Press release

THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES THE FINANCIAL RESULTS FOR 2011

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

Net Sales	***· 1,101.9 in FY 2011: +6.0% at constant perimeter[1] and exchange rates***
EBITDA	***· 122.6 in FY 2011 (11.1% margin): +13.7%***
EBIT	***· 86.2 in FY 2011 (7.8% margin): +27.1%***
Net Profit	***· 27.9 in FY 2011 (2.5% margin) compared to 0.7 in FY 2010***
Net Debt	***· 238.3 at the end of December 2011 from 239.4 at the end of September 2011 and 256.2 at the end of December 2010*** ***· Net debt / EBITDA at 1.9x***

Padua, March 8, 2012, h.5.45pm – The Board of Directors of Safilo Group S.p.A. today approved the consolidated financial statements for 2011[2]. The Board of Directors also reviewed the financial statements at December 31, 2011[2], which will be submitted for approval to the Shareholders' Meeting called for April 27, 2012 in first call or for May 04, 2012 in second call.

In the fourth quarter of 2011, financial results remained healthy for Safilo, with trends substantially in line with the third quarter of the year. Top line growth was again driven by the strong performance of the Group's licensed brand and own brand portfolio in the main fast-growing markets in Asia and Latin America as well as by the resilience of the US market.
In the quarter, the net result was positive and benefited from the good performance of the operating result.

Results in full year 2011 proved to be very solid for Safilo, underlining year-on-year improvements at all economic and financial levels. The Group's 2011 revenues increased by 6.0% at constant perimeter[1] and exchange rates, EBITDA and EBIT improved double-digit, driving the net result to a profit of Euro 27.9 million.

The Group finished the year with a strong balance sheet, with the financial leverage of net debt to EBITDA at 1.9x.

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

"I would describe 2011 as a year of achievements and important changes for Safilo Group.

In 2011, we built up from the foundations laid down in 2010, recording meaningful economic and financial improvements.

Our results were positive throughout the entire year, with Asia and America remaining on track as growth engines while Europe was more challenging due to the economic and political turmoil which impacted the region starting from the second half of 2011.

In the year, the sales of our top licensed brands, Gucci and Dior, achieved important results in emerging markets and in mature countries, proving the brand success and strength of the product and distribution policies of the Group.

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.

We were also very satisfied with the results recorded by the licenses of the Hugo Boss Group and Marc Jacobs as much as with the strong international expansion of Tommy Hilfiger.

During the year, we focused our efforts in line with the goal to become the leading pure wholesale player in the global eyewear industry and we worked out our strategies and actions towards this ambitious goal.

We enhanced our organizational and managerial structures to ensure a fast and efficient execution of our plans in all key business areas.

We implemented the rationalization strategy of our portfolio of licensed brands, focusing resources and know-how only on those brands which are relevant in the eyewear sector or have important growth opportunities going forward.
With the clear objective of achieving greater profitability through efficiency programs, we did not renew a number of small brands.

On the opposite side, we continued to scout for better opportunities, signing a new multi-year licensing agreement for the production and worldwide distribution of Céline eyewear, a prestigious brand in the high-end segment which is enjoying a worldwide strong brand recognition.

We worked hard at executing our strategy of building an important portfolio of Safilo own brands, with the goal to increase our market share through global brands which also cover diffusion, specialist and value for money segments.

We kept pushing on the expansion of our brand Carrera, which in 2011 reached above expectation results in the US and Latin American markets.

The announced acquisition of the Polaroid Eyewear business, in November 2011, represented a seal to our strategy on Safilo own brands. Polaroid is a high potential iconic brand that embodies the technological spirit of the inventor of the polarized sunglasses.
After its completion, expected by the end of the first quarter of 2012, we will have a strong brand to work with in many new markets and in a business segment where our presence is today not significant, thus enlarging the total reach of our Safilo's Brands Division."

Key Economic data

(in millions of euro)	FY 2011	FY 2010	% change	% change*	Q4 2011	Q4 2010	% change	% change*
Net sales	1,101.9	1,079.9	+2.0%	+6.0%	268.4	261.8	+2.5%	+3.8%
Gross profit	652.3	629.9	+3.6%		154.7	147.2	+5.1%	
%	59.2%	58.3%			57.6%	56.2%		
EBITDA	122.6	107.8	+13.7%		25.0	25.4	-1.5%	
%	11.1%	10.0%			9.3%	9.7%		
Operating profit	86.2	67.8	+27.1%		16.2	15.4	+4.7%	
%	7.8%	6.3%			6.0%	5.9%		
Group net profit	27.9	0.7	n.s.		1.3	4.4	n.s.	
%	2.5%	0.1%			0.5%	1.7%		

* at constant perimeter and exchange rates

In the fourth quarter of 2011, **net sales** equaled Euro 268.4 million, up 2.5% compared to the same period of 2010. The performance was influenced by the revaluation of the USD against the Euro occurred during the last quarter of 2011 and by the sale of the retail chain in Mexico which took place at the end of 2010.
At constant perimeter[1] and exchange rates, the Group's sales rose by 3.8%.

For full year 2011, net sales totaled Euro 1,101.9 million, reporting a year-on-year increase of 2.0% or 6.0% at constant perimeter[1] and exchange rates.

In the last quarter of the year, the wholesale business reported revenues of Euro 250.9 million, up 3.3% at constant exchange rates compared to Euro 241.8 million in the fourth quarter of 2010 (+3.8% at current exchange rates).
Full year 2011 wholesale revenues reached Euro 1,029.3 million, up 5.5% at constant exchange rates compared to Euro 992.9 million in full year 2010 (+3.7% at current exchange rates).

Sales of the retail business, at the end of December 2011 in 151 Solstice stores in the US, accounted for Euro 17.5 million in the fourth quarter and Euro 72.6 million in full year 2011, declining respectively by 12.3% and 16.6% due to the different perimeter[1].
The *like for like* performance of Solstice stores remained indeed positive, up 7.5% and 7.2% respectively in the fourth quarter and full year 2011, thanks to the Group's strategy to rationalize the network maintaining only the most efficient and profitable locations.

From a geographical standpoint, in the fourth quarter of 2011, revenues in the American market were Euro 110.9 million compared to Euro 109.3 million in the same period of 2010, highlighting a resilient mid-single digit growth rate of 5.2% at constant perimeter[1] and exchange rates.
The Group's performance in the region reflected the ongoing expansion of the business in the Latin-American markets, the confirmed leadership in the main independent opticians channel in North America and the good holiday season for the Solstice stores.
The house brand Carrera posted another excellent quarter of growth in the region, becoming Safilo's second most relevant brand.
American sales in full year 2011 confirmed their positive momentum, reaching Euro 454.5 million, up 7.7% at constant perimeter[1] and exchange rates (-1.3% at current exchange rates compared to Euro 460.5 million in full year 2010).

Revenue growth in the Asian markets further accelerated in the fourth quarter of 2011, surging to Euro 50.2 million compared to Euro 40.7 million in the same period of 2010 (+21.6% at constant exchange rates, +23.4% at current exchange rates). Momentum was broad-based across all Safilo's most important licensed, house brands and product categories.
In the fourth quarter of 2011, the main countries of the region, China, South Korea, Hong Kong and the travel retail business remained Safilo's principal growth engines and the main contributors to the Group's full year 2011 performance.
Asian revenues totaled Euro 185.3 million in 2011, delivering a growth of 17.0% at constant currencies (+14.7% at current exchange rates) compared to Euro 161.6 million in full year 2010.
The weight of the area on the total business increased to 16.8% in full year 2011 from 15.0% in 2010, with China, including Hong Kong, already representing the fourth most important market for Safilo.

The European business continued to be challenging also in the last quarter of the year, with revenues which contracted by 4.0% in the period to Euro 101.9 million compared to Euro 106.2 million in the same period of 2010. The main areas of weakness were still represented by the Southern European countries, mitigated by the satisfactory performance of France, Germany and UK.
Safilo's products advanced within key accounts, an area of business where Safilo Group is strengthening its activities and organization.
2011 was important for Safilo also in terms of its further progression in the Russian market where the Group's collections are meeting with increasing success.
In full year 2011, sales in Europe equaled Euro 445.1 million, increasing by 1.1% compared to Euro 440.4 million in full year 2010 (+0.8% at constant exchange rates).

Gross profit amounted to Euro 154.7 million in the fourth quarter of 2011, up 5.1% compared to Euro 147.2 million in the same period of 2010. The margin equaled in the period 57.6% of sales, registering an improvement of 140 basis points compared to the margin of 56.2% recorded in the fourth quarter of 2010.
In full year 2011, gross profit reached Euro 652.3 million, increasing by 3.6% over full year 2010, with the margin standing at 59.2% of sales compared to 58.3% in 2010.

This improvement is also the result of the more efficient commercial policies adopted by the Group as well as of the better management of the different distribution channels.

Operating profit (EBIT) was equal to Euro 16.2 million in the fourth quarter of 2011, up 4.7% compared to Euro 15.4 million registered in the fourth quarter of 2010. Operating profitability equaled 6.0% of sales, in line with the same quarter of 2010.
In full year 2011, the operating profit (EBIT) totaled Euro 86.2 million, growing by 27.1% compared to Euro 67.8 million registered in full year 2010. The operating profitability increased to 7.8% of sales compared to 6.3% in full year 2010.
During the year, Safilo continued to invest in its core wholesale business by means of important projects, all aimed at enhancing and strengthening its key, strategic business areas. SG&A expenses, whose incidence on sales remained, in the quarter, in line with the Group's nine-month average, were also influenced by the activities undertaken to accomplish the acquisition of the Polaroid Eyewear business.

EBITDA reached Euro 25.0 million in the fourth quarter of 2011, with a margin on sales equal to 9.3%, slightly below the same quarter of 2010 (Euro 25.4 million, 9.7% of sale).
EBITDA was up 13.7% in full year 2011, totaling Euro 122.6 million compared to Euro 107.8 million in full year 2010. Profitability improved by 110 basis points in the year, standing at 11.1% of sales compared to 10.0% in 2010.

In the fourth quarter of 2011, Safilo reported a positive **net result** of Euro 1.3 million compared to the Group's net profit of Euro 4.4 million in the same quarter of 2010. Below the operating line, as occurred during the third quarter, the result of the period was influenced by the negative impact of exchange rate differences related to balance sheet items, following the further devaluation of the Euro spot rate against the USD at the end of December.
In full year 2011, the Group's net profit reached Euro 27.9 million compared to Euro 0.7 million profit recorded in full year 2010.

Key Cash Flow data

(in millions of euro)	FY 2011	FY 2010	Q4 2011	Q4 2010
Cash flow from operating activities before changes in working capital	56.2	39.1	2.6	4.9
Changes in working capital	(0.3)	58.5	9.9	9.5
Cash flow from (for) operating activities	55.9	97.6	12.5	14.4
Cash flow from (for) investment activities	(31.2)	(23.3)	(8.1)	(4.6)
Free Cash Flow	24.7	74.3	4.4	9.8

Free Cash Flow was positive for Euro 24.7 million at the end of full year 2011, compared to the cash generation of Euro 74.3 million in 2010. In the fourth quarter of 2011, the free cash flow remained positive for Euro 4.4 million compared to the cash generation of Euro 9.8 million in the fourth quarter of 2010.
In full year 2011, total investments reached Euro 31.2 million mainly dedicated to the maintenance capex related to the production facilities in Italy and abroad.

Net debt at the end of December 2011 amounted to Euro 238.3 million, in line with Euro 239.4 million registered at the end of September 2011 and lower than Euro 256.2 million at the end of December 2010. The financial leverage (Net debt / EBITDA) was thus equal to 1.9x.
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The year 2012 should see an overall positive business environment in the eyewear industry despite the continuous weakness of some important European markets, thanks to the predicted trends in North America and especially in main emerging countries where Safilo's competitive position is very strong after the extraordinary results achieved in 2011.
Within this context, Safilo expects revenues and profitability to be influenced by the phase-out of the Armani Group licenses, on which the Group will have more limited business opportunities in consideration of the already announced termination that will occur at the end of December 2012.
It is however foreseen that the development projects undertaken on all strategic licensed and in particular Safilo's brands will partially counterbalance the negative impacts of the phase-out process.

Safilo informs that the completion of the acquisition of the Polaroid Eyewear business is expected to occur by the end of the first quarter of 2012.
As indicated in the press release dated December 21, 2011, the capital increase, against payment, reserved for subscription to its main shareholder, Multibrands Italy B.V., controlled by HAL Holding N.V., will occur in the week following such event.
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In consideration of the already announced termination of the license agreement with the Armani Group, expiring at the end of December 2012, and the acquisition of the Polaroid Eyewear business, the Board of Directors deemed it appropriate not to propose to the Shareholders' Meeting the distribution of any dividend.
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Other information
As required by Article 84-bis of the Regulations for Issuers, approved with Consob Resolution no. 11971 on May 14, 1999 and subsequent amendments, notice is hereby given that, with reference to the Stock Option Plan 2010 – 2013, the Board of Directors today awarded the Options of the Third Tranche, after having identified, on the basis of the proposal of the Remuneration Committee, the eligible beneficiaries. All information are indicated in the table in Appendix B.
The features of the instruments awarded are the same as those described in the press release issued on October 4, 2010 and in the documents related to the Plan, available on the web site of the company http://www.safilo.com/en/investors.html.

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[1] Excluding the sold retail chain in Mexico, which had recorded sales of Euro 4.6 million in the fourth quarter of 2010 and Euro 20.3 million in the full year 2010.
[2] The consolidated Financial Statements and Financial Statements are currently subject to audit activities as yet not concluded.

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 fourth quarter and full year 2011 will be discussed.
It is possible to participate to the call by dialing the following number: +39 02 69633532 or +44 207 1366283 (for journalists: +39 02 36269650) and quoting the following confirmation code: 3436144.
The playback of the conference call will be available from March 8 to March 10, 2012 by dialing the number +39 02 30413127 o +44 207 1111244 (access code: 3436144#). 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.

Notice of the call of the Ordinary Shareholders'Meeting

In the coming days, the notice of the call of the Ordinary Shareholders' Meeting will be available on the website www.safilo.com/en/investors.html, where the Report from the Directors to the Shareholders' Meeting on the proposals regarding the items on the agenda, will also be made available.

Appendix A

Sàfilo Group S.p.A.

Consolidated income statement

	Year		
(Euro/000)	**2011**	**2010**	**Change %**
Net sales	1,101,882	1,079,937	2.0%
Cost of sales	(449,596)	(450,026)	-0.1%
Gross profit	**652,286**	**629,911**	**3.6%**
Selling and marketing expenses	(434,103)	(428,297)	1.4%
General and administrative expenses	(132,469)	(135,987)	-2.6%
Other operating income (expenses), net	473	2,178	-78.3%
Operating profit	**86,187**	**67,805**	**27.1%**
Share of income/(loss) of associates	(964)	500	n.s.
Interest expenses and other financial charges, net	(34,039)	(39,555)	-13.9%
Profit before taxation	**51,184**	**28,750**	**78.0%**
Income taxes	(20,118)	(24,186)	-16.8%
Net profit	**31,066**	**4,564**	**n.s.**
Non controlling interests	3,204	3,833	-16.4%
Net profit attributable to the Group	**27,862**	**731**	**n.s.**
EBITDA	**122,614**	**107,844**	**13.7%**
Basic EPS (Euro)	0.490	0.015	
Diluted EPS (Euro)	0.489	0.015	

Sàfilo Group S.p.A.

Consolidated Balance sheet

(Euro/000)	**December 31, 2011**	**December 31, 2010**	**Change**
ASSETS			
Current assets			
Cash in hand and at bank	90,368	88,267	2,101
Trade receivables, net	272,153	271,317	836
Inventories	219,735	220,443	(708)
Derivative financial instruments	2	-	2
Other current assets	58,736	60,471	(1,735)
Total current assets	**640,994**	**640,498**	**496**
Non-current assets			
Tangible assets	208,274	203,680	4,594
Intangible assets	11,713	13,731	(2,018)
Goodwill	564,560	550,013	14,547
Investments in associates	11,871	13,202	(1,331)
Available-for-sale financial assets	194	540	(346)
Deferred tax assets	61,143	50,705	10,438
Derivative financial instruments	-	177	(177)
Other non-current assets	2,272	2,440	(168)
Total non-current assets	**860,027**	**834,488**	**25,539**
Total assets	**1,501,021**	**1,474,986**	**26,035**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	132,895	56,643	76,252
Trade payables	200,024	204,189	(4,165)
Tax payables	17,043	17,795	(752)
Derivative financial instruments	127	1,827	(1,700)
Other current liabilities	70,993	72,298	(1,305)
Provisions for risks and charges	6,599	6,679	(80)
Total current liabilities	**427,681**	**359,431**	**68,250**
Non-current liabilities			
Long-term borrowings	195,741	287,794	(92,053)
Employee benefit liability	32,584	32,096	488
Provisions for risks and charges	18,693	19,392	(699)
Deferred tax liabilities	4,551	1,708	2,843
Derivative financial instruments	1,245	265	980
Other non-current liabilities	4,784	7,265	(2,481)
Total non-current liabilities	**257,598**	**348,520**	**(90,922)**
Total liabilities	**685,279**	**707,951**	**(22,672)**
Shareholders' equity			
Share capital	284,110	284,110	-
Share premium reserve	461,491	461,491	-
Retained earnings and other reserves	32,080	9,689	22,391
Fair value and cash flow reserves	(1,341)	(21)	(1,320)
Income attributable to the Group	27,862	731	27,131
Total shareholders' equity attributable to the Group	**804,202**	**756,000**	**48,202**
Non controlling interests	**11,540**	**11,035**	**505**
Total shareholders' equity	**815,742**	**767,035**	**48,707**
Total liabilities and shareholders' equity	**1,501,021**	**1,474,986**	**26,035**

Sàfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000)	Year 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 for the period (including minority interests)	31,066	4,564
Depreciation and amortization	36,428	40,040
Other non-monetary P&L items	(396)	5,182
Interest expenses, net	22,973	26,965
Income tax expenses	20,118	24,185
Income from operating activities prior to movements in working capital	**110,189**	**100,936**
(Increase) Decrease in trade receivables	1,686	8,656
(Increase) Decrease in inventory, net	3,946	(8,375)
Increase (Decrease) in trade payables	(7,227)	52,861
(Increase) Decrease in other current receivables	6,011	5,462
Increase (Decrease) in other current payables	(4,716)	(94)
Interest expenses paid	(22,449)	(29,058)
Income tax paid	(31,526)	(32,796)
Total (B)	**55,914**	**97,593**
C - Cash flow from (for) investing activities		
Purchase of property, plant and equipment (net of disposals)	(21,075)	(26,734)
Acquisition of subsidiary (net of cash acquired)	(6,749)	-
Disposal of retail subsidiaries (net of cash disposed of)	-	5,853
(Acquisition) Disposal of investments and bonds	212	-
Purchase of intangible assets	(3,580)	(2,430)
Total (C)	**(31,192)**	**(23,311)**
D - Cash flow from (for) financing activities		
Proceeds from borrowings	60,144	605
Repayment of borrowings	(86,472)	(242,752)
Share capital increase net of paid fees	-	260,576
Dividends paid	(912)	(2,148)
Total (D)	**(27,240)**	**16,281**
E - Cash flow for the period (B+C+D)	**(2,518)**	**90,563**
Translation exchange difference	6,551	2,851
Total (F)	**6,551**	**2,851**
G - Closing net cash and cash equivalents (A+E+F)	**76,528**	**72,495**

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Sàfilo Group S.p.A.

Consolidated net sales

Net sales by geographical area *(Euro in millions)*	**Year** 2011	**%**	**2010**	**%**	**Change %**	**Change % (*)**
Europe	445.1	40.4	440.4	40.8	+1.1	+0.8
Americas	454.5	41.2	460.5	42.6	-1.3	+7.7
Asia	185.3	16.8	161.6	15.0	+14.7	+17.0
Rest of the world	17.0	1.5	17.4	1.6	-2.4	-3.1
Total	**1,101.9**	**100.0**	**1,079.9**	**100.0**	**+2.0**	**+6.0**

Net sales by product *(Euro in millions)*	**Year** 2011	**%**	**2010**	**%**	**Change %**	**Change % (*)**
Prescription frames	412.0	37.4	410.9	38.0	+0.3	+2.2
Sunglasses	608.1	55.2	586.2	54.3	+3.7	+9.4
Sport products	73.2	6.6	70.3	6.5	+4.1	+8.3
Other	8.6	0.8	12.5	1.2	-31.2	-30.8
Total	**1,101.9**	**100.0**	**1,079.9**	**100.0**	**+2.0**	**+6.0**

(*) At constant perimeter and exchange rates

Sàfilo Group S.p.A.

Income statement

(Euro)	Year 2011	2010	Change %
Net sales	980,000	1,030,000	-4.9%
Cost of sales	-	-	-
Gross profit	**980,000**	**1,030,000**	**-4.9%**
Selling and marketing expenses	-	-	-
General and administrative expenses	(6,253,844)	(5,054,826)	23.7%
Other operating income (expenses), net	(2,265,117)	16,202	n.s.
Operating profit/(loss)	**(7,538,961)**	**(4,008,624)**	**88.1%**
Financial charges, net	(4,352)	61,393	n.s.
Profit/(loss) before taxation	**(7,543,313)**	**(3,947,231)**	**91.1%**
Income taxes	2,576,000	(578,417)	n.s.
Net profit/(loss) for the year	**(4,967,313)**	**(4,525,648)**	**9.8%**

Sàfilo Group S.p.A.

Balance sheet

(Euro)	December 31, 2011	December 31, 2010	Change
ASSETS			
Current assets			
Cash in hand and at bank	142,490	935,831	(793,341)
Trade receivables, net	1,425,800	2,776,113	(1,350,313)
Other current assets	37,963,225	54,930,900	(16,967,675)
Total current assets	**39,531,515**	**58,642,844**	**(19,111,329)**
Non-current assets			
Intangible assets	-	34,000	(34,000)
Investments in subsidiaries	703,565,765	702,660,209	905,556
Deferred tax assets	3,730,000	-	3,730,000
Total non-current assets	**707,295,765**	**702,694,209**	**4,601,556**
Total assets	**746,827,280**	**761,337,053**	**(14,509,773)**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	450	-	450
Trade payables	908,974	2,376,547	(1,467,573)
Tax payables	474,959	160,030	314,929
Other current liabilities	1,764,696	4,549,805	(2,785,109)
Total current liabilities	**3,149,079**	**7,086,382**	**(3,937,303)**
Non-current liabilities			
Employees benefits liability	112,605	93,536	19,069
Other non-current liabilities	1,530,606	8,465,615	(6,935,009)
Total non-current liabilities	**1,643,211**	**8,559,151**	**(6,915,940)**
Total liabilities	**4,792,290**	**15,645,533**	**(10,853,243)**
Shareholders' equity			
Share capital	284,109,825	284,109,825	-
Share premium reserve	461,491,314	461,491,314	-
Retained earnings (losses) and other reserves	1,401,164	4,616,029	(3,214,865)
Net profit (loss) of the year	(4,967,313)	(4,525,648)	(441,665)
Total shareholders' equity	**742,034,990**	**745,691,520**	**(3,656,530)**
Total liabilities and shareholders' equity	**746,827,280**	**761,337,053**	**(14,509,773)**

Sàfilo Group S.p.A.

Statement of cash flows

(Euro)	Year 2011	2010
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	**935,831**	**490,087**
B - Cash flow from (for) operating activities		
Net profit (loss) for the year	(4,967,313)	(4,525,648)
Amortization	34,000	34,000
Net movements in the employees benefit liabilities	12,698	6,235
Stock options	411,598	7,164
Interest expenses	56	45
Income tax expenses	-	-
Income (loss) from (for) operating activities prior to movements in working capital	**(4,508,961)**	**(4,478,204)**
(Increase) Decrease in receivables	8,187,988	(3,565,161)
Increase (Decrease) in payables	(10,872,762)	3,412,934
Interest expenses paid	(56)	(45)
Income tax paid	-	-
Total (B)	**(7,193,791)**	**(4,630,476)**
C - Cash flow from (for) investing activities		
(Investments) disinvestments in subsidiaries	-	(255,500,000)
Total (C)	-	**(255,500,000)**
D - Cash flow from (for) financing activities		
Capital increase (net of fees paid)	-	260,576,220
Dividends received	6,400,000	-
Total (D)	**6,400,000**	**260,576,220**
E - Cash flow for the period (B+C+D)	**(793,791)**	**445,744**
F - Closing net cash and cash equivalents (A+E)	**142,040**	**935,831**

Appendix B

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

Name and surname or category	**Office held (indicate only for parties listed by name)**	**BOX 2**						
		Stock Option						
		Section 2 Newly granted options on the basis of the decision of the competent body pursuant to the shareholders' meeting resolution						
		Date of shareholders' meeting	**Description of the instrument**	**No. of Options**	**Date of assignment**	**Strike price**	**Market price of the financial instruments as at the date of allocation**	**Period of possible exercise (from - to)**
ROBERTO VEDOVOTTO	Chief Executive Officer	05/11/2010	*Options on the Safilo Group S.p.A. shares with physical settlement*	160,000	RC 01/08/2010 BoD 05/11/2010	Eur 8.0470	Eur 11.92 [1]	31/12/2012* - 31/05/2016
				80,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 [3]	31/12/2013* - 31/05/2017
				80,000	RC 29/02/2012 BoD 08/03/2012	Eur 5.54	Eur 5.30 [4]	31/12/2014* - 31/05/2018
MASSIMILIANO TABACCHI	Director	05/11/2010	*Options on the Safilo Group S.p.A. shares with physical settlement*	30,000	RC 01/08/2010 BoD 05/11/2010	Eur 8.0470	Eur 11.92 [1]	31/12/2012* - 31/05/2016
				15,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 [3]	31/12/2013* - 31/05/2017
				15,000	RC 29/02/2012 CdA 08/03/2012	Eur 5.54	Eur 5.30 [4]	31/12/2014* - 31/05/2018
Managers with strategic responsabilities		05/11/2010	*Options on the Safilo Group S.p.A. shares with physical settlement*	60,000	RC 01/08/2010 BoD 05/11/2010	Eur 8.0470	Eur 11.92 [1]	31/12/2012* - 31/05/2016

Name and surname or category	Office held (indicate only for parties listed by name)	BOX 2 Stock Option **Section 2** Newly granted options on the basis of the decision of the competent body pursuant to the shareholders' meeting resolution						
		Date of shareholders' meeting	**Description of the instrument**	**No. of Options**	**Date of assignment**	**Strike price**	**Market price of the financial instruments as at the date of allocation**	**Period of possible exercise (from - to)**
				30,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 [3]	31/12/2013* - 31/05/2017
				35,000	RC 29/02/2012 BoD 08/03/2012	Eur 5.54	Eur 5,30 [4]	31/12/2014* - 31/05/2018
Other KEY MANAGERS		05/11/2010	*Options on the Safilo Group S.p.A. shares with physical settlement*	450,000	RC 01/08/2010 BoD 05/11/2010 RC 14/12/2010 BoD 14/12/2010	Eur 8.0470	Eur 11.92 [1] Eur 13.06 [2]	31/12/2012*- 31/05/2016
				245,000	RC 16/02/2011 BoD 16/03/2011	Eur 12.55	Eur 11.52 [3]	31/12/2013* - 31/05/2017
				255,000	RC 29/02/2012 BoD 08/03/2012	Eur 5.54	Eur 5,30 [4]	31/12/2014* - 31/05/2018

1 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on November 4, 2010, the last day on which markets were open before the assignment date.
2 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on December 13, 2010, the last day on which markets were open before the assignment date.
3 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on March 15, 2011, the last day on which markets were open before the assignment date.
4 "Market price of the financial instruments" means the market price of the shares of "Safilo Group Spa" on March 7, 2012, the last day on which markets were open before the assignment date.

* It means the day after the resolution of the Shareholders' Meeting that approves the financial statements of the Company for the year ended at this date.

UPDATING OF THE INFORMATION MEMORANDUM RELATED TO THE SAFILO GROUP S.p.A. STOCK OPTION PLAN 2010-2013 pursuant to new Schedule 3A - Template n. 7 Consob Resolution December 23, 2011 n. 18049

1.1 The names of the beneficiaries who are members of the board of directors or the management board of the issuer of the financial instruments, of the companies controlling the issuer, and of the companies controlled, directly or indirectly, by the issuer.

The Beneficiaries who are members of the Board of Directors of Safilo Group S.p.A. are:
- Roberto Vedovotto, Chief Executive Officer of the Company;
- Massimiliano Tabacchi, member of the Board of Directors (Director).

1.2 The categories of employees or collaborators of the issuer of the financial instruments and of the companies controlling or controlled by this issuer.

The Beneficiaries of the Plan, identified by the Board of Directors, pursuant to the proposal made by the Remuneration Committee, are selected among the managers ("dirigenti" according to the Italian law) of the companies of the Group which have their legal seat in Italy, or managers who hold the corresponding qualification within the companies of the Group which have their legal seat in a Country different from Italy.

The members of the Board of Directors named under the previous paragraph 1.1 hold also the qualification of manager (dirigente) within a company of the Group.

1.3 The names of the persons who benefit from the scheme belonging to special categories

Not Applicable

1.4 Description and number, broken down by category:
a) key management personnel other than those indicated in paragraph 1.3.b), that is "other managers with strategic responsibilities of a share issuer which is not of "small size", as defined in article 3.1. f) of Regulation no. 17221 of 12 March 2010 if, during the financial year, they have received overall remuneration (calculated by adding monetary remuneration and remuneration based on financial instruments) exceeding the highest total remuneration attributed to members of the Board of Directors or the Board of Management, and to the General Managers of the issuer of financial instruments";

Not Applicable

b) in the case of companies of "small size" as defined in article 3.1. f) of Regulation no. 17221 of 12 March 2010, the aggregate of all the managers with strategic responsibilities of the issuer of financial instruments

Not Applicable

c) any other categories of employees or collaborators subject to different treatment under the Plan

Not Applicable

d) the other categories of employees or self-employed personnel for whom differentiated characteristics are specified in the plan (e.g. senior executives, junior executives, clerical staff, etc.).

Not Applicable

The Safilo Group is worldwide leader in the premium eyewear sector for sunglasses, optical frames and sports eyewear. With an international presence through 30 owned subsidiaries in primary markets – in America, Europe and Asia – and exclusive distributors, Safilo produces and distributes its house brands – Safilo, Carrera, Smith Optics, Oxydo, Blue Bay – and the licensed brands Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS Black, BOSS Orange, Céline, 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., Pierre Cardin, Saks Fifth Avenue, Tommy Hilfiger, Yves Saint Laurent. For further information www.safilo.com

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