



THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES THE FINAL TERMS AND CONDITIONS OF THE SHARE CAPITAL INCREASE UP TO A MAXIMUM OF EURO 150 MILLION

The terms and conditions of the Share Capital Increase and the timetable of the offer of ordinary shares have been approved, subject to regulatory approvals, as required by applicable laws

Padova, 27 November 2018 – The Board of Directors of Safilo Group S.p.A. (the “Safilo” or the “Company”) has today approved the terms and conditions and the timetable of the pre-emptive capital increase up to a maximum amount of Euro 150 million, in execution of the resolution of the Extraordinary Shareholders’ meeting held on 29 October 2018 (the “Share Capital Increase”).

In particular, for the execution of the Share Capital Increase, the Board of Directors resolved to issue a maximum of 213,043,881 ordinary shares, with no par value and regular entitlement (the “New Shares”) to be offered to the shareholders on a pre-emptive basis, in the ratio of No. 17 New Shares for every No. 5 share held, for a subscription price equal to Euro 0.704 per each New Share, for an aggregate amount up to Euro 149,982,892.22 of which up to Euro 36,643,547.53 as share capital and up to Euro 113,339,344.69 as share premium (the “Offer”).

The subscription price of the New Shares has been determined by the Board of Directors in accordance with the criteria established by the Extraordinary Shareholders’ meeting held on 29 October 2018, reflecting a discount of approximately 21.3% on the theoretical ex-rights price - TERP - of Safilo ordinary shares, calculated in accordance with the current methods on the closing price registered by Borsa Italiana on 27 November 2018, equal to Euro 1.542.

The timetable of the Offer provides that the option rights for the subscription of New Shares (the “Rights”) may be exercised, on penalty of expiration without compensation, from 3 December 2018 until 17 December 2018 (included) (the “Subscription Period”); and the Rights may be traded on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. (“MTA”) from 3 December 2018 until 11 December 2018 (included).

Option rights not exercised by the end of the Subscription Period will be offered by the Company on the MTA in accordance with Article 2441, paragraph 3, of the Italian Civil Code, within the month following the end of the Subscription Period (the “Rights Auction”). The dates of the Rights Auction will be announced by means of a special notice.

The New Shares resulting from the Share Capital Increase will have the same characteristics and the same rights, as the outstanding ordinary Safilo shares, the regular entitlement and will be traded on the MTA.

The beginning of the Offer, as well as the final terms and conditions of the issuance of the New Shares and the timetable above-mentioned, are subject to the approval by CONSOB of the prospectus relating to the Offer and the admission to trading of the New Shares on the MTA (the “Prospectus”). The Prospectus will be made available in accordance with applicable law at the registered office of Safilo as well as on the website of Safilo (www.safilogroup.com).

The publication of the Prospectus will be disclosed to the public according to regulatory terms and conditions by means of a notice.

As announced on 26 September 2018, the “Equity Linked” bond (ISIN XS1069899232) for a total nominal amount of 150,000,000.00 Euro, expiring on 22 May 2019, the Company will make the adjustment of the conversion price, given the extraordinary capital transaction, pursuant to Article 6 of the “Terms and Conditions” of the bond.

It should be also recalled that Multibrands Italy BV (“Multibrands”), a subsidiary of HAL Holding NV (“HAL”), has made an irrevocable and conditional commitment to subscribe the new shares underlying the option rights relating to its existing holding (approximately 41.6%), for an amount of approximately Euro 62.4 million, as well as the commitment to subscribe all the Safilo shares that may be unsubscribed at the end of the Rights Auction (the “Subscription Agreement”). In this regard, as provided by the Subscription Agreement, Multibrands will confirm within two calendar

days from the publication of this notice, the occurrence of the condition relating to the offer price. For further information on the Subscription Agreement (as well as regarding the details of the conditions precedent and the termination events) please refer to the press release published on 26 September 2018.

It should be also noted that (i) BDL Capital Management, as manager of the UCITS funds BDL Rempart Europe and BDL Convictions, irrevocably and unconditionally undertook to exercise in full the option rights to which they shall be entitled in relation to the shares owned by the above-mentioned funds, in the context of the Share Capital Increase (equal to approximately 9.5%) for an amount of approximately Euro 14.2 million; and (ii) Mr. Angelo Trocchia and Mr. Gerd Graehsler, respectively the Chief Executive Officer and Chief Financial Officer of the Company, have separately made an irrevocable and unconditional commitment to exercise in full the option rights to which they are entitled (equal in aggregate to approximately 0.10%), for a total amount of approximately Euro 150 thousand.

Finally, the Share Capital Increase is not assisted by guarantee and/or placement syndicates.

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Important Regulatory Notice

This communication and the information contained herein does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase or subscribe for securities, in the United States, Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would require the approval of local authorities or otherwise be unlawful (the “Other Countries”).

Neither this press release nor any part of it nor the fact of its distribution may form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto. The securities referred to herein have not been registered and will not be registered in the United States under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or pursuant to the corresponding regulations in force in the Other Countries. The securities may not be offered or sold in the United States absent registration under the Securities Act, or an available exemption from the registration requirements of the Securities Act. Safilo Group S.p.A. (the “Company”) does not intend to register any portion of the Offer in the United States.

This document is a press release and is not a prospectus for the purposes of the Prospectus Directive. This communication has been prepared on the basis that any offer of securities in any Member State of the European Economic Area (“EEA”) which has implemented the Prospectus Directive (each, a “Relevant Member State”), will be made on the basis of a prospectus approved by the competent authority and published in accordance with the Prospectus Directive (the “Permitted Public Offer”) and/or pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of securities.

Accordingly, any person making or intending to make any offer of securities in a Relevant Member State other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

The expression “Prospectus Directive” means Directive 2003/71/EC (this Directive and amendments thereto, including Directive 2010/73/EC, to the extent implemented in the Relevant Member State), together with any implementing measures in any member state. Investors should not subscribe for any securities referred to in this document except on the basis of information contained in any prospectus.

Any public offering will be conducted exclusively in Italy pursuant to a prospectus that will be authorized by CONSOB and published in accordance with applicable regulations.

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About Safilo Group

Safilo Group is a worldwide leader in the design, manufacturing and distribution of sunglasses, optical frames, sports eyewear and products. Thanks to strong craftsmanship expertise dating back to 1878, Safilo translates its design projects into high-quality products created according to the Italian tradition. With an extensive wholly owned network of subsidiaries in 40 countries – in North and Latin America, Europe, Middle East and Africa, and Asia Pacific and China – and more than 50 distribution partners in key markets, Safilo is committed to quality distribution of its products in nearly 100.000 selected sales stores all over the world. Safilo's portfolio encompasses: own core brands Carrera, Polaroid, Smith, Safilo, Oxydo, and licensed brands: Dior, Dior Homme, Fendi, Banana Republic, Bobbi Brown, BOSS, Elie Saab, Fossil, Givenchy, havaianas, HUGO, 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 of Euro 1,047 million.

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