



**SAFILO GROUP: VERY POSITIVE RESULTS FOR 2006 FIRST QUARTER
NET PROFIT +163%, TURNOVER INCREASED FROM €281 MILLION
TO €302 MILLION**

Main economic figures for the first quarter of 2006

- **Group consolidated turnover: €302.1 million (+7.5% compared to 2005)**
- **EBITDA: €52.9 million (+9.1% compared to 2005)**
- **Net profit: €17.0 million (+163% compared to 2005)**

Padova, 15th May 2006 – The Board of Directors of Safilo Group Spa today reviewed and approved the consolidated results relating to the first quarter of 2006 which highlight an increase in turnover and extremely strong growth of net profitability.

Main consolidated results

Net sales, as previously announced, reached 302.1 million Euro (+7.5% at current exchange rates, +3.3% at constant exchange rates compared to the first quarter of 2005) thanks to particularly impressive performance in America (+19.4%) and Asia (+17%).

Operating income has also increased, with an EBITDA of 52.9 million Euro, a clear improvement (+9.1%) compared to the same period of the previous year and with a percentage on turnover of 17.5%.

These positive results have been achieved thanks to the ever increasing success obtained by the Group's collections internationally, to its strong commercial presence in over 130 countries and to the Group's cost containment policies at an industrial level.

The extremely positive net income achieved in the quarter (17.0 million Euro with an increase of more than 160% compared to the same period in 2005) is thanks also to the lesser impact of financial costs which are no longer encumbered by exceptional circumstances which penalised previous quarters.

The Group's financial position, slightly increased compared to the end of 2005 due to the normal seasonality of the working capital, however highlights a greatly improved cash flow management compared to the first quarter of the previous year.

Roberto Vedovotto, Chief Executive Officer of Safilo Group, while commenting on the results achieved stated "The positive economic and financial results approved by the Board of Directors are the direct result of the important and recently concluded listing process that significantly reduced debt. With the new capital structure and the imminent conclusion of the refinancing operation for the Senior Loan, which is currently being defined, Safilo Group is ready to begin once again the route to increased growth which has always characterised its history".

Consolidated Statements of Operations for the three months ended March 31, 2006 and 2005

(Euro/000)	Q1 2006	Q1 2005
Net sales	302,125	280,961
Cost of sales	(117,008)	(112,567)
Gross profit	185,117	168,394
Selling and marketing expenses	(111,846)	(102,274)
General and administrative expenses	(29,655)	(26,361)
Other income/(expenses), net	247	84
Operating income	43,863	39,843
Share of income/(loss) of associates	38	(9)
Interest expense and other financial charges, net	(13,244)	(19,944)
Income before taxation	30,657	19,890
Income tax expenses	(12,589)	(12,250)
Net income	18,068	7,640
Net income attributable to minority interests	1,110	1,182
Net income attributable to the Group	16,958	6,458
Earnings per share - Basic (Euro)	0.06	0.03
Earnings per share - Diluted (Euro)	0.06	0.03

Consolidated Balance Sheets as of March 31, 2006 and December 31, 2005

(Euro/000)	31/03/2006	31/12/2005
ASSETS		
Current assets		
Cash in hand and at banks	49,248	173,232
Trade receivables, net	340,994	307,558
Inventory, net	212,766	208,802
Assets held for sale	2,956	2,984
Derivative financial instruments	1,263	-
Other current receivables	29,551	31,679
Total current assets	636,778	724,255
Non-current assets		
Property, plant and equipment, net	192,712	193,603
Intangible assets	24,368	25,580
Goodwill	797,365	797,734
Investments in associates	13,187	13,492
Financial assets available-for-sale	6,939	6,009
Deferred tax assets	81,521	81,263
Derivative financial instruments	1,950	1,268
Other non-current assets	1,348	1,303
Total non-current assets	1,119,390	1,120,252
Total assets	1,756,168	1,844,507
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	74,351	184,006
Trade payables	191,034	192,286
Tax payables	25,160	20,872
Derivative financial instruments	-	878
Other current liabilities	79,609	82,010
Provision for risks and charges	340	128
Total current liabilities	370,494	480,180
Non-current liabilities		
Long-term borrowings	468,586	468,242
Employee benefits liability	40,947	39,424
Provision for risks and charges	8,504	8,644
Deferred tax liabilities	12,453	10,969
Derivative financial instruments	2,322	3,271
Other non-current liabilities	6,531	6,565
Total non-current liabilities	539,343	537,115
Total liabilities	909,837	1,017,295
Shareholders' equity		
Share capital	70,843	70,843
Share premium reserve	751,276	751,276
Retained earnings and other reserves	1,725	358
Fair value and cash flow reserves	(929)	(3,899)
Income attributable to the Group	16,958	3,097
Total shareholders' equity attributable to the Group	839,873	821,675
Shareholders' equity attributable to minority shareholders	6,458	5,537
Total shareholders' equity	846,331	827,212
Total liabilities and shareholders' equity	1,756,168	1,844,507

Consolidated Statements of Cash Flows for the three months ended March 31, 2006 and 2005

(Euro/000)	Q1 2006	Q1 2005
Cash flows from operating activities		
Net income	18,068	7,640
Depreciation and Amortization	9,078	8,695
Share (income) on equity investments	(968)	(371)
Net movements in the employee benefits liability	1,541	1,082
Net movements in other provisions	83	411
Interest expenses	11,282	15,920
Income tax expense	12,588	12,250
Income from operating activities prior to movements in working capital	51,672	45,627
Changes in operating Assets and Liabilities		
(Increase) Decrease in trade receivables and other current receivables	(34,325)	(57,133)
(Increase) Decrease in inventory, net	(5,967)	8,930
Increase (Decrease) in trade payables and other current payables	(11,301)	(19,572)
Interest expenses paid	(6,546)	(6,718)
Income taxes paid	(5,020)	(4,754)
A - Net Cash (used in) operating activities	(11,487)	(33,620)
Cash Flows from investing activities		
Purchase of property, plant and equipment (net of disposals)	(7,084)	(5,171)
Purchase of intangible assets	(481)	(391)
B - Net Cash (used in) investing activities	(7,565)	(5,562)
Cash Flows from Financing activities		
Proceeds from borrowings	11,423	45,704
Repayment of borrowings	(542)	(806)
Bank deposit for interests on convertible bonds payment	(3,534)	-
Dividends paid	(249)	(220)
C - Net Cash provided by financing activities	7,098	44,678
Effect of exchange rates	(341)	1,354
Other movements in shareholders' equity	3,550	230
Net increase in cash and cash equivalents	3,209	1,584
D - Cash and cash equivalents at the beginning of the period	44,546	18,191
E - Cash and cash equivalents at the end of the period	35,801	25,271

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.

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