



**THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A.
APPROVES THE FINANCIAL RESULTS FOR 2009**

Key highlights of the financial year 2009:

- ***Net Sales at Euro 1,011.2 million***
- ***EBITDA from ordinary activities at Euro 65.7 million, 6.5 % margin***
- ***Net financial debt at Euro 588.0 million***

Padua, 29th March 2010, h. 4.30pm – The Board of Directors of SAFILO GROUP S.p.A. today approved the consolidated financial statements for 2009¹. The Board of Directors also approved the financial statements at 31st December 2009¹, which will be submitted for approval to the Shareholders' Meeting called for 29th April 2010 (first call) and 30th April 2010 (second call).

In consideration of the results achieved during the financial year 2009, the Board of Directors deemed it appropriate not to propose to the Shareholders' Meeting the distribution of a dividend.

Roberto Vedovotto, Chief Executive Officer of the Safilo Group, commented:

“Last year was an exceptional year in Safilo Group history. Safilo Group registered in fact a substantial decrease in revenues and profitability, as well as a deterioration of its financial and liquidity positions in the context of an extremely challenging macroeconomic environment. We acted with determination and commitment in a timely manner both on the industrial as well as the financial fronts.”

“In particular, during the first half of the year, the Company's industrial set-up was reorganized and, at the same time, the search for a partner with which to implement a long term recapitalization plan for Safilo Group was initiated” continued Roberto Vedovotto. *“In October 2009, we signed an agreement with HAL Holding N.V., today the new reference shareholder of the Group, to recapitalize the Group via a series of actions including a restructuring plan of our Senior Financing with all our lenders.*

The 2009 results have been impacted by one-off non cash items, such as the write down of our goodwill as a result of the impairment tests that we carried out based on the first half and year end results.

We went through a series of material changes last year but we believe to have laid down the basis for the future of Safilo, supported in our journey by a solid and experienced partner with a strong knowledge and expertise in our sector.” concluded Roberto Vedovotto.

In the fourth quarter 2009, net sales were impacted by the steep devaluation of the U.S. dollar against the Euro during the final quarter of the year. The drop in sales was 16.2% at current exchange rates, 11.5% at constant exchange rates.

Full year 2009 results registered net sales down by 11.9% at current exchange rates (-13.1% at constant exchange rates). They were negatively impacted by the weakness of international markets, reflected by the severe contraction in consumption of discretionary goods. Safilo was impacted by the even greater softness in purchases of high-end sunglasses and prescription frames, which represent the market segment in which Safilo Group products are concentrated.

This press release uses some 'alternative performance indicators' not foreseen by the IFRS-EU accounting standards (EBITDA, Net Financial Position, Net Capital Employed and Free Cash Flow), and whose meaning and contents are illustrated in the specific section of the press release and in accordance with the CESR/05-178b recommendation published 3rd November 2005.

Press Release

In the fourth quarter 2009, the situation remained difficult in various European markets, where high-end products have greater penetration, while improved performance was reported in the United States market and especially in Asia, where the most important gains were realised in markets like Hong Kong and South Korea. Throughout 2009, the United States market proved to be the area with the greatest capacity for resilience, due, above all, to the satisfactory business performance reported by independent opticians (which are normally used by American consumers for purchases of prescription frames).

The severe contraction in sales and the impossibility, over the short-term, to materially reduce the structure of fixed industrial costs and certain areas of general and selling expenses hit Group margins. Over the course of the year, the Group implemented a series of measures to manage more efficiently its working capital.

During the fourth quarter 2009, the ongoing market downturn, especially in the Group's most important business segments, and the more prudent expectations of recovery of international markets, forced the Group to further write down the value of the goodwill associated with certain cash generating units, and to write down the deferred tax assets. Consequently, 2009 results were impacted by non-recurring non-monetary items totalling Euro 318 million, heavily penalizing the net result of the year which registered a loss of over Euro 350 million.

Principal financial highlights

Key Operating data of Safilo Group						
(in millions of euro)	2009	2008	% Change	Q4 2009	Q4 2008	% Change
Net sales	1,011.2	1,147.8	-11.9%	236.5	282.1	-16.2%
Gross profit	572.5	663.0	-13.6%	126.1	159.8	-21.1%
%	56.6%	57.8%		53.3%	56.7%	
EBITDA	58.2	126.3	-53.9%	10.7	24.5	-56.3%
%	5.8%	11.0%		4.5%	8.7%	
<i>EBITDA from ordinary activities</i>	65.7 *	126.3	-48.0%	10.7	24.5	-56.3%
%	6.5%	11.0%		4.5%	8.7%	
Operating profit/(loss)	(270.7)	86.3	n.s.	(136.2)	14.7	n.s.
%	-26.8%	7.5%		-57.6%	5.2%	
<i>Operating profit/(loss) from ordinary activities</i>	16.1 **	86.3	-81.3%	(5.5) **	14.7	n.s.
%	1.6%	7.5%		-2.3%	5.2%	
Net profit/(loss) attrib. to the Group	(351.4)	(23.3)	n.s.	(165.3)	(37.8)	n.s.
%	-34.8%	-2.0%		-69.9%	-13.4%	
<i>Net profit/(loss) attrib. to the Group, from ordinary activities</i>	(33.7) ***	14.6 ***	n.s.	(12.9) ***	0.1 ***	n.s.
%	-3.3%	1.3%		-5.5%	0.1%	

* in 2009, before the provision of 7.4 million euro for non-recurring costs related to the industrial reorganisation

** in the fourth quarter 2009, before the write down of goodwill of 137.0 million euro.

In 2009, before the provision of 7.4 million euro for non-recurring costs related to the industrial reorganisation, the write down of goodwill of 257.7 million euro and the loss on the sale of the retail activities of 21.7 million euro.

*** in the fourth quarter 2009, before the write down of goodwill of 137.0 million euro and of deferred taxes of 30.9 million euro.

in the fourth quarter 2008, before the write down of deferred taxes of 38.0 million euro.

In 2009, before the provision of 7.4 million euro for non-recurring costs related to the industrial reorganisation, the write down of goodwill of 257.7 million euro, the loss on the sale of the retail activities of 21.7 million euro and the write down of deferred taxes of 30.9 million euro.

In 2008, before the write down of deferred taxes of 38.0 million euro.

Net sales of Safilo Group totalled Euro 1,011.2 million in 2009, down by 11.9% compared to Euro 1,147.8 million reported in 2008. At constant exchange rates, net sales decreased by 13.1%.

As previously mentioned, the fourth quarter 2009 was negatively impacted by the trend of foreign exchange rates, and in particular by the sharp drop in the U.S. dollar and some Asian currencies.

In the fourth quarter 2009, Safilo recorded revenues of Euro 236.5 million, down by 16.2% at current rates from the same period of 2008. At constant exchange rates, the slowdown in the fourth quarter 2009 was of 11.5%.

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Press Release

In the geographical breakdown, the American market contracted by 5.4% at current exchange rates in 2009 (-8.6% at constant exchange rates). During the fourth quarter 2009, sales in the area improved significantly at constant exchange rates as compared with the previous quarters of the year, with a drop of 1.7% (-11.5% at current exchange rates). The sales performance of independent opticians remained at satisfactory levels throughout 2009. However, the performance of prescription frame sales in the United States was negatively impacted in the third and fourth quarter 2009 by the strong levels of sales reported in the second half of 2008.

In the fourth quarter 2009, sales performance at department stores and large retail chains improved, also due to the good Christmas season sales.

Conditions in the European markets remained difficult throughout 2009, which ended down by 18.2% (-17.3% at constant exchange rates), contracting more markedly over the course of the fourth quarter (-19.6% at current exchange rates, -19.4% at constant exchange rates), due to the accelerating slowdown in the markets of the Mediterranean basin. The negative impact of falling average sales prices grew steadily in the second semester 2009, especially in the sunglasses segment. The Group in fact responded to consumer demand that continued to privilege the purchase of products in more accessible price ranges by steadily expanding its product propositions at more appealing price levels.

The house brand Carrera performed well against the backdrop of overall sales performance in Europe, closing the year with net sales up by more than 20%.

Net sales in Asia, which fell by 11.5% at current exchange rates (-15.5% at constant exchange rates) in 2009, posted an improvement in the fourth quarter 2009, with a contraction of 9.4% at current exchange rates but growing of 5.9% at constant exchange rates. Aside from the Japanese market, which remains very difficult, markets like Hong Kong and South Korea showed continuing growth.

Performance by distribution channel. Wholesale turnover in 2009 totalled Euro 904.4 million, compared with Euro 1,040.0 million in 2008, equivalent to a 13.0% decline at current exchange rates (-14.4% at constant exchange rates). In the fourth quarter 2009, wholesale turnover totalled Euro 212.4 million, compared with Euro 252.3 million in the fourth quarter 2008. The contraction in wholesale turnover during the final quarter of the year was of 15.8% at current exchange rates (-11.4% at constant exchange rates).

The retail business, which counted, before the sale of the retail store chains, 327 directly operated stores at 31st December 2009 (321 DOS at 31st December 2008), contracted slightly in 2009, by 0.9% at current exchange rates (-0.7% at constant exchange rates). The result of the directly operated store channel was penalised by the performance of those stores open for at least one year.

Safilo Group sold its non-strategic retail store chains to HAL at the end of 2009. These chains, which totalled 106 stores, include the Loop Vision shops in Spain and Just Spectacles in Australia.

Gross profit, which totalled Euro 572.5 million, or 56.6% of sales in 2009, compared with 57.8% reported in 2008 (Euro 663.0 million), was impacted in the fourth quarter 2009 by lower utilisation of production capacity during the period, continuing the trend reported in the third quarter 2009, with consequently lower absorption of industrial fixed costs.

In the fourth quarter 2009, gross profit fell from the same period of 2008, settling at 53.3% of sales (56.7% in the fourth quarter 2008). This result is also attributable to the more marked reduction of average ticket prices, not yet fully compensated by the reduction of production costs.

With regards to general, administrative and selling expenses, the greater incidence of costs in 2009 stemmed from the negative performance of directly operated stores open for more than a year, as well as from the impact in the wholesale channel of the higher incidence on sales of certain costs, such as marketing and advertising expenses, which are related for many licensed brands to the sales registered in the previous year, and royalties, which are, at times, guaranteed for a minimum fixed amount.

Press Release

In consideration of the savings achieved following the actions taken to reduce costs and the persistent soft market conditions, the Group decided to accrue, also in the fourth quarter 2009, additional allowances for doubtful accounts.

As mentioned in the previous quarters of 2009, the agreement reached with trade unions on the resizing of production capacity in Italy and Slovenia affected about 750 employees, leading to the definition of an unemployment benefits and incentives plan for workers totalling Euro 7.4 million, with the entire amount being accrued in the first semester 2009.

EBITDA from ordinary activities (gross of the provision for non-recurring costs) in 2009 totalled Euro 65.7 million, compared with Euro 126.3 million in 2008. EBITDA equalled 6.5% of sales, compared with 11.0% in 2008.

In the fourth quarter 2009 EBITDA from ordinary activities totalled Euro 10.7 million (4.5% of sales), compared with Euro 24.5 million in the fourth quarter 2008 (8.7% of sales).

As in the half-yearly report, the Group conducted an impairment test on its goodwill at the end of the year. The continuing unfavourable market situation, especially in the eyewear market segments in which Safilo products are concentrated, and the more prudent expectations of recovery of international markets, prompted the Group to write down its goodwill by an additional Euro 137.0 million. The total write down of goodwill for 2009 consequently totalled Euro 257.7 million (equal to 31.9% of the total value of goodwill at 31st December 2008).

As part of the recapitalisation subscribed by HAL Holding N.V. (HAL), Safilo completed the sale of the non-strategic retail store chains to HAL. These chains include the Loop Vision shops in Spain and Just Spectacles in Australia. The loss resulting from the sale of these retail stores was recognised at 31st December 2009 in the amount of Euro 21.7 million.

Operating profit (EBIT) from ordinary activities (gross of the provision for non-recurring costs, the loss on the sale of the retail operations and the write down of goodwill) in 2009 totalled Euro 16.1 million, compared with Euro 86.3 million in 2008. EBIT equalled 1.6% of sales, compared with 7.5% in 2008.

In the fourth quarter 2009, EBIT totalled a negative Euro 5.5 million (-2.3% of sales), compared with a positive Euro 14.7 million in the fourth quarter 2008 (5.2% of sales).

At 31st December 2009, the Group decided to write down deferred tax assets for Euro 30.9 million, that does not have any impact on its cash flow.

The Group's net result from ordinary activities (gross of the provision for non-recurring costs, the loss on the sale of the retail operations, the write down of goodwill and of deferred tax assets) was a negative Euro 33.7 million in 2009, compared with net profit of Euro 14.6 million in 2008.

In the fourth quarter 2009, the net loss from ordinary activities was Euro 12.9 million, compared with the near break-even result reported in the fourth quarter 2008 (Euro 0.1 million).

The net result for the period was negatively impacted by net financial expenses, which grew in the fourth quarter 2009 due to the write down of one participation and to the negative impact of the fair value of Interest Rate Swaps (IRS) on medium and long-term debt on which a commitment of renegotiation already existed.

Press Release

Key Cash flow data of Safilo Group		
(in millions of Euro)	2009	2008
Cash flow from operating activities before changes in working capital	(13.2)	42.8
Changes in working capital	24.7	13.5
Cash flow from (for) operating activities	11.5	56.3
Cash flow from (for) investment activities	(22.3)	(88.4)
Free Cash Flow	(10.8)	(32.1)

Free Cash Flow for 2009 improved from 2008, resulting in a cash absorption of Euro 10.8 million, compared with the absorption of Euro 32.1 million in 2008.

This result was due to reduced capital expenditure, which totalled Euro 22.3 million in 2009 (net of the proceeds from the disposal of the retail operations) and was down from the Euro 88.4 million reported in 2008, when the Group carried out selected acquisitions.

Capital expenditure in 2009 was dedicated to the renovation and improvement of production plants in Italy and Slovenia and to the completion of the new production plant in China.

Cash flow from operating activities, reflecting the net loss for the year, totalled Euro 11.5 million in 2009, compared with Euro 56.3 million in 2008. On the other hand, the management of working capital improved, with a cash generation of Euro 24.7 million, compared with Euro 13.5 million in 2008. This result is largely attributable to the important inventory cutbacks carried out by the Group during 2009, as well as the reduction in receivables due to lower sales.

Net Financial Position totalled Euro 588.0 million at 31st December 2009, up slightly from Euro 570.0 million at 31st December 2008.

Outlook for the year

In the first few months of 2010, there are signals of a recovery on the most important Asian markets (except for Japan), alongside the ongoing improvement of the United States market, where the directly operated Solstice stores registered positive comparable growth performance.

On the other hand, demand remains uncertain and volatile in Europe, where purchases of products with more moderate price points remain predominant.

Given current market conditions, Safilo Group expects, for the first quarter 2010, to register flat sales vs. the same period last year.

Due to the capital increases in the first quarter of this year the financial debt position has improved significantly so that the interest expense for 2010 are expected to be significantly below the interest expense charges of 2009.

Press Release

Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for the preparation of the company's financial documents, Mr. Francesco Tagliapietra, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

Disclaimer

This document contains forward-looking statements, relating to future events and operating, economic and financial results for Safilo Group. Such forecasts, due to their nature, imply a component of risk and uncertainty due to the fact that they depend on the occurrence of certain future events and developments. The actual results may therefore vary even significantly to those announced in relation to a multitude of factors

Alternative Performance Indicators

The definitions of the "Alternative Performance Indicators", not foreseen by the IFRS-EU accounting principles and used in this press release to allow for an improved evaluation of the trend of economic-financial management of the Group, are provided below:

- Ebitda (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and amortization;
- The net financial position is for Safilo the sum of bank borrowings and short, medium and long-term loans, net of cash in hand and at bank;
- The net capital employed for Safilo is the sum of current assets and non-current assets net of current liabilities and non current liabilities, with the exception of the items previously considered in the Net Financial Position;
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities.

Conference Call

At 6.30 pm CET today a conference call will be held with the financial community during which the results of the fourth quarter and full year 2009 results will be discussed.

It is possible to connect to the call by dialling the following number: +39 069682336 or +44 207 7841036 (for journalists: +39 02 69682337) and quoting the following confirmation code: 1692495. The playback of the conference call will be available soon after by dialling the number +39 02 30413127 o +44 207 1111244 (access code: 1692495#). The conference call can also be followed with the webcast on the site www.safilo.com/en/investors.html.

The presentation is available and may be downloaded from the company website in the Presentations section.

Notice of the call of the Ordinary Shareholders' Meeting

The notice of the call of the Ordinary Shareholders' Meeting will be available on the home page of the website www.safilo.com/en/investors.html, where, at least 15 days before the date fixed for the first call, the Report from the Directors to the Shareholders' Meeting on the proposals regarding the matters given in the order of the day, will also be available.

¹ The consolidated Financial Statements and Financial Statements are currently subject to audit activities as yet not concluded.

Press Release

Disclosure requirements in accordance with article 114, paragraph 5, of the Legislative Decree 58 of 24th February 1998 are provided below as already contained in the Annual Report as at December 31st, 2009.

Main items of the Net financial position :

Net financial position (Euro/000)	December 31,		
	2009	2008	change
A Cash and cash equivalents	37,386	53,653	(16,267)
B Cash and cash equivalents included as Assets held for sale	-	-	-
C Current securities (securities held for trading)	-	-	-
D Liquidity (A+B+C)	37,386	53,653	(16,267)
E Receivables from financing activities	-	-	-
F Bank overdrafts and short-t. bank borrowings	(58,305)	(74,095)	15,790
G Current portion of long-term borrowings	(77,289)	(37,646)	(39,643)
H Other short-term borrowings	(42,530)	(50,904)	8,374
I Debts and other current financial liabilities (F+G+H)	(178,124)	(162,645)	(15,479)
J Current financial position, net (D)+(E)+(I)	(140,738)	(108,992)	(31,746)
K Long-term bank borrowings	(248,588)	(260,971)	12,383
L Ordinary bonds	(190,704)	(189,689)	(1,015)
M Other long-term borrowings	(7,990)	(10,424)	2,434
N Debts and other non current financial liabilities (K+L+M)	(447,282)	(461,084)	13,802
I Net financial position (J)+(N)	(588,020)	(570,076)	(17,944)

Covenants in the current contractual agreement are calculated as a ratio between net financial position and EBITDA and EBITDA and financial income and expenses.

It is to be noted that Safilo has requested and received from the lending banks the agreement to waive the relevant financial covenants with regard to June 30, 2009 and December 31, 2009 and to postpone the repayment of the loan principal amount due on June 30, 2010.

The waiver has been granted pending the full implementation of the Amendment Agreement of the Senior Loan Agreement that has become effective on March 24, 2010.

Overdue payables:

(Euro/000)	Balance as at December 31, 2009	of which overdue as at December 31, 2009	Incidence %
Current payables:			
Financial debts	178,124	-	0%
Trade payables	150,068	2,015	1%
Tax payables	18,651	-	0%
Other current liabilities	63,437	360	1%
Total	410,280	2,374	1%

At 31st december 2009, the current payables of the Group amounted to Euro 410.280 thousand. The share overdue at that time and not yet paid amounts to Euro 2.374 thousands, and relates to payments made

Press Release

mostly in January 2010 or debit positions presently subject to dispute. In view of these payables overdue there is no significant action for the recovery forced by the creditors.

Related parties transactions:

Related parties transactions <i>(Euro/000)</i>	Relationship	December 31, 2009	December 31, 2008
<i>Receivables</i>			
Optifashion As	(a)	15	146
Elegance International Holdings Ltd	(b)	419	443
Total		433	589
<i>Payables</i>			
Elegance International Holdings Ltd	(b)	5,956	7,292
Total		5,956	7,292

Related parties transactions <i>(Euro/000)</i>	Relationship	2009	2008
<i>Revenues</i>			
Elegance International Holdings Ltd	(b)	2	8
Optifashion As	(a)	68	143
Total		70	151
<i>Costs</i>			
Elegance International Holdings Ltd	(b)	13,949	17,748
Optifashion As	(a)	3	-
TBR Inc.	(b)	1,200	1,084
Total		15,152	18,832

- (a) subsidiaries non consolidated;
(b) associates;

Press Release

Sàfilo Group S.p.A.

Consolidated income statement

<i>(Euro/000)</i>	2009	2008	Change %
Net sales	1,011,236	1,147,818	-11.9%
Cost of sales	(438,752)	(484,860)	-9.5%
Gross profit	572,484	662,958	-13.6%
Selling and marketing expenses	(427,271)	(446,075)	-4.2%
General and administrative expenses	(131,402)	(131,849)	-0.3%
Other operating income and (expenses), net	2,330	1,301	79.1%
Restructuring cost non recurring	(7,422)	-	n.s.
Impairment loss on goodwill and loss on disposal of retail subsidiaries	(279,400)	-	n.s.
Operating profit (loss)	(270,681)	86,335	n.s.
Share of income (loss) of associates	360	866	-58.4%
Interest expense and other financial charges, net	(54,257)	(57,753)	-6.1%
Profit (loss) before taxation	(324,578)	29,448	n.s.
Income taxes	4,677	(12,043)	n.s.
Write down of deferred tax assets	(30,888)	(37,945)	-18.6%
Net profit (loss)	(350,789)	(20,540)	n.s.
Net profit attributable to minority interests	659	2,775	-76.3%
Net profit (loss) attributable to the Group	(351,448)	(23,315)	n.s.
Ebitda	58,249	126,319	-53.9%
Basic EPS (Euro)	(1.23)	(0.08)	
Diluted EPS (Euro)	(1.23)	(0.08)	

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Press Release

Sàfilo Group S.p.A.

Consolidated balance sheet

(Euro/000)	31/12/2009	31/12/2008	Change
ASSETS			
Current assets			
Cash in hand and at banks	37,386	53,653	(16,267)
Trade receivables, net	268,750	301,562	(32,812)
Inventory, net	208,373	272,102	(63,729)
Derivative financial instruments	-	772	(772)
Other current assets	64,311	50,703	13,608
Total current assets	578,820	678,792	(99,972)
Non-current assets			
Tangible fixed assets	208,579	228,758	(20,179)
Intangible fixed assets	18,106	22,725	(4,619)
Goodwill	518,419	807,209	(288,790)
Investments in associates	12,032	12,298	(266)
Financial assets available-for-sale	806	861	(55)
Deferred tax assets	41,718	53,434	(11,716)
Derivative financial instruments	228	455	(227)
Other non-current assets	11,916	12,838	(922)
Total non-current assets	811,804	1,138,578	(326,774)
Total assets	1,390,624	1,817,370	(426,746)
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	178,124	162,645	15,479
Trade payables	150,068	205,363	(55,295)
Tax payables	18,651	22,587	(3,936)
Derivative financial instruments	5,549	-	5,549
Other current liabilities	63,437	76,437	(13,000)
Provisions for risks and charges	4,087	1,053	3,034
Total current liabilities	419,916	468,085	(48,169)
Non-current liabilities			
Long-term borrowings	447,282	461,084	(13,802)
Employee benefit liability	41,818	42,075	(257)
Provisions for risks and charges	20,968	13,263	7,705
Deferred tax liabilities	3,531	5,184	(1,653)
Derivative financial instruments	-	5,740	(5,740)
Other non-current liabilities	11,117	17,662	(6,545)
Total non-current liabilities	524,716	545,008	(20,292)
Total Liabilities	944,632	1,013,093	(68,461)
Equity			
Share capital	71,349	71,349	-
Share premium reserve	745,105	747,471	(2,366.00)
Losses carried forward and other reserves	(26,605)	7,980	(34,585)
Fair value and cash flow reserves	32	(7,620)	7,652
Profit attributable to the Group	(351,448)	(23,315)	(328,133)
Group shareholders' equity	438,433	795,865	(357,432)
Minority interests	7,559	8,412	(853)
Total shareholders' equity	445,992	804,277	(358,285)
Total liabilities and equity	1,390,624	1,817,370	(426,746)

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Press Release

Sáfilo Group S.p.A.

Consolidated statement of cash flow

<i>(Euro/000)</i>	2009	2008
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	(20,442)	(28,469)
B - Cash flow from (for) operating activities		
Net profit (loss) for the period (including minority interests)	(350,789)	(20,540)
Depreciation and amortization	49,530	39,983
Impairment loss on goodwill	257,716	-
Loss on disposal of retail subsidiaries	21,684	-
Stock option	-	(695)
Share income/(loss) on equity investments	1,910	706
Net movements in the employee benefit liability	2,468	619
Net movements in other provisions	7,677	717
Interest expenses, net	42,574	43,066
Income tax expenses	26,211	49,988
Income from operating activities prior to movements in working capital	58,981	113,844
(Increase) Decrease in trade receivables	32,785	13,175
(Increase) Decrease in inventory, net	56,603	8,267
Increase (Decrease) in trade payables	(51,783)	2,547
(Increase) Decrease in other current receivables	(3,424)	(7,501)
Increase (Decrease) in other current payables	(9,520)	(2,962)
Interest expenses paid	(42,376)	(35,550)
Income tax paid	(29,791)	(35,552)
Total (B)	11,476	56,268
C - Cash flow from (for) investing activities		
Purchase of property, plant and equipment (net of disposals)	(31,332)	(54,363)
Acquisition of subsidiaries (net of cash acquired)	-	(24,963)
Disposal of retail subsidiaries (net of cash disposed of)	12,175	-
(Acquisition) Disposal of investments and bonds	128	152
Purchase of intangible assets	(3,245)	(9,190)
Total (C)	(22,274)	(88,364)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	34,500	94,313
Repayment of borrowings	(15,948)	(37,504)
Dividends paid	(3,143)	(26,840)
Total (D)	15,409	29,969
E - Cash flow for the period (B+C+D)	4,611	(2,127)
Translation exchange difference	(5,088)	10,154
Total (F)	(5,088)	10,154
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	(20,919)	(20,442)

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Press Release

Sàfilo Group S.p.A. *Consolidated net sales*

Net sales by geographical region	Full year				
<i>(Euro in millions)</i>	2009	%	2008	%	Change%
Europe	444.7	44.0	543.8	47.4	-18.2
The Americas	400.0	39.6	423.0	36.8	-5.4
Asia	130.6	12.9	147.5	12.9	-11.5
Other	35.9	3.6	33.5	2.9	+7.2
Total	1,011.2	100.0	1,147.8	100.0	-11.9

Net sales by product	Full year				
<i>(Euro in millions)</i>	2009	%	2008	%	Change%
Prescription frames	402.0	39.8	455.3	39.6	-11.7
Sunglasses	524.6	51.9	606.7	52.9	-13.5
Sport products	60.1	5.9	62.6	5.5	-4.0
Other	24.5	2.4	23.2	2.0	+5.6
Total	1,011.2	100.0	1,147.8	100.0	-11.9

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Press Release

Sàfilo Group S.p.A. *Statement of operations*

<i>(value in Euro)</i>	2009	2008
Net sales	1.030.000	1.030.000
Cost of sales	-	-
Gross profit	1.030.000	1.030.000
General and administrative expenses	(1.576.960)	(1.819.898)
Other operating income/(expenses), net	28.591	34.901
Operating profit/(loss)	(518.369)	(754.997)
Financial charges, net	20.866	38.734.039
Write-down of investmentes in subsidiaries	(359.472.000)	-
Profit/(loss) before taxation	(359.969.503)	37.979.042
Income taxes	136.814	(371.318)
Write downs of deferred tax assets	(136.814)	(8.028.751)
Net profit/(loss) for the year	(359.969.503)	29.578.973

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Press Release

Sàfilo Group S.p.A.

Balance sheet

<i>(value in Euro)</i>	31/12/2009	31/12/2008	Change
ASSETS			
Current assets			
Cash in hand and at bank	490,087	2,685,664	(2,195,577)
Trade receivables, net	1,540,113	1,286,000	254,113
Other current assets	52,601,739	44,529,724	8,072,015
Total current assets	54,631,939	48,501,388	6,130,551
Non-current assets			
Intangible assets	68,000	102,000	(34,000)
Investments in associates	447,000,218	806,472,218	(359,472,000)
Total non-current assets	447,068,218	806,574,218	(359,506,000)
Total assets	501,700,157	855,075,606	(353,375,449)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables	1,247,820	628,960	618,860
Tax payables	44,643	42,634	2,009
Other current liabilities	1,392,941	1,526,840	(133,899)
Total current liabilities	2,685,404	2,198,434	486,970
Non-current liabilities			
Employee benefit liability	81,646	84,116	(2,470)
Other non-current liabilities	9,453,659	993,198	8,460,461
Total non-current liabilities	9,535,305	1,077,314	8,457,991
Total liabilities	12,220,709	3,275,748	8,944,961
Shareholders' equity			
Share capital	71,348,532	71,348,532	-
Share premium reserve	745,104,718	747,470,698	(2,365,980)
Retained earnings (losses) and other reserves	32,995,701	3,401,655	29,594,046
Income attributable to the Group	(359,969,503)	29,578,973	(389,548,476)
Total shareholders' equity	489,479,448	851,799,858	(362,320,410)
Total liabilities and shareholders' equity	501,700,157	855,075,606	(353,375,449)

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Press Release

Safilo Group S.p.A. Statement of cash flow

<i>(value in Euro)</i>	2009	2008
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	2,685,664	8,168,963
B - Cash flow from (for) operating activities		
Net profit (loss) for the period	(359,969,503)	29,578,973
Write down on equity investments	359,472,000	-
Depreciation and amortization	34,000	34,000
Net movements in the employee benefit liability	(2,470)	11,777
Interest expenses, net	50	115,372
Income tax expenses	-	8,400,069
Income from operating activities prior to movements in working capital	(465,923)	38,140,191
(Increase) Decrease in trade receivables	(8,943,907)	(5,434,191)
Increase (Decrease) in payables	7,214,303	224,574
Interest expenses paid	(50)	(115,372)
Total (B)	(2,195,577)	32,815,202
C - Cash flow from (for) investing activities		
Purchase of property, plant and equipment (net of disposals)	-	(40,000)
Total (C)	-	(40,000)
D - Cash flow from (for) financing activities		
Repayment of borrowings	-	(14,000,000)
Dividends paid	-	(24,258,501)
Total (D)	-	(38,258,501)
E - Cash flow for the period (B+C+D)	(2,195,577)	(5,483,299)
F - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	490,087	2,685,664

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Press Release

The Safilo Group is worldwide leader in the premium eyewear sector and maintains a leadership position in the prescription, sunglasses, fashion and sports eyewear sectors. Present in the international market through exclusive distributors and 32 subsidiaries in primary markets (U.S.A., Europe and Far East). The main proprietary branded collections distributed are: Safilo, Carrera, Smith Optics, Oxydo, Blue Bay, and the licensed branded collections are: Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS by Hugo Boss, Diesel, 55DSL, Dior, Emporio Armani, Fossil, Giorgio Armani, Gucci, HUGO by Hugo Boss, J.Lo by Jennifer Lopez, Jimmy Choo, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max&Co., Nine West, Pierre Cardin, Saks Fifth Avenue, Valentino, Yves Saint Laurent and, starting from Fall 2010, Tommy Hilfiger.

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

For further information:

Investor Relations

Barbara Ferrante

ph. +39 049 6985766

www.safilo.com/en/investors.html