



Q3 and 9M 2014 Results

Safilo®
GROUP

This presentation may contain forward looking statements based on current expectations and projects of the Group in relation to future events. Due to their specific nature, these statements are subject to inherent risks and uncertainties, as they depend on certain circumstances and facts, most of which being beyond the control of the Group. Therefore actual results could differ, even to a significant extent, with respect to those reported in the statements.

Notes in the presentation

¹ The adjusted economic results do not include the non-recurring expenses recorded in the second quarter of 2014, for Euro 3.0 million related to the voluntary exit incentives recently signed with employees and trade unions, as the solidarity contracts come to an end, and to some reorganization costs. Net of the fiscal effect, the total impact was equal to Euro 2.2 million

In the second quarter of 2013, non-recurring expenses were equal to Euro 7.4 million and related for around Euro 6.0 million to the CEO succession plan announced by the Group on June 19, 2013 and for around Euro 1.4 million to some restructuring expenses in the European market.

² In the first nine months of 2014, the net debt does not include the effect related to the option component of the new equity-linked bonds.

Introduction

Luisa Delgado, CEO

2014: Transition towards our 2020 strategic roadmap

On track towards sustainable growth



- **Product centred:** Craftmanship rooted in Italy
- **Brand driven:** Balanced portfolio of licenced and proprietary brands, balance across licensed brands
- **Design inspired:** Brand authentic design creativity
- **Quality focused:** Product, Sales & Distribution, Operations
- **Capability enabled:** Commercial, Brand building, Product Design-Product Creation – Product Supply, Eye-Way, Talent

Q3/9M 2014 – Sales growth continued



Q3: +7.4% sales @ constant currencies
(+7.4% in Q2; +1.9% in Q1)

9M: +5.5% sales @ constant currencies

- Priority markets responded: Germany, Iberia, North America
- Emerging market growth accelerated
- Core licensed brands responded: Dior, Celine, Jimmy Choo, Boss, Max Mara, Tommy Hilfiger and Kate Spade leading the way
- Polaroid continued its strong development, while Smith started its acceleration

Q3/9M 2014 profitability drivers



- Product mix and quality of distribution drove steady and sustainable Gross Profit growth
- Operating margin held back by core actions to strengthen in-market execution
- Strong growth of Group net earnings

Q3 and 9M 2014 Results

Vincenzo Giannelli, CFO

Sound economic performance



| <i>in millions of Euro</i> | Q3 2014 | Q3 2013 | Change | (*) | 9M 2014 | 9M 2013 | Change | (*) |
|----------------------------|--------------|---------|---------------|--------------|--------------------------|---------|---------------|--------------|
| Total sales | 261.2 | 243.4 | +7.3% | +7.4% | 867.5 | 841.8 | +3.1% | +5.5% |
| Gross profit | 157.1 | 144.8 | +8.5% | | 540.6 | 516.9 | +4.6% | |
| EBITDA | 14.6 | 16.3 | -10.5% | | 86.3 ¹ | 88.7 | -2.7% | |
| EBIT | 5.7 | 6.8 | -17.0% | | 60.2 ¹ | 61.5 | -2.1% | |
| Group net result | 2.4 | 1.7 | +37.9% | | 33.9 ¹ | 27.3 | +24.0% | |

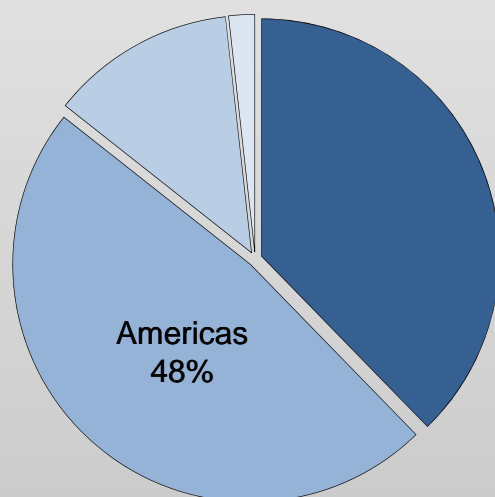
(*) % change at constant exchange rates



Healthy market environment in North America

Q3: Sales up 14.6% @ cc

9M: Sales up 7.3% @ cc

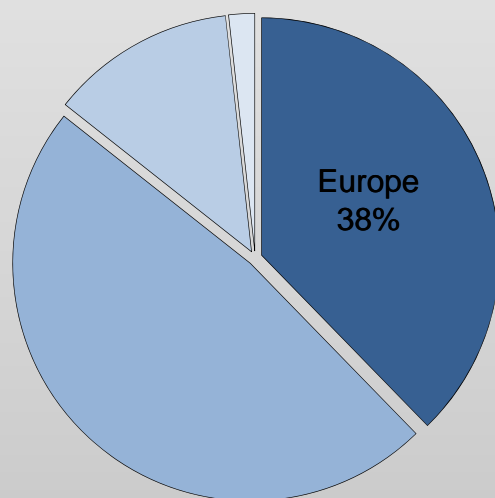


- NA drove the growth, with independent opticians and department stores showing sales acceleration based on segmentation of distribution
- LATAM up 32% @ cc
- Q3 Solstice stores sales up 3.2% I-f-I

Positive performance of key European markets

Q3: Sales up 1.7% @ cc

9M: Sales up 5.0% @ cc

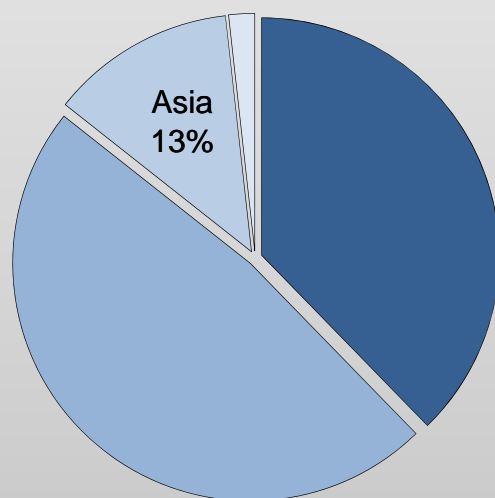


- Continued solid growth of Germany, France and Spain held back by tough prior year comparison in UK
- Sun markets holding up well in spite of poorer European summer weather
- Dior, Boss, Celine, Max&Co and Polaroid, the top runners

Asia remaining overall weak

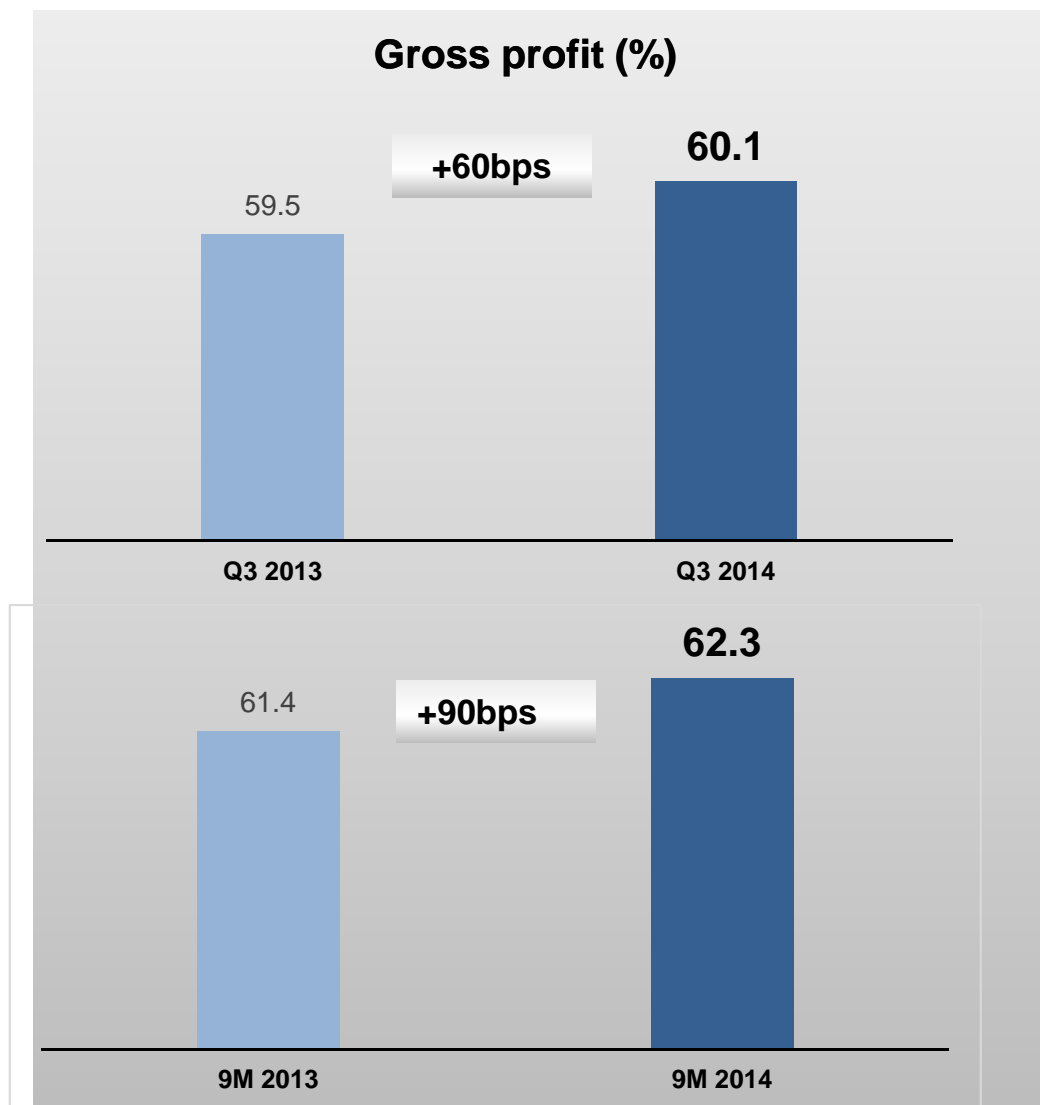
Q3: Sales down 4.6% @ cc

9M: Sales down 0.9% @ cc



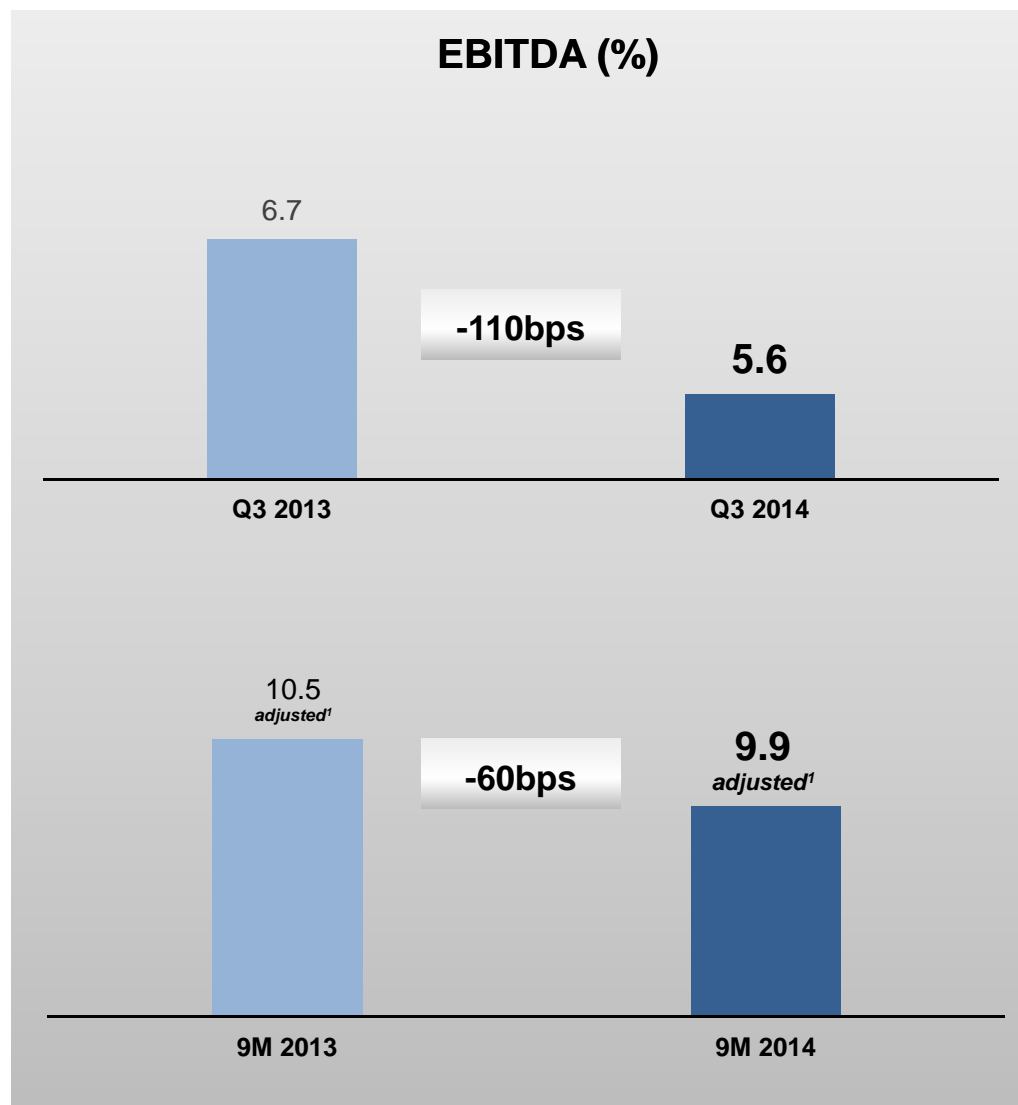
- Korea and Asia Pacific markets still suffering business under-penetration
- Chinese business up ~30%
- Travel retail affected by market slow-down and different business allocation

Gross profitability growth



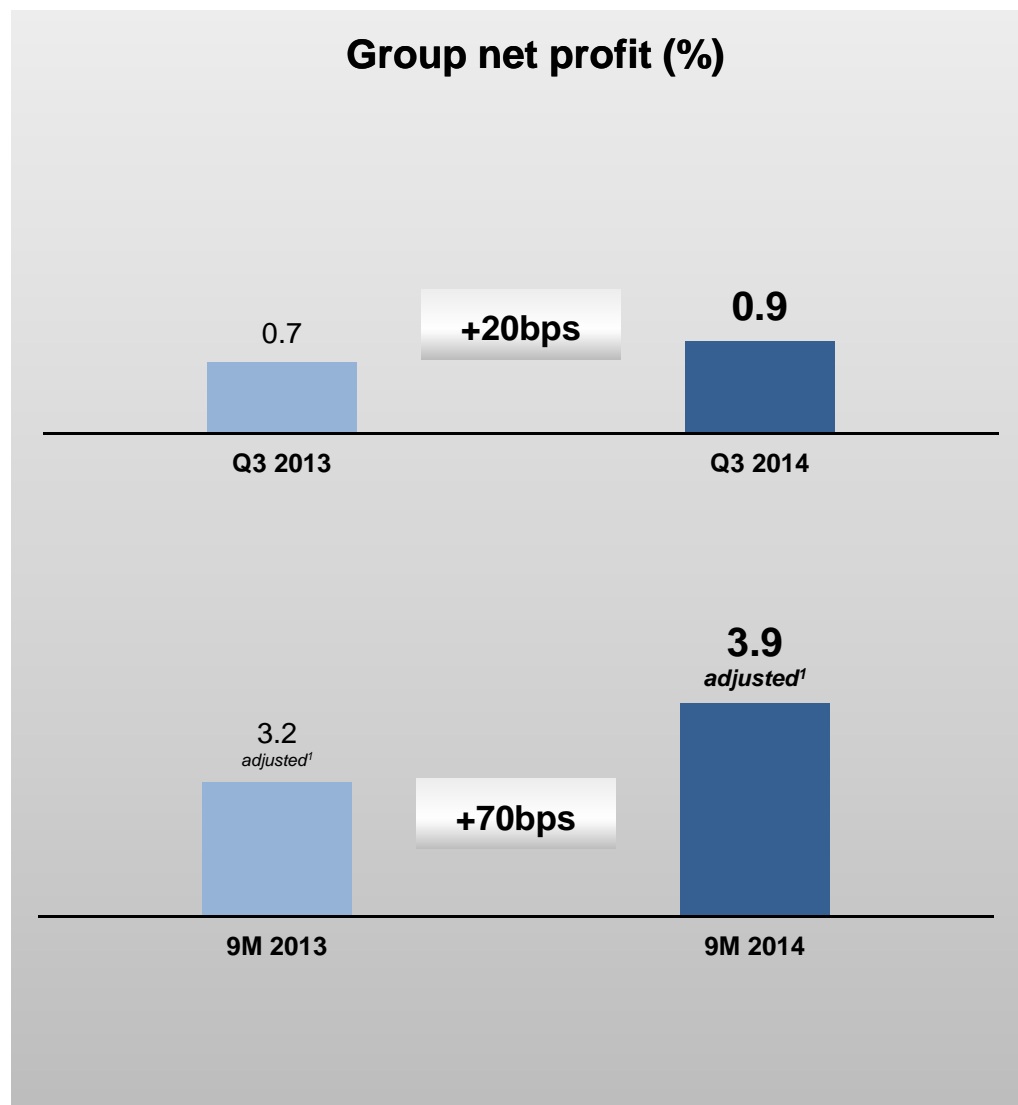
- Quality of product/channel mix and higher plant utilization driving gross profit growth
- Improvements partially offset by higher levels of inventories and related provisions linked to the implementation of strict trade policies

Operating leverage remains subdued



- Opex growth as a result of the investments to strengthen enterprise capabilities
- Fixed costs linked to contractual commitments and start-up expenses on new licensed brands

Group net margin growth carrying over



- Lower incidence of total financial charges
- Q3-14 tax rate at 37.3% vs 52.2% in Q3-13

Stable financial leverage

| | 9M 2014 | 9M 2013 | Change |
|----------------------------------|--------------------|---------|--------|
| Net Debt | 158.9 ² | 180.7 | -21.8 |
| Adjusted ¹ EBITDA LTM | 119.4 | 117.8 | +1.6 |
| Free Cash Flow | (10.3) | 33.9 | -44.2 |

- Net Debt/*Adjusted*¹EBITDA LTM at 1.3x
- New equity-linked bonds of Eur 150m maturing on May 2019

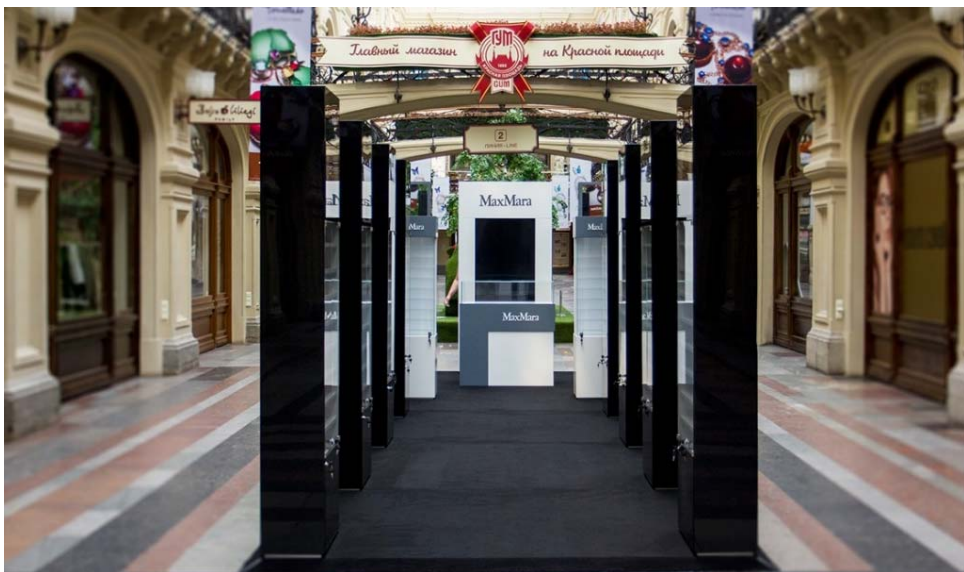
Conclusion

Luisa Delgado, CEO

STRENGTHENING IN-MARKET OPPORTUNITIES



Safilo's most important POP inside Harrods



Safilo's first POP UP unit inside GUM

EXPLORING DIRECTLY MAJOR MARKETS



Safilo's new fully-owned subsidiary
in Middle-East



Safilo launches its **Product School**



Safilo prepares to turn Smith into a global brand in the Global Sports & Outdoor segment

... since 1878

Thank you

Safilo
GROUP



Appendices

Economic results

in millions of Euro

| | 9M 2014 | | 9M 2013 | | % | % Change |
|--|--------------|--------------|--------------|--------------|---|--------------|
| Net sales | 867.5 | 100.0 | 841.8 | 100.0 | | 3.1% |
| Cost of sales | (326.9) | (37.7) | (324.9) | (38.6) | | 0.6% |
| Gross profit | 540.6 | 62.3 | 516.9 | 61.4 | | 4.6% |
| Selling and marketing expenses | (362.6) | (41.8) | (344.1) | (40.9) | | 5.4% |
| General and administrative expenses | (117.4) | (13.5) | (111.0) | (13.2) | | 5.8% |
| Other operating income/(expenses), net | (3.4) | (0.4) | (7.7) | (0.9) | | -55.7% |
| Operating profit | 57.2 | 6.6 | 54.1 | 6.4 | | 5.7% |
| Interest expenses and other financial charges, net | (7.2) | (0.8) | (18.1) | (2.1) | | -60.3% |
| Profit before taxation | 50.0 | 5.8 | 36.0 | 4.3 | | 38.9% |
| Income taxes | (18.1) | (2.1) | (13.9) | (1.6) | | 30.6% |
| Net profit | 31.9 | 3.7 | 22.1 | 2.6 | | 44.1% |
| Net profit attributable to minority interests | 0.2 | 0.0 | 0.3 | 0.0 | | -39.9% |
| Net profit attributable to the Group | 31.7 | 3.7 | 21.8 | 2.6 | | 45.3% |
| EBITDA | 83.3 | 9.6 | 81.3 | 9.7 | | 2.4% |

Adjusted¹ ECONOMIC INDICATORS

| | | | | | | |
|--|-------------|------------|-------------|-------------|--|--------------|
| Adjusted¹ EBIT | 60.2 | 6.9 | 61.5 | 7.3 | | -2.1% |
| Adjusted¹ EBITDA | 86.3 | 9.9 | 88.7 | 10.5 | | -2.7% |
| Adjusted¹ Net profit attributable to the Group | 33.9 | 3.9 | 27.3 | 3.2 | | 24.0% |

| | Q3 2014 | | Q3 2013 | | % | % Change |
|--|--------------|--------------|--------------|--------------|---|---------------|
| | 261.2 | 100.0 | 243.4 | 100.0 | | 7.3% |
| | (104.2) | (39.9) | (98.6) | (40.5) | | 5.7% |
| | 157.1 | 60.1 | 144.8 | 59.5 | | 8.5% |
| | (111.8) | (42.8) | (102.0) | (41.9) | | 9.7% |
| | (38.9) | (14.9) | (36.0) | (14.8) | | 8.2% |
| | (0.6) | (0.2) | 0.0 | 0.0 | | n.s. |
| | 5.7 | 2.2 | 6.8 | 2.8 | | -17.0% |
| | (1.8) | (0.7) | (3.1) | (1.3) | | -41.0% |
| | 3.9 | 1.5 | 3.7 | 1.5 | | 2.7% |
| | (1.4) | (0.6) | (2.0) | (0.8) | | -26.6% |
| | 2.4 | 0.9 | 1.7 | 0.7 | | 34.7% |
| | 0.0 | 0.0 | 0.0 | 0.0 | | -44.9% |
| | 2.4 | 0.9 | 1.7 | 0.7 | | 37.9% |
| | 14.6 | 5.6 | 16.3 | 6.7 | | -10.5% |

| | | | | | | |
|--|-------------|------------|-------------|------------|--|---------------|
| | 5.7 | 2.2 | 6.8 | 2.8 | | -17.0% |
| | 14.6 | 5.6 | 16.3 | 6.7 | | -10.5% |
| | 2.4 | 0.9 | 1.7 | 0.7 | | 37.9% |

Net sales performance

in millions of Euro

| Net sales by geographical area | 9M 2014 | % | 9M 2013 | % | % Change | % Change (*) |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Europe | 368.2 | 42.4 | 351.7 | 41.8 | +4.7 | +5.0 |
| Americas | 361.1 | 41.6 | 349.5 | 41.5 | +3.3 | +7.3 |
| Asia | 125.2 | 14.4 | 130.4 | 15.5 | -4.0 | -0.9 |
| Rest of the world | 13.0 | 1.5 | 10.2 | 1.2 | +27.7 | +38.3 |
| Total | 867.5 | 100.0 | 841.8 | 100.0 | +3.1 | +5.5 |

| Net sales by product | 9M 2014 | % | 9M 2013 | % | % Change | % Change (*) |
|----------------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Prescription frames | 317.4 | 36.6 | 312.3 | 37.1 | +1.6 | +4.2 |
| Sunglasses | 490.0 | 56.5 | 474.3 | 56.3 | +3.3 | +5.5 |
| Sport products | 54.4 | 6.3 | 48.9 | 5.8 | +11.5 | +14.4 |
| Other | 5.7 | 0.7 | 6.3 | 0.7 | -8.6 | -8.2 |
| Total | 867.5 | 100.0 | 841.8 | 100.0 | +3.1 | +5.5 |

| Net sales by distribution channel | 9M 2014 | % | 9M 2013 | % | % Change | % Change (*) |
|-----------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Wholesale | 805.8 | 92.9 | 780.0 | 92.7 | +3.3 | +5.7 |
| Retail | 61.7 | 7.1 | 61.8 | 7.3 | - | +2.9 |
| Total | 867.5 | 100.0 | 841.8 | 100.0 | +3.1 | +5.5 |

| Q3 2014 | % | Q3 2013 | % | % Change | % Change (*) |
|--------------|--------------|--------------|--------------|-------------|--------------|
| 98.6 | 37.7 | 96.8 | 39.8 | +1.9 | +1.7 |
| 125.2 | 47.9 | 109.7 | 45.1 | +14.1 | +14.6 |
| 32.8 | 12.6 | 34.1 | 14.0 | -3.7 | -4.6 |
| 4.6 | 1.8 | 2.8 | 1.2 | +66.0 | +67.6 |
| 261.2 | 100.0 | 243.4 | 100.0 | +7.3 | +7.4 |

| Q3 2014 | % | Q3 2013 | % | % Change | % Change (*) |
|--------------|--------------|--------------|--------------|-------------|--------------|
| 100.1 | 38.3 | 97.4 | 40.0 | +2.7 | +3.1 |
| 134.1 | 51.3 | 121.9 | 50.1 | +10.0 | +9.5 |
| 25.6 | 9.8 | 22.2 | 9.1 | +15.6 | +16.8 |
| 1.4 | 0.5 | 1.9 | 0.8 | -20.6 | -22.6 |
| 261.2 | 100.0 | 243.4 | 100.0 | +7.3 | +7.4 |

| Q3 2014 | % | Q3 2013 | % | % Change | % Change (*) |
|--------------|--------------|--------------|--------------|-------------|--------------|
| 239.2 | 91.6 | 222.5 | 91.4 | +7.5 | +7.5 |
| 22.0 | 8.4 | 20.9 | 8.6 | +5.4 | +5.6 |
| 261.2 | 100.0 | 243.4 | 100.0 | +7.3 | +7.4 |

(*) at constant exchange rates

Balance Sheet

in millions of Euro

| | September 30, 2014 | December 31, 2013 | Change |
|--------------------------------------|--------------------|-------------------|-------------|
| Net working capital | 300.1 | 246.9 | 53.2 |
| Tangible and intangible fixed assets | 824.1 | 783.0 | 41.1 |
| Financial fixed assets | 8.3 | 8.4 | (0.1) |
| Other assets / (liabilities), net | (28.9) | (9.7) | (19.2) |
| Net invested capital | 1,103.6 | 1,028.6 | 75.0 |
| Net financial position | (158.9) | (182.5) | 23.6 |
| Group Shareholders' equity | (942.3) | (843.1) | (99.2) |
| Non-controlling interests | (2.4) | (3.0) | 0.6 |

Net Working Capital

in millions of Euro

| | September 30, 2014 | September 30, 2013 | Change | December 31, 2013 | Change |
|----------------------------|--------------------|--------------------|-------------|-------------------|-------------|
| Trade receivables, net | 244.5 | 226.7 | 17.8 | 239.0 | 5.5 |
| Inventories | 256.3 | 204.1 | 52.2 | 212.8 | 43.5 |
| Trade payables | (200.7) | (171.8) | (28.9) | (204.9) | 4.2 |
| Net working capital | 300.1 | 259.0 | 41.1 | 246.9 | 53.2 |
| <i>% net sales LTM</i> | 26.2% | 22.4% | | 22.0% | |

Free Cash Flow

in millions of Euro

| | 9M 2014 | 9M 2013 | Q3 2014 | Q3 2013 |
|--------------------------------|---------------|-------------|--------------|-------------|
| Net result and other charges | 51.9 | 46.6 | 2.4 | 3.7 |
| Change in working capital | (34.4) | 9.2 | 3.4 | 26.1 |
| Cash flow operating activities | 17.5 | 55.8 | 5.8 | 29.8 |
| Cash flow investing activities | (27.8) | (21.9) | (9.7) | (7.4) |
| Free cash flow | (10.3) | 33.9 | (3.9) | 22.5 |

Exchange Rates

| Currency | Code | As of | | (Appreciation)/ Depreciation (*) | Average for nine months | | (Appreciation)/ Depreciation (*) |
|------------------------|------|--------------------|-------------------|-------------------------------------|----------------------------|------------|-------------------------------------|
| | | September 30, 2014 | December 31, 2013 | % | 2014 | 2013 | % |
| US Dollar | USD | 1.2583 | 1.3791 | -8.8% | 1.3549 | 1.3171 | 2.9% |
| Hong-Kong Dollar | HKD | 9.7740 | 10.6933 | -8.6% | 10.5067 | 10.2176 | 2.8% |
| Swiss Franc | CHF | 1.2063 | 1.2276 | -1.7% | 1.2180 | 1.2316 | -1.1% |
| Canadian Dollar | CAD | 1.4058 | 1.4671 | -4.2% | 1.4819 | 1.3486 | 9.9% |
| Japanese Yen | YEN | 138.1100 | 144.7200 | -4.6% | 139.4859 | 127.3796 | 9.5% |
| British Pound | GBP | 0.7773 | 0.8337 | -6.8% | 0.8118 | 0.8521 | -4.7% |
| Swedish Krona | SEK | 9.1465 | 8.8591 | 3.2% | 9.0405 | 8.5825 | 5.3% |
| Australian Dollar | AUD | 1.4442 | 1.5423 | -6.4% | 1.4760 | 1.3480 | 9.5% |
| South-African Rand | ZAR | 14.2606 | 14.5660 | -2.1% | 14.5356 | 12.5015 | 16.3% |
| Russian Ruble | RUB | 49.7653 | 45.3246 | 9.8% | 48.0152 | 41.6819 | 15.2% |
| Braslian Real | BRL | 3.0821 | 3.2576 | -5.4% | 3.1028 | 2.7934 | 11.1% |
| Indian Rupee | INR | 77.8564 | 85.3660 | -8.8% | 82.2624 | 75.7604 | 8.6% |
| Singapore Dollar | SGD | 1.6063 | 1.7414 | -7.8% | 1.7039 | 1.6489 | 3.3% |
| Malaysian Ringgit | MYR | 4.1314 | 4.5221 | -8.6% | 4.3925 | 4.1259 | 6.5% |
| Chinese Renminbi | CNY | 7.7262 | 8.3491 | -7.5% | 8.3544 | 8.1225 | 2.9% |
| Korean Won | KRW | 1,330.3400 | 1,450.9300 | -8.3% | 1,411.6170 | 1,456.7199 | -3.1% |
| Mexican Peso | MXN | 16.9977 | 18.0731 | -6.0% | 17.7720 | 16.7064 | 6.4% |
| Dirham United Emirates | AED | 4.6216 | n.a. | n.a. | 4.8923 | n.a. | n.a. |

(*) Appreciation (figures with a minus sign in the table above) indicates an increase in the value of the currency against the Euro.

Brands Portfolio

Proprietary brands



Licensed brands

CÉLINE

Dior

MARC JACOBS

MARC BY MARC JACOBS

FENDI

GUCCI

BOTTEGA VENETA

SAINT LAURENT
PARIS

ALEXANDER
MCQUEEN

BOSS
HUGO BOSS

BOSS
HUGO BOSS

HUGO
HUGO BOSS



TOMMY HILFIGER

MaxMara

MAX&Co.

Juicy Couture®

JIMMY CHOO

pierre cardin
PARIS

FOSSIL
EST. USA

FOR THE AMERICAN MARKET

BANANA REPUBLIC

BOBBI BROWN

LIZ claiborne

JACK SPADE



kate spade
NEW YORK



Licensed brands

| Brand | Expiry Date | | | | | | | | | | |
|---|-------------|------|------|------|------|------|------|------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| ALEXANDER MQUEEN | | | | | | | | | | | |
| BANANA REPUBLIC EYEWEAR | | | | | | | | | | | |
| BOBBI BROWN | | | | | | | | | | | |
| BOSS HUGO BOSS BOSS HUGO BOSS HUGO HUGO BOSS | | | | | | | | | | | |
| BOTTEGA VENETA | | | | | | | | | | | |
| CÉLINE | | | | | | | | | | | |
| Dior | | | | | | | | | | | |
| FENDI | | | | | | | | | | | |
| FOSSIL | | | | | | | | | | | |
| GUCCI | | | | | | | | | | | |

Licensed brands

| Brand | Expiry Date | | | | | | | | | | |
|------------------------------------|-------------|------|------|------|------|------|------|------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| JIMMY CHOO | | | | | | | | | | | |
| Juicy Couture® | | | | | | | | | | | |
| JLO BY JENNIFER LOPEZ | | | | | | | | | | | |
| kate spade NEW YORK JACK SPADE | | | | | | | | | | | |
| L Liz Claiborne new york | | | | | | | | | | | |
| MARC JACOBS MARC BY MARC JACOBS | | | | | | | | | | | |
| MaxMara MAX&Co. | | | | | | | | | | | |
| pierre cardin PARIS | | | | | | | | | | | |
| SAINT LAURENT PARIS | | | | | | | | | | | |
| Fake Fifth Avenue | | | | | | | | | | | |
| TOMMY HILFIGER | | | | | | | | | | | |