



PRESS RELEASE

SAFILO GROUP: THE POSITIVE SALES TREND CONTINUES IN THE SECOND QUARTER OF 2006 WITH AN INCREASE OF 8% COMPARED TO THE SAME PERIOD OF 2005

- **Turnover in the first six months of 2006: € 605.4 million**
- **Turnover in the second quarter of 2006: € 303.3 million**

Padua, July 25, 2006 – Safilo Group Spa, during an investor meeting, announces the financial results relating to consolidated revenues in the first half of 2006 and the second quarter of 2006.

Turnover in the first six months of 2006 reached 605.4 million Euro, an increase of 7.8% compared to the 561.8 million Euro recorded in the first six months of 2005. At constant exchange rates the increase in sales was equal to 5.5%.

The positive results achieved in the first semester of the year is thanks to the good sales performance of licensed products and to the positive recovery of the sales of the company's house brands (+13.2%) - confirmation of the effectiveness of the house brand re-launch strategies. Performances in the Italian and American markets were impressive, with increases of 9.2% and 16.4% respectively.

The second quarter recorded an 8.0% increase in revenues, indicating faster growth, at equal exchange rates, compared to the first months of the year. This improvement is the result of a positive sales climate in general and an increased production capacity.

It should furthermore be underlined that these positive results have been achieved despite the evidence of the first effects of the slow down in sales of *Ralph Lauren* products, in consideration of the termination of the Licence Agreement at the end of 2006.

Vittorio Tabacchi, Chairman of Safilo Group S.p.a., commented "The positive sales trend confirms the soundness of our business formula and the Group's dynamic nature allows us to pursue every new growth opportunity."

SALES ANALYSIS BY GEOGRAPHICAL AREA AND BY PRODUCT

Net sales by Geographic region (millions of Euro)	Six months ended June 30					Second Quarter				
	2006	%	2005	%	Ch. %	2006	%	2005	%	Ch. %
Italy	85.5	14.1	78.3	13.9	9.2	45.6	15.0	42.1	15.0	8.3
Europe (excluding Italy)	194.4	32.1	199.5	35.5	(2.6)	100.1	33.0	96.5	34.4	3.7
The Americas	231.5	38.2	198.9	35.4	16.4	112.2	37.0	99	35.2	13.3
Asia Pacific	68.8	11.4	63.2	11.3	8.9	33.0	10.9	32.6	11.6	1.2
Other	25.2	4.2	21.9	3.9	15.1	12.4	4.1	10.6	3.8	17.0
Total	605.4	100.0	561.8	100.0	7.8	303.3	100.0	280.8	100.0	8.0

Net sales by Product (millions of Euro)	Six months ended June 30					Second Quarter				
	2006	%	2005	%	Ch. %	2006	%	2005	%	Ch. %
Prescription frames	213.8	35.3	217.2	38.7	(1.6)	106.4	35.1	109.0	38.8	(2.4)
Sunglasses	358.7	59.3	316.9	56.4	13.2	181.2	59.7	160.4	57.1	13.0
Sports products	24.0	4.0	19.9	3.5	20.6	10.8	3.6	7.6	2.7	42.1
Other	8.9	1.4	7.8	1.4	14.1	4.9	1.6	3.8	1.4	28.9
Total	605.4	100.0	561.8	100.0	7.8	303.3	100.0	280.8	100.0	8.0

Italy. The domestic market continues to register positive results, with a 9.2% increase in the semester and an 8.3% increase in the second quarter compared to 2005. The 2006 collections were very well received in Italy, leading to the achievement of excellent results for both sunglasses (+6.8%) and prescription frames (+14,3%). The brands which have contributed most to the achievement of these results are *Armani, Gucci, Valentino* and the house brands *Safilo* and *Oxydo*.

Europe (excluding Italy). During the first six months of the year Europe has had to deal with the customer service issues which emerged at the beginning of the year and which have led to a slight fall in sales (-2.6%). The greater production levels, however, together with a greater focus on deliveries to European clients have allowed a positive result to be achieved in the second quarter of the year (+3.7%). The sale of sunglasses has been the driving force behind the improvement achieved, with, from a geographical point of view, good results in Germany (+13.1%) and Great Britain (+11.9%). In terms of growth per brand, the brands *Armani, Diesel, Dior, Valentino* and the house brands *Safilo, Blue Bay* and *Oxydo* should be highlighted.

The Americas The American market has again confirmed the growth trend evident in the first quarter of 2006 with an increase in sales in the second quarter of 13.3%. These results have been achieved despite this area being more greatly penalised by the reduction in sales of the *Ralph Lauren* brand. Growth in sales in department stores and sports outlets has been significant, while the brands *Armani, Dior, Gucci, Valentino* and, in the sports sector the house brand *Smith*, have enjoyed particularly impressive results.

Excellent results have been achieved by the sales division Outlook with an increase of 11.3% in the first six months of the year, and by the retail chain Solstice (+42.1% in the first six months) which, at June 30, 2006, counted 68 stores (13 of which were opened in the second quarter alone).

Asia. Sales in the Asian market continue to register extremely positive growth rates (+8.9% in the first six months at current exchange rates and +6.4% at constant exchange rates). All product categories have enjoyed considerable success in this geographical market with sunglass sales in particular achieving 12.5% growth in the semester and 9.1% in the second quarter. The *Armani, Dior* and *Gucci* collections have been particularly well received in these first six months of the year, while the branches in the Asian market which have achieved especially impressive results are Hong Kong (+19.3%), China (+52.9%) and Australia (+6.0%).

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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