



Safilo Group

A strong partnership for the future

Q2 and H1 2012 Results

August 2, 2012

Safilo
GROUP



Disclaimer

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

Q2 2012 Key Facts

POSITIVE ORGANIC BUSINESS TRENDS

RESILIENT FINANCIAL PERFORMANCE

STRATEGIC INDUSTRIAL AGREEMENT

FOCUS ON RELEVANT LICENSED BRANDS

FOCUS ON SAFILO BRAND PORTFOLIO



Organic sales¹ up 6.1%

- ✓ Good business conditions in US and emerging markets
- ✓ Positive performance of Northern Europe and key accounts
- ✓ Successful launch of new “Carrera 6000” model
- ✗ Weak trends in Southern Europe

Non-organic:

- ✓ Polaroid Eyewear business in the perimeter
- ✓ USD strength
- ✗ Phase-out of Armani brands

¹ at constant exchange rates and perimeter (Polaroid Eyewear), also excluding discontinued and phasing-out brands



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NET SALES

+7.3%

-1.8%²

EBITDA

11.8%

NET RESULT

9.6 M

NET DEBT / EBITDA

2.0x

² at constant exchange rates and perimeter (Polaroid Eyewear)

Q2 and H1 2012 Results

Economic highlights

in millions of Euro and % change

Q2 2012 TOPICS:

- ✓ Positive organic trends
- ✓ Polaroid Eyewear and USD strength
- ✗ Production volumes and operating leverage
- ✓ Declining interest expenses
- ✗ Negative exchange rate differences

	Q2 2012	Q2 2011	% Change	H1 2012	H1 2011	% Change
Net sales	324.6	302.6	+7.3% -1.8% ²	613.3	603.3	+1.7% -4.1% ²
Gross profit	191.1 58.9%	181.3 59.9%	+5.5%	365.3 59.6%	364.3 60.4%	+0.3%
EBITDA	38.4 11.8%	39.5 13.1%	-2.8%	70.7 11.5%	80.2 13.3%	-11.9%
EBIT	28.1 8.7%	30.5 10.1%	-7.8%	51.2 8.3%	61.9 10.3%	-17.3%
Net result	9.6 3.0%	12.9 4.3%	-25.9%	21.5 3.5%	31.3 5.2%	-31.2%

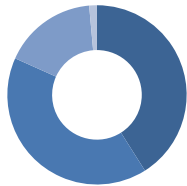
² at constant exchange rates and perimeter (Polaroid Eyewear)

in millions of Euro and % change

➤ POSITIVE organic trends

Q2 2012 TOPICS:

- ✓ Growth driven by US and emerging countries
- ✓ Positive trends by channel (Key accounts, US independent stores, Solstice +6.3% LFL)
- ✗ Phase-out and challenging business in Southern Europe and Japan

	Q2 2012	Q2 2011	% Change	H1 2012	H1 2011	% Change
Net sales	324.6	302.6	+7.3%	613.3	603.3	+1.7%
			-1.8%²			-4.1%²
Wholesale	301.2	282.3	+6.7%	572.7	566.8	+1.0%
<i>% of Net sales</i>	<i>92.8%</i>	<i>93.3%</i>	-2.2%²	<i>93.4%</i>	<i>93.9%</i>	-4.5%²
----- <i>by region</i>						
	Europe		+0.6%			-4.2%
	Americas		+14.0%			+5.3%
	Asia		+8.7%			+6.2%
	RofW		+7.5%			-3.5%
Retail	23.4	20.3	+15.3%	40.6	36.5	+11.2%
<i>% of Net sales</i>	<i>7.2%</i>	<i>6.7%</i>	+3.3%²	<i>6.6%</i>	<i>6.1%</i>	+2.8%²

² at constant exchange rates and perimeter (Polaroid Eyewear)

Q2 and H1 2012 Results

EBITDA

in millions of Euro and % change

➤ RESILIENT operating performance

Q2 2012 TOPICS:

- ✗ Lower volumes and effects of the phasing-out brands
- Investments in brand and market development
- ✓ Efficiency program in retail

	Q2 2012	Q2 2011	% Change	H1 2012	H1 2011	% Change
EBITDA	38.4	39.5	-2.8%	70.7	80.2	-11.9%
	11.8%	13.1%		11.5%	13.3%	
Wholesale	33.2	36.0	-7.8%	64.5	75.6	-14.8%
<i>EBITDA margin</i>	11.0%	12.7%		11.3%	13.3%	
Retail	5.2	3.5	+47.6%	6.2	4.7	+32.3%
<i>EBITDA margin</i>	22.4%	17.4%		15.3%	12.8%	

Q2 and H1 2012 Results

Free Cash Flow

in millions of Euro

➤ SOLID Operating Cash Flow

Q2 2012

Q2 2011

H1 2012

H1 2011

Q2 2012 TOPICS:

- ✓ Positive net result
- ✓ Tight working capital management
- ✓ Polaroid Eyewear acquisition, 58.4M
- ✓ Shareholding in Chinese subsidiary, 3.7M

Net result and other charges	10.2	14.0	40.0	50.8
Change in working capital	24.4	20.9	1.1	(11.6)
Cash flow from operating activities	34.6	34.9	41.1	39.2
Cash flow for investing activities	(69.0)	(5.5)	(81.4)	(16.6)
Free Cash Flow	(34.4)	29.4	(40.3)	22.6

Q2 and H1 2012 Results

Financial Leverage

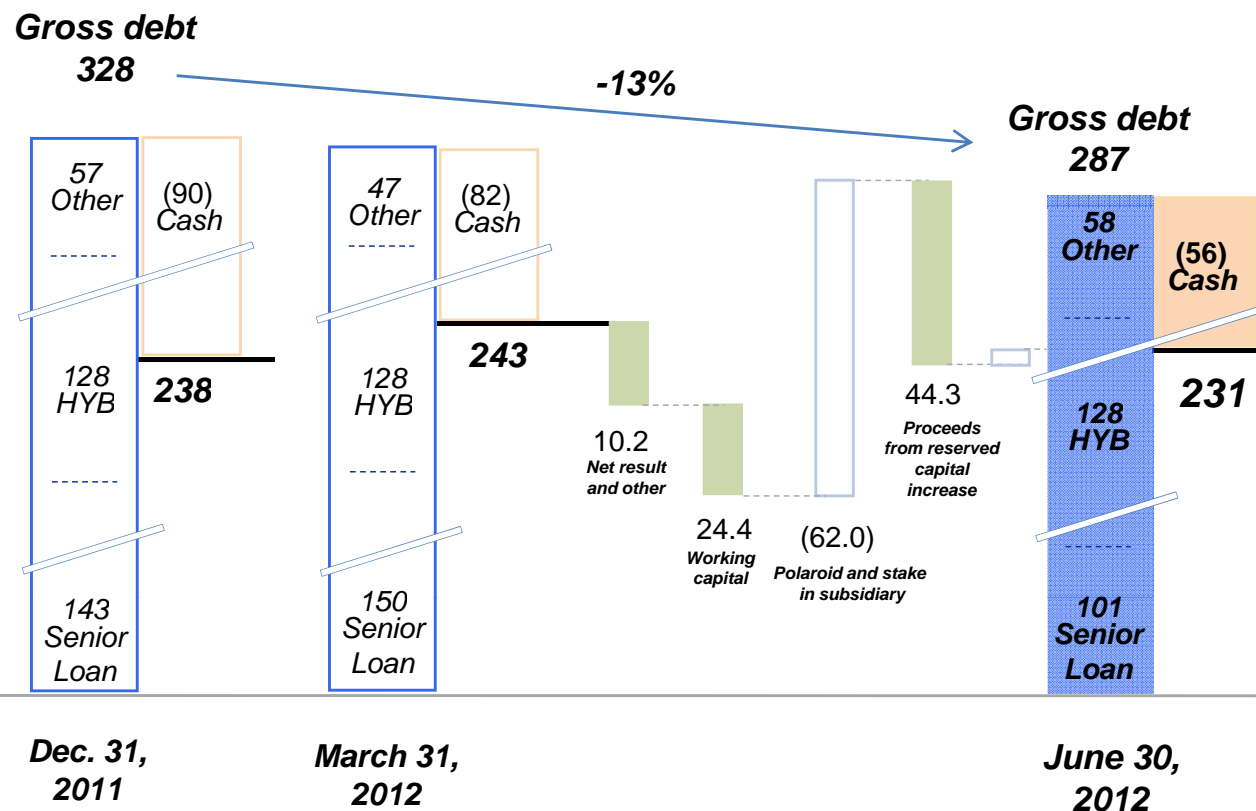
in millions of Euro

➤ STABLE Net Debt/EBITDA at 2.0x

Lowest level of Net Debt in ten years

Q2 2012 TOPICS :

- ✓ 80M Senior Loan facilities repaid with available financial resources (Cash for 54M)
- ✓ Committed Revolving credit facility (200M) drawn for 76 m at the end of June 2012
- ✓ Polaroid acquisition funded for 44.3M via a reserved capital increase by HAL Holding N.V.





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**BETTER ORGANIZED PRODUCTION FOOTPRINT
IN LINE WITH THE GROUP'S INDUSTRIAL PLAN**



STRATEGIC INDUSTRIAL AGREEMENT

Solidarity Contracts for a period of 24 months applicable to employees of Safilo's Italian plants

FLEXIBLE WORK ORGANIZATION

- Implementing reduction of working hours and shifts;
- Maintaining jobs and limiting the economic impact on wages;

RE-QUALIFICATION PROGRAMS

- Multipurpose human capital to increase qualitative and quantitative production standards

SELECTIVE INVESTMENTS

- Product and process innovation to improve "made in" competitive advantage



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**PRAGMATIC LONG-TERM PORTFOLIO
STRATEGY BASED ON BEST
BUSINESS/ECONOMIC FIT**



FOCUS ON RELEVANT LICENSED BRANDS

Early renewal of Hugo Boss Group licenses until 31/12/2020

2010-2012:

13 BRANDS RENEWED AND
1 NEW LICENSE AGREEMENT

BOSS HUGO BOSS eyewear	 BOSS ORANGE HUGO BOSS	HUGO HUGO BOSS eyewear
MARC JACOBS	MARC BY MARC JACOBS	
Dior	BOTTEGA VENETA	ALEXANDER MQUEEN
	YVES SAINT LAURENT	Juicy Couture
CÉLINE		
		kate spade NEW YORK



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NEW BUSINESS SEGMENTS



STRONG GLOBAL POSITIONING



PRODUCT INNOVATION AND DISTRIBUTION





CARRERA

SINCE 1956



**LAUNCH OF 'CARRERA 6000'
100,000 PIECES ORDERED IN THE SPACE
OF A FEW WEEKS!**



BRAND NEW GLOBAL CREATIVE STRATEGY COMING SOON



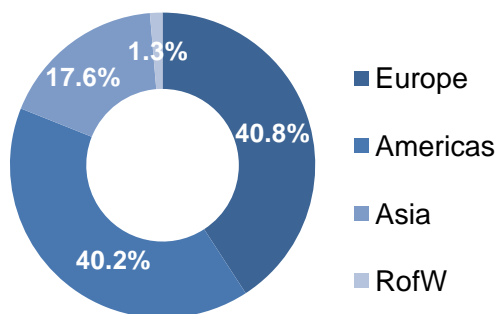
Appendices

Q2 and H1 2012 Results

Net sales performance

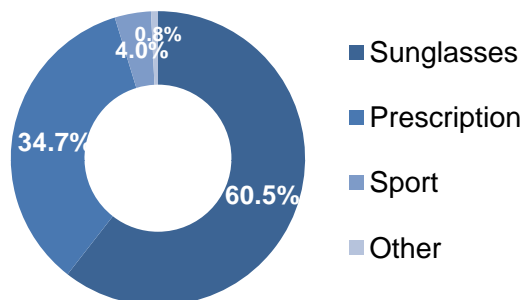
in millions of Euro and % on total Q2 2012 sales

by region



	Q2 2012	Q2 2011	% Change	% Change ²	H1 2012	H1 2011	% Change	% Change ²
Europe	132.5	131.7	+0.6%	-6.6%	250.9	261.8	-4.2%	-7.8%
Americas	130.6	114.3	+14.3%	+4.0%	248.0	233.0	+6.4%	-0.6%
Asia	57.2	52.6	+8.7%	-2.2%	106.1	99.9	+6.2%	-1.8%
RofW	4.3	4.0	+7.5%	-5.5%	8.3	8.6	-3.5%	-7.6%

by product



	Q2 2012	Q2 2011	% Change	% Change ²	H1 2012	H1 2011	% Change	% Change ²
Sunglasses	196.5	183.3	+7.2%	-3.3%	362.0	352.0	+2.8%	-3.8%
Prescription	112.7	109.4	+3.0%	-3.0%	222.1	222.6	-0.2%	-4.3%
Sport	12.9	8.5	+51.8%	+36.7%	24.6	23.7	+3.8%	-3.7%
Other	2.5	1.4	+78.6%	+51.0%	4.6	5.0	-8.0%	-14.2%

² at constant exchange rates and perimeter (Polaroid Eyewear)

Q2 and H1 2012 Results

Balance Sheet

in millions of Euro

	June 30, 2012	Dec. 31, 2011	Net Ch.
Net working capital	309.2	291.9	+17.3
Tang.-intang. fixed assets	834.0	784.6	+49.4
Financial fixed assets	12.3	11.9	+0.4
Other assets/(liabilities)	(31.6)	(34.3)	+2.7
Net capital employed	1,123.9	1,054.0	+69.9
Net financial position	231.0	238.3	-7.3
Non controlling interests	6.4	11.5	-5.1
Shareholders' equity	886.6	804.2	+82.4

Q2 and H1 2012 Results

Net Working Capital

in millions of Euro

	June 30, 2012	June 30, 2011	Net Ch.	Dec. 31, 2011	Net Ch.
Trade receivables	309.4	289.2	+20.2	272.2	+37.2
Inventories	216.6	192.1	+24.5	219.7	-3.1
Trade payables	(216.8)	(187.9)	-28.9	(200.0)	-16.8
Net working capital	309.2	293.4	15.8	291.9	+17.3
<i>% net sales LTM</i>	27.8%	26.6%		26.5%	

Safilo Group Brands Portfolio

Safilo brands

CARRERA
SINCE 1956

Polaroid
Polarized Sunglasses

Safilo
QUALITY EYEWEAR SINCE 1934.

smithOptics

O X Y D O

BLUEBAY

Licensed brands

CÉLINE

ALEXANDER
MQUEEN

YVES SAINT LAURENT

HUGO
HUGO BOSS

JIMMY CHOO

A|X*
ARMANI EXCHANGE

BANANA REPUBLIC

kate spade
NEW YORK

Dior

BALENCIAGA *

TOMMY HILFIGER

Juicy Couture®

pierre cardin
PARIS

FOSSIL

SAKS
FIFTH
AVENUE

MARC JACOBS

GUCCI

BOSS
HUGO BOSS

MaxMara
SPECIALTY

GIORGIO ARMANI *

|iz claiborne

MARC BY MARC JACOBS

BOTTEGA VENETA

BOSS ORANGE
HUGO BOSS

MAX&Co.

EMPORIO ARMANI *



JLO
BY JENNIFER LOPEZ

FOR THE AMERICAN MARKET

* Expiring in December 2012. Not renewed.




Safilo Group

Licensed brands

Brand	Expiry Date											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
ALEXANDER MQUEEN	█											
BANANA REPUBLIC	█											
BOSS HUGO BOSS eyewear	█											
 BOSS ORANGE HUGO BOSS	█											
BOTTEGA VENETA	█											
CÉLINE	█											
Dior	█											
 FOSSIL	█											
GUCCI	█											
HUGO HUGO BOSS eyewear	█											
JIMMY CHOO	█											

Safilo Group

Licensed brands

Brand	Expiry Date											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Juicy Couture®	█											
 JLO BY JENNIFER LORET	█											
kate spade NEW YORK	█											
liz claiborne	█											
MARC JACOBS	█											
MARC BY MARC JACOBS	█											
 MaxMara SPECIALI	█											
MAX&Co.	█											
pierre cardin PARIS	█											
 SAKS FIFTH AVENUE	█											
TOMMY HILFIGER	█											
YVES SAINT LAURENT	█											