



**THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES THE RESULTS
AS AT SEPTEMBER 30, 2011**

Key economic and financial highlights (in millions of euro):

<i>Net Sales</i>	<i>· 230.2 in Q3 2011: +4.1% at constant perimeter¹ and exchange rates</i> <i>· 833.5 in 9M 2011: +6.7% at constant perimeter¹ and exchange rates</i>
<i>EBITDA</i>	<i>· 17.4 in Q3 2011 (7.6% margin): in line with Q3 2010</i> <i>· 97.6 in 9M 2011 (11.7% margin): +18.4%</i>
<i>EBIT</i>	<i>· 8.2 in Q3 2011 (3.5% margin): +5.8%</i> <i>· 70.0 in 9M 2011 (8.4% margin): +33.7%</i>
<i>Net Result</i>	<i>· 4.7 net loss in Q3 2011 compared to 0.4 in Q3 2010</i> <i>· 26.6 net profit in 9M 2011 (3.2% margin) compared to the net loss of 3.6 in 9M 2010</i>
<i>Net Debt</i>	<i>· 239.4 at the end of September 2011 from 240.3 at the end of June 2011 and 262.7 at the end of September 2010</i> <i>· Net debt / EBITDA stable at 1.95x</i>

Padua, November 7, 2011 – The Board of Directors of SAFILO GROUP S.P.A. today reviewed and approved the results of the third quarter and first nine months of 2011.

In the third quarter of 2011, Safilo registered a positive top line growth on the back of the significant progress of the fast-growing markets in all the Group's main product categories as well as the good performance of the American market. The operating result (EBIT) of the quarter improved compared to the same period in 2010.

Following the quarterly results, in the first nine months of 2011 Safilo confirmed a solid performance both at the economic and financial level. Sales grew by 6.7% at constant perimeter¹ and exchange rates, EBITDA and EBIT increased double-digit and the Group's net result was positive at Euro 26.6 million.

At the end of September, the net debt remained in line with the level reached in the first half of the year, at Euro 239.4 million, confirming the financial leverage of net debt to EBITDA at 1.95x.

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

“During the third quarter of the year the developing and emerging countries continued to perform well, confirming the strength of Safilo's commercial proposition.

We were also reassured by the reaction of the US market in spite of the uncertain economic environment, while the performance in Europe was affected by a slowdown in the marketplace.

In a quarter that has been historically characterized by the seasonality of our predominant wholesale business, what has been achieved in terms of operating result and financial leverage clearly testifies the effectiveness of the different actions in place on the main Group activities.

We have also finally completed the top management team with the recent appointment of the Global Head of Safilo's Brands Division, our key business area in which we are investing significant resources.

We are now ready to face the new challenges and the new business opportunities ahead of us”.

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

Press release

Key Economic data

(in millions of euro)	9 Months 2011	9 Months 2010	% change	% change*	Q3 2011	Q3 2010	% change	% change*
Net sales	833.5	818.2	+1.9%	+6.7%	230.2	237.9	-3.2%	+4.1%
Gross profit	497.6	482.7	+3.1%		133.3	136.2	-2.2%	
%	59.7%	59.0%			57.9%	57.3%		
EBITDA	97.6	82.5	+18.4%		17.4	17.7	-1.6%	
%	11.7%	10.1%			7.6%	7.5%		
Operating profit	70.0	52.4	+33.7%		8.2	7.7	5.8%	
%	8.4%	6.4%			3.5%	3.2%		
Group net profit/(loss)	26.6	(3.6)	n.s.		(4.7)	(0.4)	n.s.	
%	3.2%	-0.4%			-2.0%	-0.2%		

* at constant perimeter and exchange rates

In the third quarter of 2011, **net sales** were equal to Euro 230.2 million compared to Euro 237.9 million in the third quarter of 2010, still impacted by the devaluation of the main foreign currencies against the Euro. The comparison with the previous year is also influenced by the sale of the retail chain in Mexico occurred at the end of 2010. At constant perimeter¹ and exchange rates, the Group delivered a sales growth of 4.1%.

In the first nine months of 2011, net sales totaled Euro 833.5 million, reporting an increase of 1.9% compared to the same period of 2010. The growth was equal to 6.7% at constant perimeter¹ and exchange rates.

The core wholesale business reported revenues of Euro 211.6 million in the third quarter of 2011, progressing by 3.4% at constant exchange rates (-1.4% at current exchange rates compared to Euro 214.6 million in the third quarter of 2010).

In the first nine months of 2011, wholesale revenues reached Euro 778.4 million, up 6.2% at constant exchange rates (+3.6% at current exchange rates compared to Euro 751.1 million in the first nine months of 2010).

Total net sales continued to be impacted by the contraction of the retail business (-19.8% to Euro 18.6 million in the third quarter of 2011, -17.9% to Euro 55.1 million in the first nine months of 2011), due to the different perimeter. The *like for like* performance of the US retail stores Solstice was indeed positive, up 7.5% and 7.1% respectively in the third quarter and first nine months of 2011.

From a geographical standpoint, in the third quarter of 2011, revenues in the American market were again penalized by the USD devaluation against the Euro, totaling Euro 110.6 million compared to Euro 116.9 million in the third quarter of 2010.

At constant perimeter¹ and exchange rates, the Group's performance in the region remained satisfactory, improving by 7.4%, with positive trends in all main product categories.

Sunglass collections benefited from the overall good performance of Solstice stores as well as from the continuing expansion of the business in the Latin-American markets, Brazil and Mexico in particular. The latest also contributed to the growth of prescription frames, which kept posting positive trends also in the main independent opticians channel in North America.

Sales growth was experienced by the main licensed top brands and by Safilo's house brands on which the Group is progressively increasing its focus, particularly Carrera and Safilo.

The quarterly performance reflected the strong trend of the American market in the first nine months of 2011, with sales totaling Euro 343.6 million, up 8.4% at constant perimeter¹ and exchange rates (-2.2% at current exchange rates).

In line with the previous quarters of the year, the Asian markets continued to strongly outperform in the third quarter, posting a growth of 17.9% at constant currency (+10.7% at current exchange rates). Sales in Asia were equal to Euro 35.2 million in the period, with the strongest trends in the travel retail business, in China and in the mature emerging countries of Hong Kong and Korea, where the Group is strengthening its presence with the top licensed brands as well as through the introduction of Carrera and the brands in the diffusion segment. In the first nine months of 2011, Asia proved to be a fundamental growth engine for Safilo.

Press release

Sales totaled Euro 135.1 million in the period, delivering a growth of 15.4% at constant currencies (+11.7% at current exchange rates). The weight of the area on the total business thus increased to 16.2% in the first nine months of 2011 compared to 14.8% in the same period of 2010.

After a positive first half, the Group's European business was instead subdued in the third quarter, also in comparison with the marked improvement registered by the area in the third quarter of 2010. The performance of the region was characterized by different trends per product category, with sales, which in the period were concentrated on sunglasses due to the diverse timing in the presentation of the collections.

In the third quarter of 2011, sales in Europe were equal to Euro 81.4 million, contracting by 4.8% compared to the same quarter of 2010. The performance of the region was positive in the first nine months, up 2.7% to Euro 343.2 million.

Gross profit amounted to Euro 133.3 million in the third quarter of 2011 (-2.2% compared to Euro 136.2 million in the third quarter of 2010), equal to 57.9% of sales or an improvement of 60 basis points compared to the margin of 57.3% registered in the same quarter of 2010.

In the first nine months of 2011, gross profit reached Euro 497.6 million, increasing by 3.1% over the same period of 2010, with the margin at 59.7% of sales compared to 59.0% in the same period of 2010.

Operating profit (EBIT) was equal to Euro 8.2 million in the third quarter of 2011, increasing by 5.8% compared to Euro 7.7 million registered in the third quarter of 2010. Operating profitability was equal to 3.5% of sales compared to 3.2% in the same period of 2010. In a quarter characterized by a seasonally lower operating leverage, the progress experienced at the industrial level was partially absorbed by the higher incidence on revenues of the wholesale costs structure. As occurred in the previous quarters of the year, the Group continues to invest in the strengthening of its business processes and activities, in particular in the areas of sales and marketing.

The operating performance of the US retail chain Solstice continued to improve also in the third quarter of 2011, thanks to the positive trend of sales as well as the more efficient presence in the market.

In the first nine months of 2011, the operating profit (EBIT) totaled Euro 70.0 million, growing by 33.7% compared to Euro 52.4 million registered in the first nine months of 2010. The operating profitability increased to 8.4% of sales compared to 6.4% of sales registered in the same period of 2010.

EBITDA was Euro 17.4 million in the third quarter of 2011, equal to a margin of 7.6%, substantially stable over the same quarter of 2010. Profitability stood at 11.7% of sales in the first nine months of 2011, reaching Euro 97.6 million, up 18.4% compared to Euro 82.5 million in the first nine months of 2010.

The third quarter of 2011 closed for the Group with a negative **net result** of Euro 4.7 million compared to the Group net loss of Euro 0.4 million in the third quarter of 2010. The result of the period was also influenced by the impact of exchange rate differences, not yet realized as at September 30, related to balance sheet items. This accounting adjustment was negative in the third quarter following the relevant devaluation of the Euro spot rate against the USD at the end of September.

In the first nine months of 2011, the Group's net profit stood at Euro 26.6 million compared to the net loss of Euro 3.6 million in the first nine months of 2010.

Press release

Key Cash Flow data

(in millions of euro)	9 Months 2011	9 Months 2010	Q3 2011	Q3 2010
Cash flow from operating activities before changes in working capital	53.6	34.2	2.8	14.1
Changes in working capital	(10.2)	49.0	1.4	6.6
Cash flow from (for) operating activities	43.4	83.2	4.2	20.7
Cash flow from (for) investment activities	(23.1)	(18.7)	(6.5)	(8.1)
Free Cash Flow	20.3	64.5	(2.3)	12.6

Free Cash Flow was positive for Euro 20.3 million at the end of the first nine months of 2011, compared to the cash generation of Euro 64.5 million in the first nine months of 2010. In the third quarter of 2011, the free cash flow was slightly negative for Euro 2.3 million compared to the cash generation of Euro 12.6 million in the third quarter of 2010.

Net debt at the end of September 2011 amounted to Euro 239.4 million, in line with Euro 240.3 million registered at the end of June 2011 and lower than Euro 262.7 million at the end of September 2010. The financial leverage (Net debt / EBITDA LTM) was equal to 1.95x, remaining stable at the level reached at the end of June 2011.

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¹ Excluding the sold retail chain in Mexico, which had recorded sales of Euro 5.3 million in the third quarter of 2010 and Euro 15.6 million in the first nine months of 2010.

Press release

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

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

Disclaimer

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

Alternative Performance Indicators

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

- Ebitda (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and amortization;
- 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;
- 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;
- 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 6.00 pm CET (5.00 pm GMT; 12.00 am EST) a conference call will be held with the financial community during which the results of the third quarter and first nine months of 2011 will be discussed. It is possible to participate to the call by dialing the following number: +39 02 36269650 or +44 203 4509987 (for journalists: +39 02 30410450) and quoting the following confirmation code: 8374900. The playback of the conference call will be available from November 7 to November 9, 2011 by dialing the number +39 02 30413127 o +44 207 1111244 (access code: 8374900#). The conference call can also be followed via webcast on the site www.safilo.com/en/investors.html. The presentation is available and downloaded from the company website.

Intermediate report at 30th September 2011

Please note that before the end of the day, the intermediate report at 30th September 2011 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/en/investors.html.

Press release

Sáfico Group S.p.A.

Consolidated income statement

(Euro/000)	First nine months			3rd Quarter		
	2011	2010	Change %	2011	2010	Change %
Net sales	833,490	818,184	1.9%	230,234	237,857	-3.2%
Cost of sales	(335,921)	(335,441)	0.1%	(96,960)	(101,644)	-4.6%
Gross profit	497,569	482,743	3.1%	133,274	136,213	-2.2%
Selling and marketing expenses	(328,007)	(330,183)	-0.7%	(92,357)	(95,460)	-3.3%
General and administrative expenses	(99,487)	(100,702)	-1.2%	(32,850)	(33,366)	-1.5%
Other operating income (expenses), net	(39)	528	n.s.	106	337	-68.5%
Operating profit	70,036	52,386	33.7%	8,173	7,724	5.8%
Share of income/(loss) of associates	(443)	342	n.s.	(24)	262	n.s.
Interest expenses and other financial charges, net	(22,738)	(29,675)	-23.4%	(11,598)	(642)	n.s.
Profit (loss) before taxation	46,855	23,053	n.s.	(3,449)	7,344	n.s.
Income taxes	(18,263)	(23,478)	-22.2%	(1,374)	(6,478)	-78.8%
Net profit (loss)	28,592	(425)	n.s.	(4,823)	866	n.s.
Non controlling interest	1,994	3,210	-37.9%	(142)	1,231	n.s.
Net profit (Loss) attributable to the Group	26,598	(3,635)	n.s.	(4,681)	(365)	n.s.
EBITDA	97,635	82,488	18.4%	17,439	17,723	-1.6%
Basic EPS (Euro)	0.468	(0.078)		(0.082)	0.001	
Diluted EPS (Euro)	0.467	(0.078)		(0.081)	0.001	

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Press release

Säfilo Group S.p.A.

Consolidated net sales

Net sales by geographical area (Euro in millions)	First nine months					3rd Quarter				
	2011	%	2010	%	Change %	2011	%	2010	%	Change %
Europe	343.2	41.2	334.2	40.9	+2.7	81.4	35.4	85.5	36.0	-4.8
Americas	343.6	41.2	351.2	42.9	-2.2	110.6	48.0	116.9	49.1	-5.4
Asia	135.1	16.2	120.9	14.8	+11.7	35.2	15.3	31.8	13.4	+10.7
Rest of the world	11.6	1.4	11.9	1.4	-2.1	3.0	1.3	3.7	1.5	-17.8
Total	833.5	100.0	818.2	100.0	+1.9	230.2	100.0	237.9	100.0	-3.2

Net sales by product (Euro in millions)	First nine months					3rd Quarter				
	2011	%	2010	%	Change %	2011	%	2010	%	Change %
Prescription frames	315.4	37.8	316.3	38.7	-0.3	92.8	40.3	103.0	43.3	-9.9
Sunglasses	463.0	55.5	447.1	54.6	+3.6	111.0	48.2	107.3	45.1	+3.5
Sport products	48.1	5.8	45.6	5.6	+5.6	24.4	10.6	24.4	10.2	+0.2
Other	7.0	0.8	9.2	1.1	-24.1	2.0	0.9	3.2	1.4	-37.9
Total	833.5	100.0	818.2	100.0	+1.9	230.2	100.0	237.9	100.0	-3.2

Press release

Sáfico Group S.p.A.

Consolidated Balance sheet

<i>(Euro/000)</i>	September 30, 2011	December 31, 2010	Change
ASSETS			
Current assets			
Cash in hand and at bank	104,534	88,267	16,267
Trade receivables, net	241,579	271,317	(29,738)
Inventory, net	211,817	220,443	(8,626)
Derivative financial instruments	540	-	540
Other current assets	61,069	60,471	598
Total current assets	619,539	640,498	(20,959)
Non-current assets			
Tangible assets	205,399	203,680	1,719
Intangible assets	11,476	13,731	(2,255)
Goodwill	546,051	550,013	(3,962)
Investments in associates	11,883	13,202	(1,319)
Financial assets available-for-sale	234	540	(306)
Deferred tax assets	57,524	50,705	6,819
Derivative financial instruments	-	177	(177)
Other non-current assets	2,441	2,440	1
Total non-current assets	835,008	834,488	520
Total assets	1,454,547	1,474,986	(20,439)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	137,172	56,643	80,529
Trade payables	165,023	204,189	(39,166)
Tax payables	19,398	17,795	1,603
Derivative financial instruments	591	1,827	(1,236)
Other current liabilities	70,984	72,298	(1,314)
Provisions for risks and charges	6,260	6,679	(419)
Total current liabilities	399,428	359,431	39,997
Non-current liabilities			
Long-term borrowings	206,742	287,794	(81,052)
Employee benefit liability	33,528	32,096	1,432
Provisions for risks and charges	18,350	19,392	(1,042)
Deferred tax liabilities	4,692	1,708	2,984
Derivative financial instruments	970	265	705
Other non-current liabilities	4,738	7,265	(2,527)
Total non-current liabilities	269,020	348,520	(79,500)
Total liabilities	668,448	707,951	(39,503)
Shareholders' equity			
Share capital	284,110	284,110	-
Share premium reserve	461,491	461,491	-
Retained earnings (losses) and other reserves	2,194	9,689	(7,495)
Fair value and cash flow reserves	(1,172)	(21)	(1,151)
Income (Loss) attributable to the Group	26,598	731	25,867
Total shareholders' equity attributable to the Group	773,221	756,000	17,221
Non controlling interest	12,878	11,035	1,843
Total shareholders' equity	786,099	767,035	19,064
Total liabilities and shareholders' equity	1,454,547	1,474,986	(20,439)

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Press release

Sáfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000)	First nine months	
	2011	2010
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	72,495	(20,919)
B - Cash flow from (for) operating activities		
Net profit (loss) for the period (including minority interest)	28,592	(425)
Depreciation and amortization	27,599	30,101
Other non-monetary P&L items	(994)	172
Interest expenses, net	17,589	20,713
Income tax expenses	18,263	23,132
Income from operating activities prior to movements in working capital	91,049	73,693
(Increase) Decrease in trade receivables	25,917	26,784
(Increase) Decrease in inventory, net	8,150	10,955
Increase (Decrease) in trade payables	(39,131)	13,611
(Increase) Decrease in other current receivables	(3,797)	(7,354)
Increase (Decrease) in other current payables	(1,348)	5,037
Interest expenses paid	(14,467)	(21,365)
Income tax paid	(22,926)	(18,173)
Total (B)	43,447	83,188
C - Cash flow from (for) investing activities		
Purchase of property, plant and equipment (net of disposals)	(14,285)	(17,403)
Acquisition of subsidiary (net of cash acquired)	(6,749)	-
(Acquisition) Disposal of investments and bonds	213	-
Purchase of intangible assets	(2,282)	(1,325)
Total (C)	(23,103)	(18,728)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	51,426	516
Repayment of borrowings	(61,543)	(237,673)
Share capital increase net of paid fees	-	264,975
Dividends paid	(397)	(1,873)
Total (D)	(10,514)	25,945
E - Cash flow for the period (B+C+D)	9,830	90,405
Translation exchange difference	1,848	(624)
Total (F)	1,848	(624)
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	84,173	68,862

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Press release

The Safilo Group is worldwide leader in the premium eyewear sector and maintains a leadership position in the prescription, sunglasses, fashion and sports eyewear sectors. Present in the international market through exclusive distributors and 30 subsidiaries in primary markets (U.S.A., Europe and Far East). The main proprietary branded collections distributed are: Safilo, Carrera, Smith Optics, Oxydo, Blue Bay, and the licensed branded collections are: Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS Black, BOSS Orange, Dior, Emporio Armani, Fossil, Giorgio Armani, 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., Nine West, Pierre Cardin, Saks Fifth Avenue, Tommy Hilfiger, Valentino, Yves Saint Laurent.

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

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