



## **PRESS RELEASE**

### **SAFILO GROUP SPA: Sales increase by 7.5% in the first quarter of 2006 with particularly impressive results in America and Asia**

Padova, 20<sup>th</sup> April 2006 – Safilo Group Spa today announces its preliminary financial results relating to its consolidated turnover in the first quarter of 2006.

The net turnover of the Group in the first 3 months of 2006 reached 302.1 million Euro, an increase of 7.5% compared to the 281 million Euro recorded in the same period of the previous year. At constant exchange rates the increase would have been 3.3%.

The strong growth of sunglasses sales was once again confirmed (+13.4%) while the sale of prescription frames remains stable (- 0.7%).

An analysis of the turnover when subdivided between licensed and house brands shows a general alignment in sales for these two segments, indicating the overall appreciation of the various collections presented by the Group.

From a geographical point of view the greatest growth in sales was seen in America where turnover increased by 19.4% (also due to a positive exchange rate effect without which the increase would however have been approximately 9%). Impressive results were also seen in the Far East (+17.0%) and in Italy (+10.2%).

| <i>Net sales by product</i><br><i>(millions of Euro)</i> | Quarter 1 2006 |              | Quarter 1 2005 |              | Change     |
|--|----------------|--------------|----------------|--------------|------------|
|  |                | %            |                | %            | %          |
| Prescription frames                                      | 107,4          | 35,6         | 108,2          | 38,5         | (0,7)      |
| Sunglasses   | 177,5          | 58,8         | 156,5          | 55,7         | 13,4       |
| Sports products  | 13,2           | 4,4          | 12,3           | 4,4          | 7,3        |
| Other  | 4,0            | 1,3          | 4,0            | 1,4          | 0,0        |
| <b>Total</b>   | <b>302,1</b>   | <b>100,0</b> | <b>281,0</b>   | <b>100,0</b> | <b>7,5</b> |

| <i>Net sales by geographic region</i><br><i>(millions of Euro)</i> | Quarter 1 2006 |              | Quarter 1 2005 |              | Change     |
|--|----------------|--------------|----------------|--------------|------------|
|  |                | %            |                | %            | %          |
| Italy  | 39,9           | 13,2         | 36,2           | 12,9         | 10,2       |
| Europe (excluding Italy)   | 94,3           | 31,2         | 103,0          | 36,7         | (8,4)      |
| The Americas   | 119,3          | 39,5         | 99,9           | 35,6         | 19,4       |
| Asia Pacific   | 35,8           | 11,9         | 30,6           | 10,9         | 17,0       |
| Other  | 12,8           | 4,2          | 11,3           | 4,0          | 13,3       |
| <b>Total</b>   | <b>302,1</b>   | <b>100,0</b> | <b>281,0</b>   | <b>100,0</b> | <b>7,5</b> |

**Italy:** Domestic sales (+10.2%) continue the growth trend evident during the course of 2005, with a essentially balanced increase for both prescription frames and sunglasses. Brands which recorded particularly impressive performances are Armani, Gucci, Valentino and the house brand Safilo.

**Europe (excluding Italy):** Although the significant increase in production capacity has not allowed us to entirely satisfy market demand, specific brands such as Armani, Diesel, Valentino and house brands in general have enjoyed considerable growth. At a national level good increases in sales are seen in Germany, the United Kingdom and northern European countries in general.

**America:** Sales in the American market are strong. Even without the positive exchange rate effect deriving from the strengthening of the US Dollar and the expansion of the Solstice retail chain, turnover in the U.S.A. would however have shown a 7% growth, with slightly better results in the sunglasses sector compared to the sales of prescription frames. As far as single brands are concerned sales of Armani, Dior, Gucci and the own brand Smith in the sports sector were particularly impressive.

The Solstice retail chain, at March 31st, counted 55 stores.

**Far East:** The Asian market continues to provide the Group with impressive growth in sales (+17.0% at current exchange rates; +10.9% at constant exchange rates) were sales are strong both in the sunglass and prescription frame sectors. Particularly notable results have been registered in Australia, China and Hong Kong. Growth of the brands Armani, Dior and Gucci has been especially strong.

“More than 300 million Euro of turnover without new brands and Burberry in a single quarter is a result we have never achieved before now and is extremely encouraging for the rest of the year” commented Vittorio Tabacchi, Chairman of Safilo Group “The collections which we have presented since January have been extremely well received by all our of clients, so much so that orders in the first quarter, which have increased by approximately 15% compared to the same period of last year, have required us to considerably increase our production levels in order to satisfy the strong demand.”

It is underlined that the data relating to the revenues of the first quarter 2006 as laid out above is preliminary and not certified. The comprehensive quarterly data will be approved by the Board of Directors Meeting which will be held on May 15<sup>th</sup> 2006.

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*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, Christian Dior, Diesel, 55DSL, 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.*

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*This press release is also available on the web site [www.safilo.com](http://www.safilo.com)*