidiary companies generated after their inclusion in the consolidation scope and the currency differences deriving from the conversion into Euro of the financial statements of the consolidated companies.

2.23 Fair value and cash flow reserves

This account is comprised as follows:

(Euro/000)	**Balance at January 1, 2009**	**Impact on equity**	**Impact on income statement**	**Balance at March 31, 2009**
Cash flow reserve	(5,518)	(1,317)	-	(6,835)
Fair value reserve	(2,102)	(204)	-	(2,306)
Total	**(7,620)**	**(1,521)**	**-**	**(9,141)**

The cash flow reserve, created in accordance with IAS 39, includes the fair value of the interest rate swap contracts to hedge interest rate variations and the fair value of forward exchange contracts designated to hedge against the exchange risk.

The fair value reserve refers to the current value of the investments classified under financial assets available-for-sale.

2.24 Stock option plans

Further to the mandate granted by the Extraordinary shareholders' Meeting on October 24th, 2005, the Board of Directors of Safilo Group S.p.A. resolved to increase the share capital on May 31st, 2006 to a maximum nominal figure of Euro 2,125,296.25 by issuing up to a maximum of 8,501,185 ordinary shares of a value of Euro 0.25 each, with a share premium of Euro 4.16. These shares had been and will be available for subscription by the beneficiaries listed in the new "Stock Option Plan of Safilo Group S.p.A. 2006-2010" that was approved by the above Board. This plan is valid for 4 financial periods (2006 - 2010) and, is addressed to certain directors, executives and consultants of Safilo Group and provides accruing option rights equal to ¼ for each financial period in the Plan. The accrual criteria for the options is based on reaching certain conventional EBITDA consolidated levels in the balance sheet of Safilo Group S.p.A., that have been fixed by the Board of Directors.

Each option gives the right to subscribe a share at the average price of the financial period.

The fair value of the options, in accordance with the requirements of IFRS, is recorded under personnel costs with a corresponding increase in a specific equity reserve over the duration of the maturity period, as the stock option plans are of an "equity-settled" type. In compliance with the requirements of IFRS 2, irrespective of which company issues the new shares, the stock option costs are recorded in the company in which the employees carry out their employment. The amount received, net of the costs directly attributable to the transaction, will be credited to the share capital (nominal value) and the share premium reserve for the remaining part, when the options are exercised.

3. Notes on the consolidated statement of operations

3.1 Net sales

Reference should be made to the "Directors' report on operations" for further details regarding the sales trend of the first three months of 2009 compared to the same period of the previous year.

3.2 Cost of sales

This account is comprised as follows:

(Euro/000)	Q1 2009	Q1 2008
Purchase of raw materials and finished goods	69,455	80,703
Capitalisation of costs for increase in property, plant and equipment (-)	(1,544)	(2,301)
Change in inventories	12,016	13,376
Payroll and social security contributions	23,637	28,033
Subcontracting costs	1,889	5,297
Depreciation	5,088	5,334
Rental and operating leases	334	248
Other industrial costs	2,456	2,390
Total	**113,331**	**133,080**

The decrease in the cost of materials and finished goods is mainly due to the Group strategy aimed at reducing the levels of inventory.

The reduction in Payroll and social security contributions is mainly due to a lower production request in the Italian facilities, whose the Group reacted with a work force reduction in the European's production facilities and the utilize of social security plan.

The change in inventories is broken down as follows:

	Nine months ended September 30,	
(Euro/000)	2008	2007
Finished products	3,571	3,389
Work-in-progress	629	357
Raw materials	7,816	9,630
Total	**12,016**	**13,376**

The total average workforce of the Group for the first three months of 2009 and 2008 is broken down as follows:

	1Q 2009	1Q 2008
Padua headquarters	865	856
Production facilities	4,719	4,659
Commercial companies	1,269	1,318
Retail	1,709	1,627
Total	**8,562**	**8,460**

The other industrial costs include energy, industrial services, maintenance and consultancy services relating to the production area.

3.3 Selling and marketing expenses

This account is comprised as follows:

(Euro/000)	Q 1, 2009	2008
Payroll and social security contributions	28,755	27,240
Commissions to sales agents	18,319	19,821
Royalty expenses	23,626	26,863
Advertising and promotional costs	32,179	29,881
Amortization and depreciation	2,520	1,059
Logistic costs	4,132	4,979
Consultants fees	1,058	1,262
Rental and operating leases	5,774	3,969
Utilities	556	449
Provision for risks	150	214
Other sales and marketing expenses	5,578	6,284
Total	**122,647**	**122,021**

3.4 General and administrative expenses

This account is comprised as follows:

(Euro/000)	1Q 2009	2008
Payroll and social security contributions	15,331	16,412
Allowance for doubtful accounts	751	598
Amortization and depreciation	3,457	3,420
Consultants fees	2,562	3,119
Rental and operating leases	2,335	2,200
EDP costs	1,042	934
Insurance costs	827	812
Utilities, security and cleaning	1,967	1,861
Taxes (other than on income)	868	736
Other general and administrative expenses	3,394	3,831
Total	**32,534**	**33,923**

3.5 Other income/(expenses), net

This account is comprised as follows:

(Euro/000)	Q1 2009	2008
Losses on disposal of assets	(15)	(3)
Other operating expenses	(338)	(287)
Gains on disposal of assets	1	5
Other operating incomes	247	250
Total	**(105)**	**(35)**

3.6 Share of income/(loss) of associates

This account amounts to Euro 35 thousand (Euro 38 thousand for the same period of previous year) and consists of the income deriving from the equity valuation of the holdings in associated companies.

3.7 Interest expense and other financial charges, net

This account is comprised as follows:

(Euro/000)	Q1 2009	2008
Interest expense on loans	6,133	5,474
Interest expense and charges on High Yield	4,896	4,899
Bank commissions	1,159	1,056
Negative exchange rate differences	5,472	9,350
Financial discounts	637	784
Other financial charges	467	18
Total financial charges	**18,764**	**21,581**
Interest income	90	340
Positive exchange rate differences	4,040	7,559
Dividends	0	0
Other financial income	182	46
Total financial income	**4,312**	**7,945**
Total financial charges, net	**14,452**	**13,636**

3.8 Income tax expenses

(Euro/000)	Q1 2009	2008
Current taxes	(7,872)	(11,644)
Deferred taxes	5,291	3,059
Total	**(2,581)**	**(8,585)**

3.9 Dividends

During the first three months of 2009 the holding company Safilo S.p.A. has paid no dividends to its shareholder.

3.10 Seasonality

Revenues are partially influenced by seasonality, as Safilo Group experiences the highest level of demand during the first half-year due to the sales of sunglasses leading up to the summer months and the lower level of sales demand in the third quarter because, traditionally, the second half-year sales campaign is launched during Autumn.

3.11 Segment information

Information by business (retail/wholesale) and geographical area is disclosed according to *IAS 14 – Segment information* and is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

Starting from financial year 2008, the primary reporting format is by business segment while geographical segments represent the secondary reporting format. This decision is based on the way in which management runs the Group and the manner in which it attributes managerial responsibilities.

It should be noted that the grouping of geographical areas is based on the location of the registered office of each Group company. Segment information is therefore determined by the invoices issued at country of origin and not by the country of destination.

Presented below are information according to the distribution channel:

March 31, 2009 *(Euro/000)*	**WHOLESALE**	**RETAIL**	**Eliminat.**	**Total**
Net sales				
-to other segments	2,392	-	(2,392)	-
-to third parties	262,471	25,438	-	287,909
Total net sales	**264,863**	**25,438**	**(2,392)**	**287,909**
Gross profit	**158,112**	**16,466**	**(0)**	**174,578**
Operating profit	**24,413**	**(5,120)**	**(0)**	**19,292**
Share of income of associates	35	-		35
Financial charges, net				(14,452)
Income taxes				(2,581)
Net profit				**2,294**
Gross profit margin	*59.7%*	*64.7%*		*60.6%*
Operating profit margin	*9%*	*-20%*		*7%*
Other information				
Depreciation & amortization	8,761	2,304		11,064

March 31, 2008 *(Euro/000)*	WHOLESALE	RETAIL	Elimin.	Total
Net sales				
-to other segments	4,163	-	(4,163)	-
-to third parties	301,400	24,620	-	326,020
Total net sales	**305,563**	**24,620**	**(4,163)**	**326,020**
Gross profit	**177,330**	**15,610**	**-**	**192,940**
Operating profit	**38,096**	**(1,136)**	**-**	**36,960**
Share of income of associates	38	-		38
Financial charges, net				(13,636)
Income taxes				(8,585)
Net profit				**14,777**
Gross profit margin	*58%*	*63%*		*59%*
Operating profit margin	*12%*	*-5%*		*11%*
Other information				
Depreciation & amortization	8,619	1,193		9,813

Below, information according to the geographical area:

March 31, 2009 *(Euro/000)*	Italy (1)	Europe (2)	America (3)	Asia (4)	*Corporate* (5)	Eliminat.	Total
Net sales							
-to other segments	60,723	12,527	685	4,497	-	(78,432)	-
-to third parties	59,197	81,869	108,850	37,993	-		287,909
Total net sales	**119,920**	**94,396**	**109,535**	**42,490**	**-**	**(78,432)**	**287,909**
Gross profit	**41,395**	**45,931**	**62,935**	**21,361**	**-**	**2,956**	**174,578**
Operating profit	**(4,970)**	**11,080**	**8,816**	**2,987**	**1,734**	**(356)**	**19,292**
Interest expense							(18,737)
Interest income							4,285
Share of income of associates	-	-	35		-		35
Income taxes							(2,581)
Net profit							**2,294**
Gross profit margin	*35%*	*49%*	*57%*	*50%*			*61%*
Operating profit margin	*-4%*	*12%*	*8%*	*7%*			*7%*
Other information							
Depreciation & amortization	5,702	1,877	2,618	869	1		11,065

31 marzo 2008 *(Euro/000)*	**Italy (1)**	**Europe (2)**	**America (3)**	**Asia (4)**	***Corporate* (5)**	**Eliminat.**	**Total**
Net sales							
-to other segments	88,432	16,601	323	335	-	(105,691)	-
-to third parties	75,570	107,062	105,606	37,782	-		326,020
Total net sales	**164,002**	**123,663**	**105,929**	**38,117**	**-**	**(105,691)**	**326,020**
Gross profit	**57,785**	**54,047**	**57,713**	**22,038**	**-**	**1,359**	**192,940**
Operating profit	**6,454**	**13,004**	**10,434**	**6,985**	**58**	**27**	**36,961**
Interest expense							(21,581)
Interest income							7,945
Share of income of associates	-	-	38	-			38
Income taxes							(8,585)
Net profit							**14,778**
Gross profit margin	*35%*	*44%*	*54%*	*58%*			*59%*
Operating profit margin	*4%*	*11%*	*10%*	*18%*			*11%*
Other information							
Depreciation & amortization	6,242	1,617	1,643	308	-		9,812

(1) Includes operating companies with registered office in Italy.
(2) Includes operating companies based in European countries other than Italy, in India and South Africa.
(3) Includes operating companies based in USA, Canada and Brazil.
(4) Includes operating companies based in Asia, including subsidiaries located in Australia.
(5) Holding companies.

RELATED PARTIES TRANSACTIONS

The nature of the related party transactions is disclosed in the table below:

Related parties transactions *(Euro/000)*	**Relationship**	**March 31, 2008**	**December 31, 2008**
Receivables			
Optifashion As	(a)	-	146
Elegance International Holdings Ltd	(b)	467	443
Minority shareholders	(c)	11	-
Island Cabo S.A. de C.V.	(c)	23	16
Leasing Cancun S.A. de C.V.	(c)	123	-
Total		**624**	**605**
Payables			
Elegance International Holdings Ltd	(b)	7,194	7,292
Minority shareholders	(c)	8	5
Leasing Cancun S.A. de C.V.	(c)	1,780	2,292
Servicios Optico del Caribe, S.C.	(c)	5	14
Total		**8,987**	**9,603**

Related parties transactions *(Euro/000)*	**Relationship**	**1 Q 2009**	**1 Q 2008**
Revenues			
Elegance International Holdings Ltd	(b)	-	9
Optifashion As	(a)	43	37
Total		**43**	**46**
Costs			
Elegance International Holdings Ltd	(b)	3,226	4,137
TBR Inc.	(b)	321	291
Minority shareholders	(c)	27	-
Island Cabo S.A. de C.V.	(c)	15	-
Leasing Cancun S.A. de C.V.	(c)	107	-
Grupo Disenadores Muebleros	(c)	5	-
Servicios Optico del Caribe, S.C.	(c)	57	-
Total		**3,758**	**4,428**

(a) Unconsolidated subsidiary;

(b) Associated company.

These transactions relate to commercial relationships and are based on prices defined at normal market conditions for similar transactions with third parties.

Optifashion As is a production and commercial company based in Istanbul, Turkey, of which the Safilo Group owns 50%.

Safilo Far East Limited, a subsidiary of Safilo S.p.A, holds 23.05% of Elegance International Holdings Limited ("Elegance"), a company listed on the Hong Kong Stock Exchange. Elegance is a producer of eyewear products in

Asia, and to which the Group assigns part of its production. The price and the other conditions of the production contract between Safilo Far East Limited and Elegance are in line with those applied by Elegance to its other clients. Massimiliano Tabacchi, Chief Executive Officer of Safilo Group S.p.A., and Mario Pietribiasi, executive of the Group, are non-executive directors of Elegance. In addition, Mario Pietribiasi is also a shareholder of the company with a holding lower than 0.50%.

Safilo USA rents its headquarters and distribution centre in the USA (New Jersey), based on a rental contract with TBR Inc., a company two-third owned by Vittorio Tabacchi, Chairman of the Board of Directors and shareholder of Safilo Group S.p.A., one-third by a subsidiary company of the Safilo Group S.p.A. Safilo Group S.p.A. indirectly acquired the holding in TBR Inc. in 2002 for Euro 629 thousand. In 2008 the Group paid rent of Euro 321 thousand to TBR Inc. The terms and conditions of the rental contract are in line with market conditions for similar contracts.

The economic and financial relationships with the parties grouped under letter c) of the above table refer to transactions between the Mexican subsidiary Tide Ti and companies owned by the minority shareholders of the said subsidiary.

CONTINGENT LIABILITIES

The Group does not have any significant contingent liabilities that have not been discussed in the previous notes or not covered by appropriate provisions.

Nevertheless, at March 31st, 2008, we are currently party to various claims and legal actions that arise in the ordinary course of business. We believe such claims and legal actions, individually and in the aggregate, are groundless. However, a negative outcome of them beyond that estimated, could have a material adverse effect on our business, financial condition or on results of operations.

Among the most important claims in monetary terms, we highlight: (*i*) a June 2005 claim against Safilo S.p.A. in legal fees allegedly owed to an Italian law firm for legal services provided to the defendants from 1999 to 2001 related to the IPO.

COMMITMENTS

At the interim balance date, the Group has not significant purchase commitments.

FORWARD-LOOKING STATEMENTS

This Three-month Report includes forward-looking statements. All statements other than statements of historical fact included in this Three-month Report regarding our business, financial condition, results of operations and certain of our plans, objectives, assumptions, projections, expectations or beliefs with respect to these items and statements regarding other future events or prospects, are forward-looking statements. These statements include, without limitation, those concerning: our strategy and our ability to achieve it; expectations regarding sales, profitability and growth; plans for the launch of new products; our possible or assumed future results of operations; research and development, capital expenditure and investment plans; adequacy of capital; and financing plans. The words “aim”, “may”, “will”, “expect”, “anticipate”, “believe”, “future”, “continue”, “help”, “estimate”, “plan”, “intend”, “should”, “shall” or the negative or other variations thereof as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements. In addition, this Quarterly Report includes forward-looking statements relating to our potential exposure to various types of market risks, such as foreign exchange rate risk, interest rate risks and other risks related to financial assets and liabilities. We have based these forward-looking statements on our management’s current view with respect to future events and financial performance. These views reflect the best judgment of our management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in our forward-looking statements and from past results, performance or achievements. Although we believe that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from these expressed or implied by these forward-looking statements.

These factors include, among other things:

- factors affecting our ability to negotiate, maintain and renew license arrangements on satisfactory terms with leading designers;
- uncertainties associated with changing consumer preferences;
- the impact of currency exchange rate and interest rate fluctuations;
- risks relating to our manufacturing and distribution operations and our arrangements with third party manufacturers;
- risks relating to international sales and exposure to changing local conditions;
- factors affecting our ability to compete effectively in the eyewear market, including new products and distribution strategies of our competitors;
- risks associated with our significant debt and our ability to meet our financial obligations;
- human resource factors, including our ability to retain our senior management and other key personnel and employee costs;
- factors affecting our ability to design, develop and introduce successful new products;

- factors affecting our ability to obtain or maintain intellectual property protection for our products;
- uncertainties associated with general economic conditions;
- governmental factors, including the costs of compliance with regulations and the impact of regulatory changes; and
- other risks, uncertainties and factors inherent in our business.

We do not intend to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained throughout this Nine-month Report. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

FURTHER INFORMATION

For further information:

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