



**THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A.
APPROVES THE FINANCIAL RESULTS FOR 2012**

Padua, March 6, 2013 – The Board of Directors of Safilo Group S.p.A. today approved the consolidated financial statements for 2012¹. The Board of Directors also reviewed the financial statements as of December 31, 2012¹, which will be submitted for approval to the Shareholders’ Meeting called for April 22, 2013 in a single call.

Safilo ended 2012 with top-line growth, broadly in line profitability and further reduction of the net debt.

During the last three months of the year, net sales increased by 16.6% (+13.8% at constant exchange rates), benefiting in particular from Polaroid’s sales and the continuous progression of the organic business. In the full year, net revenues reached Euro 1,175.3 million, growing by 6.7% (+2.2% at constant exchange rates).

Group earnings proved their resilience also in the fourth quarter of the year and allowed to end 2012 with an EBITDA margin close to 10%, contributing to the reduction of the net debt, from Euro 238.3 to 215.3 million, with a leverage ratio below 2x.

Economic and financial highlights

(in millions of Euro)	FY 2012	FY 2011	% change	Q4 2012	Q4 2011	% change
Net sales	1,175.3	1,101.9	+6.7%	312.9	268.4	+16.6%
Gross profit	679.7	652.3	+4.2%	170.6	154.7	+10.2%
%	57.8%	59.2%		54.5%	57.6%	
EBITDA	115.1	122.6	-6.1%	29.2	25.0	+16.8%
%	9.8%	11.1%		9.3%	9.3%	
Operating profit	73.9	86.2	-14.3%	17.0	16.2	+5.4%
%	6.3%	7.8%		5.4%	6.0%	
Group net profit	25.9	27.9	-7.2%	5.0	1.3	n.s.
%	2.2%	2.5%		1.6%	0.5%	
Group Net Debt	215.3	238.3	-9.6%			

Roberto Vedovotto, CEO of Safilo Group, commented:

“We are satisfied with the results achieved in a challenging 2012, characterized by the slowdown of the global economy and by the ongoing consumer spending reduction in Europe.

In this scenario, our strategic priority was to focus on the top-line growth of our portfolio and on profitability, as well as, to maintain a solid capital structure, despite the expected Armani phase-out negative effect.

In 2012, we adapted our industrial footprint, timely redefining the organization and costs of the Group’s production capacity in Italy with a strong focus at appropriately managing the social framework.

The performance of organic sales through go-forward brands, which consistently grew around 6% throughout the year, confirmed the competitive edge and diversification of our licensed brands, supporting the portfolio enhancement also via the anticipated renewal of the Hugo Boss Group and Max Mara licenses.

In 2012, we focused on the importance of the Safilo Brands for our future growth also through the acquisition of Polaroid, which became part of our portfolio last April. During these first nine months of direct management, we have reorganized the brand’s distribution in the already presided European markets and set the foundations for its international development starting from Polaroid’s first market 75 years ago: the United States.”

Press release

Key economic and financial performance

During the fourth quarter of 2012, **Group net sales** reached Euro 312.9 million, growing 16.6% compared to Euro 268.4 million registered in the fourth quarter of 2011 (+13.8% at constant exchange rates).

The wholesale business registered an increase in turnover of 17.1% at Euro 293.7 million compared to Euro 250.9 million of the fourth quarter of 2011 (+14.4% at constant exchange rates).

In the core product segments of prescription frames and sunglasses, organic growth² confirmed the trend recorded in the previous periods of the year, standing at around 6% at constant exchange rates.

From a geographical standpoint, Safilo's revenues recorded a strong recovery in European markets, which reached Euro 128.6 million compared to Euro 101.9 million of the same quarter in 2011 (+26.2% at current exchange rates, +24.7% at constant exchange rates).

The double-digit increase was favored by the more significant contribution to the quarter provided by the sales of the new brand Polaroid, as well as by the good performance of the prescription frames business, especially in the Carrera collections.

Within a still fragile market environment, particularly in Italy, Safilo benefited from its competitive strength in high growth markets such as Russia, and by the success of its commercial proposals in the travel retail and key accounts channels.

The last three months of the year confirmed the strength of the business also in the American market, which was favored by the positive sales trend in the independent opticians' channel in the United States and especially by the double-digit growth registered in the Latin American markets. Brazil and Mexico turned out to be key drivers of the Group's growth in the emerging markets, giving praise to the main collections in the portfolio, from the high-end and luxury to the diffusion segment brands such as Tommy Hilfiger, Marc by Marc Jacobs and Boss Orange.

Noteworthy is the continuous growth registered by Carrera in Brazil, which becomes the fourth main market for the leading brand of Safilo's portfolio.

In the fourth quarter, the total business in the American wholesale market reached Euro 105.8 million, with an increase of 13.3% at current exchange rates compared to Euro 93.4 million of the fourth quarter of 2011 (+10.1% at constant exchange rates).

In the United States, sales of the directly operated stores Solstice increased in the quarter by 9.7% at Euro 19.2 million compared to Euro 17.5 million in the same period of 2011 (+5.6% at constant exchange rates), overall in line with the organic trends registered by Safilo in the US sunglass segment.

In the last quarter of the year, sales in Asia stood at Euro 54.1 million, growing by 7.8% compared to Euro 50.2 million of the fourth quarter of 2011. The regional performance showed positive results also at constant exchange rates, growing by 3.6% thanks to the development of the high growth markets and channels, but also to the improvement recorded in the most mature market of the area, Japan.

For the entire 2012, net sales stood at Euro 1,175.3 million, growing by 6.7% compared to Euro 1,101.9 million registered in 2011 (+2.2% at constant exchange rates).

At the end of December, the wholesale turnover was equal to Euro 1,094.6 million, with a 6.3% growth compared to Euro 1,029.3 million of the year 2011 (+2.1% at constant exchange rates).

In Europe, sales in 2012 reached Euro 470.6 million, registering an increase of 5.7% compared to Euro 445.1 million of 2011 (+4.9% at constant exchange rates).

Revenues in the American market stood at Euro 488.7 million compared to Euro 454.5 million of 2011 (+7.5% at current exchange rates, +0.5% at constant exchange rates), with the contribution from Solstice retail chain equal to Euro 80.7 million (+11.2% at current exchange rates, +2.7% at constant exchange rates).

In Asia, 2012 closed with a turnover of Euro 198.8 million (+7.3% at current exchange rates, flat at constant exchange rates).

In terms of economic performance, in the fourth quarter of 2012 the **gross profit** stood at Euro 170.6 million, growing by 10.2% compared to Euro 154.7 million of the fourth quarter of 2011. The gross margin, which went from 57.6% to 54.5%, was influenced by the impact of turnover from the phasing-out brands.

For the full year 2012, gross profit was equal to Euro 679.7 million, growing by 4.2% compared to Euro 652.3 million of 2011, with an incidence on revenues that stood at 57.8% compared to 59.2% of 2011.

Press release

In the year, Safilo reorganized its industrial footprint, in light of the declining production volumes due to the phase-out of the Armani brands. This included the reduction of working hours in the Italian plants, on the basis of the solidarity contracts signed in July with Trade Unions, which will be effective until August 2014.

EBITDA for the quarter stood at Euro 29.2 million compared to Euro 25.0 million registered in the last quarter of 2011, with the margin on revenues that remained steady at 9.3%, benefiting also from the improvement on the operating leverage due to significant growth trends of the period.

In the full year, EBITDA reached Euro 115.1 million, with an incidence on sales of 9.8% (Euro 122.6 million and a margin of 11.1% in 2011). The consolidated result was reached also thanks to the appreciation of Solstice retail stores profitability, which went from 10.6% to 12.3% following the store rationalization plan operated by Safilo throughout the year.

The **operating profit (EBIT)** for the fourth quarter of 2012 was equal to Euro 17.0 million, with a margin of 5.4% compared to Euro 16.2 million and an operating margin of 6.0% registered in the fourth quarter of 2011.

The year 2012 therefore closed with an EBIT of Euro 73.9 million compared to Euro 86.2 million in 2011. The operating margin for 2012 was equal to 6.3% compared to 7.8% in 2011.

Below the operating profit, net financial interests decreased by 14% in the fourth quarter and by about 17% in the entire year, due to the combined effect of the reduction of the average debt and the relative cost following the early partial redemption of Euro 60 million of the High Yield Bonds undertaken by the Group in June 2011.

In June 2012, the Group repaid about Euro 80 million of Senior debt related to the Facility A1 – Tranche 1, Facility A2 and A3. In the year, there was also a further reduction of the negative impact deriving from exchange rate differences, of which the net balance diminished from Euro 3.1 to 2.0 million (from Euro 4.2 to 1.0 million in the fourth quarter).

In the last three months of the year, the **Group net result** reached Euro 5.0 million, with an incidence on revenues of 1.6%, compared to the net profit of Euro 1.3 million recorded in the last quarter of 2011.

For the full year, the Group net profit reached Euro 25.9 million, approaching the net result of Euro 27.9 million registered in 2011.

Key Cash Flow data

(in millions of Euro)	FY 2012	FY 2011	Q4 2012	Q4 2011
Cash flow from operating activities before changes in working capital	58.7	56.2	12.5	2.6
Changes in working capital	21.7	(0.3)	9.4	9.9
Cash flow from operating activities	80.4	55.9	21.9	12.5
Cash flow for investment activities	(99.4)	(31.2)	(9.8)	(8.1)
Free Cash Flow	(19.0)	24.7	12.1	4.4

In the fourth quarter of 2012, the cash generation from operating activities continued, registering a positive flow of Euro 21.9 million which was influenced by the improvement of the net result of the period and by the non-monetary items which characterized the quarter.

Free Cash Flow was positive by Euro 12.1 million compared to Euro 4.4 million registered in the fourth quarter of 2011, contributing to the improvement of the cash flows as at 31 December 2012, primarily linked to the positive flow from working capital, equal in the year to Euro 21.7 million, driven by a reduction of inventory. The Free Cash Flow was impacted by the net consideration of Euro 58.4 million for the acquisition of the Polaroid Eyewear business, funded for Euro 44.3 million by Multibrands Italy B.V., controlled by HAL Holding N.V., via a reserved capital increase.

The **Group net debt** at the end of December 2012 was equal to Euro 215.3 million, down around Euro 23.0 million compared to Euro 238.3 million at the end of December 2011 and Euro 8.5 million compared to the end of September 2012.

In consideration of the full year results and the current business environment, the Board of Directors deemed it appropriate not to propose at the Shareholders' Meeting the distribution of any dividend.

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Today, the Board of Directors of Safilo Group S.p.A. also approved the terms and conditions of a new financing transaction for a total amount of Euro 100 million, which provides for adequate financial flexibility in the context of the reimbursement of the High Yield notes maturing in May 2013 and of the Group's ongoing business development needs and it is in line with the Group objective of further reducing its average cost of debt

Therefore, the Board of Directors authorized the Chief Executive Officer, Roberto Vedovotto, to finalize the terms and conditions of:

- 1) A new revolving credit facility (part of the existing Senior Loan), for a total amount of Euro 60 million, maturing June 30th 2015, with Banca IMI, Unicredit and BNP Paribas as Mandated Lead Arrangers, Intesa San Paolo, Unicredit and BNP Paribas as Underwriters, to be also proposed to the other senior lenders;
- 2) A new revolving financing, for a total amount of Euro 40 million, maturing June 30th 2015, underwritten by a company controlled by HAL Holding N.V..
This facility replaces the original commitment undertaken by HAL in 2010 in the context of the Company's recapitalization plan, providing more financial flexibility for Safilo in the coming years and confirming Safilo's main shareholder's commitment to the Group.

The revolving line to be granted by HAL represents a "transaction with related parties of lesser importance" pursuant to the Regulation approved with CONSOB resolution no. 17221 of March 12, 2010 and subsequently modified and, therefore, all the requirements provided by the Regulation itself – and by the relevant internal procedure adopted by the Board of Directors of Safilo Group on November 5, 2010 – have been duly complied with.

HAL financing transaction has been cleared by the Control and Risk Committee of Safilo Group, which – availing itself of the support of an independent expert – has issued a favourable opinion on its execution, and has been also expressly approved by all other Independent Directors during the relevant Board meeting.

Events after the year-end and outlook

During the first months of 2013, Safilo renewed the licensing agreements for the American brands Liz Claiborne and Banana Republic, extending the contracts respectively until December 31, 2017 and January 31, 2019.

On February 11, the Group also signed a new licensing agreement for the design, production and distribution of prescription frames and sunglasses branded Bobbi Brown, iconic American name in high-quality makeup.

These events demonstrate the Group's intention to consolidate and strengthen its competitive positioning during a year which will nevertheless remain characterized by uncertain market scenarios and conflicting business components. In 2013, on one hand Safilo can count on the full consolidation of the Polaroid Eyewear business (for nine months in 2012) and on the start of its expansion in non-European markets, on the other the Group faces the deconsolidation of the Armani business and a market environment in which visibility remains low due to persisting economic weaknesses, especially in Europe.

In this context, Safilo remains focused on the projects of regional and brand development carried out and planned in the past eighteen months with the aim of providing further engine to the organic business performance.

Other information

As required by Article 84-bis of the Regulations for Issuers, approved with Consob Resolution no. 11971 on May 14, 1999 and subsequent amendments, notice is hereby given that, with reference to the Stock Option Plan 2010 – 2013, the Board of Directors today awarded the Options of the Fourth Tranche, after having identified, on the basis of the proposal of the Remuneration Committee, the eligible beneficiaries.

All information are indicated in the table in Appendix B.

The features of the instruments awarded are the same as those described in the press release issued on October 4, 2010 and in the documents related to the Plan, available on the web site of the company
<http://www.safilo.com/en/investors.html>.

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

² Excluding the sales of the new brand Polaroid, the brands not renewed at the end of 2011 and being phased-out in 2012.

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. 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 6.15pm CEST (5.15pm GMT; 12.15am US EDT) a conference call will be held with the financial community during which the results of the full year 2012 will be discussed.

It is possible to participate to the call by dialing the following number: +39 02 38591420 or +44 207 1362056 (for journalists: +39 02 30410450) and quoting the following confirmation code: 4085724.

The playback of the conference call will be available until March 8, 2013 by dialing the number +39 02 30413127 or +44 203 4270598 (access code: 4085724).

The conference call can also be followed with the webcast on the site www.safilo.com/en/investors.html. The presentation is available and downloadable from the company website.

Notice of the call of the Ordinary Shareholders' Meeting

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

Appendix A

Safilo Group S.p.A.

Consolidated income statement

<i>(Euro/000)</i>	Financial Year			4th Quarter		
	2012	2011	Change %	2012	2011	Change %
Net sales	1,175,292	1,101,882	6.7%	312,932	268,392	16.6%
Cost of sales	(495,621)	(449,596)	10.2%	(142,371)	(113,675)	25.2%
Gross profit	679,671	652,286	4.2%	170,561	154,717	10.2%
Selling and marketing expenses	(461,866)	(434,103)	6.4%	(118,697)	(106,096)	11.9%
General and administrative expenses	(148,241)	(132,469)	11.9%	(38,747)	(32,982)	17.5%
Other operating income (expenses)	4,312	473	n.s.	3,904	512	n.s.
Operating profit	73,876	86,187	-14.3%	17,021	16,151	5.4%
Share of income (loss) of associates	(497)	(964)	-48.4%	(593)	(521)	13.8%
Interest expenses and other financial charges, net	(29,342)	(34,039)	-13.8%	(7,780)	(11,301)	-31.2%
Profit before taxation	44,037	51,184	-14.0%	8,648	4,329	99.8%
Income taxes	(17,436)	(20,118)	-13.3%	(3,556)	(1,855)	91.7%
Net profit of the period	26,601	31,066	-14.4%	5,092	2,474	n.s.
Non-controlling interests	736	3,204	-77.0%	105	1,210	-91.3%
Net profit attributable to owners of the Parent	25,865	27,862	-7.2%	4,987	1,264	n.s.
EBITDA	115,100	122,614	-6.1%	29,186	24,979	16.8%
Basic EPS (Euro)	0.428	0.490		0.080	0.022	
Diluted EPS (Euro)	0.428	0.489		0.080	0.022	

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Säfilo Group S.p.A.

Consolidated Balance sheet

(Euro/000)	December 31, 2012	December 31, 2011	Change
ASSETS			
Current assets			
Cash in hand and at bank	59,388	90,368	(30,980)
Trade receivables, net	280,442	246,986	33,456
Inventory, net	207,639	219,735	(12,096)
Derivative financial instruments	126	2	124
Other current assets	42,344	58,736	(16,392)
Total current assets	589,939	615,827	(25,888)
Non-current assets			
Tangible assets	204,713	208,274	(3,561)
Intangible assets	45,646	11,713	33,933
Goodwill	558,046	564,560	(6,514)
Investments in associates	10,916	11,871	(955)
Available-for-sale financial assets	245	194	51
Deferred tax assets	76,987	61,143	15,844
Derivative financial instruments	-	-	-
Other non-current assets	4,825	2,272	2,553
Total non-current assets	901,378	860,027	41,351
Total assets	1,491,317	1,475,854	15,463
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	182,643	132,895	49,748
Trade payables	210,573	200,024	10,549
Tax payables	16,193	17,043	(850)
Derivative financial instruments	1,000	127	873
Other current liabilities	47,739	45,826	1,913
Provisions for risks and charges	2,851	6,599	(3,748)
Total current liabilities	460,999	402,514	58,485
Non-current liabilities			
Long-term borrowings	92,034	195,741	(103,707)
Employees benefits liability	36,819	32,584	4,235
Provisions for risks and charges	24,004	18,693	5,311
Deferred tax liabilities	7,745	4,551	3,194
Derivative financial instruments	1,555	1,245	310
Other non-current liabilities	5,315	4,784	531
Total non-current liabilities	167,472	257,598	(90,126)
Total liabilities	628,471	660,112	(31,641)
Shareholders' equity			
Share capital	308,700	284,110	24,590
Share premium reserve	481,163	461,491	19,672
Retained earnings (losses) and other reserves	43,563	32,080	11,483
Fair value and cash flow reserves	(1,555)	(1,341)	(214)
Income attributable to the Group	25,865	27,862	(1,997)
Total shareholders' equity attributable to the Group	857,736	804,202	53,534
Non-controlling interests	5,110	11,540	(6,430)
Total shareholders' equity	862,846	815,742	47,104

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Total liabilities and shareholders' equity	1,491,317	1,475,854	15,463
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Sàfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000)	Financial Year	
	2012	2011
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	76,528	72,495
B - Cash flow from (for) operating activities		
Net profit for the period (including minority interests)	26,601	31,066
Depreciation and amortization	41,223	36,428
Other non-monetary P&L items	4,257	(396)
Interest expenses, net	19,093	22,973
Income tax expenses	17,436	20,118
Income from operating activities prior to movements in working capital	108,610	110,189
(Increase) Decrease in trade receivables	(16,997)	4,531
(Increase) Decrease in inventory, net	18,540	3,946
Increase (Decrease) in trade payables	4,525	(7,227)
(Increase) Decrease in other current receivables	(2,105)	6,011
Increase (Decrease) in other current payables	17,788	(7,561)
Interest expenses paid	(18,185)	(22,449)
Income taxes paid	(31,765)	(31,526)
Total (B)	80,411	55,914
C - Cash flow from (for) investing activities		
Purchase of property, plant and equipment (net of disposals)	(26,161)	(21,075)
Acquisition of subsidiary (net of cash acquired)	(58,360)	-
Acquisition of minorities (in subsidiaries and associates)	(12,253)	(6,749)
(Acquisition) Disposal of investments and bonds	(13)	212
Purchase of intangible assets	(2,616)	(3,580)
Total (C)	(99,403)	(31,192)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	29,210	60,144
Repayment of borrowings	(81,756)	(86,472)
Share capital increase	44,262	-
Dividends paid	(2,658)	(912)
Total (D)	(10,942)	(27,240)
E - Cash flow for the period (B+C+D)	(29,934)	(2,518)
Translation exchange differences	(971)	6,551
Total (F)	(971)	6,551
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	45,623	76,528

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Säfilo Group S.p.A.

Consolidated net sales

Net sales by geographical area (Euro in millions)	Financial Year					
	2012	%	2011	%	Change %	Change % (*)
Europe	470.6	40.0	445.1	40.4	+5.7	+4.9
Americas	488.7	41.6	454.5	41.2	+7.5	+0.5
Asia	198.8	16.9	185.3	16.8	+7.3	+0.0
Rest of the world	17.2	1.5	17.0	1.6	+1.2	-2.4
Total	1,175.3	100.0	1,101.9	100.0	+6.7	+2.2

(*) at constant exchange rates

Net sales by geographical area (Euro in millions)	4th Quarter					
	2012	%	2011	%	Change %	Change % (*)
Europe	128.6	41.1	101.9	38.0	+26.2	+24.7
Americas	125.0	39.9	110.9	41.3	+12.7	+9.4
Asia	54.1	17.3	50.2	18.7	+7.8	+3.6
Rest of the world	5.2	1.7	5.4	2.0	-3.7	-5.7
Total	312.9	100.0	268.4	100.0	+16.6	+13.8

(*) at constant exchange rates

Net sales by product (Euro in millions)	Financial Year					
	2012	%	2011	%	Change %	Change % (*)
Prescription frames	437.5	37.2	412.0	37.4	+6.2	+2.2
Sunglasses	655.7	55.8	608.1	55.2	+7.8	+3.2
Sport products	73.1	6.2	73.2	6.6	-0.1	-6.5
Other	9.0	0.8	8.6	0.8	+4.7	+2.3
Total	1,175.3	100.0	1,101.9	100.0	+6.7	+2.2

(*) at constant exchange rates

Net sales by product (Euro in millions)	4th Quarter					
	2012	%	2011	%	Change %	Change % (*)
Prescription frames	116.2	37.1	96.6	36.0	+20.3	+17.9
Sunglasses	167.8	53.6	145.1	54.1	+15.6	+12.9
Sport products	26.8	8.6	25.1	9.3	+6.8	+2.8
Other	2.1	0.7	1.6	0.6	+31.3	+22.8
Total	312.9	100.0	268.4	100.0	+16.6	+13.8

(*) at constant exchange rates

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Sáfico Group S.p.A.

Income statement

<i>(Euro)</i>	Financial Year		
	2012	2011	Change %
Net sales	980,000	980,000	0.0%
Cost of sales	-	-	-
Gross profit	980,000	980,000	0.0%
Selling and marketing expenses	-	-	-
General and administrative expenses	(5,758,625)	(6,253,844)	-7.9%
Other operating income (expenses)	(930,254)	(2,265,117)	-58.9%
Operating profit/(loss)	(5,708,879)	(7,538,961)	-24.3%
Financial charges, net	(6,611)	(4,352)	51.9%
Profit/(loss) before taxation	(5,715,490)	(7,543,313)	-24.2%
Income taxes	383	2,576,000	-100.0%
Net profit/(loss) for the year	(5,715,107)	(4,967,313)	15.1%

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Sáfico Group S.p.A.

Balance sheet

<i>(Euro)</i>	December 31, 2012	December 31, 2011	Change
ASSETS			
Current assets			
Cash in hand and at bank	195,443	142,490	52,953
Trade receivables, net	1,185,800	1,425,800	(240,000)
Other current assets	31,865,388	37,963,225	(6,097,837)
Total current assets	33,246,631	39,531,515	(6,284,884)
Non-current assets			
Investments in subsidiaries	748,948,528	703,565,765	45,382,763
Deferred tax assets	3,989,554	3,730,000	259,554
Derivative financial instruments	-	-	-
Other non-current assets	1,105	-	1,105
Total non-current assets	752,939,187	707,295,765	45,643,422
Total assets	786,185,818	746,827,280	39,358,538
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	-	450	(450)
Trade payables	441,811	908,974	(467,163)
Tax payables	406,200	474,959	(68,759)
Other current liabilities	1,224,746	1,764,696	(539,950)
Total current liabilities	2,072,757	3,149,079	(1,076,322)
Non-current liabilities			
Long-term borrowings	-	-	-
Employees benefits liability	146,583	112,605	33,978
Other non-current liabilities	1,839,013	1,530,606	308,407
Total non-current liabilities	1,985,596	1,643,211	342,385
Total liabilities	4,058,353	4,792,290	(733,937)
Shareholders' equity			
Share capital	308,699,825	284,109,825	24,590,000
Share premium reserve	481,163,314	461,491,314	19,672,000
Retained earnings (losses) and other reserves	(2,020,567)	1,401,164	(3,421,731)
Net profit (loss) of the year	(5,715,107)	(4,967,313)	(747,794)
Total shareholders' equity	782,127,465	742,034,990	40,092,475
Total liabilities and shareholders' equity	786,185,818	746,827,280	39,358,538

Press release

Sáfico Group S.p.A.

Statement of cash flows

(Euro)	Financial Year	
	2012	2011
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	142,040	935,831
B - Cash flow from (for) operating activities		
Net profit (loss) for the year	(5,715,107)	(4,967,313)
Amortization	-	34,000
Net movements in the employees benefits liabilities	1,207	12,698
Stock Options	457,590	411,598
Interest expenses (income), net	(467)	(2,791)
Income tax expenses	-	-
Income (loss) from (for) operating activities prior to movements in working capital	(5,256,777)	(4,511,808)
(Increase) Decrease in receivables	2,477,178	8,187,988
Increase (Decrease) in payables	(767,465)	(10,872,762)
Interests received	467	2,791
Income taxes paid	-	-
Total (B)	(3,546,597)	(7,193,791)
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	44,262,000	-
Dividends received	3,600,000	6,400,000
Total (D)	47,862,000	6,400,000
E - Cash flow for the period (B+C+D)	53,403	(793,791)
F - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E)	195,443	142,040

Appendix B

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

Name and surname or category	Office held (indicate only for parties listed by name)	BOX 2						
		Stock Option						
		Section 2						
		Newly granted options on the basis of the decision of the competent body pursuant to the shareholders' meeting resolution						
		Date of shareholders' meeting	Description of the instrument	No. of Options	Date of assignment	Strike price	Market price of the financial instruments as at the date of allocation	Period of possible exercise (from - to)
ROBERTO VEDOVOTTO	Chief Executive Officer	05/11/2010	Options on the Safilo Group S.p.A. shares with physical settlement	160,000	RC 01/08/2010 BoD 05/11/2010	Eur 8.0470	Eur 11.92 ¹	31/12/2012* - 31/05/2016
				80,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 ³	31/12/2013* - 31/05/2017
				80,000	RC 29/02/2012 BoD 08/03/2012	Eur 5.54	Eur 5.30 ⁴	31/12/2014* - 31/05/2018
				80,000	RC 05/03/2013 BoD 06/03/2013	Eur 8.47	Eur 8.66 ⁵	31/12/2015* - 31/05/2019
MASSIMILIANO TABACCHI	Director	05/11/2010	Options on the Safilo Group S.p.A. shares with physical settlement	30,000	RC 01/08/2010 BoD 05/11/2010	Eur 8.0470	Eur 11.92 ¹	31/12/2012* - 31/05/2016
				15,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 ³	31/12/2013* - 31/05/2017

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Name and surname or category	Office held (indicate only for parties listed by name)	BOX 2						
		Stock Option						
		Section 2						
		Newly granted options on the basis of the decision of the competent body pursuant to the shareholders' meeting resolution						
		Date of shareholders' meeting	Description of the instrument	No. of Options	Date of assignment	Strike price	Market price of the financial instruments as at the date of allocation	Period of possible exercise (from - to)
				15,000	RC 29/02/2012 CdA 08/03/2012	Eur 5.54	Eur 5.30 ⁴	31/12/2014* - 31/05/2018
Managers with strategic responsibilities		05/11/2010	Options on the Safilo Group S.p.A. shares with physical settlement	60,000	RC 01/08/2010 BoD 05/11/2010	Eur 8.0470	Eur 11.92 ¹	31/12/2012* - 31/05/2016
				30,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 ³	31/12/2013* - 31/05/2017
				35,000	RC 29/02/2012 BoD 08/03/2012	Eur 5.54	Eur 5,30 ⁴	31/12/2014* - 31/05/2018
				35,000	RC 05/03/2013 BoD 06/03/2013	Eur 8.47	Eur 8.66 ⁵	31/12/2015* - 31/05/2019
Other KEY MANAGERS		05/11/2010	Options on the Safilo Group S.p.A. shares with physical settlement	450,000	RC 01/08/2010 BoD 05/11/2010 RC 14/12/2010 BoD 14/12/2010	Eur 8.0470	Eur 11.92 ¹ Eur 13.06 ²	31/12/2012*- 31/05/2016
				245,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 ³	31/12/2013* - 31/05/2017

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Name and surname or category	Office held (indicate only for parties listed by name)	BOX 2						
		Stock Option						
		Section 2						
		Newly granted options on the basis of the decision of the competent body pursuant to the shareholders' meeting resolution						
Date of shareholders' meeting	Description of the instrument	No. of Options	Date of assignment	Strike price	Market price of the financial instruments as at the date of allocation	Period of possible exercise (from - to)		
		255,000	RC 29/02/2012 BoD 08/03/2012	Eur 5.54	Eur 5,30 ⁴	31/12/2014* - 31/05/2018		
		205,000	RC 05/03/2013 BoD 06/03/2013	Eur 8.47	Eur 8.66 ⁵	31/12/2015* - 31/05/2019		

1 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on November 4, 2010, the last day on which markets were open before the assignment date.

2 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on December 13, 2010, the last day on which markets were open before the assignment date.

3 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on March 15, 2011, the last day on which markets were open before the assignment date.

4 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on March 7, 2012, the last day on which markets were open before the assignment date.

5 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on March 6, 2013, the last day on which markets were open before the assignment date.

* It means the day after the resolution of the Shareholders' Meeting that approves the financial statements of the Company for the year ended at this date.

Press release

The Safilo Group is worldwide leader in the premium eyewear sector for sunglasses, optical frames and sports eyewear. With an international presence through 30 owned subsidiaries in primary markets – in America, Europe and Asia – and exclusive distributors, Safilo produces and distributes its house brands – Safilo, Carrera, Polaroid, Smith Optics, Oxydo – and the licensed brands Alexander McQueen, Banana Republic, Bobbi Brown (starting from 2014), BOSS, BOSS Orange, Bottega Veneta, Céline, Dior, Fossil, Gucci, HUGO, J.Lo by Jennifer Lopez, Jimmy Choo, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max&Co., Pierre Cardin, Saint Laurent, Saks Fifth Avenue and Tommy Hilfiger. For further information www.safilo.com

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