



A strong partnership for the future

Q2 and 1H 2010 Results

Disclaimer

This document may contain 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.

Agenda

- 7 Introduction
- 7 Q2 and 1H 2010 Results
- 7 Partnerships



Introduction



Laying down the foundations...

...of the new Safilo in still challenging and uncertain market conditions

What we achieve

- **Top line growth and improved profitability**
- **Free Cash Flow generation**
- **Net Financial position under control**
- **Strengthening of the management team**
- **Fine-tuning of the brands portfolio**

Further business recovery in Q2 2010...

1

Market environment

- **Stronger** growth of **Asian markets**, led by **China**
- Further **improvements** in **America**, with different trends by product
- **Still difficult** trading conditions in **Europe**

2

Business drivers

- **Higher volumes** growth thanks to **shelves restocking**
- Improving **price/mix effect** in a number of **high-end brands**
- **Sunglasses** sales **more reactive** than prescription frames

3

Profitability

- **Better fixed costs absorption** in all industrial plants
- More profitable **retail business**, with **strong LFL** performances

4

Financial Leverage

- **Decreasing Net Financial** Position thanks to higher cash flow generation
- Improving **Working Capital management**
- Focus on core business **investments**



Q2 and 1H 2010 Results

Q2 and 1H 2010 financial highlights

in millions of Euro and % of net sales

	Q2 2010	Q2 2009	% Change	at constant currency and perimeter	1H 2010	1H 2009	% Change	at constant currency and perimeter
Net sales	294.3 100.0%	274.2 100.0%	+7.3%	+5.3%	580.3 100.0%	562.1 100.0%	+3.2%	+4.6%
Gross profit	172.9 58.8%	156.6 57.1%	+10.5%		346.5 59.7%	331.2 58.9%	+4.6%	
EBITDA	30.2 10.2%	21.3* 7.8%	+41.6%		64.8 11.2%	51.5* 9.2%	+25.8%	
Operating result	20.6 7.0%	10.2** 3.7%	n.s.		44.7 7.7%	29.3** 5.2%	+52.6%	
Group net result	(5.0) -1.7%	(9.6)** -3.5%	+48.2%		(3.3) -0.6%	(7.9)** -1.4%	+58.6%	
Net financial position					269.4	592.1	-54.5%	

The sale of retail activities in Spain and Australia, accounted for Euro 9.2 million in Q2 2009 and 18.5 million in 1H 2009.

*adjusted for the provision of Euro 7.4 million for non-recurring costs related to the industrial reorganisation plan.

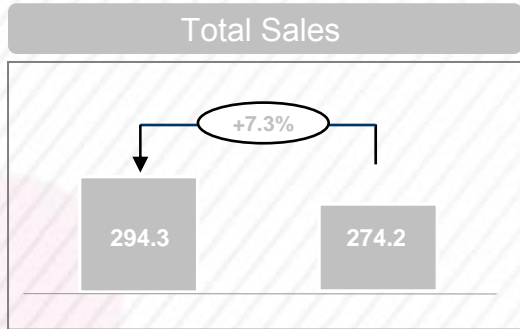
**adjusted for the provision of Euro 7.4 million and the goodwill write down of Euro 120.7 million.

Q2 and 1H 2010 sales overview

Q2 2010

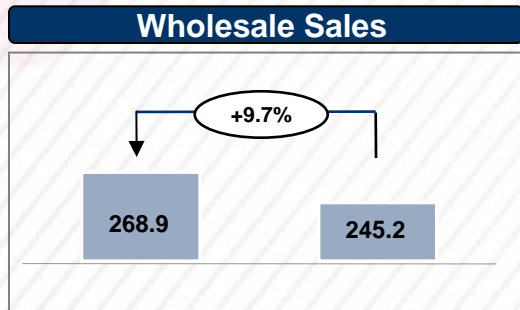
Q2 2009

(in millions of Euro)



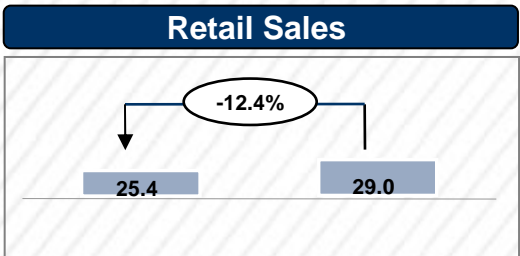
at constant
currency and
perimeter

+5.3%:



+4.2%

- good volumes growth
- better price/mix effect
- Carrera growth in Europe and US
- most important licensed brands improving performances



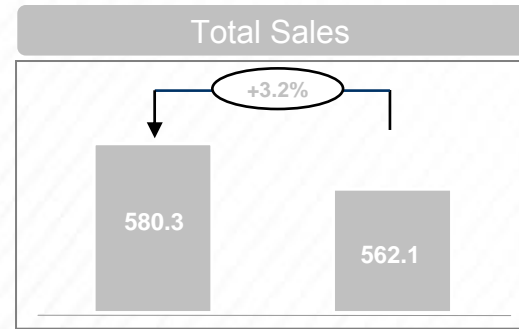
+20.1%

- strong Solstice comps sales

1H 2010

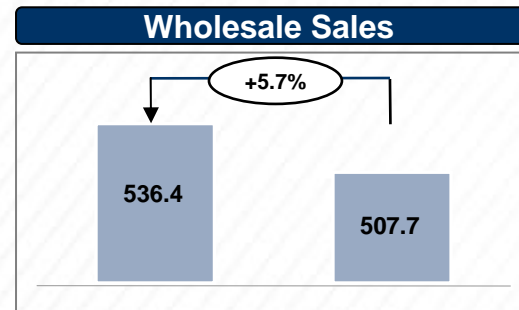
1H 2009

(in millions of Euro)

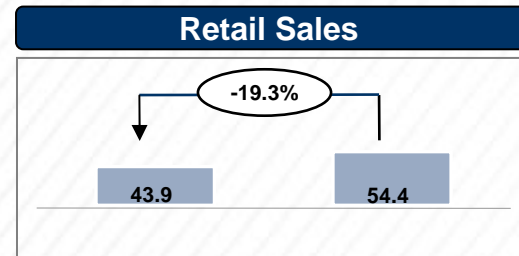


at constant
currency and
perimeter

+4.6%:



+3.6%



+19.1%

Q2 2010 sales drivers

in millions of Euro

	Q2 2010	Q2 2009	% Change	at constant currency and perimeter	
Net sales	294.3 100.0%	274.2 100.0%	+7.3%		
<i>key drivers by country...:</i>					
• America	122.5 41.6%	106.2 38.7%	+15.3%	+6.1%	<ul style="list-style-type: none"> • good sunglass business (dep.stores and retail) • soft prescription business
• Asia	48.1 16.3%	36.6 13.3%	+31.4%	+21.5%	<ul style="list-style-type: none"> • China, the strongest market • higher market penetration of Safilo products
• Europe	120.5 40.9%	125.2 45.7%	-3.8%	Flat	<ul style="list-style-type: none"> • improving results of South European countries • Greece weak • Still challenging performances of some Continental European countries
Rest of the world	3.2 1.1%	6.2 2.3%	-48.4%		
<i>key drivers by product...:</i>					
• Sunglasses	181.5 61.7%	158.5 57.8%	+14.5%	+17.1%	<ul style="list-style-type: none"> • volumes growth • better price/mix effect
• Prescription frames	100.7 34.2%	105.3 38.4%	-4.4%	-0.9%	<ul style="list-style-type: none"> • lower product rotation
Sport products & other	12.1 4.2%	10.4 3.8%	+16.3%		<ul style="list-style-type: none"> • strong sport business in US

1H 2010 sales by country & product

in millions of Euro

1H 2010

1H 2009

% Change

at constant
currency and
perimeter

Net sales

580.3
100.0%

562.1
100.0%

+3.2%

key drivers by country...:

• America	234.3 40.4%	216.2 38.5%	+8.4%	+5.5%
• Asia	89.1 15.4%	73.7 13.1%	+20.9%	+17.8%
• Europe	248.7 42.9%	256.9 45.7%	-3.2%	+0.6%
Rest of the world	8.2 1.4%	15.3 2.7%	-46.4%	

key drivers by product...:

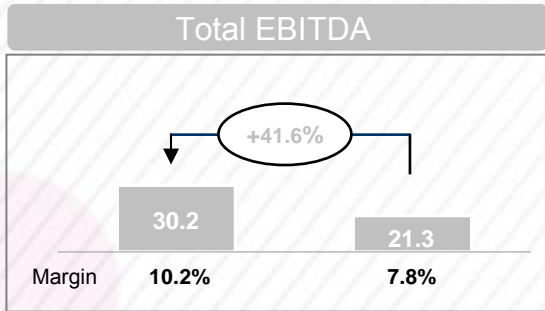
• Sunglasses	339.8 58.6%	320.9 57.1%	+5.9%	+8.5%
• Prescription frames	213.3 36.8%	214.5 38.1%	-0.6%	+2.5%
Sport products & other	27.2 4.7%	26.7 4.8%	+1.9%	

Q2 and 1H 2010 EBITDA overview

Q2 2010

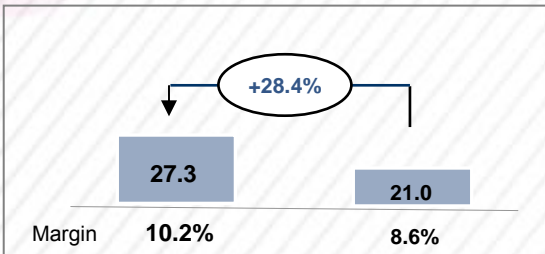
Q2 2009

(in millions of Euro)



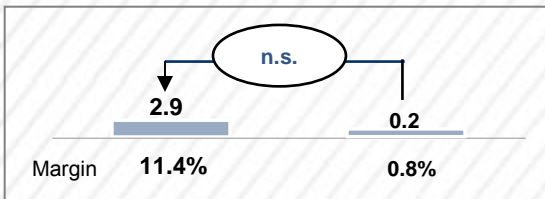
+240 bps recovery driven by:

Wholesale EBITDA



- Gross margin improvement thanks to better fixed costs absorption
- Tighter control on G&A expenses

Retail EBITDA

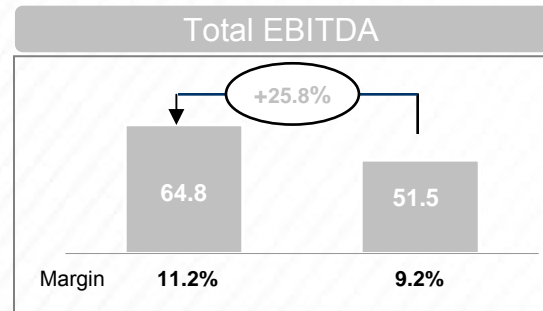


- Lower and more efficient retail costs structure

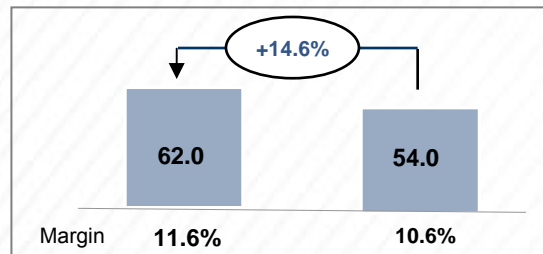
1H 2010

1H 2009

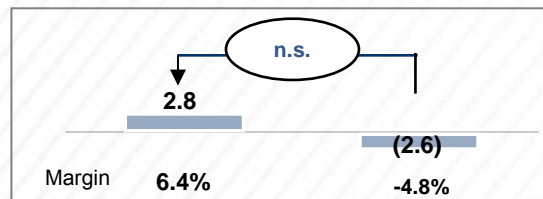
(in millions of Euro)



Wholesale EBITDA



Retail EBITDA



Q2 and 1H 2010 Net Result

in millions of Euro and % on net sales

Group Net Result

Q2 2010
Q2 2009
(5.0)
-1.7%

(9.6)
-3.5%

1H 2010
1H 2009
(3.3)
-0.6%

(7.9)
-1.4%

Below the operating line:

• Exchange rate differences:

(7.5)
-2.6%

5.0
1.8%

• **Highly negative exchange rate impact** due to strong USD revaluation against Euro

(9.8)
-1.7%

3.6
0.6%

• Interest expenses:

(6.5)
-2.2%

(10.4)
-3.8%

(14.6)
-2.5%

(21.4)
-3.8%

• Income taxes:

(8.3)
-2.8%

(10.8)
-3.9%

• **High income taxes** due to prudent policy not to accrue deferred tax assets

(17.0)
-2.9%

(13.4)
-2.4%

Q2 and 1H 2010 cash flow generation

in millions of Euro

	1H 2010	Q2 2010	1H 2009	Q2 2009
Free cash flow	51.9	48.8	(18.6)	26.1

key drivers:

Cash flow from operating activities

- net profit and other changes
- change in working capital

Cash flow from investing activities

	1H 2010	Q2 2010	1H 2009	Q2 2009
Cash flow from operating activities	62.5	53.3	0.9	32.9
- net profit and other changes	20.1	(2.8)	14.1	(7.2)
- change in working capital	42.4	56.1	(13.2)	40.1
Cash flow from investing activities	(10.6)	(4.5)	(19.5)	(6.8)

Net financial position as at 30 June 2010

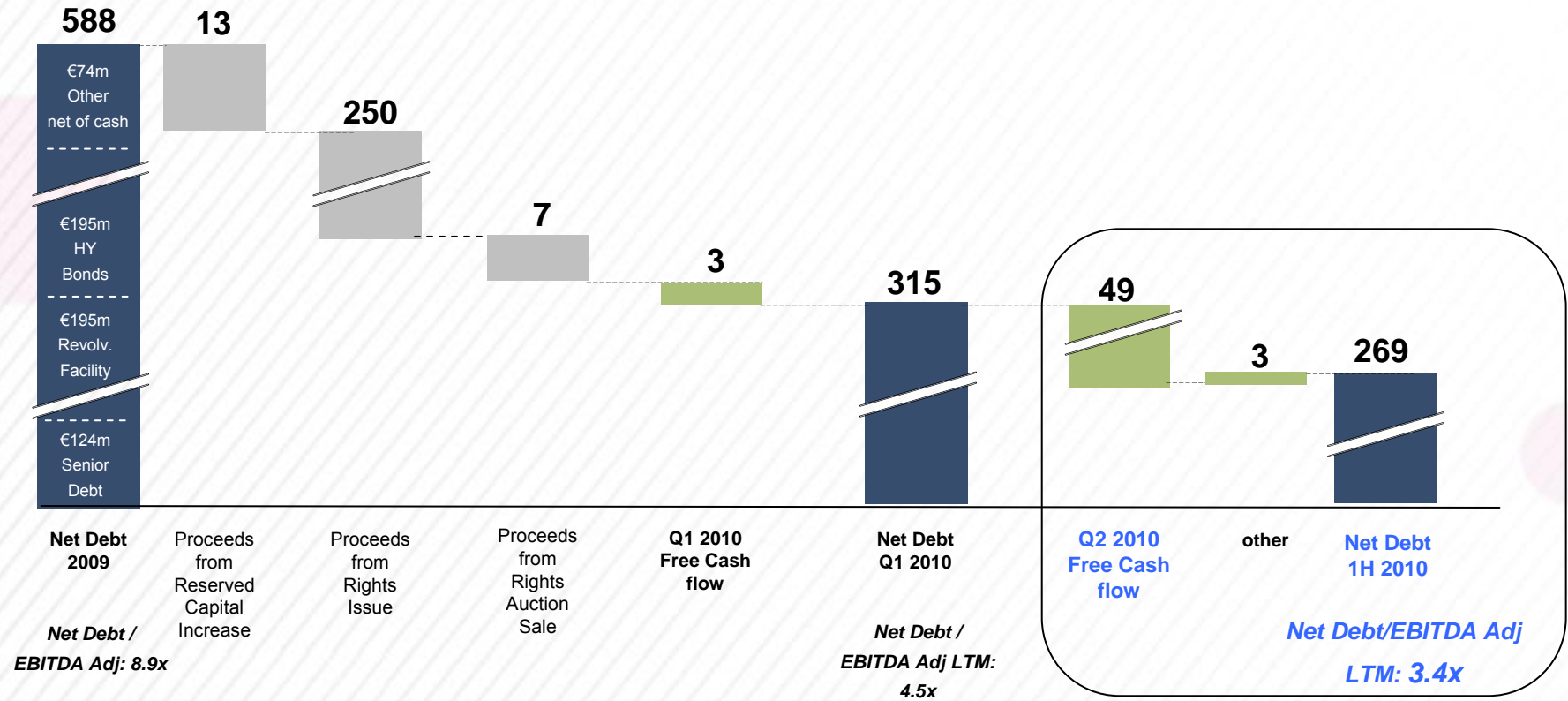
Δ vs Q1 2010 position of 315.4

Δ vs FY 2009 position of 588.0

Net financial position	269.4
Δ vs Q1 2010 position of 315.4	-46.0
Δ vs FY 2009 position of 588.0	-318.6

Net Financial Position

in millions of Euro



Note: EBITDA Adjusted

Partnerships

- Strong focus on an ever more profitable brands portfolio

July 21, 2010: Worldwide licensing agreement with Diesel
not renewed at expiration (end of 2010)



May 26, 2010: Worldwide licensing agreement with Juicy Couture
renewed until the end of 2013



April 27, 2010: Global licensing agreement with Marc Jacobs
and Marc by Marc Jacobs
extended until the end of 2015

MARC JACOBS
MARC BY MARC JACOBS



Q&A



Appendices

Consolidated balance sheet

in millions of Euro

	1H 2010	2009	Change	1H 2009
Net working capital	309.2	327.1	-17.9	382.5
Tang.-intang. fixed assets	811.7	745.1	+66.6	936.3
Financial fixed assets	14.1	12.0	+2.1	12.6
Other assets/(liabilities)	(59.8)	(50.2)	-9.6	(72.1)
Net capital employed	1,075.2	1,034.0	+41.2	1,259.3
Net financial position	269.4	588.0	-318.6	592.1
Minority interest	11.9	7.6	+4.3	8.9
Shareholders' equity	793.9	438.4	+355.5	658.3

Net working capital

in millions of Euro

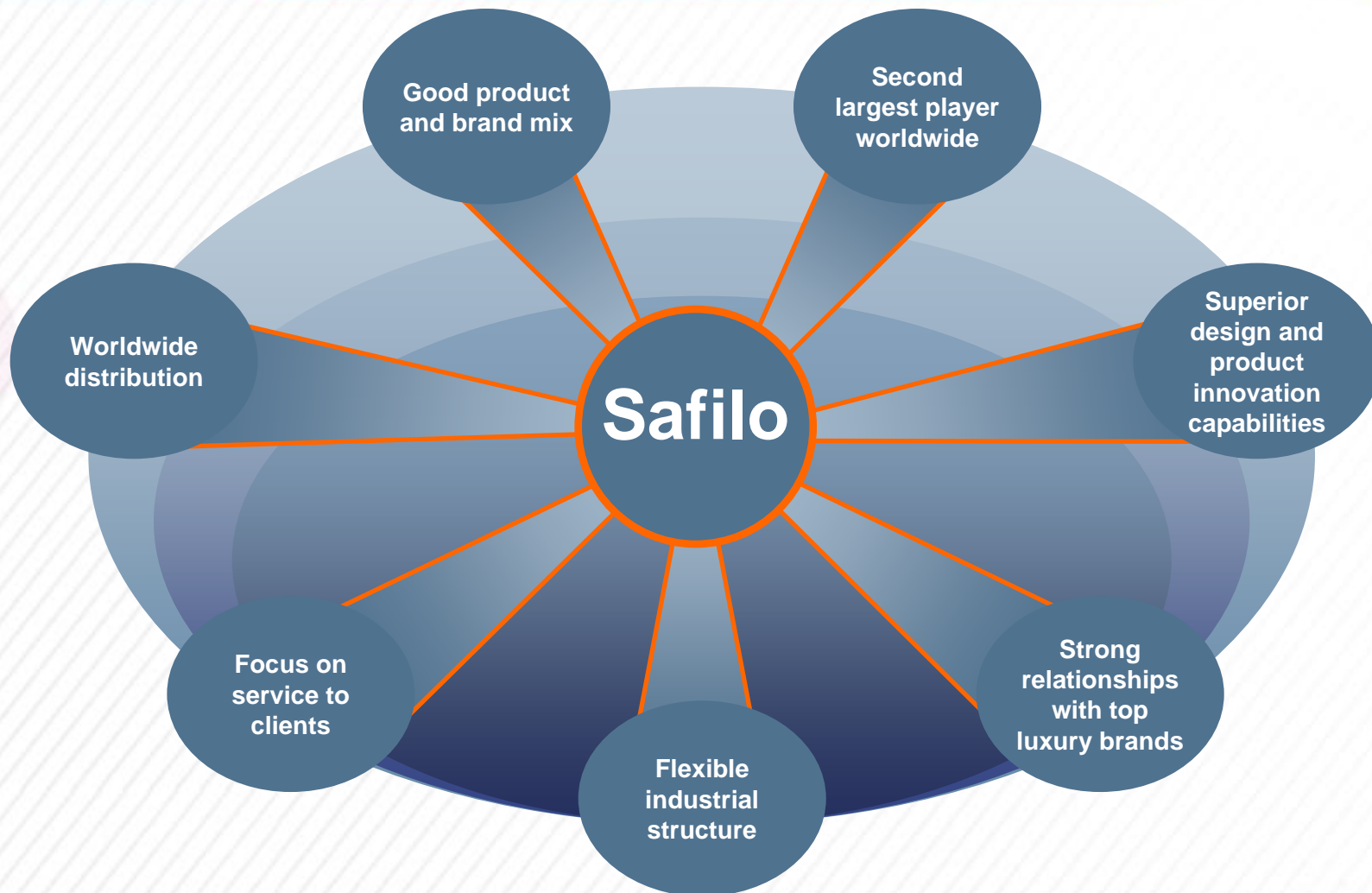
	1H 2010	2009	Change	1H 2009	Change
Net working capital	309.2	327.1	-17.9	382.5	-73.4
Trade receivables	310.4	268.8	+41.6	307.4	+3.0
Inventories	195.7	208.4	-12.7	233.0	-37.3
Trade payables	(196.9)	(150.1)	-46.8	(157.9)	-39.1



Safilo at a glance

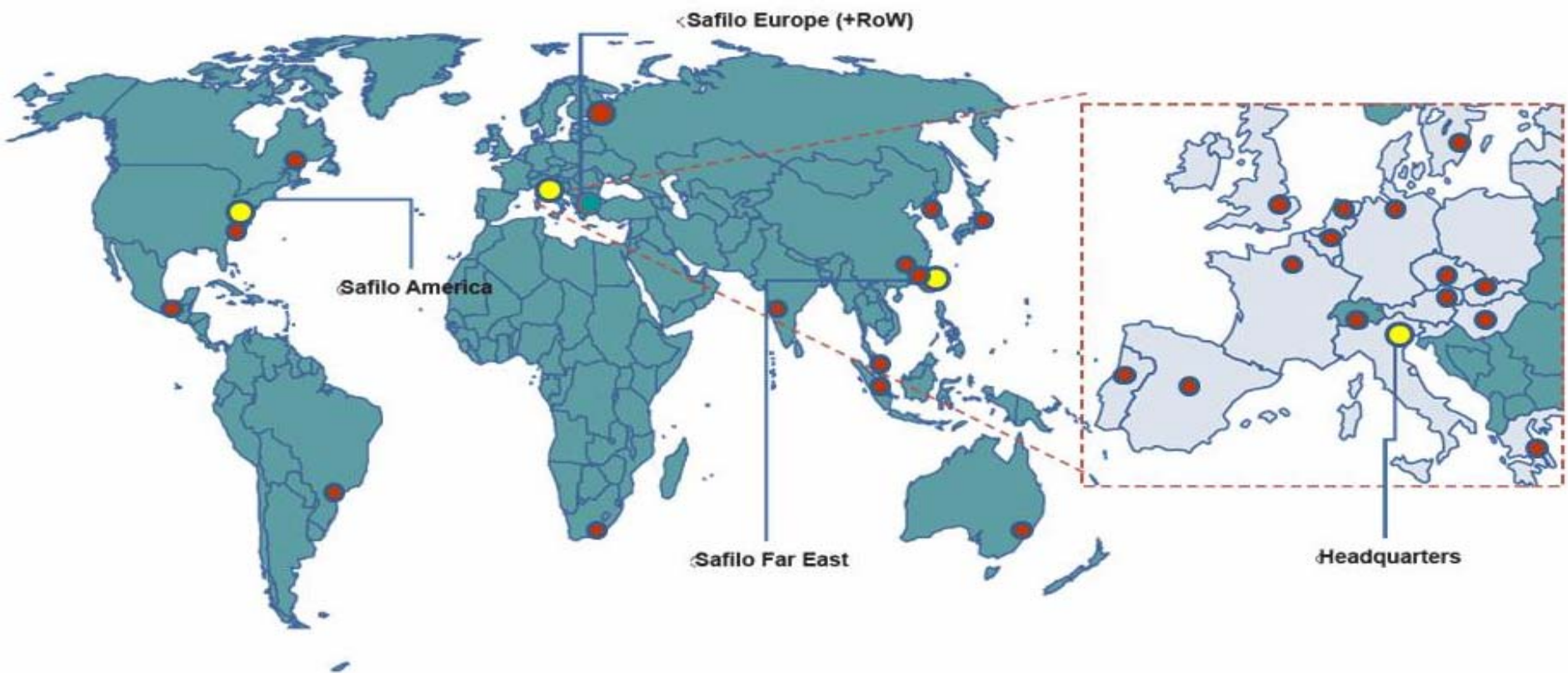


Safilo today...





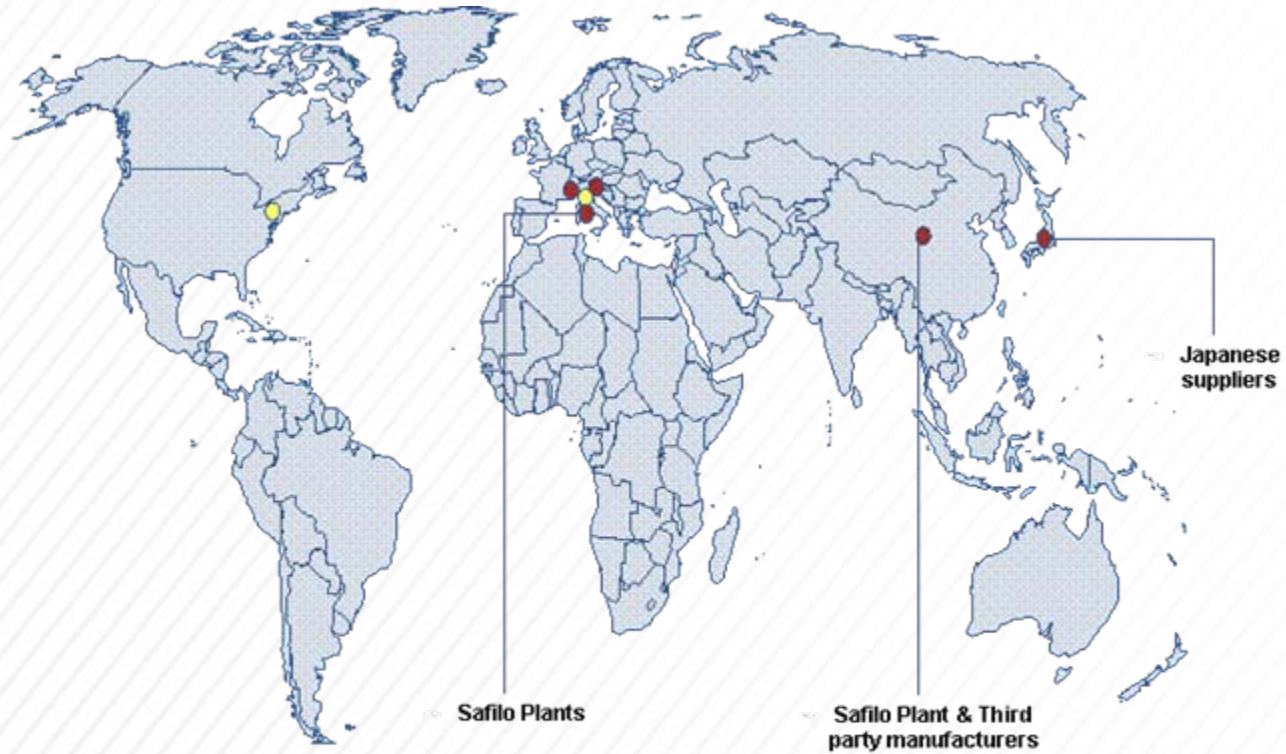
Worldwide Presence



32 SUBSIDIARIES REACHING 80.000 RETAILERS IN 130 COUNTRIES



Production & Operations



- Manufacturing facilities
- Distribution centers





Brands Portfolio

House brands

Safilo

OXYDO

Blue+Bay
for dreamers only

CARRERA
RACING SUNGLASSES SINCE 1956

SMITH

Licensed brands

ALEXANDER
MQUEEN

A|X
ARMANI EXCHANGE

BALENCIAGA

BANANA REPUBLIC

BOTTEGA VENETA

DIESEL



Dior

EMPORIO ARMANI



GIORGIO ARMANI

GUCCI

BOSS
HUGO BOSS

HUGO
HUGO BOSS

JIMMY CHOO



kate spade
NEW YORK

liz claiborne

MARC JACOBS

MARC BY MARC JACOBS

MaxMara

MAX&Co

NINE WEST

pierre cardin
PARIS

SAKS
FIFTH
AVENUE

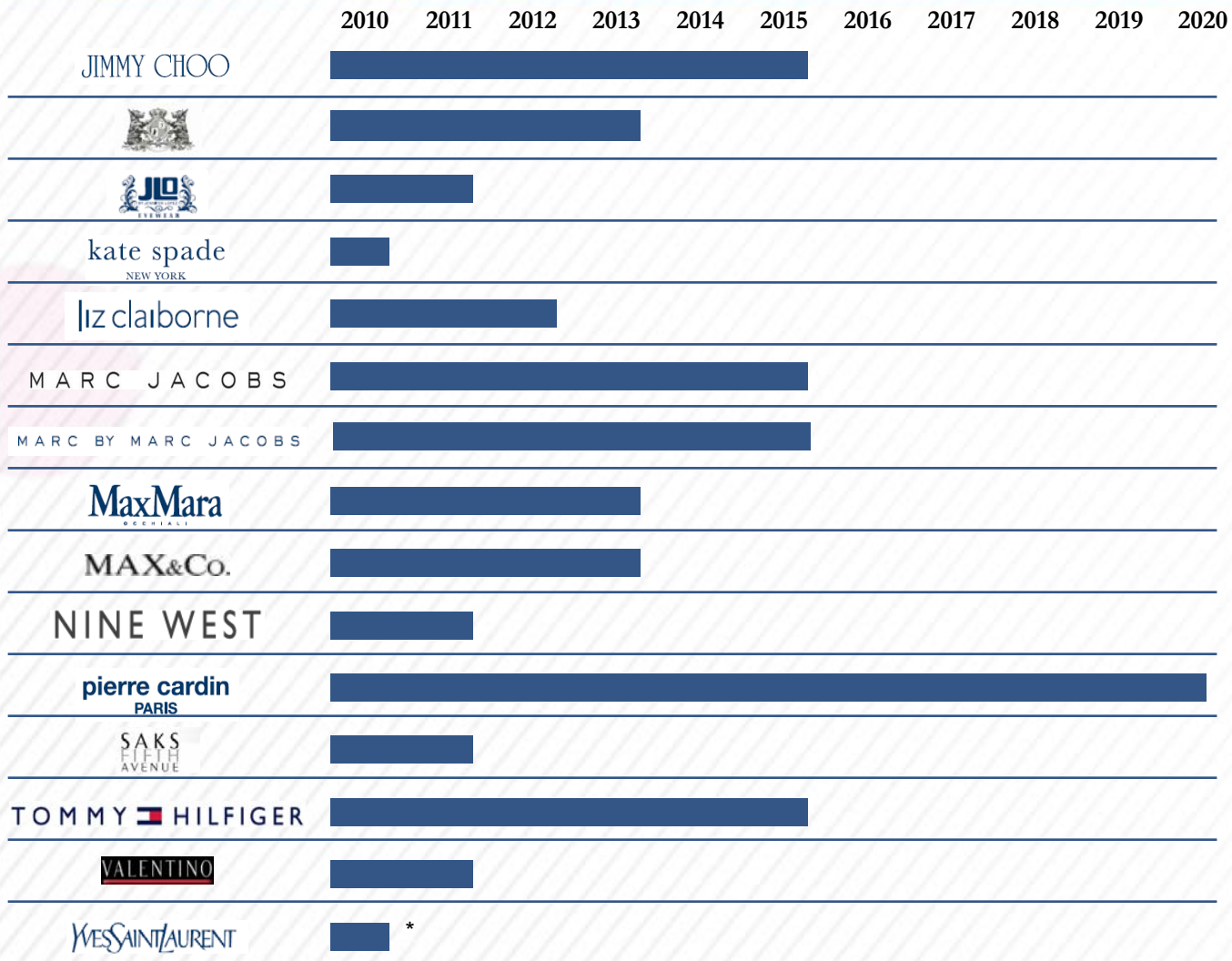
TOMMY HILFIGER

VALENTINO

YVES SAINT LAURENT



Licensed brands



* Under discussion