

Safilo Group

A strong partnership for the future

2012 Results

March 6, 2013



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.

A resilient business, getting stronger

Roberto Vedovotto
CEO

A resilient business, getting stronger



A TURNING POINT FOR OUR PORTFOLIO OF BRANDS

- ▶ advance renewals of strategic partnerships with **Hugo Boss and Max Mara**
- ▶ increased visibility of our licensed portfolio
- ▶ focus on **Safilo's brands**, also through the acquisition of **Polaroid**
- ▶ careful management of the phasing-out brands to address sales and operational challenges



A resilient business, getting stronger



2012 RESULTS AND STRATEGY ON TRACK

- ▶ strength of organic business
- ▶ solid profitability
- ▶ robust financial profile

6.7% sales growth
2.2%at constant exchange rates

9.8% EBITDA

1.9 x net debt/EBITDA

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SOUND Q4 RESULTS

- ▶ +6% organic business
driven by Gucci, Hugo Boss, Tommy Hilfiger, Carrera, US brands, Europe, United States, Latin America
- ▶ sales contribution from non-organic business
- ▶ Improved earnings and cash generation

16.6% sales growth
13.8%^{at constant exchange rates}

9.3% EBITDA

€12.1M Free Cash Flow

Vincenzo Giannelli
CFO

2012 Highlights

Key drivers:

- ▶ Consistent organic trends
- ▶ Polaroid and USD strength
- ▶ Discontinued and phasing-out brands
- ▶ Declining interest expenses
- ▶ Economic result and reduction of working capital driving Cash Flow from operating activities

<i>in millions of Euro</i>	2012	2011	Change
Net sales	1,175.3	1,101.9	+6.7% +2.2%¹
EBITDA	115.1 9.8%	122.6 11.1%	-6.1%
Net result	25.9 2.2%	27.9 2.5%	-7.2%
Free Cash Flow	51.6²	24.7	
Net Debt	215.3	238.3	

¹ at constant exchange rates

² before the acquisition of Polaroid Eyewear for Euro 58.4 million and minorities for Euro 12.3 million

Q4 Continued Sales Growth

Key drivers:

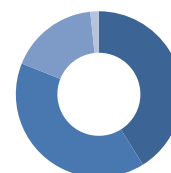
- ▶ Prescription frame collections and diffusion segment brands achieving strong results in all regions
- ▶ US independent opticians, travel retail, key accounts and Latam
- ▶ Polaroid high sales quarter benefitting Europe and sunglass products

in millions of Euro

Change¹

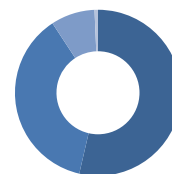
Net sales	312.9	+13.8%
Wholesale	293.7	+14.4%
Retail	19.2	+5.6%

by core region



■ Europe	+24.7%
■ Americas	+9.4%
■ Asia	+3.6%

by products



■ Sunglasses	+12.9%
■ Prescription	+17.9%
■ Sport products	+2.8%

¹ at constant exchange rates

Q4 Solid Economic Performance

Key drivers:

- ▶ Price/mix impacts on gross margin
- ▶ Operating leverage on selling and marketing exp.
- ▶ Lower net interest expenses
- ▶ Reduced forex impact

in millions of Euro

Change

EBITDA	29.2	+16.8%
margin	9.3%	= bps
<hr/>		
Wholesale	28.3	+14.3%
margin	9.6%	-30 bps
<hr/>		
Retail	0.9	n.s.
margin	4.7%	+330 bps
<hr/>		
Net result	5.0	n.s.
margin	1.6%	+110 bps

Q4 Solid Free Cash Flow

Key drivers:

- ▶ Operating and financial performance
- ▶ Non-monetary items
- ▶ Stable flows from working capital driven by reduction of inventories

in millions of Euro

Q4 2012

Q4 2011

	Q4 2012	Q4 2011
Net result and other charges	12.5	2.6
Change in working capital	9.4	9.9
Cash flow from operating act.	21.9	12.5
Cash flow for investing act.	(9.8)	(8.1)
Free Cash Flow	12.1	4.4

2012 Confirmed Financial Leverage at 1.9x

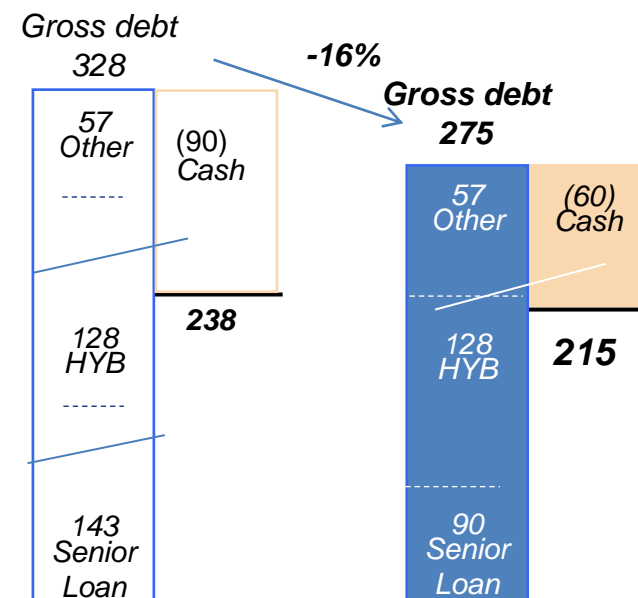
Reduced Net Debt:

- ▶ Euro 128 million High Yield bonds expiring May 15, 2013
- ▶ Euro 90 million Senior Loan after repayment of 80 million of facilities in June
- ▶ Committed revolving credit facility drawn for Euro 65 million at the end of December
- ▶ Euro 60 million Cash

in millions of Euro

Dic.31, 2011

Dic.31, 2012



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Roberto Vedovotto
CEO

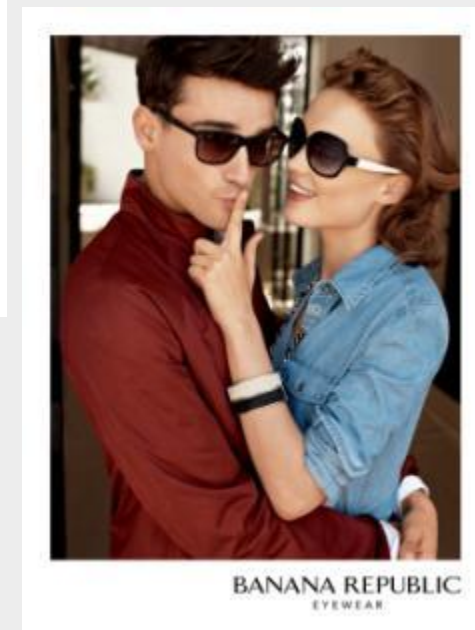
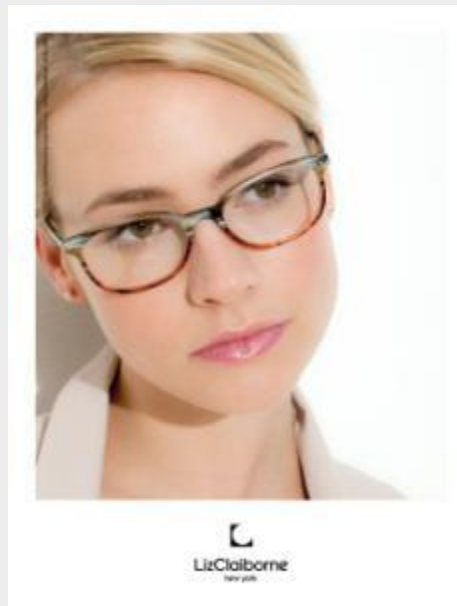
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2013 STRATEGIC PRIORITIES

focus on strategic partnerships

- ▶ LIZ CLAIBORNE renewed until Dec.2017
- ▶ BANANA REPUBLIC renewed until Jan. 2019

Strengthen our business



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2013 STRATEGIC PRIORITIES

new licensing agreements

BOBBI BROWN signed in Feb. 2013

- ▶ translate into eyewear the Bobbi Brown promise of simple solutions to enhance women's own beauty
- ▶ identify the best eyewear shapes and colors for an individual face shape and skin tone

Strengthen our business



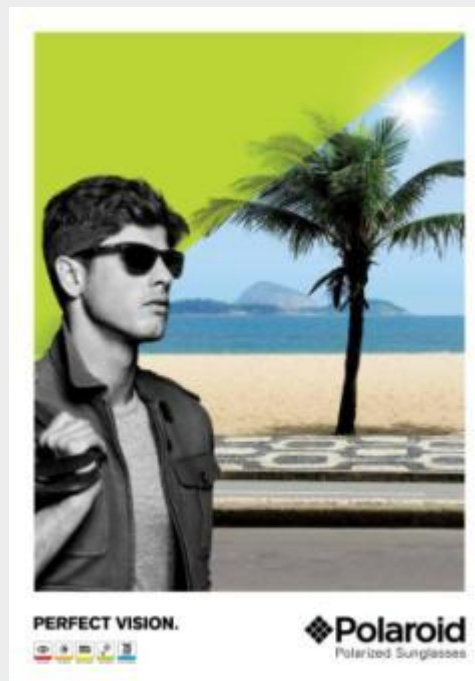
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2013 STRATEGIC PRIORITIES

Polaroid's expansion plan

- ▶ additional growth in Europe
- ▶ US and Latam, the priority markets in 2013

Strengthen our business



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2013 STRATEGIC PRIORITIES

Carrera's new positioning

- ▶ four different design philosophies mark the 2013 worldwide collections
- ▶ new 2013 ADV concept *"You race or you don't"*

Strengthen our business



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2013 STRATEGIC PRIORITIES

best-in-class innovation, design and service

- ▶ catchwords of core brands' eyewear proposals
- ▶ "Avantek" technology and UltraSight™ Plus lenses

Strengthen our business



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2013 STRATEGIC PRIORITIES

new financing operation

- ▶ guarantees adequate financial flexibility
- ▶ confirms and extends banks' and main shareholder's commitment
- ▶ responds to Safilo's objective to reduce the average cost of debt

Strengthen our business



Appendices

Economic highlights

in millions of Euro

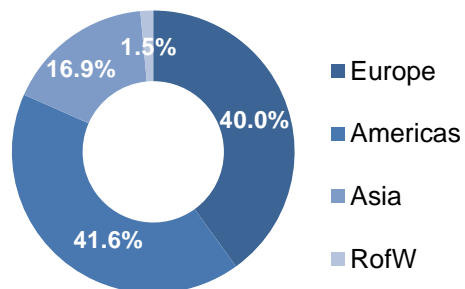
	2012	2011	% Change	Q4 2012	Q4 2011	% Change
Net sales	1,175.3	1,101.9	+6.7% +2.2%¹	312.9	268.4	+16.6% +13.8%¹
Gross profit	679.7 57.8%	652.3 59.2%	+4.2%	170.6 54.5%	154.7 57.6%	+10.2%
EBITDA	115.1 9.8%	122.6 11.1%	-6.1%	29.2 9.3%	25.0 9.3%	+16.8%
EBIT	73.9 6.3%	86.2 7.8%	-14.3%	17.0 5.4%	16.2 6.0%	+5.4%
Net result	25.9 2.2%	27.9 2.5%	-7.2%	5.0 1.6%	1.3 0.5%	n.s.

¹ at constant exchange rates

Net sales performance

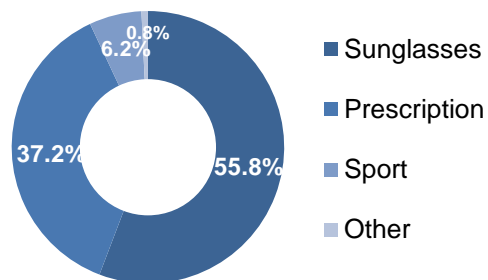
in millions of Euro

by region



	2012	2011	% Change	Q4 2012	Q4 2011	% Change
Europe	470.6	445.1	+5.7%	128.6	101.9	+26.2%
Americas	488.7	454.5	+7.5%	125.0	110.9	+12.7%
Asia	198.8	185.3	+7.3%	54.1	50.2	+7.8%
RofW	17.2	17.0	+1.2%	5.2	5.4	-3.7%

by product



	2012	2011	% Change	Q4 2012	Q4 2011	% Change
Sunglasses	655.7	608.1	+7.8%	167.8	145.1	+15.6%
Prescription	437.5	412.0	+6.2%	116.2	96.6	+20.3%
Sport	73.1	73.2	-0.1%	26.8	25.1	+6.8%
Other	9.0	8.6	+4.7%	2.1	1.6	+31.3%

Balance Sheet

in millions of Euro

	Dec. 31, 2012	Dec. 31, 2011	Net Ch.
Net working capital	277.4	266.7	+10.7
Tang.-intang. fixed assets	808.3	784.6	+23.7
Financial fixed assets	10.9	11.9	-1.0
Other assets/(liabilities)	(18.5)	(9.2)	-9.3
Net capital employed	1,078.1	1,054.0	+24.1
Net financial position	215.3	238.3	-23.0
Non controlling interests	5.1	11.5	-6.4
Shareholders' equity	857.7	804.2	+53.5

Net Working Capital

in millions of Euro

	Dec. 31, 2012	Dec. 31, 2011	Net Ch.
Trade receivables	280.4	247.0	+33.4
Inventories	207.6	219.7	-12.1
Trade payables	(210.6)	(200.0)	-10.6
Net working capital	277.4	266.7	+10.7
<i>% net sales LTM</i>	23.6%	24.2%	

Free Cash Flow

in millions of Euro

	2012	2011
Net result and other charges	58.7	56.2
Change in working capital	21.7	(0.3)
Cash flow from operating act.	80.4	55.9
Cash flow for investing act.	(99.4)	(31.2)
Free Cash Flow	19.0	24.7

Brands Portfolio

Safilo brands



Licensed brands

CÉLINE

Dior

MARC JACOBS

MARC BY MARC JACOBS

ALEXANDER
MCQUEEN

GUCCI

BOTTEGA VENETA

SAINT LAURENT
PARIS

TOMMY HILFIFER

BOSS
HUGO BOSS

BOSS ORANGE
HUGO BOSS

HUGO
HUGO BOSS

BOBBI BROWN

Juicy Couture®

MaxMara
G. CREALTI

MAX&Co.

JIMMY CHOO

pierre cardin
PARIS

FOR THE AMERICAN MARKET

BANANA REPUBLIC

FOSSIL®

LizClaiborne
new york

JENNIFER LOPEZ

kate spade
NEW YORK

Saks
Fifth
Avenue

Licensed brands

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

Licensed brands

Brand	Expiry Date											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
JIMMY CHOO	[Bar from 2010 to 2015]											
Juicy Couture	[Bar from 2010 to 2013]											
JENNIFER LOPEZ	[Bar from 2010 to 2014]											
kate spade NEW YORK	[Bar from 2010 to 2015]											
LizClaiborne new york	[Bar from 2010 to 2017]											
MARC JACOBS MARC BY MARC JACOBS	[Bar from 2010 to 2015]											
MaxMara MAX&Co.	[Bar from 2010 to 2019]											
pierre cardin PARIS	[Bar from 2010 to 2020]											
SAKS FIFTH AVENUE	[Bar from 2010 to 2016]											
TOMMY HILFIGER	[Bar from 2010 to 2015]											
SAINT LAURENT PARIS	[Bar from 2010 to 2015]											