



Safilo and Banana Republic Sign Eyewear Licensing Agreement

Agreement Marks First Time Banana Republic Products Will Be Sold Outside its Stores

PADUA, ITALY -- November 15, 2006 -- Safilo Group (MTA: SFL), world leader in high-end and luxury eyewear, and Banana Republic, the accessible luxury brand of Gap Inc. (NYSE: GPS) today announced a licence agreement to introduce Banana Republic-branded prescription frames and sunglasses. The agreement includes the design, development, production and distribution of a collection to be launched by the end of 2007 in the United States and Canada.

"We are very pleased to begin this new and exciting partnership with a key division of the world's leading specialty apparel retailer," said Vittorio Tabacchi, chairman of Safilo Group. "This licence agreement with a prestigious yet affordable modern luxury brand will perfectly enhance our brand portfolio. This newly signed agreement gives Safilo a wonderful opportunity to launch an eyewear collection for one of the leading and most-recognised American brands in the rewarding North American market for young men and women. This is a segment in which Safilo has always enjoyed a leadership position."

Terms of the worldwide agreement include a five-year commitment with a renewal option for an additional three years. The agreement represents the first time Banana Republic will sell its products outside its own distribution channels.

"We continue to grow Banana Republic as a lifestyle brand and eyewear is a natural extension of our plans," said Marka Hansen, president of Banana Republic. "Safilo is an exceptionally creative company and has deep expertise in design, manufacturing and distribution with many of the world's leading luxury brands. Their ability to transform eyewear concepts into luxury products is a great complement to our own expertise in extending the Banana Republic brand. Our customers have responded enthusiastically to our handbags, jewelry and our new personal care line and we're confident they'll love our eyewear and sunglasses, too."

Banana Republic will join Safilo's premium eyewear portfolio, which includes many of the most prestigious luxury and fashion brands in the world. Leveraging the world-class eyewear design and development expertise of Safilo will enable Banana Republic to extend its brand into a new lifestyle category as well as new channels of distribution, including high-end independent optical retailers, select specialty sunglasses and eyeglass frames retailers, and Solstice sunglasses specialty stores (owned and operated by Safilo), and potentially, leading better department stores. In addition, Banana Republic plans to sell sunglasses through Banana Republic stores to further develop the growing success of the brand's elevated non-apparel offering, which includes handbags, jewelry, shoes and personal care products.

About Safilo Group

The Safilo Group is leader in premium eyewear and maintains 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 primary markets (U.S.A., Europe and Far East), Safilo distributes proprietary branded collections Safilo, Carrera, Smith, Oxydo, Blue Bay, as well as licensed branded collections, including Alexander McQueen, Bottega Veneta, Boss Hugo Boss, Boucheron, Diesel, 55DSL, Dior, Emporio Armani, Giorgio Armani, Gucci, Imatra, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max&Co. (in 2007), Oliver, Pierre Cardin, Ralph Lauren, Stella McCartney, Valentino and Yves Saint Laurent. In addition, the following collections are exclusively for the American market: Fossil, Juicy Couture,

Nine West, Kate Spade, Saks Fifth Avenue, Liz Claiborne, J.Lo by Jennifer Lopez and A/X Armani Exchange.

About Banana Republic

Banana Republic, with about 500 stores and annual sales of \$2.3 billion in fiscal year 2005 in the U.S., Canada and Japan, is known for offering modern interpretations of classic fashion for women and men through elevated design and luxurious fabrications at affordable prices.

About Gap Inc.

Gap Inc. is a leading international specialty retailer offering clothing, accessories and personal care products for men, women, children and babies under the Gap, Banana Republic, Old Navy and Forth & Towne brand names. Fiscal 2005 sales were \$16.0 billion. Gap Inc. operates about 3,000 stores in the United States, the United Kingdom, Ireland, Canada, France and Japan. For more information, please visit gapinc.com.

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