



THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES THE 2015 FINANCIAL RESULTS

First year of investment and business transformation under the 2020 Strategic Plan

Europe, North America and key new markets performed well, while Asia restrained

Solid organic growth by the Group's going forward brands portfolio

Strong Cash Flow generation and sound financial leverage

- **Group Net Sales** at Euro 1,279.0 million for the full year, up +8.5% vs 2014 (flat at constant exchange rates, and up +4.3% on the going forward brands portfolio)
- **Adjusted² EBITDA** at Euro 102.4 million, down 13.5% vs 2014, at 8.0% of net sales
- **Adjusted² Group net profit** at Euro 6.9 million. The Group reported a net loss of Euro 52.7 million including not-recurring items
- **Group Net Debt** at Euro 89.9 million, compared to Euro 163.3 million in 2014, with the adjusted² financial leverage at 0.9x.

Padua, March 14, 2016 - The Board of Directors of Safilo Group S.p.A. has today approved the Company's consolidated financial statements for the year ended 31 December 2015¹ and examined the separate financial statements for the year ended 31 December 2015¹, which will be submitted for approval by the shareholders at the Annual General Meeting to be held in a single call on 27 April 2016.

Safilo total net sales for the year equaled Euro 1,279.0 million, recording an increase of 8.5% thanks to foreign exchange tailwind. At constant currencies, 2015 net sales were flat compared to 2014, reflecting differing business and market dynamics. The performance of the Group's going forward brands portfolio, i.e. excluding all brands that Safilo stopped and will stop servicing, showed growth of 13% at current exchange rates and 4.3% at constant exchange rates.

At the operating level, 2015 gross margin moved from 61.0% to 59.2% of sales while adjusted² EBITDA margin stood at 8.0% of sales vs. 10.0% in 2014.

Safilo closed 2015 with an adjusted² Group net result of Euro 6.9 million compared to the adjusted² net result of Euro 44.5 million recorded in 2014.

2015 adjusted economic results do not include non-recurring costs for a total of Euro 60.5 million, mainly related to the impairment of the goodwill allocated to the Far East business and a provision related to an investigation of the French Competition Authority (also see Note 2).

In 2015, the Group generated a Free Cash Flow of Euro 74.8 million, further reducing the Group Net Debt to Euro 89.9 million from Euro 163.3 million in 2014 and the adjusted² financial leverage to 0.9x from 1.4x.

This reflected the ongoing improvement in net working capital management, the proceeds from the sale of shares held in an associate company for Euro 8.6 million and the first of the three compensation payments of Euro 30 million from Kering received in January 2015.

The Board of Directors has decided not to propose the payment of a dividend to the next Annual General Meeting.

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Luisa Delgado, Safilo CEO, commented:

“2015, the first year of the 2020 Strategic Plan laid out during our investor day in March, was a period of intense activity for Safilo.

The year saw capex investments of Euro 47.9 million and encouraging progress in the transformation of the business through the rebalancing of the Group’s brand strategy, development of its go to market strategy, supply network reinvention and IT transformation.

Europe and the North America wholesale business performed well, together with the key emerging markets of Middle East & Africa and Mexico. We made good progress in the reorganization of the Asian business, introducing new leadership, capabilities and brand plans, while market environment in Brazil remained very challenging.

Our core strategic license brand portfolio continued to deliver excellent results in terms of product and collection reception with consumers and registered double-digit net sales growth, while our Own core brands delivered mixed performance, primarily reflecting the short term impact of our business reorganization and new brand platforms.

Safilo saw a strong cash flow performance, reflecting good working capital management, and the improving quality of sales, sustainable business practices and efficient business processes are enabling the Group to further strengthen its adjusted² financial leverage.

We are committed to our 2020 strategies and goals. 2016 will be a further important year of transition, including the final period of the Gucci license, and we anticipate continued growth of our core license brand portfolio to be complemented with an acceleration of growth on our core own brands, and an increasingly visible impact of our cost savings and business transformation initiatives.”

Economic and financial highlights

Euro million	FY 2015	FY 2014	% change	Q4 2015	Q4 2014	% change
Net sales (*)	1,279.0	1,178.7	+8.5%	319.2	311.2	+2.6%
Gross profit	757.0	718.6	+5.3%	179.5	178.0	+0.9%
%	59.2%	61.0%		56.2%	57.2%	
EBITDA	82.4	110.7	(25.6%)	7.3	27.4	(73.3%)
%	6.4%	9.4%		2.3%	8.8%	
Adjusted² EBITDA	102.4	118.4	(13.5%)	25.0	32.1	(22.3%)
%	8.0%	10.0%		7.8%	10.3%	
Operating profit/(loss)	0.8	75.3	(98.9%)	(44.4)	18.1	n.s.
%	0.1%	6.4%		(13.9%)	5.8%	
Adjusted² Operating profit/(loss)	61.4	83.0	(26.1%)	13.8	22.8	(39.7%)
%	4.8%	7.0%		4.3%	7.3%	
Group net profit/(loss)	(52.7)	39.1	n.s.	(63.5)	7.4	n.s.
%	(4.1%)	3.3%		(19.9%)	2.4%	
Adjusted² Group net profit/(loss)	6.9	44.5	(84.4%)	(5.4)	10.6	n.s.
%	0.5%	3.8%		(1.7%)	3.4%	
Group net debt	89.9	163.3	(44.9%)			

(*) at constant exchange rates, 2015 net sales were flat compared to 2014. In Q4 2015, net sales at constant exchange rates decreased by 2.7% compared to Q4 2014.

FY 2015

Full year 2015 Group net sales totaled Euro 1,279.0 million, up 8.5% compared to Euro 1,178.7 million in full year 2014. At constant exchange rates, net sales were flat.

2015 gross profit grew by 5.3% to Euro 757.0 million from Euro 718.6 million in 2014, with the gross margin moving to 59.2% of sales from 61.0%. Foreign exchange drove a margin dilution of 80bps in the year.

2015 adjusted² EBITDA was Euro 102.4 million, down 13.5% compared to the adjusted² EBITDA of Euro 118.4 million recorded in 2014. Adjusted¹ EBITDA margin equaled 8.0% of net sales in 2015, compared to 10.0% in 2014.

2015 adjusted² EBIT was Euro 61.4 million, down 26.1% compared to the adjusted² EBIT of Euro 83.0 million for 2014. Adjusted² EBIT margin was 4.8% of net sales in 2015, compared to 7.0% in 2014.

2015 total net financial charges increased to Euro 27.4 million from Euro 8.6 million in 2014 mainly due to the higher negative impact of exchange rates differences (Euro 12.7 million compared to Euro 8.3 million in 2014) and the lower positive fair value measurement of the option component embedded in the equity-linked bonds (positive for Euro 0.8 million compared to Euro 17.7 million in 2014). Net interest charges decreased to Euro 7.9 million from Euro 9.8 million in 2014.

Safilo closed 2015 with an adjusted² Group net result of Euro 6.9 million compared to the adjusted² net result of Euro 44.5 million recorded in 2014.

2015 adjusted economic results do not include non-recurring costs for a total of Euro 60.5 million, mainly related to the impairment of the goodwill allocated to the Far East business and a provision related to an investigation of the French Competition Authority (also see Note 2).

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Q42015

In Q4 2015, Safilo reported total net sales of Euro 319.2 million, up 2.6% compared to Euro 311.2 million recorded in 2014. At constant exchange rates, net sales decreased by 2.7% in the period, reflecting the decline of all brands that Safilo stopped and will stop servicing.

The Group's going forward brands portfolio showed growth of 7.4% at current exchange rates and 2.0% at constant exchange rates. This performance reflected the accelerated sales growth recorded by the Group in its core European strongholds, mitigated by the business shortfall in Asia, behind the weak market environment and Safilo's further interventions to reorganize distribution, and the softer performance in North America behind the continued downturn of the retail business.

Q4 2015 gross profit was Euro 179.5 million, up 0.9% compared to Euro 178.0 million in the same quarter of 2014. Gross margin decreased to 56.2% of net sales from 57.2% in Q4 2014, driven mainly by higher obsolescence while as in the third quarter, industrial efficiencies and cost savings continued to improve in the fourth quarter and more than offset cost inflation increases.

Q4 2015 adjusted² EBITDA equaled Euro 25.0 million, down 22.3% compared to the adjusted² EBITDA of Euro 32.1 million recorded in the same period of 2014. Adjusted² EBITDA margin stood at 7.8% of net sales in Q4 2015, down from 10.3% in Q4 2014, reflecting the sales decline outweighing a positive operating leverage of core business investments.

Q4 2015 adjusted² EBIT was Euro 13.8 million, down 39.7% compared to the adjusted² EBIT of Euro 22.8 million registered in Q4 2014. Adjusted² EBIT margin was 4.3% of net sales in Q4 2015, compared to 7.3% in Q4 2014.

Below the operating line, total net financial expenses were Euro 2.5 million compared to Euro 2.3 million in Q4 2014. Income taxes for the period increased to Euro 16.4 million from Euro 7.3 million in Q4 2014, mainly reflecting the non-tax-deductible nature of certain non-recurring costs, the adjustment of the Italian deferred tax asset position for the future lower Italian corporate income tax rate, and negative deferred tax asset dynamics in certain affiliates abroad.

Q4 2015 adjusted² Group net result equaled a loss of Euro 5.4 million compared to an adjusted² net profit of Euro 10.6 million registered in Q4 2014.

Q4 2015 adjusted economic results do not include non-recurring costs for a total of Euro 58.1 million, mainly related to the impairment of the historic goodwill allocated to the Far East business and a provision related to an investigation of the French Competition Authority (also see Note 2).

Key Cash Flow data

Euro million	FY 2015	FY 2014	Q4 2015	Q4 2014
Cash flow from operating activities before changes in working capital	61.1	68.2	20.9	16.3
Changes in working capital	53.7	(41.3)	7.3	(6.9)
Cash flow from operating activities	114.8	26.9	28.2	9.4
Cash flow for investment activities	(40.0)	(39.3)	(20.2)	(11.5)
Free Cash Flow	74.8	(12.4)	8.0	(2.1)

In 2015, Safilo generated a total Free Cash Flow of Euro 74.8 million (negative for Euro 12.4 million in 2014), after freeing additional Euro 8.0 million in the fourth quarter (negative flow of Euro 2.1 million in Q4 2014). The annual result included the first of three compensation payments of Euro 30 million received in January 2015 from Kering.

The strong cash flow from operating activities benefitted from Euro 32.7 million positive inflow from net working capital (an outflow of Euro 42.7 million in 2014), in particular thanks to the continued improvement in the collection of trade receivables and the prudent management of inventories, with the days on hand significantly improving compared to the end of 2014.

In the year, the cash flow for investing activities totaled Euro 48.6 million, an increase of Euro 9.1 million compared to 2014 investments. In line with the 2020 strategic plan, in 2015 Safilo commenced its investments to modernize its product supply and logistics network and to roll out EyeWay, its IT systems overhaul. Finally, in 2015, Safilo sold the shares held in an associate company for Euro 8.6 million.

Thanks to the significant cash generation of the year, at the end of December 2015, Safilo's net debt stood at Euro 89.9 million, down 44.9% compared to Euro 163.3 million at the end of December 2014 and down 7.4% compared to Euro 97.1 million at the end of September 2015.

Markets and Brands

Throughout 2015, **Europe** was Safilo's main driver of growth. Net sales increased by 6.3% (+6.0% at constant exchange rates), reaching Euro 508.6 million compared to Euro 478.5 million in 2014. In the fourth quarter, European net sales growth accelerated further, up 11.1% (+10.8% at constant exchange rates) to Euro 130.3 million compared to Euro 117.3 million in Q4 2014.

The Group gained market share in the key markets France, Italy, Spain and Germany, driven by good performance of the license brand portfolio, Dior, Celine, Jimmy Choo, Max Mara and Hugo Boss in particular.

On the Own core brands front, Polaroid sales increased by low single digits, influenced by the strong deceleration of Russia where the Group converted the previous distributor model into a directly managed business. Excluding this negative effect, Polaroid was up high-single digit in the year.

Carrera's sales performance in Europe was soft in 2015, as the transition to the new brand platform did not yet broadly translate into effective product and in-store execution. Smith saw a satisfactory initiation of its expansion strategy in the sport channel in Europe.

In **North America**, Safilo's sales performance was positive in 2015 in spite of the shortfall recorded by the Group in its 125 Solstice stores in the US. Net sales were up 19.4% at current exchange rates (+0.8% at constant exchange rates), totaling Euro 531.3 million compared to Euro 445.1 million in 2014. In Q4, the North America business was up 8.9% at current exchange rates but declined by 3.8% at constant exchange rates to Euro 127.7 million compared to Euro 117.3 million in Q4 2014.

The core wholesale business grew by 21.9% at current exchange rates to Euro 442.7 million (+3.2% at constant exchange rates compared to Euro 363.1 million in 2014). Dior, Celine, Max Mara and Jimmy Choo grew significantly while Kate Spade became Safilo's second largest brand in North America after Smith. The latter delivered low single digit sales growth in 2015 behind market share gains in its Snow portfolio but suffering from a soft winter sport season at the end of the year.

On the other Own core brands, Carrera's North America wholesale business was up almost double digit in 2015, driven by the strong performance on prescription frames and a stable trend in sunglasses, while Polaroid's sales were up mid-single digit reflecting the commencement of its door expansion strategy.

In Q4 2015, the North America wholesale business was up 11.4% at current exchange rates to Euro 108.1 million, but down 1.5% at constant exchange rates compared to Euro 97.0 million.

In 2015, sales at Solstice stores in the US equaled Euro 88.6 million, up 8.1% at current exchange rates, down 9.8% at constant exchange rates compared to Euro 82.0 million in 2014. In Q4 2015, Solstice's sales were down 3.1% at current exchange rates to Euro 19.6 million (-14.7% at constant exchange rates compared to Euro 20.2 million).

In 2015, Safilo's operations in **Asia** were affected by the re-setting of the Group's business fundamentals, as the Group put in place a new leadership in the region and key markets, invested in the development of key capabilities and reset commercial policies to guarantee quality and sustainable corporate and business practices.

Sales in Asia equaled Euro 154.8 million for the year, down 9.4% at current exchange rates compared to Euro 170.8 million in 2014 (-20.5% at constant exchange rates), with China, Hong Kong and Korea particularly hit also by the challenging market environment. Australia remained the bright spot of the region.

In Q4 2015, sales in Asia were Euro 36.6 million, down 23.0% at current exchange rates compared to Euro 47.6 million in Q4 2014 (-28.7% at constant exchange rates).

2015 net sales in **Latin America** amounted to Euro 51.3 million, down 6.7% at current exchange rates compared to Euro 54.9 million in 2014 (-1.1% at constant exchange rates), reflecting two distinct trends. On one hand the very positive sales performance in Mexico and in the majority of the other Latin America countries, on the other the persisting weakness of the Brazilian market. This business scenario persisted in the fourth quarter, when net sales were Euro 14.8 million, down 15.0% at current exchange rates compared to Euro 17.5 million in 2014 (-5.3% at constant exchange rates).

2015 net sales in the **Rest of the World** totaled Euro 33.0 million, up 12.6% at current exchange rates compared to Euro 29.3 million in 2014 (+11.6% at constant exchange rates), benefitting from Safilo's new direct presence in Middle East and the positive performance of the business in South Africa.

In Q4 2015, net sales in the rest of the world were Euro 9.7 million, down 16.1% at current exchange rates compared to Euro 11.6 million in Q4 2014 (-17.1% at constant exchange rates), temporarily affected by the different timing of some shipments at the end of the year.

Outlook

Safilo expects 2016 to be characterized by two main distinct business dynamics - the final year of Gucci as a license in the Safilo portfolio and positive organic sales performance by the going forward brands portfolio. From a brand standpoint, licensed brands and Own core brands are both expected to contribute to growth, bolstered by the 2016 launch of the new partnerships with Givenchy and Swatch.

On the cost structure, Safilo will focus on two main initiatives forward, the addressing on the one hand costs of sales and thus primarily gross profit, and on the other hand the Group's operating expenses.

Firstly, Safilo aims at continuing the cost saving initiatives in the supply & logistics network, focusing on production and sourcing optimization actions and distribution center streamlining.

Secondly, and as anticipated in the Simplification strategy of the Company's 2020 plan, the Group is now ready to accelerate the execution of its overhead cost savings initiative. Safilo targets Euro 25-30 million cumulative overhead cost savings by December 2019, behind expected one-off restructuring charges of Euro 20 million.

Other information

The Board of Directors granted options of the Third Tranche of the Stock Option Plan 2014-2016, identifying, on the basis of the proposal of the Remuneration and Nomination Committee, the eligible beneficiaries. For any further information on the Stock Option Plan 2014-2016, we refer to the documentation made available to the public on the Company's website and any other documents that will be published according to the law, including the Report on the Remuneration.

Notes:

¹ The consolidated and separate financial statements are currently being audited, a process that has yet to be completed.

² 2015 adjusted economic results do not include non-recurring items for a total of Euro 60.5 million related to commercial restructuring costs in the EMEA region for Euro 1.2 million, other non-recurring costs for Euro 1.8 million mainly related to the consolidation of the Group's North American distribution network into its Denver facility, Euro 40.5 million for an impairment charge of the Group's goodwill, and Euro 17.0 million for a provision for other risks and charges in relation to the investigation of the French Competition Authority.

Safilo's French subsidiary (Safilo France S.A.R.L.) together with other major competitors and a number of leading retailers in the French eyewear industry, has starting from 2009 been the subject of an investigation conducted by the French Competition Authority ("FCA") relating to pricing and sales practices in the industry.

In May 2015, Safilo France S.A.R.L. and Safilo S.p.A. in its capacity of parent-company received a Statement of Objections from the FCA. Safilo has examined the FCA's preliminary findings reported in the Statement of Objections and has recently reached an agreement with the FCA limiting the Group's liability at Euro 17 million. Consequently, a provision of Euro 17 million has been booked by the Group as the best estimate for the expected liability. The Group currently expects to receive the final investigation report and the fine, from the FCA by the end of 2016.

As part of its annual goodwill impairment test, the Group has decided to book an impairment charge of Euro 40.5 million of its historic goodwill. Two of its three cash-generating units (Americas and EMEA) continue to show a fair market value significantly ahead of book value. The Far East CGU's business contraction in 2015, coupled with an increase in the book value driven by foreign exchange (Euro +22.5 million) and a more uncertain economic outlook in the region going forward, required an impairment of the goodwill allocated to this CGU in the magnitude of Euro 40.5 million.

In 2014 adjusted economic results did not include non-recurring expenses for a total of Euro 7.7 million.

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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. Gerd Graehsler, 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;
- The 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;
- The 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 debt;
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities.

Live Webcast

Results for the full year 2015 will be discussed tomorrow, March 15, 2016, starting at 8.00am CET (7.00am GMT/ 2.00am US EST) during a presentation to the financial community in Milan. The presentation will be publicly available via live webcast at <http://www.safilogroup.com/en/investors>.

Notice of the call of the Ordinary Shareholders' Meeting

In the coming days, the notice of the call of the Shareholders' Meeting will be available on the website www.safilogroup.com/it/investors.html and on the central storage of regulated information, where the Reports from the Directors to the Shareholders' Meeting on the proposals regarding the items on the agenda, will also be made available.

Sàfilo Group S.p.A.

Consolidated income statement

<i>(Euro/000)</i>	Financial Year			Fourth Quarter		
	2015	2014	Change %	2015	2014	Change %
Net sales	1,278,960	1,178,683	8.5%	319,226	311,138	2.6%
Cost of sales	(522,004)	(460,129)	13.4%	(139,700)	(133,180)	4.9%
Gross profit	756,956	718,554	5.3%	179,525	177,958	0.9%
Selling and marketing expenses	(526,524)	(479,367)	9.8%	(123,960)	(116,742)	6.2%
General and administrative expenses	(171,468)	(157,539)	8.8%	(43,247)	(40,137)	7.7%
Other operating income (expenses)	(17,657)	(6,382)	n.s.	(16,261)	(3,005)	n.s.
Impairment loss on goodwill	(40,475)	-	n.s.	(40,475)	-	n.s.
Operating profit/(loss)	832	75,266	(98.9%)	(44,418)	18,074	n.s.
Share of income (loss) of associates	1,010	(1,800)	n.s.	36	(952)	n.s.
Financial charges, net	(27,401)	(8,603)	n.s.	(2,544)	(2,265)	12.3%
Profit/(Loss) before taxation	(25,559)	64,863	n.s.	(46,926)	14,857	n.s.
Income taxes	(26,854)	(25,409)	5.7%	(16,417)	(7,303)	n.s.
Net profit/(loss) of the period	(52,413)	39,454	n.s.	(63,343)	7,554	n.s.
Non-controlling interests	332	424	(21.7%)	206	228	(9.6%)
Net profit/(loss) attributable to owners of the Parent	(52,745)	39,030	n.s.	(63,549)	7,326	n.s.
EBITDA	82,371	110,665	(25.6%)	7,315	27,415	(73.3%)
Earnings/(Losses) per share - basic (Euro)	(0.843)	0.625		(1.015)	0.117	
Earnings/(Losses) per share - diluted (Euro)	(0.840)	0.622		(1.012)	0.117	
Economic indicators pre non-recurring items						
EBIT pre non-recurring items	61,359	83,047	(26.1%)	13,766	22,846	(39.7%)
EBITDA pre non-recurring items	102,423	118,446	(13.5%)	25,024	32,187	(22.3%)
Net profit/(loss) attributable to the Group pre non-recurring items	6,932	44,467	(84.4%)	(5,424)	10,589	n.s.

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Sàfilo Group S.p.A.

Consolidated Balance sheet

(Euro/000)	December 31, 2015	December 31, 2014	Change
ASSETS			
Current assets			
Cash and cash equivalents	86,640	88,552	(1,912)
Trade receivables	243,759	266,308	(22,549)
Inventory	254,079	247,617	6,462
Derivative financial instruments	1,727	1,594	133
Other current assets	54,183	49,619	4,564
Total current assets	640,388	653,690	(13,302)
Non-current assets			
Tangible assets	197,498	203,279	(5,781)
Intangible assets	62,333	54,806	7,527
Goodwill	583,908	583,130	778
Investments in associates	-	7,605	(7,605)
Available-for-sale financial assets	-	-	-
Deferred tax assets	93,597	92,498	1,099
Derivative financial instruments	-	-	-
Other non-current assets	3,167	2,897	270
Total non-current assets	940,503	944,215	(3,712)
Non-current assets held for sale	9,914	-	9,914
Total assets	1,590,805	1,597,905	(7,100)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	44,022	75,319	(31,297)
Trade payables	220,170	210,775	9,395
Tax payables	25,266	33,041	(7,775)
Derivative financial instruments	877	68	809
Other current liabilities	47,484	52,149	(4,665)
Provisions for risks and charges	24,124	5,658	18,466
Total current liabilities	361,943	377,010	(15,067)
Non-current liabilities			
Long-term borrowings	132,526	176,493	(43,967)
Employees benefits liability	31,175	32,724	(1,549)
Provisions for risks and charges	16,213	13,707	2,506
Deferred tax liabilities	11,146	8,772	2,374
Derivative financial instruments	3,614	4,426	(812)
Other non-current liabilities	35,584	10,517	25,067
Total non-current liabilities	230,258	246,639	(16,381)
Total liabilities	592,201	623,649	(31,448)
Shareholders' equity			
Share capital	313,150	312,675	475
Share premium reserve	484,845	484,689	156
Retained earnings (losses) and other reserves	251,683	135,142	116,541
Cash flow hedge reserve	572	-	572
Income/(Loss) attributable to the Group	(52,745)	39,030	(91,775)
Total shareholders' equity attributable to the Group	997,505	971,536	25,969
Non-controlling interests	1,099	2,720	(1,621)
Total shareholders' equity	998,604	974,256	24,348
Total liabilities and shareholders' equity	1,590,805	1,597,905	(7,100)

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Sàfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000)	Financial Year	
	2015	2014
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	39,494	69,669
B - Cash flow from (for) operating activities		
Net profit/(loss) for the period (including minority interests)	(52,413)	39,454
Depreciation and amortization	41,065	35,399
Impairment loss on goodwill	40,475	-
Other non-monetary P&L items	35,275	(7,552)
Interest expenses, net	7,873	9,809
Income tax expenses	26,853	25,410
Income from operating activities prior to movements in working capital	99,128	102,519
(Increase) Decrease in trade receivables	29,006	(15,812)
(Increase) Decrease in inventory, net	1,990	(25,030)
Increase (Decrease) in trade payables	1,710	(1,812)
(Increase) Decrease in other receivables	(2,881)	(172)
Increase (Decrease) in other payables	23,877	1,560
Interest expenses paid	(3,342)	(5,882)
Income taxes paid	(34,690)	(28,457)
Total (B)	114,799	26,915
C - Cash flow from (for) investing activities		
Investments in property, plant and equipment	(34,148)	(28,294)
Net disposals of property, plant and equipment	2,059	1,011
Acquisition of minorities (in subsidiaries)	(2,912)	(1,555)
(Acquisition) Disposal of investments and bonds	8,592	237
Purchase of intangible assets, net of disposals	(13,629)	(10,650)
Total (C)	(40,038)	(39,251)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	-	200,000
Repayment of borrowings	(71,264)	(226,529)
Share capital increase	631	3,799
Dividends paid	-	-
Total (D)	(70,632)	(22,731)
E - Cash flow for the period (B+C+D)	4,129	(35,066)
Translation exchange differences	3,995	4,891
Total (F)	3,995	4,891
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	47,618	39,494

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Sàfilo Group S.p.A.
Consolidated net sales

Net sales by geographical area (Euro in millions)	Financial Year					
	2015	%	2014	%	Change %	Change % (*)
Europe	508.6	39.8	478.5	40.6	6.3%	6.0%
North America	531.3	41.5	445.1	37.8	19.4%	0.8%
Latin America	51.3	4.0	54.9	4.7	-6.7%	-1.1%
Asia Pacific	154.8	12.1	170.8	14.5	-9.4%	-20.5%
Rest of the world	33.0	2.6	29.3	2.5	12.6%	11.6%
Total	1,279.0	100.0	1,178.7	100.0	8.5%	0.0%

(*) at constant exchange rates

Net sales by geographical area (Euro in millions)	Fourth Quarter					
	2015	%	2014	%	Change %	Change % (*)
Europe	130.3	40.8	117.3	37.7	11.1%	10.8%
North America	127.7	40.0	117.3	37.7	8.9%	-3.8%
Latin America	14.8	4.7	17.5	5.6	-15.0%	-5.3%
Asia Pacific	36.6	11.5	47.6	15.3	-23.0%	-28.7%
Rest of the world	9.7	3.0	11.6	3.7	-16.1%	-17.1%
Total	319.2	100.0	311.2	100.0	2.6%	-2.7%

(*) at constant exchange rates

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Sàfilo Group S.p.A.***Income statement***

<i>(Euro)</i>	Financial Year		
	2015	2014	Change %
Net sales	412,000	412,000	0.0%
Gross profit	412,000	412,000	0.0%
General and administrative expenses	(3,463,823)	(4,486,083)	-22.8%
Other operating income (expenses)	118,712	(4,015)	n.s.
Operating profit/(loss)	(2,933,111)	(4,078,098)	-28.1%
Financial charges, net	(5,693,659)	14,206,121	n.s.
Profit/(loss) before taxation	(8,626,770)	10,128,023	n.s.
Income taxes	2,329,980	452,328	n.s.
Net profit/(loss) for the year	(6,296,790)	10,580,351	n.s.

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Sàfilo Group S.p.A.**Balance sheet**

<i>(Euro)</i>	December 31, 2015	December 31, 2014	Change
ASSETS			
Current assets			
Cash in hand and at bank	113,499	175,824	(62,325)
Trade receivables, net	760,788	591,751	169,037
Other current assets	25,892,231	28,124,035	(2,231,804)
Total current assets	26,766,518	28,891,610	(2,125,092)
Non-current assets			
Investments in subsidiaries	903,267,936	902,745,443	522,493
Deferred tax assets	1,792,596	-	1,792,596
Other non-current assets	1,213,910	676,527	537,383
Total non-current assets	906,274,442	903,421,970	2,852,472
Total assets	933,040,960	932,313,580	727,380
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	-	-	-
Trade payables and payables to subsidiaries	4,680,856	3,095,446	1,585,410
Tax payables	196,327	165,040	31,287
Other current liabilities	703,023	1,248,066	(545,043)
Total current liabilities	5,580,206	4,508,552	1,071,654
Non-current liabilities			
Long-term borrowings	132,525,703	127,904,930	4,620,773
Employees benefits liability	62,558	76,407	(13,849)
Provisions for Risks	1,819,031	996,297	822,734
Derivative financial instruments	3,613,643	4,425,927	(812,284)
Other non-current liabilities	524,497	487,244	37,253
Total non-current liabilities	138,545,432	133,890,805	4,654,627
Total liabilities	144,125,638	138,399,357	5,726,281
Shareholders' equity			
Share capital	313,149,825	312,674,825	475,000
Share premium reserve	484,845,364	484,688,914	156,450
Retained earnings (losses) and other reserves	(2,783,077)	(14,029,867)	11,246,790
Net profit (loss) of the year	(6,296,790)	10,580,351	(16,877,141)
Total shareholders' equity	788,915,322	793,914,223	(4,998,901)
Total liabilities and shareholders' equity	933,040,960	932,313,580	727,380

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Sàfilo Group S.p.A.
Statement of cash flows

(Euro)	Financial Year	
	2015	2014
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	175,824	3,221,399
B - Cash flow from (for) operating activities		
Net profit (loss) for the period	(6,296,793)	10,580,351
Amortization	-	-
Stock Options figurative cost	115,759	49,348
Net changes in employees benefits liability	14,341	(22,724)
Net changes in provision for risks	822,734	822,734
Other non monetary P&L items	(810,909)	(20,377,274)
Interest expenses (income)	6,494,398	3,532,180
Income tax expenses	(2,329,980)	(452,328)
Income (loss) from (for) operating activities prior to movements in working capital	(1,990,450)	(5,867,713)
(Increase) Decrease in trade receivables	(169,037)	603,849
(Increase) Decrease in other receivables	(818,196)	5,034,406
Increase (Decrease) in trade payables	1,585,410	(5,296,283)
Increase (Decrease) in other payables	(476,502)	218,686
Interests paid	(1,875,000)	(937,500)
Income taxes paid	-	-
Total (B)	(3,743,775)	(6,244,555)
C - Cash flow from (for) investing activities		
(Investments) disinvestments in subsidiaries	-	(153,000,000)
Total (C)	-	(153,000,000)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	-	150,000,000
Share capital increase	631,450	3,798,980
Dividends received	3,050,000	2,400,000
Total (D)	3,681,450	156,198,980
E - Cash flow for the period (B+C+D)	(62,325)	(3,045,575)
F - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E)	113,499	175,824

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About Safilo Group

Safilo Group is the fully integrated Italian eyewear creator and worldwide distributor of quality and trust, leader in the premium sector for sunglasses, optical frames and sports eyewear. Design inspired and brand driven, Safilo translates extraordinary design into excellent products created thanks to a superior craftsmanship expertise dating back to 1878. With an extensive wholly owned global distribution network in 39 countries – in North and Latin America, Europe, Middle East and Africa, and Asia Pacific and China – Safilo is committed to quality distribution of its products all around the world. Safilo’s portfolio encompasses Carrera, Polaroid, Smith, Safilo, Oxydo, Dior, Dior Homme, Fendi, Gucci, Banana Republic, Bobbi Brown, BOSS, BOSS Orange, Céline, Fossil, Givenchy, HUGO, Jack Spade, Jimmy Choo, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max&Co., Pierre Cardin, Saks Fifth Avenue and Tommy Hilfiger.

Listed on the Italian Stock Exchange (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI), in 2015 Safilo recorded net revenues for Euro 1,279 billion.

Contacts:

Safilo Group Investor Relations

Barbara Ferrante

Ph. +39 049 6985766

www.safilogroup.com/en/investors.html

Safilo Group Press Office

Milan – Ph. +39 02 77807607

Padua – Ph. +39 049 6986021