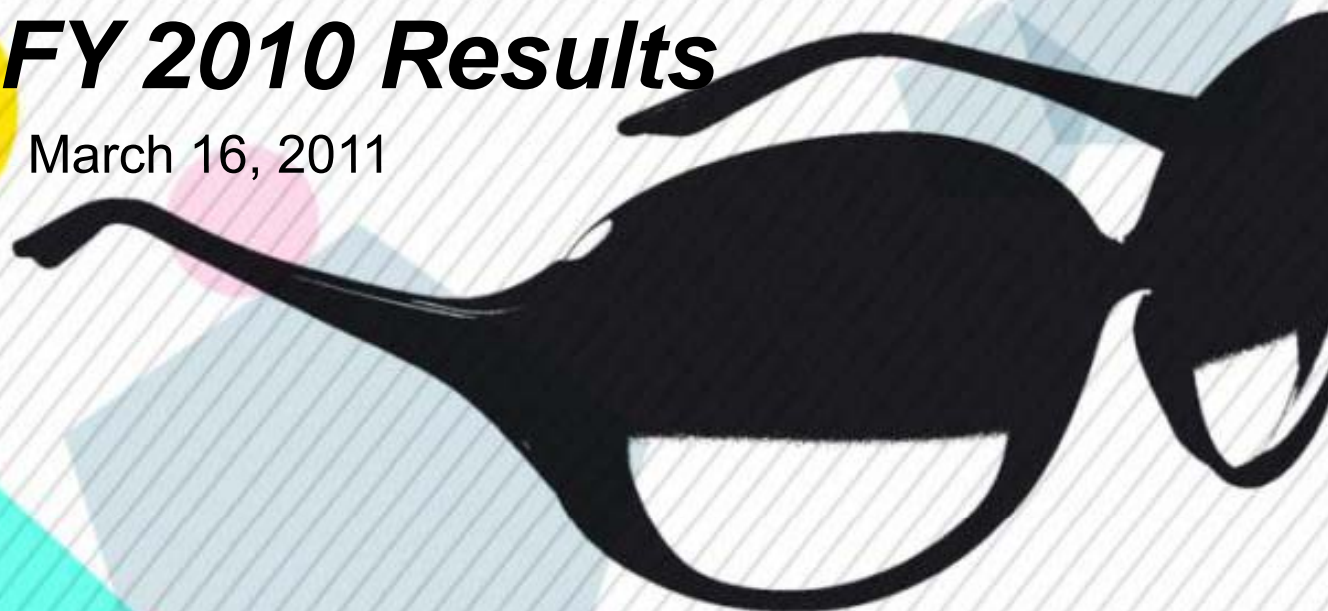




A strong partnership for the future

Q4 and FY 2010 Results

March 16, 2011



Disclaimer

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

Agenda

- 7 Introduction
- 7 Q4 and FY 2010 Results
- 7 2010 Facts and Figures
- 7 What's new

Introduction

A solid Q4 to consolidate 2010 results

What we achieved

- **High-single digit top-line growth¹**
- **Improved profitability**
- **Positive Free Cash Flow**
- **Lowest leverage in ten years (2.4x)**
- **License renewals**

¹ at constant perimeter and exchange rates

Q4 2010 overview

1 Market environment

- **Resilient US market**, driven by good sunglass business
- **Strong Asian and Latam markets**
- **Moderate growth in Europe**

2 Business drivers

- **Volumes** increase and improving **price/mix**
- **Double digit growth** of **strategic and priority brands**
- **Strong performance** of **Carrera** in Europe and US

3 Profitability

- **Higher industrial margin**, thanks to **improved capacity utilization**
- **Better absorption of SG&A expenses**
- **Lighter** financial charges

4 Financial Leverage

- Improved **profitability**
- Favourable **working capital** dynamics despite growing business
- Focused **investments** in maintenance and technological upgrades

Q4 and FY 2010 Results

Financial Highlights

in millions of Euro and % of net sales

	Q4 2010	Q4 2009	% Change	at constant currency and perimeter	FY 2010	FY 2009	% Change	at constant currency and perimeter
Net sales	261.8 100.0%	236.5 100.0%	+10.7%	+8.0%	1,079.9 100.0%	1,011.2 100.0%	+6.8%	+6.0%
Gross profit	147.2 56.2%	126.1 53.3%	+16.7%		629.9 58.3%	572.5 56.6%	+10.0%	
EBITDA	25.4 9.7%	10.7 4.5%	n.m.		107.8 10.0%	65.7* 6.5%	+64.2%	
Operating result	15.4 5.9%	(5.5)** -2.3%	n.m.		67.8 6.3%	16.1** 1.6%	n.m.	
Group net result	4.4 1.7%	(12.9)*** -5.5%	n.m.		0.7 0.1%	(33.7)*** -3.3%	n.m.	
Net Debt					256.2	588.0	-56.4%	

Sales of the disposed retail chains in Spain and Australia accounted for Euro 8.4 million in Q4 2009 and 36.3 million in 2009.

*adjusted for the provision of Euro 7.4 million for non-recurring costs related to the industrial reorganisation plan (recorded in Q2 2009);

**adjusted in Q4 for the write down of goodwill for Euro 137.0m and in the FY for the provision of Euro 7.4m, the write down of goodwill of Euro 257.7m and the loss on the sale of the retail activities of Euro 21.7m;

***adjusted in Q4 for the write down of goodwill of Euro 137.0m and of deferred taxes of Euro 21.7m and in FY for the provision of Euro 7.4m, the write down of goodwill of Euro 257.7m, the loss on the sale of the retail activities of Euro 21.7m and the write down of deferred taxes of Euro 30.9m.

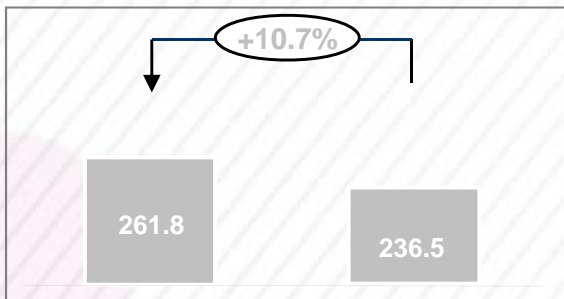
Sales performance

Q4 2010

Q4 2009

(in millions of Euro and % change)

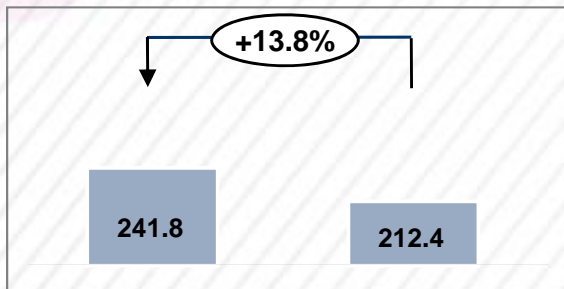
Total Sales



at constant
currency and
perimeter

+8.0%:

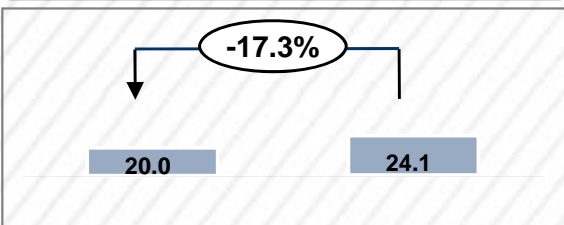
Wholesale Sales



+7.5%

- Volume growth and improving price/mix, particularly in sunglasses;
- Good performance of high-end brands;
- Strong Carrera thanks to expansion program;
- Tommy Hilfiger and Boss Orange launch

Retail Sales



+14.9%

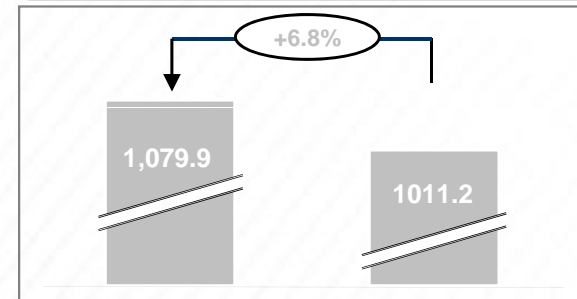
- Solstice comp sales +13.1% thanks to strong sunglass business in the US

FY 2010

FY 2009

(in millions of Euro and % change)

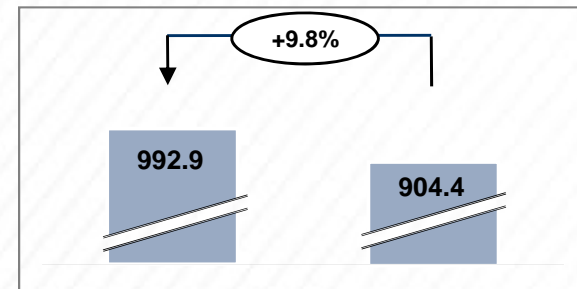
Total Sales



at constant
currency and
perimeter

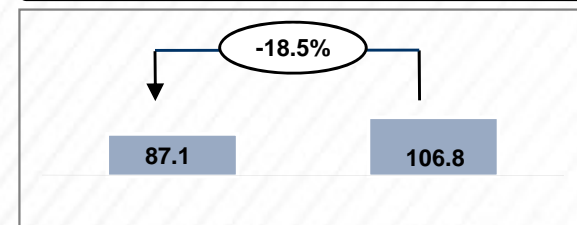
+6.0%:

Wholesale Sales



+5.3%

Retail Sales



+15.6%

Sales drivers

Q4 2010
% Change

at constant
currency and
Perimeter

FY 2010
% Change

at constant
currency and
Perimeter

by region:

• Americas	+24.7%	+13.2%	<ul style="list-style-type: none"> • North America consolidating upswing in sunglass business; • Strong Latin American markets across all product categories; • Good reorders of snow sport products. 	+15.1%	+7.8%
• Asia	+25.5%	+14.0%	<ul style="list-style-type: none"> • Growing demand of high-end products in China and other EMs; • Good travel retail business; • Moderate recovery of Japan. 	+23.7%	+15.7%
• Europe	-0.6%	+2.4%	<ul style="list-style-type: none"> • Performance driven by top licensed brands and Carrera; • France, Spain and key accounts best performers; • Italy flattish. Greece still very weak. 	-1.0%	+2.3%

by product:

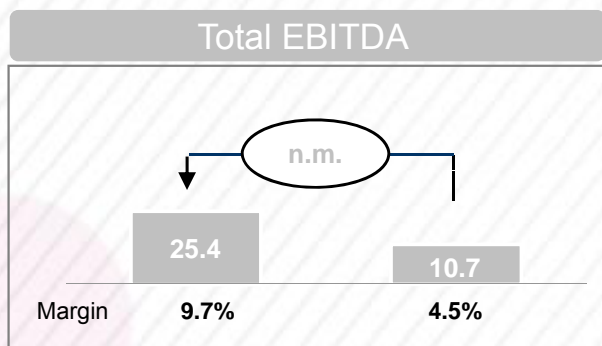
• Sunglasses	+22.3%			+11.7%	
• Prescription	+3.1%			+2.2%	
• Sport products	+5.6%			+17.0%	

EBITDA performance

Q4 2010

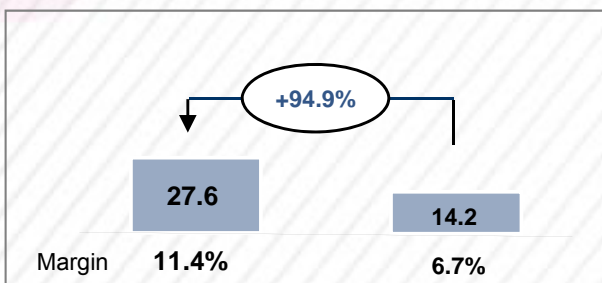
Q4 2009

(in millions of Euro)



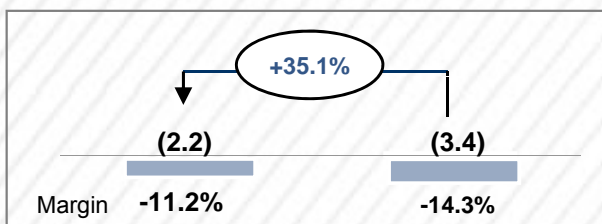
+520 bps
driven by:

Wholesale EBITDA



- Gross margin recovery thanks to higher capacity utilization
- Operating de-leverage

Retail EBITDA

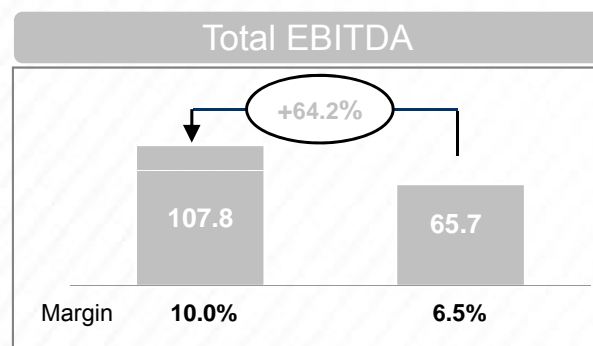


- Smaller retail business

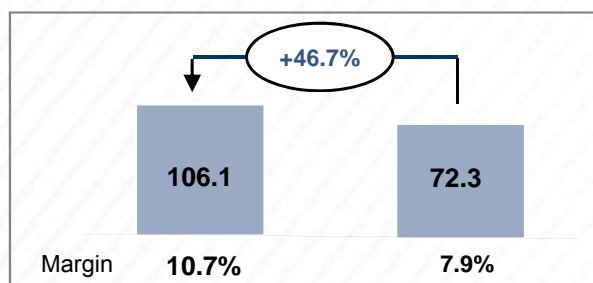
FY 2010

FY 2009

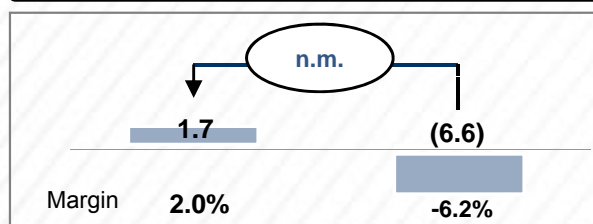
(in millions of Euro)



Wholesale EBITDA



Retail EBITDA



Net Result

in millions of Euro and % on net sales

Q4 2010
Q4 2009
FY 2010
FY 2009

Below the operating line:

• Exchange rate differences:

(1.3)
-0.5%

(0.8)
-0.3%

• Interest expenses:

(6.3)
-2.4%

(11.1)
-4.7%

• Lower interest expenses
thanks to reduced net debt

• Income taxes:

(0.7)
-0.3%

(7.9)
-3.3%

(3.8)
-0.3%

5.0
0.5%

(27.0)
-2.5%

(42.6)
-4.2%

(24.2)
-2.2%

(26.2)
-2.6%

Group Net Result

4.4
1.7%

(12.9)
-5.5%

0.7
0.1%

(33.7)
-3.3%

Free Cash Flow

in millions of Euro

	FY 2010	Q4 2010	FY 2009	Q4 2009
Free cash flow	74.3	9.8	(10.8)	1.5

key drivers:

Cash flow from operating activities

- net profit and other changes
- change in working capital

97.6

39.1

58.5

14.4

4.9

9.5

11.5

(13.2)

24.7

(4.5)

(22.6)

18.1

Cash flow from investing activities

(23.3)

(4.6)

(22.3)

6.0

- **Working Capital improvement** despite growth of inventories to improve service levels
- **Focused investments** in maintenance capex and technological upgrades (net of the proceeds from the disposal of the Mexican retail chain)

Net Debt as at 31 Dec 2010

256.2

Δ vs 9M 2010 position of 262.7

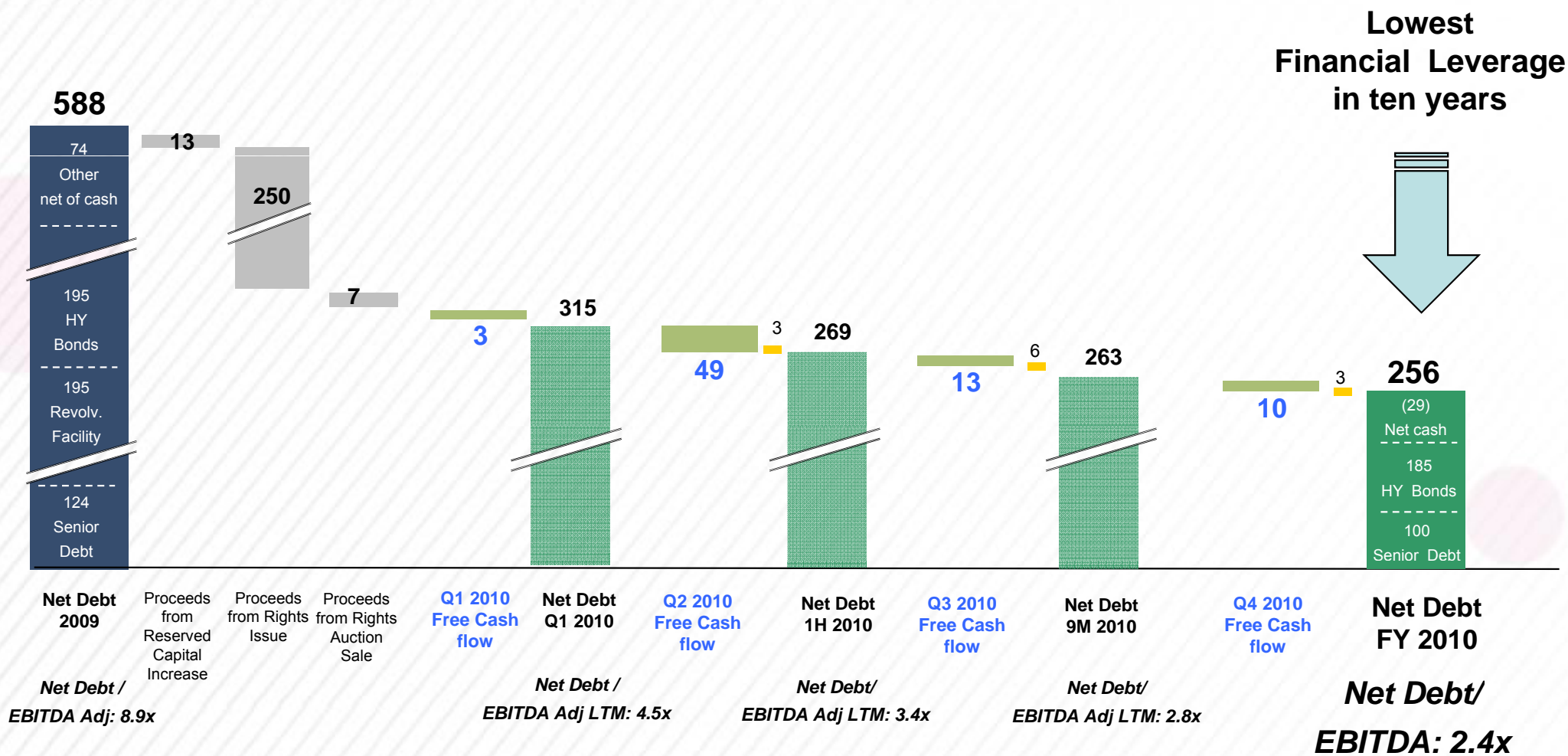
-6.5

Δ vs FY 2009 position of 588.0

-331.8

Net Debt

in millions of Euro



Note: EBITDA Adjusted

Translation exchange differences

2010 Facts and Figures

2010 key Facts

March 13

Rights Issue successfully completed and fully subscribed by the market

April 27

Global licensing agreement with Marc Jacobs and Marc by Marc Jacobs [extended until the end of 2015](#)

May 05,

Reverse stock split (1:20) of the share capital

May 26

Worldwide licensing agreement with Juicy Couture [renewed until the end of 2013](#)

June 14

Vincenzo Giannelli appointed new Chief Financial Officer of Safilo

2010 Key Facts

July 21

Worldwide licensing agreement with Diesel **not renewed** at expiration (end of 2010)

September 28

Worldwide licensing agreement with Dior **renewed** until the end of 2017

December 21

Safilo's **buy back** of Euro 4.5 million **HY Bonds**. This takes the total Notes bought by the Company to a total of **Euro 10.3 million** after the transaction undertaken in August of Euro 5.8 million

December 22

Worldwide licensing agreement with Yves Saint Laurent **renewed** until the end of 2015

December 23

Mexican retail chains Sunglass Island and Island Optical sold to HAL

December 27

Worldwide licensing agreement with Bottega Veneta **renewed** until the end of 2020

2010 main Figures

in millions of Euro

HIGHLIGHTS

Sales
+6.0% LFL YoY

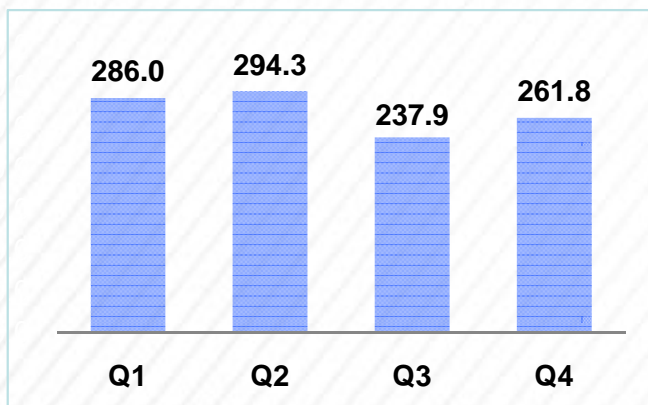
Gross margin
58.3%
+10.0% YoY

EBITDA
10.0%
+64.2% YoY

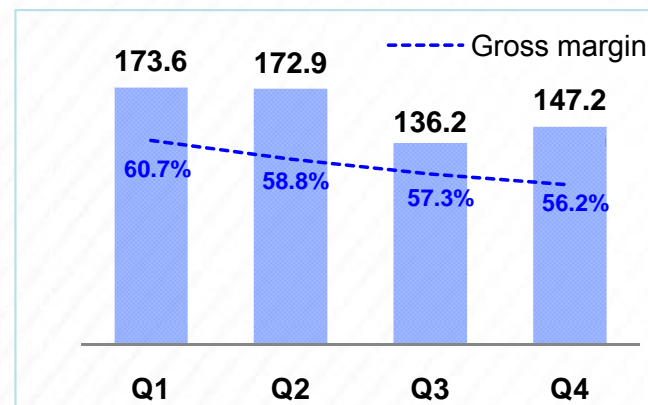
Net result
+ 34.4 vs 2009
0.1% of sales

NET DEBT
- 331.8 vs 2009

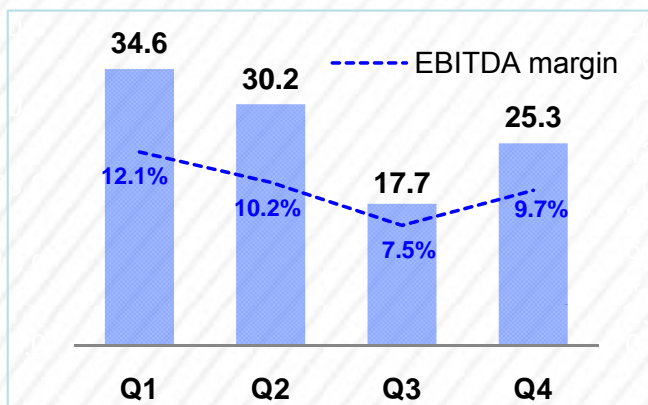
Sales 1,079.9



Gross profit 629.9



EBITDA 107.8



Net Debt 256.2



What's new

What's new

“AFTER ALL, NO REGRETS”

The new CARRERA eyewear communication campaign

- Conceived and promoted by the agency D’Adda, Lorenzini, Vigorelli, BBDO, the campaign focuses on the narrative aspect of new communication with a portrait of a generation engaged in living life to the full and enjoying every moment;
- The message is direct and immediate, due to the clear and absorbing headline, “**AFTER ALL, NO REGRETS**”. This is a prompt to live life intensely, with personality and without regrets, with CARRERA sunglasses and optical frames as inseparable companions at all times;
- The new CARRERA campaign is part of a broad communication project for spring/summer 2011, which also comprises of a strong-impacting video, directed by a young Italian film talent, Marco Gentile;
- This major worldwide campaign, on-air starting February 2011, is implemented through a broad and complete media mix, including web, press, billboards and films. CARRERA’s commitment also continues on the website www.carreraworld.com and on social media networks, to boost activities begun in 2010.



CARRERA
RACING SUNGLASSES SINCE 1956

VIDEO



Download Video

Q&A

Appendices

Sales breakdown

in millions of Euro

	Q4 2010	Q4 2009	% Change	FY 2010	FY 2009	% Change
Total sales	261.8 100.0%	236.5 100.0%	+10.7%	1,079.9 100.0%	1,011.2 100.0%	+6.8%
<i>by region</i>						
• Europe	106.2 40.6%	106.8 45.2%	-0.6%	440.4 40.8%	444.7 44.0%	-1.0%
• Americas	109.3 41.8%	87.7 37.1%	+24.7%	460.5 42.6%	400.0 39.6%	+15.1%
• Asia	40.7 15.5%	32.4 13.7%	+25.5%	161.6 15.0%	130.6 12.9%	+23.7%
• Rest of the world	5.6 2.1%	9.6 4.1%	-41.7%	17.4 1.6%	35.9 3.5%	-51.5%
<i>by product</i>						
• Sunglasses	139.2 53.2%	113.8 48.1%	+22.3%	586.2 54.3%	524.6 51.9%	+11.7%
• Prescription frames	94.6 36.1%	91.8 38.8%	+3.1%	410.9 38.0%	402.0 39.8%	+2.2%
• Sport products	24.7 9.4%	23.4 9.9%	+5.6%	70.3 6.5%	60.1 5.9%	+17.0%
• Other	3.3 1.3%	7.5 3.2%	-56.0%	12.5 1.2%	24.5 2.4%	-49.0%

Consolidated balance sheet

in millions of Euro

	2010	2009	Change
Net working capital	287.5	327.1	-39.6
Tang.-intang. fixed assets	767.4	745.1	+22.3
Financial fixed assets	13.2	12.0	+1.2
Other assets/(liabilities)	(44.9)	(50.2)	+5.3
Net capital employed	1,023.2	1,034.0	-10.8
Net financial position	256.2	588.0	-331.8
Minority interest	11.0	7.6	+3.4
Shareholders' equity	756.0	438.4	+317.6

Net working capital

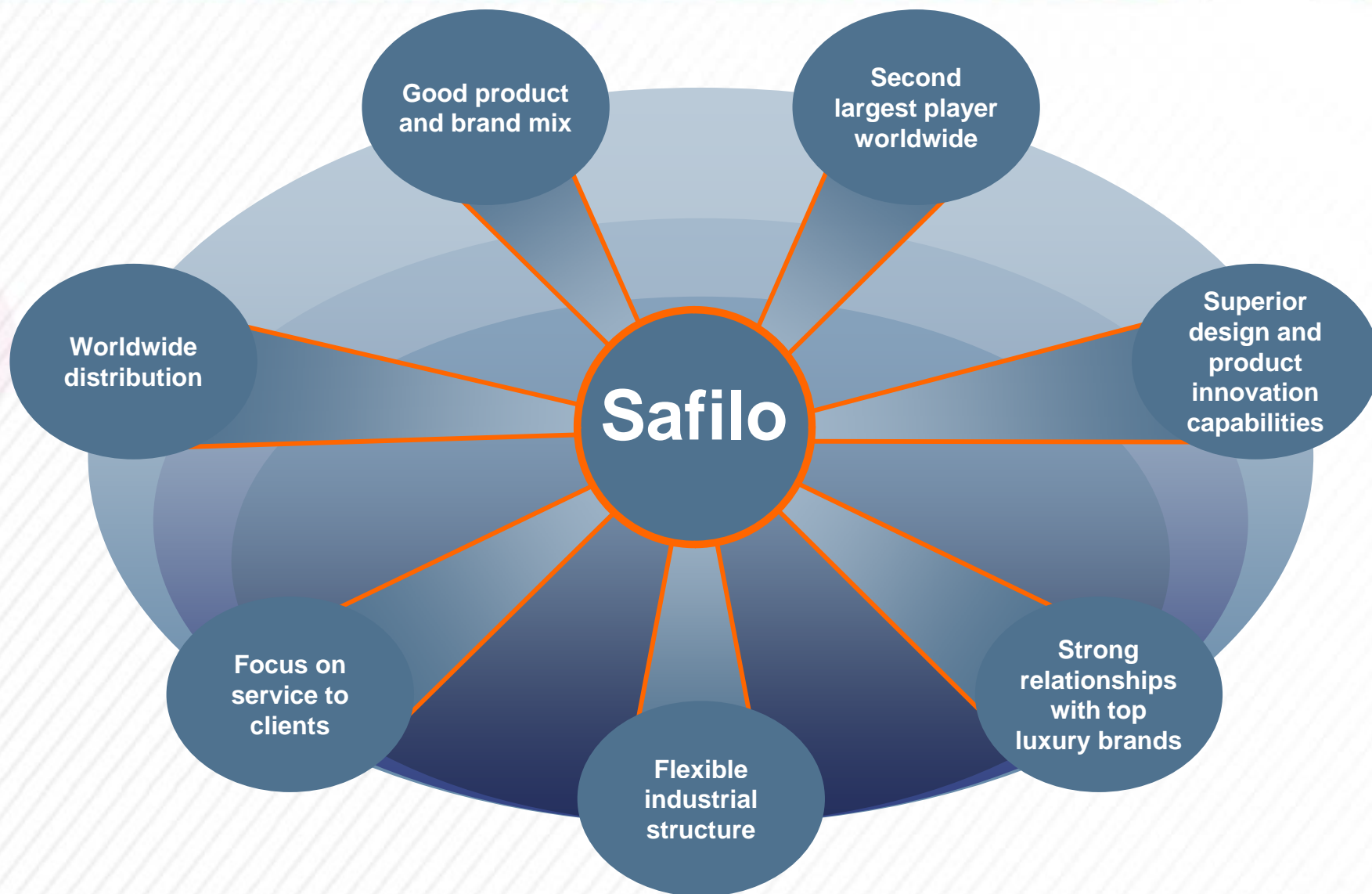
in millions of Euro

	2010	2009	Change
Net working capital	287.5	327.1	-39.6
Trade receivables	271.3	268.8	+2.5
Inventories	220.4	208.4	+12.0
Trade payables	(204.2)	(150.1)	-54.1

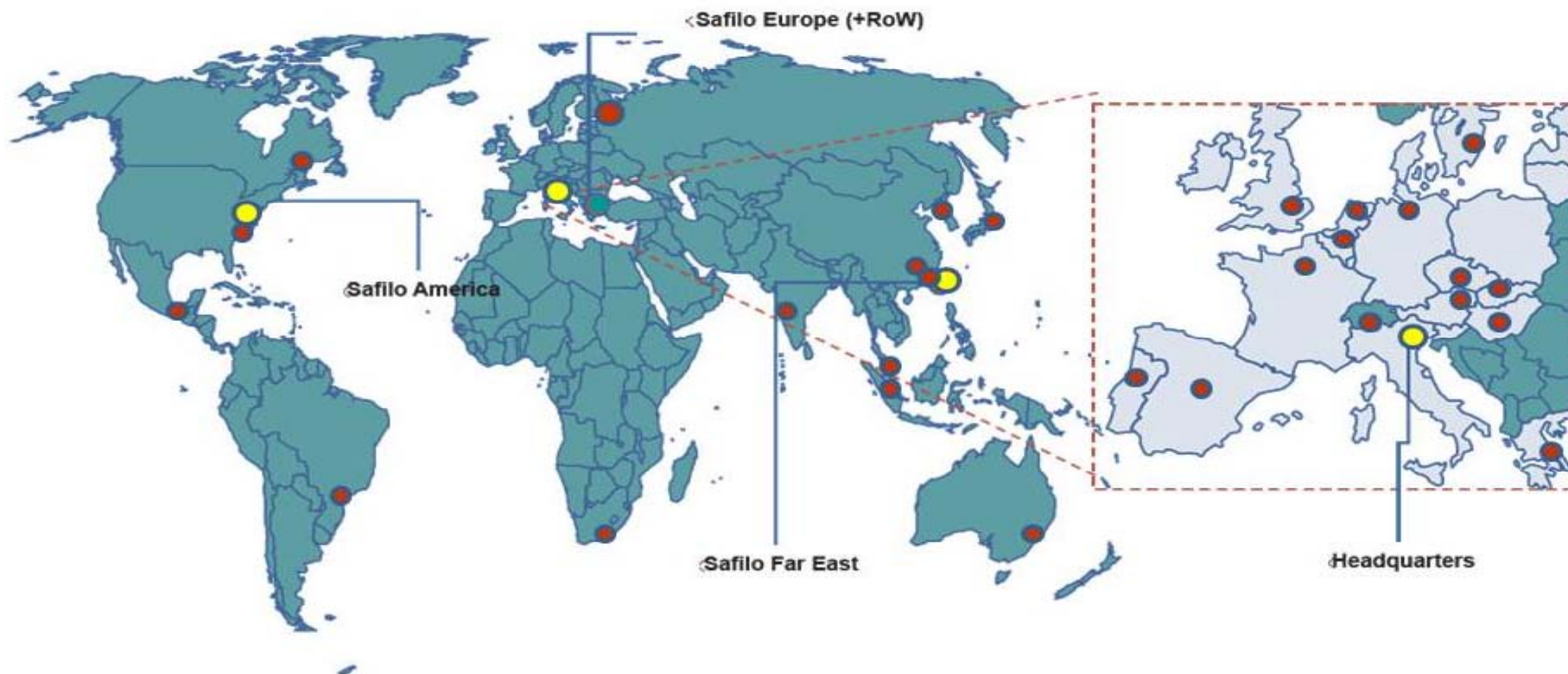


Safilo at a glance

Safilo today...

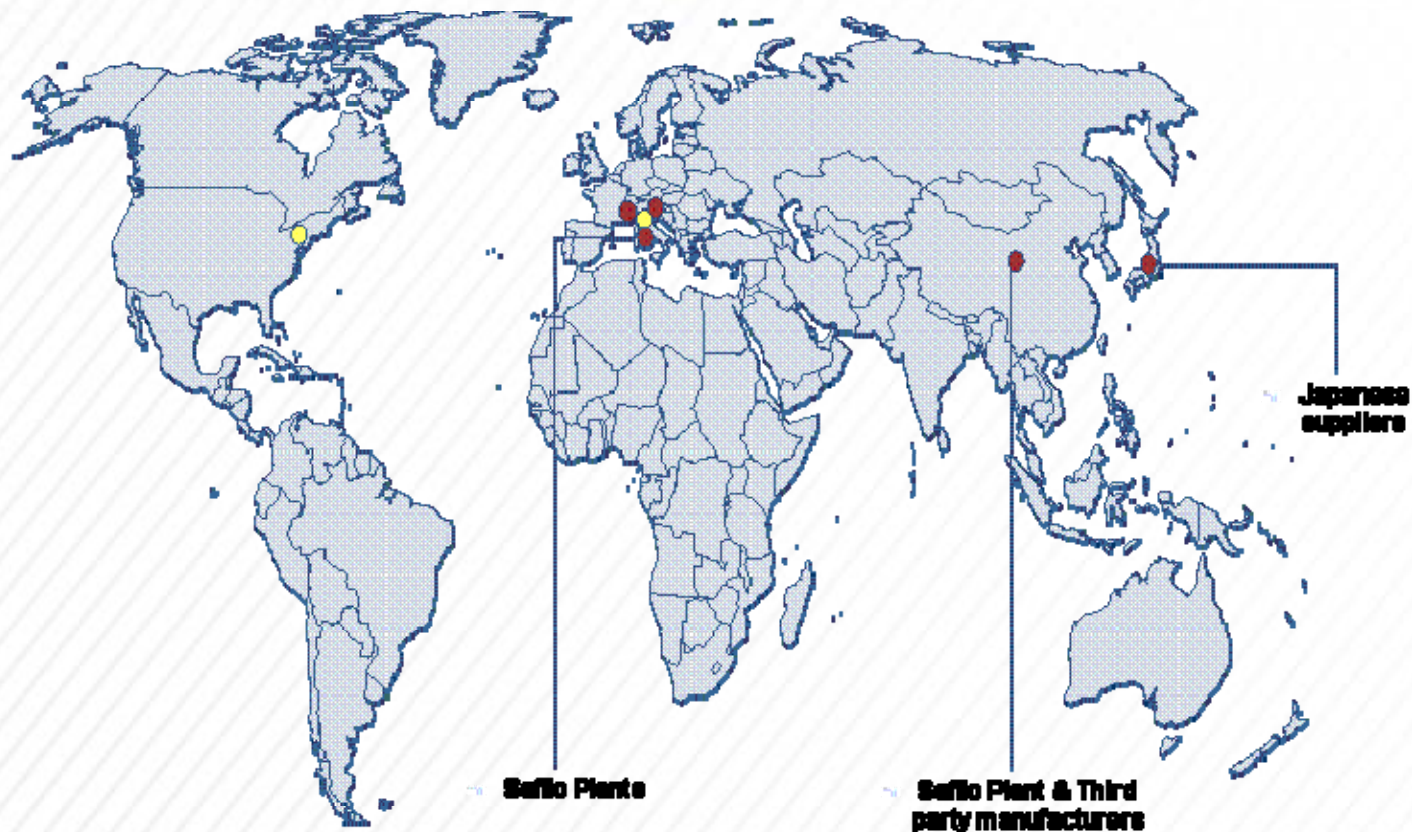


Worldwide Presence



32 SUBSIDIARIES REACHING 80.000 RETAILERS IN 130 COUNTRIES

Production & Operations



- Manufacturing facilities
- Distribution centers



Brands Portfolio



House brands

Safilo

OXYDO

Blue Bay
for dreamers only

CARRERA
RACING SUNGLASSES SINCE 1956

SMITH OPTICS

Licensed brands

ALEXANDER
MCQUEEN

A|X
ARMANI EXCHANGE

BALENCIAGA

BANANA REPUBLIC

BOTTEGA VENETA

Dior

EMPORIO ARMANI



GIORGIO ARMANI

GUCCI

BOSS
HUGO BOSS

HUGO
HUGO BOSS

JIMMY CHOO

JLO
BY JENNIFER LOPEZ



kate spade
NEW YORK

liz claiborne

MARC JACOBS

MARC BY MARC JACOBS

MaxMara
ESSENTIALS

MAX&Co.

NINE WEST

pierre cardin
PARIS

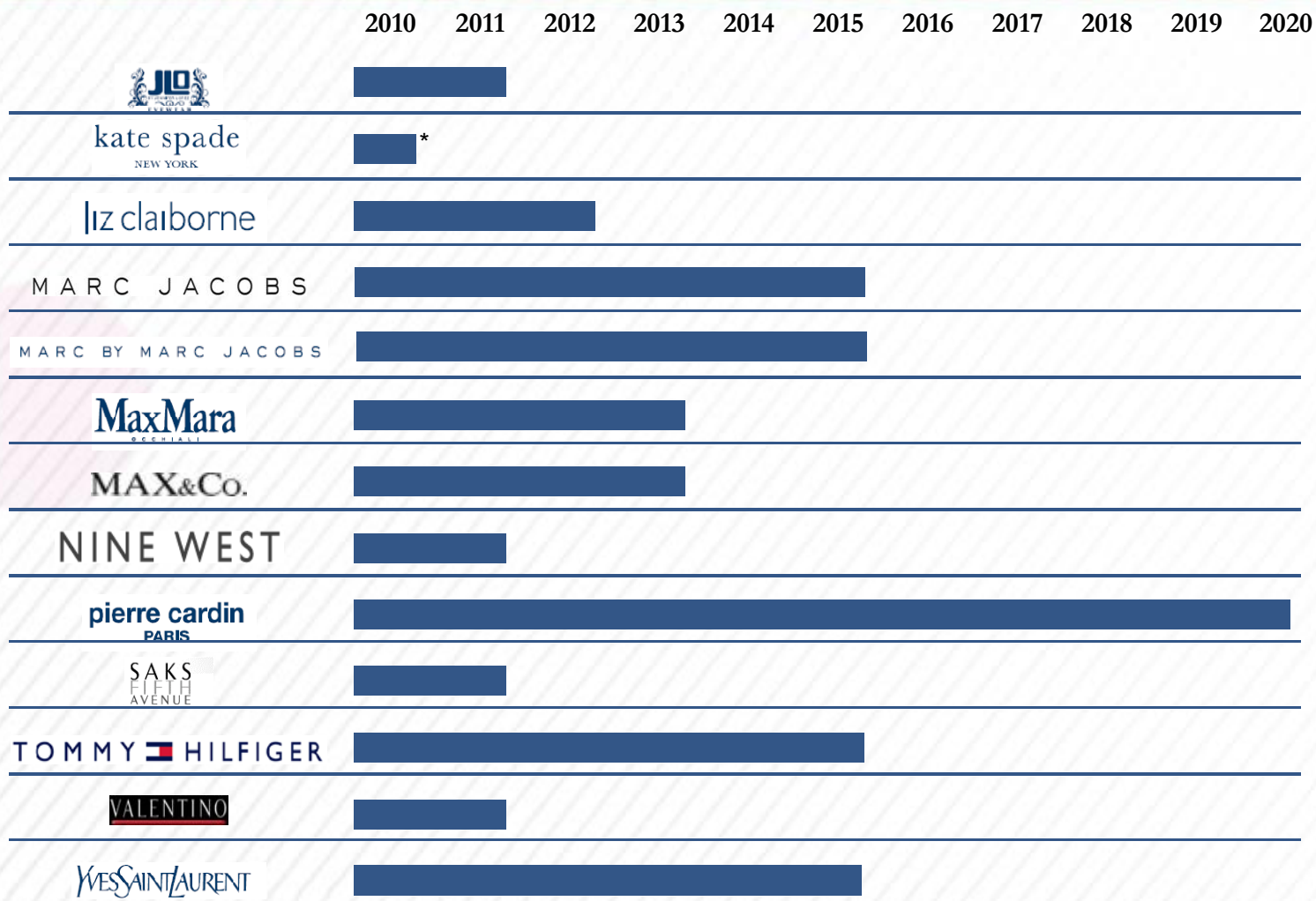
SAKS
FIFTH
AVENUE

TOMMY HILFIGER

VALENTINO

YVES SAINT LAURENT

Licensed brands



* Under discussion