



**THE BOARD OF DIRECTORS OF SAFILO GROUP SPA
APPROVES THE RESULTS OF THE FIRST QUARTER OF 2009**

Main results for the first quarter of 2009:

- ***Net sales at 287.9 million Euro (326.0 million Euro in the first quarter of 2008)***
- ***EBITDA at 30.2 million Euro, with a margin on sales of 10.5% (46.7 million Euro in the first quarter of 2008)***
- ***Net profit at 1.7 million Euro, with a margin on sales of 0.6% (13.2 million Euro in the first quarter of 2008)***
- ***Net financial position at 617.7 million Euro (570,0 million Euro at the end of 2008)***

Padova, 6th May 2009, h 6.00pm – The Board of Directors of SAFILO GROUP S.p.A. today reviewed and approved the results for the first quarter of 2009.

As expected, the Group's performance during the first quarter of 2009 was influenced by the further decline in consumer spending in all the main international markets. The European countries experienced once again the greatest impact owing to their exposure to the eyewear segments most affected by the current economic slow-down. In the quarter, the reduced purchase frequency of high-end sunglass collections, and the tendency of consumers to favour products with more accessible price points were once more confirmed.

The collections of the house brand Carrera continued to be best sellers in the Italian market, achieving double digit growth also in the first quarter of 2009.

“The first quarter of 2009 was difficult. We have, however, seen encouraging results in the areas of the business on which we are focusing.

Carrera continues to gain market positions, especially in the Italian market, registering particularly significant growth rates considering the difficult and volatile environment.

The renewed focus of the high end collections of the main luxury brands, through a broader product mix able to reach a wider consumer base, has produced positive feedback in the United States and some countries in continental Europe.” stated Roberto Vedovotto, Chief Executive Officer of Safilo.

“Considering the current situation, the improvement during the quarter of the gross margin is particularly significant and is the highest of the last three years. This reflects important actions recently undertaken to consolidate and improve this result, as it is clear that Safilo must be, first and foremost, an efficient industrial structure, conscious of the needs of a continually changing marketplace.

2009 will certainly be a challenging year, but Safilo has the necessary tools to ensure, in the medium-long term, sustained growth through focusing on those areas which have traditionally represented the group's strengths: product, management of its licensed brands, and distribution.” concluded Roberto Vedovotto.

Consolidated Income Statement

Key Operating data of Safilo Group			
(in millions of euro)	Q1 2009	Q1 2008	% Change
Net sales	287.9	326.0	-11.7%
Gross profit	174.6	192.9	-9.5%
%	60.6%	59.2%	
Ebitda	30.2	46.7	-35.4%
%	10.5%	14.3%	
Operating profit	19.1	36.9	-48.2%
%	6.6%	11.3%	
Net profit attrib. to the Group	1.7	13.2	-87.0%
%	0.6%	4.1%	

Net sales of Safilo Group, in the first quarter of 2009, reached 287.9 million Euro, down by 11.7% compared to the 326.0 million Euro registered in the first quarter of 2008.

At constant exchange rates, net sales registered a decrease of 14.9%.

In the geographical breakdown, America showed, in the first quarter, a decrease at current exchange rates of 2.8% (-12.2% at constant exchange rates). Sales at department stores and large retail chains were particularly difficult during the period.

The European market closed the first quarter down by 21.1%, penalised by the difficulties experienced in particular in the Spanish, UK, and North European markets. The marked reduction in consumer spending budgets affected mainly the sale of high end sunglass collections, whilst the double digit growth of the house brand Carrera continued also in the first quarter, especially in the Italian market.

Asia's performance, down by 2.8% at current exchange rates (-11.9% at constant exchange rates), was in line with results registered in the last quarter of 2008, when the marked fall of the Japanese market and the duty-free sales in the region had a considerable impact on the area's results. The performance of some important emerging markets also witnessed a slow down in the first quarter, and in particular China, where the Group is paying particular attention to the levels of client solvency, even at the expense of further sales opportunities.

Performance by distribution channel. Wholesale turnover reached 262.5 million Euro compared to 301.4 million Euro in the first quarter of 2008, due to the market and product factors previously mentioned. The channel registered a contraction of 12.9% at current exchange rates (-16.5% at constant exchange rates).

The retail business, which counted 324 directly operated stores (268 stores in March 2008), registered a growth of 3.3%.

The growth of the retail channel, linked to the greater number of stores present in the network, was penalised during the quarter by the negative performance of comparable stores, those open for more than a year. The performance of the stores acquired a year ago in Mexico and Australia was affected by the difficult comparison with the first quarter of 2008 during which the Mexican stores Sunglass Island and the Australian stores Just Spectacles registered double digit growth.

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Group profitability was characterised by two main factors: the improvement of the Gross Margin and the greater incidence of the selling, administrative and general costs on the turnover.

The good progression of the **Gross profit**, which reached 60.6% of sales, at 174.6 million Euro, an improvement compared to the 59.2% registered in the first quarter of 2008 (192.9 million Euro), was the result of the new development and industrialisation processes for the collections, and of the lower costs relating to obsolete products, achieved thanks to the policies employed by the Group for collections with a slower inventory turnover. Moreover, the use of social security cushions at the Group's Italian factories allowed the costs related to the reduction of production outputs, to be contained.

With regards to selling, administrative and general costs, the greater incidence of costs in the first quarter of 2009 was mainly due to the retail channel and the negative performance registered by the directly operated stores open for more than a year.

In the wholesale channel, the incidence of general and administrative expenses, which the Group is attempting to contain through specific cost-cutting actions, was again related to the decline in sales. In absolute amounts, in fact, these costs decreased compared to the first quarter 2008.

Advertising and marketing expenses instead increased, due both to the numerous initiatives undertaken to support the Carrera brand, and to the guaranteed marketing and advertising commitments for licensed brands which are based on the previous year's sales.

EBITDA was equal to 30.2 million Euro compared to 46.7 million Euro registered in the first quarter of 2008. The gross operating margin reached 10.5% of sales compared to 14.3% during the same period of the previous year.

Operating profit (EBIT) was equal to 19.1 million Euro compared to 36.9 million Euro in the first quarter of 2008. The operating profitability reached 6.6% of sales compared to 11.3% in the same period of the previous year. Depreciation and amortization increased in absolute value and in percentage of sales, due to the larger retail structure.

Net profit was equal to 1.7 million Euro compared to 13.2 million Euro registered in the first quarter of 2008, with a margin on sales of 0.6% from 4.1%.

Net financial costs increased in absolute value and in percentage on sales as a result of the greater net debt registered at the end of the period.

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Consolidated Balance Sheet

Key Financial data of Safilo Group				
(in millions of Euro)	Q1 2009	2008	Var.	Q1 2008
Net working capital	425.0	368.3	56.7	436.4
Tangible and intangible fixed assets	1,083.3	1,058.7	24.6	977.2
Financial fixed assets	13.4	13.2	0.2	13.3
Other assets/(liabilities)	(72.0)	(65.9)	(6.1)	(57.1)
Net Capital employed	1,449.7	1,374.3	75.4	1369.8
Net financial position	617.7	570.0	47.7	552.2
Minority interests	9.1	8.4	0.7	6.0
Group shareholders' equity	822.9	795.9	27.0	811.6

Key Cash flow data of Safilo Group		
(in millions of Euro)	Q1 2009	Q1 2008
Cash flow from operating activities before changes in working capital	21.3	32.7
Changes in working capital	(53.3)	(40.3)
Cash flow from (for) operating activities	(32.0)	(7.6)
Cash flow from (for) investment activities	(12.7)	(37.1)
Free Cash Flow	(44.7)	(44.7)

The Free Cash Flow relating to the first quarter of 2009 registered a cash absorption of 44.7 million Euro, in line with the value registered in the first quarter of 2008.

This result was due to the greater absorption of operating resources owing to the lower net result and an increase of the working capital in the component relating to trade payables.

Cash flow for investment activities in the first quarter of 2009, amounting to 12.7 million Euro, fell compared to the 37.1 million Euro of the first quarter of 2008. The cash flow in the period concerned above all the investments allocated for the renewal and improvement of the production sites, the completion of the new production site in China, and the development of the retail channel.

The Net Financial Position, reached, at the end of March 2009, 617.7 million Euro, increasing compared to the 570.0 million Euro at 31st December 2008 due to the normal cyclical nature of the business.

Outlook for the year

The deterioration and the volatility of the current market demand make it difficult to formulate annual forecasts, and it is for this reason that the management will provide quarterly updates and indications.

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

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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 6.30pm CET today a conference call will be held with the financial community during which the results of the first quarter 2009 will be presented.

It is possible to connect to the call by dialling the following number: +39 02 36269665 or +44 203 0379162 (for journalists: +39 02 36009085) and to listen to the playback by dialling the number +39 02 36008100 or +44 208 1961998 (access code: 6670820#). The conference call can also be followed with the webcast on the site www.safilo.com/ir.

The presentation is available and downloadable from the site www.safilo.com/ir, in the presentations section.

Intermediate quarterly report at 31st March 2009

Please note that before the end of the day, the intermediate quarterly report at 31st March 2009 will be made available to the public at the company's registered offices and the offices of Borsa Italiana S.p.a.; furthermore, the report will be published on the company's internet website at the address www.safilo.com/ir/.

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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 39 subsidiaries in primary markets (U.S.A., Europe and Far East). The main proprietary branded collections distributed are: Safilo, Carrera, Smith, 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.

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

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Sáfilo Group S.p.A.

Consolidated statement of operations

<i>(Euro/000)</i>	1° quarter		
	2009	2008	Change %
Net sales	287,909	326,020	-11.7%
Cost of sales	(113,331)	(133,080)	-14.8%
Gross profit	174,578	192,940	-9.5%
Selling and marketing expenses	(122,647)	(122,021)	0.5%
General and administrative expenses	(32,713)	(34,003)	-3.8%
Other op. income and (expenses), net	(107)	(36)	n.s.
Operating profit	19,111	36,880	-48.2%
Share of income (loss) of associates	35	38	-7.9%
Interest expense and other financial charges, net	(14,445)	(13,671)	5.7%
Profit before taxation	4,701	23,247	-79.8%
Income taxes	(2,566)	(8,723)	-70.6%
(Loss) from ordinary activities	2,135	14,524	-85.3%
Net profit attributable to minority interests	421	1,318	-68.1%
Profit attributable to the Group	1,714	13,206	-87.0%
EBITDA	30,183	46,698	-35.4%
Basic EPS (Euro)	0.01	0.05	
Diluted EPS (Euro)	0.00	0.00	

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.

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Sáfilo Group S.p.A.

Consolidated net sales

Net sales by geographical region <i>(Euro in millions)</i>	1° quarter				
	2009	%	2008	%	Change%
Europe	131.7	45.8	167.0	51.2	-21.1
The Americas	110.0	38.2	113.2	34.7	-2.8
Asia	37.1	12.9	38.2	11.7	-2.8
Other	9.1	3.2	7.6	2.3	+19.7
Total	287.9	100.0	326.0	100.0	-11.7

Net sales by product <i>(Euro in millions)</i>	1° quarter				
	2008	%	2008	%	Change%
Prescription frames	109.2	37.9	118.4	36.3	-7.8
Sunglasses	162.4	56.4	187.1	57.4	-13.2
Sport products	11.5	4.0	14.6	4.5	-21.2
Other	4.8	1.7	5.9	1.8	-18.6
Total	287.9	100.0	326.0	100.0	-11.7

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Sáfilo Group S.p.A.

Consolidated balance sheet

(Euro/000)	31/03/2009	31/12/2008	Change
ASSETS			
Current assets			
Cash in hand and at banks	36,942	53,653	(16,711)
Trade receivables, net	320,882	301,562	19,320
Inventory, net	264,289	272,102	(7,813)
Derivative financial instruments	371	772	(401)
Other current assets	45,316	50,703	(5,387)
Total current assets	667,800	678,792	(10,992)
Non-current assets			
Tangible fixed assets	232,871	228,758	4,113
Intangible fixed assets	22,970	22,725	245
Goodwill	827,430	807,209	20,221
Investments in associates	12,882	12,298	584
Financial assets available-for-sale	557	861	(304)
Deferred tax assets	59,691	53,434	6,257
Derivative financial instruments	398	455	(57)
Other non-current assets	10,019	12,838	(2,819)
Total non-current assets	1,166,818	1,138,578	28,240
Total assets	1,834,618	1,817,370	17,248
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	157,292	162,645	(5,353)
Trade payables	160,240	205,363	(45,123)
Tax payables	26,603	22,587	4,016
Other current liabilities	72,753	76,437	(3,684)
Provisions for risks and charges	944	1,053	(109)
Total current liabilities	417,832	468,085	(50,253)
Non-current liabilities			
Long-term borrowings	497,261	461,084	36,177
Employee benefit liability	43,080	42,075	1,005
Provisions for risks and charges	13,305	13,263	42
Deferred tax liabilities	5,340	5,184	156
Derivative financial instruments	7,553	5,740	1,813
Other non-current liabilities	18,250	17,662	588
Total non-current liabilities	584,789	545,008	39,781
Total liabilities	1,002,621	1,013,093	(10,472)
Equity			
Share capital	71,349	71,349	-
Share premium reserve	747,471	747,471	-
Losses carried forward and other reserves	11,494	7,980	3,514
Fair value and cash flow reserves	(9,141)	(7,620)	(1,521)
Profit attributable to the Group	1,713	(23,315)	25,028
Group shareholders' equity	822,886	795,865	27,021
Minority interests	9,111	8,412	699
Total shareholders' equity	831,997	804,277	27,720
Total liabilities and equity	1,834,618	1,817,370	17,248

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Sáfilo Group S.p.A.

Consolidated statement of cash flow

<i>(Euro/000)</i>	1° Quarter 2009	1° Quarter 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 (loss) for the year (including minority interests)	2,135	14,524
Amortization & depreciation	11,073	9,818
Stock option	0	139
Share (income) loss on equity investments	(35)	(38)
Net movements in the employee benefit liability	1,037	1,576
Net movements in other provisions	(72)	244
Interest expenses	11,029	10,068
Income taxes	2,566	8,723
Income from operating activities prior to movements in net working capital	27,733	45,054
(Increase) Decrease in trade and other current receivables	(11,646)	(33,349)
(Increase) Decrease in inventory, net	12,024	11,518
Increase (Decrease) in trade and other current payables	(53,702)	(18,486)
Interest expenses paid	(4,395)	(4,463)
Income taxes paid	(2,063)	(7,865)
Total (B)	(32,049)	(7,591)
C - Cash flow from (for) investing activities		
Purchase of tangible fixed assets (net of disposals)	(10,726)	(9,801)
Business unit acquisition (net of cash and cash equivalents acquired)	0	(26,671)
(Acquisition) Disposal of investments in associates and financial assets	100	(21)
Purchase of intangible fixed assets	(2,089)	(576)
Total (C)	(12,715)	(37,069)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	34,491	28,179
Repayment of borrowings	(4,631)	(6,882)
Dividends distribution	(84)	(447)
Total (D)	29,776	20,850
E - Cash flow for the period (B+C+D)	(14,988)	(23,810)
Translation exchange difference	734	2,834
Total (F)	734	2,834
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	(34,696)	(49,445)

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