



SAFILO GROUP ENTERS INTO THE FINANCING AND INVESTMENT AGREEMENTS WITH MULTIBRANDS ITALY B.V. TO FUND THE ACQUISITION OF THE POLAROID EYEWEAR BUSINESS

Padua, November 18, 2011 – Following the signing of the acquisition agreement to acquire the Polaroid Eyewear business, Safilo Group and Multibrands Italy B.V., controlled by HAL Holding N.V., have signed a loan agreement and an investment and underwriting agreement whereby Multibrands Italy B.V. will grant Safilo Group the financial support to partially fund said acquisition.

As already outlined in the previous press release, the main terms and conditions of the loan agreement and investment and underwriting agreement whereby Multibrands Italy B.V. will provide Safilo Group with the financial support, amounting to at least two thirds of the purchase price for the acquisition of the Polaroid Eyewear business, to fund such acquisition, are as follows:

- Multibrands Italy B.V. will provide a loan to Safilo Group, in the days immediately preceding the completion of the acquisition, for an amount of approximately Euro 44 million, aimed at the payment of a portion of the purchase price on the date of completion of the acquisition of the Polaroid Eyewear business;
- conditional upon the completion of the acquisition transaction and the approval of the reserved capital increase by the Extraordinary Shareholders' Meeting, Multibrands Italy B.V. would commit to underwrite and pay-in a reserved capital increase of Safilo Group approximately equal to Euro 44 million, through the set-off of the credit deriving from the above mentioned loan with the debt deriving from the subscription of the reserved capital increase.

The residual portion of the purchase price for the acquisition transaction, approximately equal to a maximum of Euro 21 million, will be financed by Safilo, through already available cash and/or credit facilities.

As already announced in the previous press release, the Board of Directors also resolved to convene an Extraordinary Shareholders' Meeting on December 21, 2011, in a single call, to approve the above-mentioned capital increase, within the limit of 10% of the pre-existing share capital, reserved for subscription by Multibrands Italy B.V., whereby 4,918,000 ordinary shares shall be issued, at a subscription price of Euro 9.00 per share, of which Euro 5.00 is the nominal value and Euro 4.00 is the share premium. The subscription price incorporates a significant premium amounting to around 90% to the trading price of the share in the days preceding this press release. The subscription of the reserved capital increase is expected to occur in the week following the completion of the acquisition transaction.

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

"We welcome the commitment demonstrated by our shareholder HAL which will allow Safilo Group to maintain substantially unaltered the improved level of consolidated financial leverage reached during the last year."

Press Release

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The transaction executed with Multibrands Italy B.V. for the financial support of the acquisition of the Polaroid Eyewear business represents a “transaction with related parties of greater importance” pursuant to the Regulation approved with CONSOB resolution no. 17221 of March 12, 2010 and, therefore, all the requirements provided by the Regulation itself – and by the relevant internal procedure adopted by the Board of Directors of Safilo Group on November 5, 2010 – have been duly complied with; in particular, the financial support transaction to be signed, in its entirety, has been submitted to the prior evaluation of the Internal Control Committee of Safilo Group which expressed its favorable opinion on the proposed reserved capital increase and, more generally, on the loan agreement and the investment agreement entered into with Multibrands Italy B.V..

The report of the Directors for the Extraordinary Shareholders’ Meeting and the relevant information on the transaction with related parties of greater importance shall be published in due course as provided by law.

The Safilo Group is worldwide leader in the premium eyewear sector and maintains a leadership position in the prescription, sunglasses, fashion and sports eyewear sectors. Present in the international market through exclusive distributors and 30 subsidiaries in primary markets (U.S.A., Europe and Far East). The main proprietary branded collections distributed are: Safilo, Carrera, Smith Optics, Oxydo, Blue Bay, and the licensed branded collections are: Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS Black, BOSS Orange, 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., Nine West, Pierre Cardin, Saks Fifth Avenue, Tommy Hilfiger, Valentino, Yves Saint Laurent.

This press release is also available on the website www.safilo.com.

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