THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES THE 2017 FINANCIAL RESULTS

- **Group Net Sales** at Euro 1,047.0 million compared to Euro 1,252.9 million in 2016, -194 million at constant exchange rates (-15.5%), of which -115 million (-12.3%) for the change of the Gucci license into a supply agreement and -39 million (-3.2%) for the performance of the Going Forward Brand Portfolio, affected by the implementation of the new Order-to-Cash IT system in the Padua DC;
- **Adjusted[3] EBITDA** at Euro 41.1 million compared to Euro 88.8 million in 2016;
- **Adjusted[3] Group net loss** of Euro 47.1 million compared to a net profit of Euro 15.4 million in 2016. Due to non-recurring items, the Group reported a net loss of Euro 251.6 million:
- **Group net debt** at Euro 131.6 million compared to Euro 48.4 million at the end of 2016.

Padua, March 13, 2018 - 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 2017[1] and examined the separate financial statements for the year ended 31 December 2017[1], which will be submitted for approval by the shareholders at the Annual General Meeting to be held in a single call on 24 April 2018. The Board of Directors has decided not to propose the payment of a dividend to the next Annual General Meeting.

As communicated on January 30, 2018, Safilo's total net sales reached Euro 1,047.0 million in 2017, contracting by Euro 194 million at constant currency compared to 2016. The reduction of sales was mainly driven by the change of the Gucci license into a supply agreement, representing a net decline of Euro 155 million (-12%), and by the implementation of the new Order-to-Cash IT system in the Padua DC early in the year. That event negatively affected deliveries and, while operationally recovered from mid-year, impacted order taking and thus reduced sales and profit up to and including the fourth quarter.
In the year, the sales of the Going Forward Brand Portfolio decreased by 3.9% at constant exchange rates, with Southern European countries being more affected by the above described Padua DC issues and by the decline experienced by the Dior collections after several years of extraordinarily strong growth. On the other hand, Own Core Brands and the total of all other licensed brands grew single digits, thanks in particular to the significant progress recorded by the Group in the emerging[2] markets.

At the operating level, 2017 adjusted[3] EBITDA stood at Euro 41.1 million, with the margin at 3.9% of sales (Euro 88.8 million and 7.1% of sales in 2016). This result mainly reflected the contraction recorded by the Group at the gross profit level, following the dilutive effect of the change of the Gucci license into a supply agreement and the sales decline of the Going Forward Brand Portfolio. The latter event affected capacity absorption of the Group's Italian plants and the operational leverage of the year. In 2017, in line with the announced overheads productivity program, the Group achieved cost savings of Euro 13 million, partially counterbalanced by approximately Euro 4 million of exceptional costs incurred in relation to the abovementioned Padua DC issues.

Safilo closed 2017 with an adjusted[3] Group net loss of Euro 47.1 million compared to the adjusted[3] net profit of Euro 15.4 million recorded in 2016.
2017 adjusted[3] net result does not include a non-cash impairment charge of Euro 192.0 million on goodwill allocated to its cash generating units (as already communicated on February 27, 2018), and non-recurring costs of Euro 12.5 million (Euro 15.2 million on EBITDA).

This press release may use '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 on 3rd November 2005.

Eugenio Razelli, Safilo Group Executive Chairman, commented:

"2017 was a complex year for Safilo, in which we faced the transformation of the Gucci license into a supply agreement and a difficult implementation of a new Order-to-Cash IT system in the Padua distribution center, this impacting our service levels and order intaking opportunities. These events significantly affected the Group economic and financial results.

On the positive side, emerging markets showed positive trends and our own core brands performed better.

We look towards 2018 as a brand new start for Safilo, with the announced appointment of Mr. Angelo Trocchia as new CEO to take the Company through a new phase of successful business execution and brand portfolio development. Mr. Trocchia will join Safilo, effective April 1, 2018."

Economic and financial highlights

FY 2017

Euro million	FY 2017	FY 2016	% change
Net sales	**1,047.0**	**1,252.9**	-16.4%
			-15.5% (*)
			-3.9% (**)
Gross profit	**519.6**	**715.6**	**-27.4%**
%	**49.6%**	**57.1%**	
EBITDA	25.9	80.9	-68.0%
%	2.5%	6.5%	
Adjusted [3] **EBITDA**	**41.1**	**88.8**	**-53.7%**
%	**3.9%**	**7.1%**	
Operating profit/(loss)	(208.2)	(116.3)	n.s.
%	-19.9%	(9.3%)	
Adjusted [3] **Operating profit/(loss)**	**(0.8)**	**43.5**	**n.s.**
%	**-0.1%**	**3.5%**	
Group net profit/(loss)	(251.6)	(142.1)	n.s.
%	-24.0%	(11.3%)	
Adjusted [3] **Group Net profit/(loss)**	**(47.1)**	**15.4**	**n.s.**
%	**-4.5%**	1.2%	
Group net debt	**131.6**	**48.4**	**n.s.**

(*) at constant exchange rates
(**) Sales performance at constant exchange rates of the Going Forward Brand Portfolio, excluding Gucci business

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Safilo's full year 2017 total net sales of Euro 1,047.0 million decreased 16.4% at current exchange rates and 15.5% at constant exchange rates compared to Euro 1,252.9 million in the full year 2016.
In the year, wholesales revenues equaled Euro 981.7 million, down 16.7% at current exchange rates and 15.8% at constant exchange rates compared to Euro 1,177.8 million in 2016. The net sales of the Going Forward Brand Portfolio decreased by 3.9% at constant exchange rates (-3.9% excl. retail).

The reduction of sales was mainly driven by the change of the Gucci license into a supply agreement, representing a net decline of Euro 155 million (-12%), and by the implementation of the new Order-to-Cash IT system in the Padua DC early in the year. That event negatively affected deliveries and, while operationally recovered from mid-year, impacted order taking and thus reduced sales and profit up to and including the fourth quarter.

Dior collections experienced a decline after several years of extraordinarily strong growth, while Own Core Brands and the total of all other licenses grew single digits.

2017 economic performance mainly reflected the contraction recorded by the Group at the gross profit level, following the dilutive effect of the change of the Gucci license into a supply agreement and the sales decline of the Going Forward Brand Portfolio, affecting both capacity absorption of the Group's Italian plants and the operational leverage of the year.

In 2017, in line with its overheads productivity program, the Group achieved cost savings of Euro 13 million, partially counterbalanced by approximately Euro 4 million of exceptional costs incurred in relation to the abovementioned Padua DC issues.

2017 Gross profit equaled Euro 519.6 million, down 27.4% compared to Euro 715.6 million in 2016, with the gross margin moving to 49.6% of sales from 57.1%.

2017 adjusted[3] EBITDA was Euro 41.1 million, down 53.7% compared to the adjusted[3] EBITDA of Euro 88.8 million recorded in 2016. The adjusted[3] EBITDA margin equaled 3.9% of net sales in 2017, compared to 7.1% in 2016.

2017 adjusted[3] EBIT equaled a loss of Euro 0.8 million compared to the adjusted[3] EBIT of Euro 43.5 million for 2016.

2017 total net financial charges increased to Euro 14.0 million from Euro 6.4 million in 2016 mainly due to the negative impact of net exchange rates differences, while net interest charges remained substantially stable.

2017 adjusted[3] Group net result equaled a loss of Euro 47.1 million compared to the adjusted[3] net profit of Euro 15.4 million recorded in 2016.

2017 adjusted[3] net result does not include a non-cash impairment loss of Euro 192.0 million on the goodwill allocated to the Group cash generating units and non-recurring costs of Euro 12.5 million (Euro 15.2 million on EBITDA).

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Q4 2017

Euro million	Q4 2017	Q4 2016	% change
Net sales	**249.2**	**313.9**	-20.6%
			-16.9% (*)
			-3.7% (**)
Gross profit	**112.0**	**151.7**	**-26.2%**
%	**44.9%**	**48.3%**	
EBITDA	(12.9)	9.9	n.s.
%	-5.2%	3.2%	
***Adjusted*[3] EBITDA**	**(2.1)**	**11.4**	**n.s.**
%	**-0.8%**	**3.6%**	

(*) at constant exchange rates
(**) Sales performance at constant exchange rates of the Going Forward Brand Portfolio, excluding Gucci business

Q4 2017 Safilo's total net sales equaled Euro 249.2 million, down 20.6% at current exchange rates and 16.9% at constant exchange rates compared to 2016.
In the period, wholesales revenues equaled Euro 233.8 million, down 21.1% at current exchange rates and 17.7% at constant exchange rates compared to Euro 296.4 million in Q4 2016. The change of the Gucci license into a supply agreement accounted for Euro 44 million of the total Euro 53 million decrease of sales at constant exchange rates, while the sales of the Going Forward Brand Portfolio declined by 3.7% at constant currency (-5.2% excl. retail).

Q4 2017 economic performance was mainly affected by the decline in sales of the Going Forward Brands, the consequent lower absorption of fixed costs and a negative sales mix.

Q4 2017 Gross profit totaled Euro 112.0 million, down 26.2% compared to Euro 151.7 million in the same quarter of 2016. In the fourth quarter, gross margin decreased to 44.9% of net sales from 48.3% in Q4 2016.

Q4 2017 adjusted[3] EBITDA equaled a loss of Euro 2.1 million compared to the positive adjusted[3] EBITDA of Euro 11.4 million recorded in the same period of 2016.

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Key Cash Flow data

Euro million	FY 2017	FY 2016
Cash flow from operating activities before changes in working capital	4.9	47.0
Changes in working capital	(36.0)	42.0
Cash flow from operating activities	(31.1)	89.1
Cash flow for investment activities	(39.0)	(44.3)
Free Cash Flow	**(70.1)**	**44.7**

In 2017, **Free Cash Flow** was negative for Euro 70.1 million compared to a positive Free Cash Flow of Euro 44.7 million in 2016, which included the second of three early termination compensation payments of Euro 30 million received in December 2016 from Kering.

The Cash Flow from operating activities, negative for Euro 31.1 million, reflected the negative economic performance of the year and a cash absorption from Working capital of Euro 36 million, which reflects in particular the decrease of other payables due to the accounting of the Kering compensation in the year. On the other hand, net working capital generated Euro 5.5 million.
Overall, the working capital incidence on net sales moved from 20.9% in 2016 to 22.1% in 2017.

In the year, Safilo invested Euro 39.0 million to continue modernizing its product supply and logistics network and to roll out EyeWay, its IT systems overhaul.

At the end of December 2017, Safilo's net debt stood at Euro 131.6 million compared to Euro 48.4 million at the end of December 2016. The financial leverage, the calculation of which was based on the reported 2017 EBITDA adjusted[4] for the non-recurring costs incurred in the year and for the extraordinary items ascribed to the implementation of the new Order-to-Cash IT system in the Padua DC, stood at 2.0x.

Markets

Net sales by geographical area							
(Euro million)	2017	%	2016	%	Change %	Change % (*)	Change % (**)
Europe	469.3	44.8	537.6	42.9	-12.7%	-12.2%	-8.9%
North America	422.3	40.3	509.5	40.7	-17.1%	-15.5%	-2.3%
of which Wholesale	357.0	34.1	434.4	34.7	-17.8%	-16.2%	-2.0%
Asia Pacific	64.3	6.1	114.7	9.2	-43.9%	-42.3%	-3.2%
Rest of the world	91.0	8.7	91.2	7.3	-0.2%	-1.3%	14.0%
Total	**1,047.0**	**100**	**1,252.9**	**100**	**-16.4%**	**-15.5%**	**-3.9%**

Net sales by geographical area							
(Euro million)	Q4 2017	%	Q4 2016	%	Change %	Change % (*)	Change % (**)
Europe	101.6	40.8	138.4	44.1	-26.6%	-26.3%	-17.8%
North America	97.0	38.9	123.2	39.3	-21.3%	-14.0%	-0.5%
of which Wholesale	81.6	32.7	105.7	33.7	-22.8%	-15.7%	-3.8%
Asia Pacific	18.7	7.5	24.5	7.8	-23.9%	-18.9%	12.6%
Rest of the world	31.9	12.8	27.7	8.8	15.3%	18.6%	29.6%
Total	**249.2**	**100**	**313.9**	**100**	**-20.6%**	**-16.9%**	**-3.7%**

(*) at constant exchange rates
(**) Sales performance at constant exchange rates of the Going Forward Brand Portfolio, excluding Gucci business

Europe
Full year 2017 net sales in Europe equaled Euro 469.3 million, down 12.7% at current exchange rates and 12.2% at constant exchange rates compared to Euro 537.6 million in 2016.
The sales of the Going Forward Brand Portfolio in Europe declined in the year by 8.9% at constant exchange rates, mainly due to the difficult implementation of the new Order-to-Cash IT system in the Padua DC, reducing sales up to and including the fourth quarter, and the decline experienced by the Dior collections after several years of strong growth.
In Q4 2017, net sales in Europe equaled Euro 101.6 million, down 26.6% at current exchange rates and 26.3% at constant exchange rates compared to Euro 138.4 million in the fourth quarter of 2016.
In the quarter, the sales of the Going Forward Brand Portfolio, down 17.8% at constant exchange rates, suffered in the South of Europe the tail-end of the abovementioned Padua DC issues with Fall/Winter collection sell-in restrained by the late deliveries of the Spring/Summer collection. On the other hand, the North of Europe and the Central Eastern countries had a very positive quarter, up double digits.

North America
Full year 2017 total net sales in North America totaled Euro 422.3 million, down 17.1% at current exchange rates and 15.5% at constant exchange rates compared to Euro 509.5 million in 2016. In the year, the wholesale revenues of the Going Forward Brand Portfolio decreased by 2.0% at constant exchange rates.
In Q4 2017, total net sales in North America were Euro 97.0 million, down 21.3% at current exchange rates and 14.0% at constant exchange rates compared to Euro 123.2 million in the fourth quarter of 2016.
In the quarter, the weak business environment in department stores and the transition of Marc Jacobs collections from two brands to one brand were the main causes behind the sales decline of the Going Forward Brand Portfolio in the wholesale business (-3.8% at constant exchange rates).

Sales of the 102 Solstice stores in the United States (116 stores at the end of December 2016) equaled Euro 15.4 million in Q4 and Euro 65.3 million in full year 2017, declining respectively 3.6% and 11.3% at constant exchange rates compared to the same periods of 2016. In Q4, the same store sales performance of Solstice showed a significant improvement, up 2.7% at constant exchange rates.

Asia Pacific
Full year 2017 total net sales in Asia Pacific were Euro 64.3 million, down 43.9% at current exchange rates and 42.3% at constant exchange rates, strongly impacted by the exit of the Gucci business, to which the region was over proportionately exposed. The sales of the Going Forward Brand Portfolio, down 3.2% at constant exchange rates in the year, showed an improvement in the second half of 2017, up 11.1% at constant exchange rates.
In Q4 2017, total net sales in Asia Pacific equaled Euro 18.7 million, down 23.9% at current exchange rates and 18.9% at constant exchange rates. In the period, the net sales of the Going Forward Brand Portfolio further accelerated, growing 12.6% at constant exchange rates.

Rest of the World
Full year 2017 total net sales in the Rest of the World reached Euro 91.0 million, substantially flat compared to 2016 (-0.2% at current exchange rates and -1.3% at constant exchange rates), and growing the region's share of Group total sales from 7.3% to 8.7%. In these markets, which include both IMEA and Latin America, the sales of the Going Forward Brand Portfolio grew 14% at constant exchange rates.
In Q4 2017, total net sales in the Rest of the World were Euro 31.9 million, up 15.3% at current exchange rates and 18.6% at constant exchange rates. In the quarter, sales of the Going Forward Brand Portfolio soared, up 29.6% at constant exchange rates.

Non-cash goodwill impairment

For the purpose of its financial statements and impairment test to be performed annually, the Company determined the recoverable value of each identified Cash Generating Unit.
This work, resulting in a non-cash impairment charge of Euro 192 million on goodwill, was also based on the lower than planned economic results achieved in the period 2015-2017 and the more challenging industry context in which Safilo will operate, factors for which the Company has preliminarily assumed moderate future sales growth and a recovery of profitability through a more marked revision of its costs infrastructure.

2018 Outlook

In 2018, the Group expects normal operating conditions to be progressively restored in Safilo's developed markets, while emerging markets should continue to grow ahead of Company average, supporting the overall brand portfolio development during the year. First quarter to date sales trends are confirming this expectation.
At constant exchange rates, the Group expects the sales of its Going Forward Brands Portfolio to return to growth in 2018 and to offset the exit of the Celine license.

In 2018, the Group plans to increase its adjusted EBITDA margin through the improvement of its gross margin, driven by better price/mix dynamics and further sourcing and logistics efficiencies, and the completion of the announced overhead productivity plan by the end of 2018.

In 2018, Safilo expects a solid level of capital expenditure, focusing investments into its core product supply chain and IT projects, while leveraging the assets created by the investments in the past 3 years and thus further decelerate the level of expenditure compared to those years.

Other resolutions by the Board of Directors

Approval of the first Sustainability Report

Together with the 2017 Annual Report, the Board of Directors of Safilo Group S.p.A. approved its first Sustainability Report (concerning 2017), in line with the application of the non-financial reporting obligation for listed companies under Legislative Decree 254/2016.

Amendments to the 2017-2020 Stock Option Plan

The Board of Directors, on the basis of the proposal of the Remuneration and Nomination Committee, has also resolved to propose to the next Shareholders' Meeting certain amendments to the 2017-2020 Stock Option Plan approved by the Shareholders' Meeting on April 26, 2017, and in particular the inclusion of a minimum exercise price of the Options and amendments to the conditions regarding the vesting of the Options granted under the Second Tranche.
The updated informative document relating to the Plan, integrated with the proposed amendments, will be published within the deadlines set forth by applicable law.
The abovementioned Shareholders' Meeting has been also convened in an Extraordinary session to approve an integration to the resolution of the capital increase, resolved upon by the Shareholders' Meeting held on April 26, 2017 to serve the above-mentioned Stock Option Plan in order to include the mentioned minimum issuance price. The related Illustrative Report will be made available to shareholders within the terms set forth by applicable law.

Share buy-back program

Lastly, the Board of Directors agreed to present to the Shareholders' meeting a new proposal for the purchase and disposal of treasury shares for up to 2,500,000 shares subject to revocation of the authorization granted by the Shareholders' meeting of April 26, 2017. The purchases shall be executed on regulated markets or on multilateral trading facilities, at a price not lower than 10% and not higher than 5% of the average of official prices of Safilo Group shares over the five trading days prior to the date of the purchase trade, and in any case not higher than 10,00 EUR per share.
The proposal aims to provide the Company with strategic investment opportunities in the framework of the purposes admitted by national and European laws in force, in particular, the purchase and disposal of treasury shares may be used:
(i) to create the so called "reserve of treasury shares", including the use of the purchased treasury shares; (ii) as a compensation in extraordinary transactions, including the exchange of shares, with other parties in the context of transactions in the interests of the Company, (iii) to perform the obligations to deliver the Company's shares arising from convertible bonds or bonds cum warrants; and (iv)to perform the obligations to deliver the Company's shares arising from programs of distributions, against payment or for free, of options or shares of the Company to directors, employees and collaborators of the Company or the relevant subsidiaries, as well as arising from programs for free allocation of shares to the shareholders.
Authorization to purchase shares will be requested for a period of 18 months, as from the shareholder resolution date; authorization to sell own shares will be requested for an unlimited period.
As of today, the Company has no treasury shares in portfolio.
All information concerning the terms and procedures of the authorization will be made available through the related Illustrative Report, to be made available to shareholders within the terms set forth by applicable law.

Notes:

[1] The consolidated and separate financial statements are currently being audited, a process that has yet to be completed.

[2] Emerging markets comprise the regions of India Middle East & Africa and Latin America (reported within Rest of the World), Central Eastern Europe (reported within Europe), and Greater China and APAC (reported within Asia Pacific).

[3] In 2017, the adjusted economic results exclude: (i) an impairment charge on the goodwill allocated to the Group's cash generating units for Euro 192.0 million and (ii) non-recurring costs for a total of Euro 15.3 million (Euro 15.2 and 12.5 million, respectively on EBITDA and Net result) related to the reorganization of the Ormoz plant in Slovenia, cost saving and restructuring initiatives, and to some legal litigations ; include: (i) an income of Euro43 million, annual portion of the total Euro 90 million accounting compensation for the early termination of the Gucci license.
In Q4 2017, the adjusted EBITDA excludes: (i) non-recurring costs for a total of Euro 10.9 million related to cost saving and restructuring initiatives and to some legal litigations; includes: (i) an income of Euro 10.8 million, pro-rata portion of the Euro 43 million, 2017 accounting compensation for the early termination of the Gucci license.

In 2016, the adjusted economic results excluded: (i) an impairment loss on the goodwill allocated to the Far East cash generating unit for Euro 150.0 million and (ii) non-recurring restructuring costs for a total of Euro 9.8 million (Euro 7.9 and 7.5 million, respectively on EBITDA and Net result) due for Euro 8.6 million to overhead cost saving initiatives, such as the integration of Vale of Leven (Scotland) Polaroid lens production into Safilo's China based corporate supply network and for Euro 1.2 million to commercial restructuring costs in the EMEA region; included: (i) an income of Euro 8 million related to part of the total Euro 90 million accounting compensation for the early termination of the Gucci license, and (ii) an expense of Euro 4 million related to the final acceleration to P&L of Gucci prepaid royalties.
In Q4 2016, the adjusted EBITDA excluded: (i) non-recurring restructuring costs for a total of Euro 1.5 million; included: (i) an income of Euro 8 million related to part of the total Euro 90 million accounting compensation for the early termination of the Gucci license, and (ii) an expense of Euro 4 million related to the final acceleration to P&L of Gucci prepaid royalties.

[4] For the purpose of the financial leverage calculation, 2017 adjusted EBITDA, besides the above mentioned Euro 15.2 million of non-recurring costs, excludes Euro 4 million of exceptional costs incurred in relation to the Padua DC Order-to-Cash IT system issues and includes the profit impact resulting from the lost revenues, estimated at Euro 45 million, in relation to the Padua DC Order-to-Cash IT system issues.

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The accounting treatment of the Euro 90 million compensation for the early termination of the Gucci license has been decided in coherence with the underlying obligations set forth in the Strategic Product Partnership Agreement ("SPPA") signed on January 12, 2015 with Kering Group. According to this, it was deemed appropriate by management to account for the majority of the compensation between 2017 and 2018, respectively in the measure of Euro 43 million in 2017 and Euro 39 million in 2018, following the contractual split of the volumes in the two years to which the agreed anticipated termination of the Gucci license (previously expiring at the end of December 2018) and key obligations under the SPPA agreement refer to.
It was considered appropriate to recognize the remaining part of the compensation, equal to Euro 8 million, in the profit and loss of 2016, given the start of the SPPA agreement in the second half of the year, with the shipment of the first significant bulk of volumes under the SPPA agreement in the fourth quarter of 2016.
The above compensation amounts are included in other operating income.

As a reminder, the total Euro 90 million compensation was agreed with the contract executed on January 12, 2015 with Kering Group that confirmed the early termination of the Gucci license agreement at the end of December 2016 and a Strategic Product Partnership Agreement (SPPA) for the development and manufacture of Gucci's Made in Italy eyewear products by Safilo. The first tranche of the compensation equal to Euro 30 million was received in January 2015, the second tranche equal to further Euro 30 million was received in December 2016, while the third tranche will be received in September 2018.

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. Gerd Graehsler, 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:

- Sales performance at constant exchange rates of the Going Forwards Brand Portfolio is calculated excluding Gucci business from both periods;
- 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, March 13, 2018, at 6.15pm CET (5.15pm BST; 1.15pm EDT) a conference call will be held with the financial community during which the results of FY 2017 will be discussed.
It is possible to follow the conference call by calling +39 02 36009838, +44 330 3369411 o +1 929 4770448 (for journalists +39 02 36026027) and entering the access code 1103581.
A recording of the conference call will be available until March 15, 2018 on +39 06 99749106, +44 207 6600134 o +1 719 4570820 (access code: 1103581).
The conference call can be followed also via live webcast at http://investors-en.safilogroup.com. The presentation is available and downloadable 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 http://investors-en.safilogroup.com and on the central storage of regulated information, where the Reports from the Directors to the Shareholders' Meeting on the proposals regarding the items on the agenda, will also be made available.

Sàfilo Group S.p.A.

Consolidated income statement

(Euro/000)	2017	2016	Change %
Net sales	1,046,955	1,252,931	-16.4%
Cost of sales	(527,406)	(537,303)	-1.8%
Gross profit	**519,550**	**715,627**	**-27.4%**
Selling and marketing expenses	(415,491)	(512,817)	-19.0%
General and administrative expenses	(153,386)	(167,759)	-8.6%
Other operating income (expenses)	33,152	(1,318)	n.s.
Impairment loss on goodwill	(192,000)	(150,000)	28.0%
Operating profit/(loss)	**(208,176)**	**(116,267)**	**79.0%**
Financial charges, net	(13,996)	(6,354)	n.s.
Profit/(Loss) before taxation	**(222,171)**	**(122,621)**	**81.2%**
Income taxes	(29,396)	(19,479)	50.9%
Net profit/(loss) of the period	**(251,567)**	**(142,101)**	**77.0%**
Non-controlling interests	-	-	
Net profit/(loss) attributable to owners of the Parent	**(251,567)**	**(142,101)**	**77.0%**
EBITDA	**25,900**	**80,942**	**(68.0%)**
Earnings per share - basic (Euro)	(4.015)	(2.269)	
Earnings per share - diluted (Euro)	(4.014)	(2.267)	
Adjusted economic indicators			
Adjusted Operating profit	**(837)**	**43,514**	**n.s.**
Adjusted EBITDA	**41,115**	**88,810**	**(53.7%)**
Adjusted net profit attributable to the Group	**(47,067)**	**15,374**	**n.s.**

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Sàfilo Group S.p.A.

Consolidated Balance sheet

(Euro/000)	December 31, 2017	December 31, 2016	Change
ASSETS			
Current assets			
Cash and cash equivalents	76,251	109,038	(32,787)
Trade receivables	178,745	237,407	(58,662)
Inventory	257,717	272,815	(15,098)
Derivative financial instruments	142	1,997	(1,855)
Other current assets	91,759	60,828	30,931
Total current assets	**604,614**	**682,085**	**(77,471)**
Non-current assets			
Tangible assets	188,302	197,606	(9,304)
Intangible assets	64,569	64,108	461
Goodwill	220,416	448,302	(227,886)
Deferred tax assets	69,104	96,785	(27,681)
Derivative financial instruments	-	-	-
Other non-current assets	12,222	36,700	(24,478)
Total non-current assets	**554,612**	**843,501**	**(288,889)**
Non-current assets held for sale	**1,260**	**1,475**	**(215)**
Total assets	**1,160,487**	**1,527,061**	**(366,575)**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	65,409	20,013	45,396
Trade payables	204,897	248,492	- 43,595
Tax payables	17,218	18,627	(1,409)
Derivative financial instruments	2,056	1,624	432
Other current liabilities	95,493	91,967	3,526
Provisions for risks and charges	35,415	27,640	7,775
Total current liabilities	**420,488**	**408,363**	**12,125**
Non-current liabilities			
Long-term borrowings	142,491	137,393	5,098
Employees benefits liability	28,399	31,395	(2,996)
Provisions for risks and charges	16,779	14,798	1,981
Deferred tax liabilities	13,283	16,241	(2,958)
Derivative financial instruments	0	484	(484)
Other non-current liabilities	5,842	45,583	(39,741)
Total non-current liabilities	**206,794**	**245,894**	**(39,100)**
Total liabilities	**627,282**	**654,257**	**(26,975)**
Shareholders' equity			
Share capital	313,300	313,300	0
Share premium reserve	484,862	484,862	0
Retained earnings and other reserves	(13,355)	216,743	(230,098)
Cash flow hedge reserve	(35)	-	(35)
Income/(Loss) attributable to the Group	(251,567)	(142,101)	(109,466)
Total shareholders' equity attributable to the Group	**533,205**	**872,804**	**(339,599)**
Non-controlling interests	**0**	**0**	**0**
Total shareholders' equity	**533,205**	**872,804**	**(339,599)**
Total liabilities and shareholders' equity	**1,160,487**	**1,527,061**	**(366,574)**

Sàfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000)	**2017**	**2016**
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	**99,025**	**47,618**
B - Cash flow from (for) operating activities		
Net profit for the period (including minority interests)	(251,567)	(142,101)
Depreciation and amortization	42,075	47,209
Impairment loss on goodwill	192,000	150,000
Other non-monetary P&L items	(2,259)	(4,427)
Interest expenses, net	7,491	7,005
Income tax expenses	29,396	19,479
Flow from operating activities prior to movements in working capital	**17,136**	**77,165**
(Increase) Decrease in trade receivables	43,678	11,393
(Increase) Decrease in inventory, net	(1,318)	(18,554)
Increase (Decrease) in trade payables	(36,911)	27,458
(Increase) Decrease in other receivables	(9,251)	(38,605)
Increase (Decrease) in other payables	(32,156)	60,346
Interest expenses paid	(2,106)	(2,104)
Income taxes paid	(10,147)	(28,034)
Total (B)	**(31,075)**	**89,065**
C - Cash flow from (for) investing activities		
Investments in property, plant and equipment	(26,778)	(40,868)
Net disposals of property, plant and equipment	1,182	10,476
Acquisition of minorities (in subsidiaries)	-	(2,500)
(Acquisition) Disposal of investments and bonds	-	-
Purchase of intangible assets, net of disposals	(13,417)	(11,442)
Total (C)	**(39,013)**	**(44,334)**
D - Cash flow from (for) financing activities		
Proceeds from borrowings	-	5,000
Repayment of borrowings	-	-
Share capital increase	-	166
Dividends paid	-	-
Total (D)	**-**	**5,166**
E - Cash flow for the period (B+C+D)	**(70,088)**	**49,897**
Translation exchange differences	(8,095)	1,510
Total (F)	**(8,095)**	**1,510**
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	**20,842**	**99,025**

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Sàfilo Group S.p.A.

Separate Income Statement

(Euro)	**2017**	**2016**
Net sales	886,202	412,000
Gross profit	**886,202**	**412,000**
General and administrative expenses	(5,121,862)	(3,543,093)
Other operating income (expenses)	5,449	(59,981)
Operating profit/(loss)	**(4,230,211)**	**(3,191,074)**
Write-down of investment in subsidiaries	(235,000,000)	-
Financial charges, net	(6,485,674)	(3,612,156)
Profit/(Loss) before taxation	**(245,715,885)**	**(6,803,230)**
Income taxes	(1,764,129)	998,111
Net profit/(loss) of the period	**(247,480,014)**	**(5,805,119)**

Sàfilo Group S.p.A.

Separate balance sheet

(Euro)	December 31, 2017	December 31, 2016	Change
ASSETS			
Current assets			
Cash and cash equivalents	175,305	334,104	(158,799)
Trade receivables	1,183,774	992,511	191,263
Other current assets	43,593,648	23,786,601	19,807,047
Total current assets	**44,952,727**	**25,113,216**	**19,839,511**
Non-current assets			
Investments in subsidiaries	669,317,389	903,256,718	(233,939,329)
Deferred tax assets	-	1,904,084	(1,904,084)
Other non-current assets	2,355,702	2,100,523	255,179
Total non-current assets	**671,673,091**	**907,261,325**	**(235,588,234)**
Total assets	**716,625,818**	**932,374,541**	**(215,748,723)**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables	1,884,551	1,036,740	847,811
Tax payables	369,358	181,234	188,124
Other current liabilities	35,229,553	8,251,675	26,977,878
Provision for risk and charges	-	1,144,018	(1,144,018)
Total current liabilities	**37,483,462**	**10,613,667**	**26,869,795**
Non-current liabilities			
Long-term borrowings	142,491,167	137,393,195	5,097,972
Employee benefit liability	112,794	49,763	63,031
Provision for risk and charges	-	-	-
Derivative financial instruments	152	484,473	(484,321)
Deferred tax liability	96,548	-	96,548
Other non-current liabilities	576,368	531,485	44,883
Total non-current liabilities	**143,277,029**	**138,458,916**	**4,818,113**
Total liabilities	**180,760,491**	**149,072,583**	**31,687,908**
Shareholders' equity			
Share capital	313,299,825	313,299,825	-
Share premium reserve	484,861,564	484,861,564	-
Retained earnings (losses) and other reserves	(14,816,048)	(9,054,312)	(5,761,736)
Net profit (loss) of the year	(247,480,014)	(5,805,119)	(241,674,895)
Total shareholders' equity	**535,865,327**	**783,301,958**	**(247,436,631)**
Total liabilities and shareholders' equity	**716,625,818**	**932,374,541**	**(215,748,723)**

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Sàfilo Group S.p.A.

Separate statement of cash flows

(Euro)	2017	2016
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	**334,104**	**113,499**
B - Cash flow from (for) operating activities		
Net profit/(loss) for the period	(247,480,014)	(5,805,119)
Depreciation and Amortization	-	-
Stock Options figurative cost	40,843	38,572
Net changes in employees benefits liability	67,162	(14,594)
Net changes in provision for risks	(1,144,018)	(675,013)
Other non monetary P&L items	234,515,679	(3,129,169)
Interest expenses, net	6,978,415	6,743,748
Income tax expenses	1,764,129	(998,111)
Income (loss) from (for) operating activities prior to movements in working capital	**(5,257,804)**	**(3,839,686)**
(Increase) Decrease in trade receivables	(243,763)	(231,723)
(Increase) Decrease in other receivables	(23,905,642)	(4,792,470)
Increase (Decrease) in trade payables	847,811	248,450
Increase (Decrease) in other payables	25,542,940	4,644,834
Interests expenses paid	(1,875,000)	(1,875,000)
Income taxes paid	-	-
Total (B)	**(4,891,458)**	**(5,845,595)**
C - Cash flow from (for) investing activities		
(Investments) disinvestments in subsidiaries	(1,067,341)	-
Total (C)	**(1,067,341)**	**-**
D - Cash flow from (for) financing activities		
Proceed from borrowings	-	-
Share capital increase	-	166,200
Dividends received	5,800,000	5,900,000
Total (D)	**5,800,000**	**6,066,200**
E - Cash flow for the period (B+C+D)	**(158,799)**	**220,605**
F - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E)	**175,305**	**334,104**

About Safilo Group
Safilo Group is the fully integrated Italian eyewear creator and worldwide distributor of quality and trust, leader in the premium sector for sunglasses, optical frames and sports eyewear. Design inspired and brand driven, Safilo translates extraordinary design into excellent products created thanks to superior craftsmanship expertise dating back to 1878. With an extensive wholly owned global distribution network in 40 countries – in North and Latin America, Europe, Middle East and Africa, and Asia Pacific and China – Safilo is committed to quality distribution of its products all around the world. Safilo's portfolio encompasses Carrera, Polaroid, Smith, Safilo, Oxydo, Dior, Dior Homme, Fendi, Banana Republic, Bobbi Brown, BOSS, BOSS Orange, Elie Saab, Fossil, Givenchy, havaianas, Jack Spade, Jimmy Choo, Juicy Couture, kate spade new york, Liz Claiborne, Love Moschino, Marc Jacobs, Max Mara, Max&Co., Moschino, Pierre Cardin, rag&bone, Saks Fifth Avenue, Swatch, and Tommy Hilfiger.

Listed on the Italian Stock Exchange (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI), in 2017 Safilo recorded net revenues for Euro 1,047 million.

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