



**SAFILO GROUP S.P.A.: THE BOARD OF DIRECTORS EXAMINES
THE NEW STOCK OPTION PLAN**

**Information concerning the share incentive plan in accordance with article 114-bis of
Legislative Decree no. 58/1998**

Padua, 15th May 2006: The Board of Directors meeting held today, by virtue of the powers granted to it by the extraordinary Shareholders' Meeting held on 24th October 2005, has examined the draft regulations for a new mid-long term incentive plan reserved to certain directors, managers and co-operators of the Company and of other companies belonging to Safilo Group for, to be carried out by assigning option rights for newly issued Company shares with exclusion of the pre-emption right of the current shareholders, in accordance with article 2441 paragraph 6 of the Civil Code (the "Plan"), aimed at the incentivisation and retention of management with a view to developing Company and Group activities in the next few years, in line with standard practice for listed companies.

For the purposes of the above, it is hereby communicated that the extraordinary Shareholders' meeting on 24th October 2005 delegated the Board every power to decide, with the favourable opinion of the Remuneration Committee, the form and characteristics of the Plan, to be put into effect within six months of the authorisation for start of trading of ordinary shares of the Company on the *Mercato Telematico Azionario* ("MTA"), issued on 6th December 2005.

In particular, the Shareholders' Meeting granted the Board of Directors every widest possible power for it to:

- (i) Decide the duration of the Plan, in any case with a time span of between three and five years;
- (ii) Establish all the terms and conditions of the Plan, including identification of beneficiaries;
- (iii) Decide the means of putting the Plan into effect, either by assigning option rights for subscribing newly issued shares, or by issuing financial instruments, or in the form of participation in profits matured or distributions carried out, or alternatively in other forms to be established by the Board itself.

For this purpose in particular, as the Plan is to be put into effect by assigning option rights for newly issued Company shares, the aforementioned Shareholders' Meeting of 24th October 2005 granted the Board of Directors the power to increase the share capital for the Plan via payment, up to a maximum nominal value equal to 3% of the overall nominal value of the Company capital at the date of start of trading of Company shares on the MTA, with a share premium yet to be decided, fixing the subscription price based on the definitive price of the listing offer discounted by up to a maximum of 10 %, but in any case in conformity with the provisions of article 2441, comma 6, of the Civil Code.

In order to put this delegation into effect, the Board approved the directors' illustrative report provided for by article 2441, comma 6, of the Civil Code, which, together with the report drawn up by the auditing Company in accordance with article 158 of the *Testo unico della Finanza*, (Legislative Decree no. 58/1998 - from hereon "T.U.F."), will be made available to the public from tomorrow 16th May, as per notice published today in the daily newspaper "La Repubblica", in accordance with and for the purposes of article 72 comma 5 letter a) of the "Regolamento Emittenti" adopted by Consob with resolution no. 11971 of 14th May 1999 and subsequent modifications.

Information concerning the plan is indicated below, in accordance with and for the purposes of article 114- *bis* of the T.U.F.:

Addressees of the Plan

The Plan is reserved to certain directors, managers and co-operators of Safilo Group S.p.A., Safilo S.p.A. and other companies belonging to Safilo Group, which will be identified by the Board of Directors in the next meeting, following the favourable opinion of the Remuneration Committee (from hereon "Beneficiaries"). The Beneficiaries must exercise the rights and fulfil the obligations prescribed by the Plan regulations through a fiduciary company, to be identified by the Board of Directors.

Methods and clauses for putting the Plan into effect

The Board of Directors of the Company, with the favourable opinion of the Remuneration Committee, resolved that the Plan should last 4 years and be put into effect by assigning option rights on newly issued Company shares ("Option Rights" or "Options").

The Option Rights are assigned free of charge to the Beneficiaries, and are personal, nominative, and not transferable *inter vivos*. They grant the respective Beneficiaries the right to subscribe ordinary shares of Safilo Group S.p.A., with a conversion ratio of one share per option, apart from exceptions made in the case of extraordinary operations.

The Plan foresees the maturing of Option Rights assigned at the rate of $\frac{1}{4}$ for each business year that the Plan lasts, on the dates specified in the Regulations, in the presence of certain conditions. The criteria for maturing Options are based on Safilo Group S.p.A. achieving certain conventional consolidated EBITDA requirements fixed respectively, for each of the four years 2006-2009, by the Board of Directors of the Company for the sole purposes of the Plan..

Option Rights that are extinct or given up may be reassigned by the Board of Directors.

For the purposes of the Plan, an increase in share capital reserved for the Beneficiaries of the Plan will be resolved, excluding therefore the pre-emption right of the current shareholders, up to the nominal maximum of Euro 2,125,296.25, with the issue of up to a maximum number of 8.501.185 ordinary shares.

Methods and criteria for determining the price

The subscription price of the shares was decided applying the criteria prescribed by the extraordinary Shareholders' Meeting of 24th October 2005 and within the limits of the Shareholder Meeting delegation. In particular, the price of shares that are to be issued for the purpose of the Plan was fixed by the Board of Directors meeting based on the price per share established at the admission of Safilo Group S.p.A. ordinary shares to trading on the MTA, discounted by 10%, also taking into account the performance on the stock exchange of Safilo Group S.p.A. shares in the last six months, in accordance with and for the purposes of article 2441, comma 6, Civil Code. In the case of subsequent reassignment of Options, the price will be decided as prescribed by the Regulations, taking into account the official average price at the close of the Stock Exchange for the shares in the last thirty days.

Characteristics of shares

The ordinary shares of Safilo Group S.p.A. deriving from the exercise of Options will have the same characteristics as ordinary shares in circulation, regular possession and will be redeemable in accordance with the prescriptions of article 2437 *sexies* of the Civil Code.

The Safilo Group is leader in premium eyewear and in a leadership position in the sector of prescription, sunglasses, fashion and sports eyewear.

Present on the international market through exclusive distributors and 28 subsidiaries in the principal countries (in U.S.A., Europe and Far East), Safilo distributes its own brand collections Safilo, Carrera, Smith, Oxydo, Blue Bay, as well as licensed branded collections, Alexander McQueen, Bottega Veneta, Boucheron, Diesel, 55DSL, Dior, Emporio Armani, Giorgio Armani, Gucci, Imatra, Marc Jacobs, Max Mara, Oliver, Pierre Cardin, Ralph Lauren, Stella McCartney, Valentino, Yves Saint Laurent. In addition the following are exclusively for the American market: Fossil, Juicy Couture, Nine West, Kate Spade, Saks Fifth Avenue, Liz Claiborne and J.Lo by Jennifer Lopez.

Safilo Group
Press Office
Nicoletta Chinello
Tel.: +39 049 6985459
chinellon@safilo.com