



**THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A.
APPROVES THE FINANCIAL RESULTS FOR 2013**

Padua, 5 March 2014 – The Board of Directors of Safilo Group S.p.A. has today approved the Company's consolidated financial statements for the year ended 31 December 2013¹ and examined the separate financial statements for the year ended 31 December 2013¹, which will be submitted for approval by shareholders at the Annual General Meeting to be held in single call on 15 April 2014.

The Group ended 2013 with turnover at constant exchange rates very close to the figure for 2012, and grew adjusted EBITDA³ margin by 110 bps.

Sales reflected the negative impact of exchange rate movements and the phase-out of certain brands, which actually led to the improvement of margins reflecting an enhanced sales mix now focused on the continuing brand portfolio, and operational improvements in the ordinary activities.

Also the fourth quarter again saw double-digit organic sales growth², with strong performances across many of the eyewear business's main markets, channels and brands.

In 2013 Safilo saw a significant reduction in net debt and a substantial improvement in financial leverage, with the ratio of net debt to adjusted EBITDA³ falling to a record low for Safilo of 1.5 times.

The results confirm the emerging financial and operational strength of Safilo Group in a year of business transition and continuing economic fragility in a number of its important markets.

Financial highlights

Euro million	FY 2013	FY 2012	% Change	% Change (*)	Q4 2013	Q4 2012	% Change	% Change (*)
Net sales	1,121.5	1,175.3	-4.6%	-1.9%	279.7	312.9	-10.6%	-6.9%
Gross profit	683.7	679.7	+0.6%		166.8	170.6	-2.2%	
%	61.0%	57.8%			59.6%	54.5%		
EBITDA	111.7	115.1	-3.0%		30.4	29.2	+4.2%	
%	10.0%	9.8%			10.9%	9.3%		
Adjusted³ EBITDA	121.8	115.1	+5.8%		33.1	29.2	+13.6%	
%	10.9%	9.8%			11.9%	9.3%		
Operating profit	74.7	73.9	+1.1%		20.6	17.0	+21.2%	
%	6.7%	6.3%			7.4%	5.4%		
Adjusted³ Operating profit	84.8	73.9	+14.8%		23.3	17.0	+37.2%	
%	7.6%	6.3%			8.3%	5.4%		
Group net profit	15.5	25.9	-40.0%		(6.3)	5.0	n.s.	
%	1.4%	2.2%			-2.3%	1.6%		
Adjusted³ Group net profit	39.0	25.9	+50.7%		11.7	5.0	n.s.	
%	3.5%	2.2%			4.2%	1.6%		
Group net debt	182.5	215.3	-15.2%					

(*) at constant exchange rates

Commenting on the results, Luisa Delgado, the Safilo Group's Chief Executive Officer, said:

"We are satisfied with our 2013 performance. The priority has been to grow organically so as to replace as much as possible the Armani licenses through broad based organic growth, focus on the profitability of our business, and consolidate the Group's financial strength.

We have achieved these objectives, showing that our portfolio of brands is highly diversified and competitive, our organisation agile and resilient, and our opportunities for further business development many.

Safilo is building the capability to leverage these opportunities systemically going forward."

Financial review

The Group's **total turnover** amounts to €1,121.5 million for 2013, compared with €1,175.3 million in 2012 (down 1.9% at constant exchange rates and 4.6% at current exchange rates).

Turnover in the wholesale business is down to €1,041.5 million from the €1,094.6 million of 2012 (down 2.2% at constant exchange rates and 4.8% at current exchange rates), whilst Solstice retail business in the USA recorded sales of €80 million (up 2.4% at constant exchange rates and down 0.9% at current exchange rates).

Net sales during the last three months of the year amount to €279.7 million, compared with €312.9 million in the same period of 2012 (down 6.9% at constant exchange rates and 10.6% at current exchange rates), with wholesale turnover totalling €261.5 million, compared with €293.7 million in the same quarter of 2012 (down 7.3% at constant exchange rates and 10.9% at current exchange rates).

At constant exchange rates, Solstice store sales were substantially stable compared with the same quarter of 2012 (€18.2 million, down 0.4% at constant exchange rates and 5.3% at current exchange rates).

Over the year Safilo recorded significant organic growth², allowing the Company to effectively counter the two dominant themes during the year, one being the negative impact of exchange rates and the other the phase-out of brands in 2012, which had generated a particularly high volume of sales in the fourth quarter of that year.

Organic sales growth² in the core sunglass and prescription frame segments was again into double digits in the fourth quarter, rising 12.8% and consolidating the trend seen throughout the year at around 12%.

The main drivers of Safilo's growth in 2013 were again the stronger distribution channels in Germany, France and the UK, the travel retail business and the principal emerging markets, where the value of the brand portfolio was continually in evidence at all levels.

The leading brands in the high-end category, Gucci and Dior, again excelled, whilst brands such as Jimmy Choo and Céline made strong progress across all countries.

In the fashion segment the Tommy Hilfiger, Boss Orange and Marc by Marc Jacobs collections boosted their penetration in the major chains and in new markets, whilst Carrera's strong performance was driven by development of the prescription frame segment in all the leading countries.

An analysis in terms of geographical area shows that annual turnover in Europe was €470.8 million, slightly up on the €470.6 million of 2012 (up 0.6% at constant exchange rates and stable at current exchange rates), whilst achieving double-digit organic sales growth².

European turnover in the fourth quarter amounts to €119.1 million, compared with the €128.6 million of 2012 (down 6.6% at constant exchange rates and 7.4% at current exchange rates), with organic sales² again achieving double-digit growth thanks to Safilo's commercial strength in markets such as Russia and Turkey, but also due to improvements in countries such as Spain, Portugal and Italy.

Total revenues in the North American market amount to €457.9 million, compared with €488.7 million in 2012 (down 2.5% at constant exchange rates and 6.3% at current exchange rates).

Total revenues for the fourth quarter amount to €108.4 million, compared with the €125.0 million of 2012 (down 7.9% at constant exchange rates and 13.3% at current exchange rates). This reflects the positive performance of organic sales³ in the North American market, accompanied by a slowdown in Latin American countries.

In the Asian market, Safilo ended the year with turnover of €177.5 million, compared with the €198.8 million of 2012 (down 6.4% at constant exchange rates and 10.7% at current exchange rates).

The figure for the fourth quarter more than confirmed the double-digit organic growth³ registered over the year, despite the continuing impact of the phase-out of certain brands in 2012 and the devaluation of the yen. At constant exchange rates, China, Thailand, India and Japan proved to be the most dynamic markets in the area. Turnover for the quarter

amounts to €47.1 million, compared with €54.1 million for the same period of 2012 (down 7.2% at constant exchange rates and 12.9% at current exchange rates).

In terms of operating and financial results, 2013 saw an upturn in Safilo's performance, recovering the ground lost in 2012 and achieving a number of record results in the process.

The Group's operating performance during the fourth quarter was again marked by a significant improvement in the gross margin, driven by organic sales growth and the positive impact of the brand mix.

Over the year these factors combined with effective and flexible management of labour at the Group's Italian manufacturing facilities and an ongoing reduction in levels of obsolescence.

Gross profit for 2013 is up to €683.7 million, compared with the €679.7 million of 2012, registering a considerable improvement in the related margin to 61%, as opposed to the 57.8% of the previous year.

Gross profit for the fourth quarter amounts to €166.8 million, compared with the €170.6 million of the same period of 2012. This has resulted in a 510 basis-point improvement in the gross profit margin, up to 59.6% from the 54.5% of the fourth quarter of 2012.

The Group's operating result for 2013 was affected by non-recurring expenses of €10.1 million, including €6.2 million due to the change in senior management in October 2013 and €3.9 million for a number of restructuring initiatives in Europe.

Group net profit also reflects provisioning for tax liabilities resulting from disputes arising in Italy in relation to the years of assessment from 2007 to 2011, totalling €14 million.

After stripping out these items, **adjusted EBITDA**³ for the year amounts to €121.8 million, up 5.8% on the €115.1 million of 2012. The adjusted EBITDA margin³ has, on the other hand, improved by 110 basis points to 10.9%, compared with 9.8% for 2012.

Adjusted EBITDA³ for the fourth quarter amounts to €33.1 million, up 13.6% in absolute terms on the €29.2 million of the same period of 2012 and an improvement of 260 basis points in terms of the adjusted EBITDA margin³, up to 11.9% from the 9.3% of the fourth quarter of 2012.

Adjusted EBIT³ for 2013 amounts to €84.8 million, up 14.8% on the €73.9 million of 2012. The adjusted EBIT margin³ is up 130 basis points to 7.6% from the 6.3% of 2012.

Adjusted EBIT³ for the fourth quarter shows a significant improvement, having risen to €23.3 million from the €17.0 million of the same period of 2012. The adjusted EBIT margin³ is up 290 basis points to 8.3% from the 5.4% of the fourth quarter of 2012.

Net financial expenses for the full year are significantly down, amounting to €22.6 million compared with the €29.3 million of 2012. The Group's net interest expense almost halved in 2013, falling from €19.1 million to €11.3 million following the redemption of High Yield Bond in May 2013.

After an adjusted tax rate³ for the year of 34.5%, Safilo reports **adjusted Group net profit**² of €39.0 million, up 50.7% on the €25.9 million of the previous year. Adjusted net profit³ for the fourth quarter has more than doubled with respect to the same period of 2012, rising to €11.7 million from €5.0 million for the same period of the previous year.

Cash flow

Euro million	FY 2013	FY 2012	Q4 2013	Q4 2012
Cash flow from operating activities before changes in working capital	51.1	58.7	4.5	12.5
Changes in working capital	17.5	21.7	8.3	9.4
Cash flow from operating activities	68.6	80.4	12.8	21.9
Cash flow for investment activities	(40.2)	(99.4)	(18.3)	(9.8)
Free Cash Flow	28.4	(19.0)	(5.5)	12.1

The Group continued to generate cash from operating activities in 2013, with a cash inflow of €68.6 million after non-recurring expenses of approximately €7 million and an increase in non-cash items.

Cash used in investing activities remained stable at around €40 million (€41 million in 2012 before cash used for the acquisition of Polaroid). Cash used in the fourth quarter included a portion of the amount invested in the development and implementation of SAP software in Italy.

Safilo's **net debt** at the end of 2013 amounts to €182.5 million, substantially in line with the figure for the end of September (€180.7 million) and down approximately €33 million on 31 December 2012 (€215.3 million). This has enabled Safilo to reduce its adjusted leverage ratio³ to 1.5 times, a new record low after the fall to 1.9 times seen in 2012.

In view of the above results and the current business environment, the Board of Directors have decided not to propose payment of a dividend to the Annual General Meeting.

Outlook

Following a two-year transition period, during which the Group has succeeded in effectively and resolutely redefining the scope of our business, 2014 will be a year of continuity and further expansion of the brand portfolio, recently enriched by the launch of the Fendi brand in our principal international markets.

In the eightieth year since the Company's foundation, Safilo reiterates its commitment to strengthening and injecting renewed vitality into our main areas of business, so as to guarantee the Group lasting and profitable growth, starting with our Safilo brands, the main emerging markets and the distribution channels with the greatest growth potential.

These are the principal objectives underlying Safilo's strategy in 2014, together with the development of programmes designed to improve our business processes and the related information systems.

Other information

The Board of Directors of Safilo Group S.p.A. (the "Company") met today to define, on the basis of the proposal of the Remuneration and Nomination Committee, the general guidelines of the Stock Option Plan 2014-2016 (the "Plan"), which provides for the granting of options allowing newly issued ordinary shares of the Company to be purchased.

The Plan is reserved to a selected group of directors and/or senior executives of the Company and/or its subsidiaries identified by the Board of Directors, on the basis of the proposal of the Remuneration and Nomination Committee, amongst those individuals who hold a key role in achieving the strategic objectives of the Company (the "Beneficiaries").

The Plan is aimed at supporting the improvement of the Company's long-term performance and the creation of shareholder value through the retention of individuals deemed key to the Group's development and with the aim of aligning the objectives of the Beneficiaries with those of the Company's shareholders.

In accordance with the Plan, a maximum of 1,500,000 options will be issued and granted to the Beneficiaries, subject to the achievement of predetermined performance targets, and will give the Beneficiaries the right to subscribe one ordinary share of the Company for every option assigned.

The disclosure document relating to the Plan, including the description of the procedures and clauses for the implementation of the Plan, as well as the procedures and criteria for determining the stock option prices, will be published within the deadlines set forth by applicable law before the Company's Shareholders' Meeting called today by the Board of Directors on April 15, 2014, to approve the abovementioned Plan.

Decisions concerning the implementation of the Plan will be made public as per the provision of Article 84-bis, para 5, letter a) of the Issuers' Regulations.

For the purposes of implementing the Plan, the abovementioned Shareholders' Meeting has been also called on an Extraordinary session to approve the proposal of a paid and separable capital increase, with exclusion of the option rights according to Article 2441, paragraph 4, second sentence, of the Civil code, by means of the issuance of a maximum of 1,500,000 shares, par value 5 euro each, for a maximum nominal value equal to Euro 7,500,000.

Notes:

- ¹ The consolidated and separate financial statements are currently being audited, a process that has yet to be completed.
- ² Excluding the sales of the Armani brands not renewed at the end of 2012 and the Polaroid business recorded in the first quarter of 2013. The organic performance in the wholesale core sunglass and prescription frame products is expressed at constant exchange rates.
- ³ Adjusted 2013 results do not include non-recurring costs recorded in the second quarter of 2013, amounting to €7.4 million, and in the fourth quarter, amounting to €16.7 million, for a total amount of €24.1 million (€23.4 million net of tax effect). Of these, €10.1 million are related to the CEO succession plan occurred in October 2013 and to some restructuring expenses in the European market while €14.0 million are related to a provision for fiscal risks related to litigations opened in Italy for years 2007-2011.

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. Vincenzo Giannelli, 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 debt 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 debt;
- 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

Today, at 6.30pm CEST (5.30pm GMT; 12.30pm US EST) a conference call will be held with the financial community during which the results of the full year 2013 will be discussed.

It is possible to follow the conference call by calling +39 06 87500874, +44 203 4271912 or +1 646 2543367 (for journalists +39 06 99749000) and entering the access code 9288105.

A recording of the conference call will be available until March 7, 2014 on +39 06 45217196, +44 203 4270598 or +1 347 3669565 (access code: 1220893). The conference call may be followed via webcast at www.safilo.com/it/investors.html. The presentation is available and may be downloaded from the Company's website.

Notice of the call of the Ordinary Shareholders' Meeting

In the coming days, the notice of the call of the Shareholders' Meeting will be available on the website www.safilo.com/it/investors.html, where the Reports from the Directors to the Shareholders' Meeting on the proposals regarding the items on the agenda, will also be made available.

Säfilo Group S.p.A.

Consolidated income statement

(Euro/000)				Fourth Quarter		
	2013	2012	Change %	2013	2012	Change %
Net sales	1,121,531	1,175,292	-4.6%	279,762	312,932	-10.6%
Cost of sales	(437,841)	(495,621)	-11.7%	(112,912)	(142,371)	-20.7%
Gross profit	683,690	679,671	0.6%	166,850	170,561	-2.2%
Selling and marketing expenses	(451,828)	(461,866)	-2.2%	(107,704)	(118,697)	-9.3%
General and administrative expenses	(148,997)	(148,241)	0.5%	(38,011)	(38,747)	-1.9%
Other operating income (expenses)	(8,141)	4,312	n.s.	(514)	3,904	n.s.
Operating profit	74,724	73,876	1.1%	20,621	17,021	21.2%
Share of income (loss) of associates	(2,093)	(497)	n.s.	(653)	(593)	10.1%
Interest expenses and other financial charges, net	(22,569)	(29,342)	-23.1%	(5,912)	(7,780)	-24.0%
Profit before taxation	50,062	44,037	13.7%	14,056	8,648	62.5%
Income taxes	(34,089)	(17,436)	95.5%	(20,226)	(3,556)	n.s.
Net profit of the period	15,973	26,601	-40.0%	(6,170)	5,092	n.s.
Non-controlling interests	452	736	-38.6%	126	105	20.0%
Net profit attributable to owners of the Parent	15,521	25,865	-40.0%	(6,296)	4,987	n.s.
EBITDA	111,687	115,100	-3.0%	30,426	29,186	4.2%
Basic EPS (Euro)	0.251	0.428		(0.102)	0.080	
Diluted EPS (Euro)	0.250	0.428		(0.100)	0.080	
Economic indicators pre non-recurring items						
EBIT pre non-recurring items	84,846	73,876	14.8%	23,358	17,021	37.2%
EBITDA pre non-recurring items	121,809	115,100	5.8%	33,163	29,186	13.6%
Net profit attributable to the Group pre non-recurring items	38,969	25,865	50.7%	11,651	4,987	n.s.

Sàfilo Group S.p.A.*Consolidated Balance sheet*

<i>(Euro/000)</i>	December 31, 2013	December 31, 2012	Change
ASSETS			
Current assets			
Cash in hand and at bank	82,608	59,388	23,220
Trade receivables, net	238,979	280,442	(41,463)
Inventory, net	212,780	207,639	5,141
Derivative financial instruments	54	126	(72)
Other current assets	59,760	42,344	17,416
Total current assets	594,181	589,939	4,242
Non-current assets			
Tangible assets	198,176	204,713	(6,537)
Intangible assets	48,703	45,646	3,057
Goodwill	536,075	558,046	(21,971)
Investments in associates	8,432	10,916	(2,484)
Available-for-sale financial assets	237	245	(8)
Deferred tax assets	77,168	76,987	181
Derivative financial instruments	34	-	34
Other non-current assets	2,631	4,825	(2,194)
Total non-current assets	871,456	901,378	(29,922)
Total assets	1,465,637	1,491,317	(25,680)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	73,874	182,643	(108,769)
Trade payables	204,934	210,573	(5,639)
Tax payables	18,210	16,193	2,017
Derivative financial instruments	1,673	1,000	673
Other current liabilities	43,518	47,739	(4,221)
Provisions for risks and charges	3,325	2,851	474
Total current liabilities	345,534	460,999	(115,465)
Non-current liabilities			
Long-term borrowings	191,230	92,034	99,196
Employees benefits liability	34,879	36,819	(1,940)
Provisions for risks and charges	34,593	24,004	10,589
Deferred tax liabilities	8,061	7,745	316
Derivative financial instruments	24	1,555	(1,531)
Other non-current liabilities	5,254	5,315	(61)
Total non-current liabilities	274,041	167,472	106,569
Total liabilities	619,575	628,471	(8,896)
Shareholders' equity			
Share capital	311,000	308,700	2,300
Share premium reserve	482,565	481,163	1,402
Retained earnings (losses) and other reserves	34,526	43,563	(9,037)
Fair value and cash flow reserves	(490)	(1,555)	1,065
Income attributable to the Group	15,521	25,865	(10,344)
Total shareholders' equity attributable to the Group	843,122	857,736	(14,614)
Non-controlling interests	2,940	5,110	(2,170)
Total shareholders' equity	846,062	862,846	(16,784)
Total liabilities and shareholders' equity	1,465,637	1,491,317	(25,680)

Sàfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000)	2013	2012
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	45,623	76,528
B - Cash flow from (for) operating activities		
Net profit for the period (including minority interests)	15,973	26,601
Depreciation and amortization	36,963	41,223
Other non-monetary P&L items	(36)	4,257
Interest expenses, net	11,263	19,093
Income tax expenses	34,089	17,436
Income from operating activities prior to movements in working capital	98,252	108,610
(Increase) Decrease in trade receivables	30,828	(16,997)
(Increase) Decrease in inventory, net	(8,017)	18,540
Increase (Decrease) in trade payables	(2,207)	4,525
(Increase) Decrease in other current receivables	(20,090)	(2,105)
Increase (Decrease) in other current payables	16,967	17,788
Interest expenses paid	(11,944)	(18,185)
Income taxes paid	(35,181)	(31,765)
Total (B)	68,608	80,411
C - Cash flow from (for) investing activities		
Investments in property, plant and equipment	(28,198)	(26,720)
Net disposals of property, plant and equipment	634	559
Acquisition of subsidiary (net of cash acquired)	-	(58,360)
Acquisition of minorities (in subsidiaries and associates)	(4,107)	(12,253)
(Acquisition) Disposal of investments and bonds	-	(13)
Purchase of intangible assets	(8,508)	(2,616)
Total (C)	(40,179)	(99,403)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	125,360	29,210
Repayment of borrowings	(134,541)	(81,756)
Share capital increase	3,702	44,262
Dividends paid	-	(2,658)
Total (D)	(5,480)	(10,942)
E - Cash flow for the period (B+C+D)	22,949	(29,934)
Translation exchange differences	1,097	(971)
Total (F)	1,097	(971)
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	69,669	45,623

Sàfilo Group S.p.A.
Consolidated net sales

Net sales by geographical area (Euro in millions)	Financial Year					
	2013	%	2012	%	Change %	Change % (*)
Europe	470.8	42.0	470.6	40.0	-	+0.6
Americas	457.9	40.8	488.7	41.6	-6.3	-2.5
Asia	177.5	15.8	198.8	16.9	-10.7	-6.4
Rest of the world	15.4	1.4	17.2	1.5	-10.8	-1.7
Total	1,121.5	100.0	1,175.3	100.0	-4.6	-1.9

(*) at constant exchange rates

Net sales by product (Euro in millions)	Financial Year					
	2013	%	2012	%	Change %	Change % (*)
Prescription frames	413.8	36.9	437.5	37.2	-5.4	-2.3
Sunglasses	623.7	55.6	655.7	55.8	-4.9	-2.5
Sport products	76.3	6.8	73.1	6.2	+4.3	+7.3
Other	7.8	0.7	9.0	0.8	-13.6	-13.2
Total	1,121.5	100.0	1,175.3	100.0	-4.6	-1.9

(*) at constant exchange rates

Net sales by geographical area (Euro in millions)	Fourth Quarter					
	2013	%	2012	%	Change %	Change % (*)
Europe	119.1	42.6	128.6	41.1	-7.4	-6.6
Americas	108.4	38.8	125.0	39.9	-13.3	-7.9
Asia	47.1	16.8	54.1	17.3	-12.9	-7.2
Rest of the world	5.1	1.8	5.2	1.7	-0.4	+12.7
Total	279.7	100.0	312.9	100.0	-10.6	-6.9

(*) at constant exchange rates

Net sales by product (Euro in millions)	Fourth Quarter					
	2013	%	2012	%	Change %	Change % (*)
Prescription frames	101.4	36.3	116.2	37.1	-12.7	-8.5
Sunglasses	149.4	53.4	167.8	53.6	-10.9	-7.4
Sport products	27.4	9.8	26.8	8.6	+2.2	+5.7
Other	1.4	0.5	2.1	0.7	-30.1	-33.5
Total	279.7	100.0	312.9	100.0	-10.6	-6.9

(*) at constant exchange rates

Sàfilo Group S.p.A.**Income statement**

<i>(Euro)</i>	Financial Year		
	2013	2012	Change %
Net sales	980,000	980,000	0.0%
Gross profit	980,000	980,000	0.0%
General and administrative expenses	(3,962,671)	(5,758,625)	-31.2%
Other operating income (expenses)	(2,156,227)	(930,254)	n.s.
Operating profit/(loss)	(5,138,898)	(5,708,879)	-10.0%
Financial charges, net	(1,566)	(6,611)	-76.3%
Profit/(loss) before taxation	(5,140,464)	(5,715,490)	-10.1%
Income taxes	(2,342,995)	383	n.s.
Net profit/(loss) for the year	(7,483,459)	(5,715,107)	30.9%

Sàfilo Group S.p.A.*Balance sheet*

<i>(Euro)</i>	December 31, 2013	December 31, 2012	Change
ASSETS			
Current assets			
Cash in hand and at bank	3,221,399	195,443	3,025,956
Trade receivables, net	1,195,600	1,185,800	9,800
Other current assets	35,558,441	31,865,388	3,693,053
Total current assets	39,975,440	33,246,631	6,728,809
Non-current assets			
Investments in subsidiaries	749,313,759	748,948,528	365,231
Deferred tax assets	-	3,989,554	(3,989,554)
Other non-current assets	224,199	1,105	223,094
Total non-current assets	749,537,958	752,939,187	(3,401,229)
Total assets	789,513,398	786,185,818	3,327,580
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	-	-	-
Trade payables and payables to subsidiaries	8,391,729	441,811	7,949,918
Tax payables	730,368	406,200	324,168
Other current liabilities	628,244	1,224,746	(596,502)
Total current liabilities	9,750,341	2,072,757	7,677,584
Non-current liabilities			
Long-term borrowings	-	-	-
Employees benefits liability	121,829	146,583	(24,754)
Provisions for Risks	173,563	-	173,563
Other non-current liabilities	436,503	1,839,013	(1,402,510)
Total non-current liabilities	731,895	1,985,596	(1,253,701)
Total liabilities	10,482,236	4,058,353	6,423,883
Shareholders' equity			
Share capital	310,999,825	308,699,825	2,300,000
Share premium reserve	482,564,934	481,163,314	1,401,620
Retained earnings (losses) and other reserves	(7,050,138)	(2,020,567)	(5,029,571)
Net profit (loss) of the year	(7,483,459)	(5,715,107)	(1,768,352)
Total shareholders' equity	779,031,162	782,127,465	(3,096,303)
Total liabilities and shareholders' equity	789,513,398	786,185,818	3,327,580

Sàfilo Group S.p.A.
Statement of cash flows

(Euro)	Financial Year	
	2013	2012
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	195,443	142,040
B - Cash flow from (for) operating activities		
Net profit (loss) for the year	(7,483,459)	(5,715,107)
Amortization	-	-
Net movements in the employees benefits liabilities	(21,883)	1,207
Provision for Risks	173,563	-
Stock Options	317,435	457,590
Interest expenses (income), net	(806)	(467)
Income tax expenses	2,342,995	-
Income (loss) from (for) operating activities prior to movements in working capital	(4,672,155)	(5,256,777)
(Increase) Decrease in receivables	(3,736,393)	2,477,178
Increase (Decrease) in payables	3,932,079	(767,465)
Interests received	805	467
Income taxes paid	-	-
Total (B)	(4,475,664)	(3,546,597)
C - Cash flow from (for) investing activities		
(Investments) disinvestments in subsidiaries	-	(44,262,000)
Total (C)	-	(44,262,000)
D - Cash flow from (for) financing activities		
Capital increase	3,701,620	44,262,000
Dividends received	3,800,000	3,600,000
Total (D)	7,501,620	47,862,000
E - Cash flow for the period (B+C+D)	3,025,956	53,403
F - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E)	3,221,399	195,443