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Press Release

SAFILO SUCCESSFULLY PLACES EUR 150 M EQUITY-LINKED BONDS IN THE CONTEXT OF A EUR 300 M GLOBAL REFINANCING

Padua, May 15, 2014 – Safilo Group S.p.A. (the “**Company**”, and together with its subsidiaries, the “**Group**”), following the announcement released today, announces the completion of the placement (the “**Offer**”) of unsecured, unsubordinated equity-linked bonds maturing on 22 May 2019 with an aggregate principal amount of EUR 150 million, benefitting from a guarantee from Safilo S.p.A. (the “**Bonds**”).

The Bonds will be issued at par in the nominal amount of EUR 100,000 per Bond and will pay a coupon of 1.25% per annum, payable semi-annually in arrear on 22 November and 22 May of each year. The initial conversion price has been set at EUR 21.8623, representing a premium of 40.0% above the volume weighted average price of the ordinary shares of the Company (the “**Shares**”) on Borsa Italiana between launch and pricing.

The Bonds may be converted into Shares, subject to approval of an extraordinary general meeting of the Company (the “**EGM**”) of a capital increase excluding shareholder pre-emption rights pursuant to article 2441, paragraph 5, of the Italian civil code, to be solely reserved for the purposes of the conversion of such Bonds (the “**Capital Increase**”). The EGM will be held no later than 30 September 2014. Following approval of the Capital Increase at the EGM and registration of the relevant resolutions with the competent registrar, the Company will have the right to elect to settle any exercise of conversion rights in Shares, cash or a combination of Shares and cash.

The Company will have the option to redeem any outstanding Bonds at their principal amount (plus accrued but unpaid interest to (but excluding) the redemption date) on or after 6 June 2017 if the volume weighted average price of a Share for a specified period is at least 130% of the conversion price in effect on each relevant dealing day. The Company may also redeem the Bonds at any time at their principal amount (plus accrued but unpaid interest to (but excluding) the redemption date) if less than 15% of the Bonds originally issued remain outstanding.



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At final maturity, on 22 May 2019, the Bonds will be redeemed at their principal amount unless previously redeemed, converted, or purchased and cancelled.

The Offer is made solely to qualified investors outside the United States of America, Australia, Canada, and Japan and any other country where the offer or the sale of the Bonds are prohibited under applicable laws or to persons resident in such countries.

Settlement of the Bonds is expected to take place on 22 May 2014.

Application will be made to admit the Bonds to trading on an internationally recognised, regularly operating, regulated or unregulated market by 30 September 2014.

Multibrands Italy B.V. who, in aggregate, holds approximately 41.8% of the issued Share capital of the Company, has agreed, together with the Company, to enter into lock-up obligations customary for similar transactions for a period from the date hereof until 90 days after the issue date of the Bonds. In addition, Multibrands Italy B.V. has stated its intention to vote in favour of the Capital Increase at the EGM, and not to subscribe for any Bonds in connection with the Offer.

The Bonds issue will enable the Group to diversify its funding sources, extend its debt maturity profile and optimise its financial structure. The net proceeds of the Offer, together with the new financing as described below, will be used, inter alia, to pre-pay the Group's outstanding financial liabilities maturing in 2015.

Banca IMI, BNP Paribas and UniCredit acted as Joint Bookrunners.

In the context of this Offer, the Board of Directors also approved the terms and conditions of a new unsecured, unsubordinated revolving credit facility for a total amount of up to EUR 150 million, with 4-year maturity, to be arranged by Banca IMI, BNP Paribas and UniCredit as Mandated Lead Arrangers and BNP Paribas, Intesa San Paolo and UniCredit as Underwriters.

This new financing is expected to be finalised in the coming weeks and will become effective following approval of the Capital Increase by the EGM and the pre-payment and cancellation of the credit facilities currently in place, with original maturity on 30 June 2015.



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After this global refinancing process for a total amount of EUR 300 million, the Group will benefit from greater financial flexibility for the ongoing business development needs, with the maturity of its financial indebtedness extended to 2018-2019.

About Safilo Group

The Safilo Group is worldwide leader in the premium eyewear sector for sunglasses, optical frames and sports eyewear. With an international presence through 30 owned subsidiaries in primary markets – in America, Europe and Asia – and exclusive distributors, Safilo produces and distributes its proprietary brands – Carrera, Oxydo, Polaroid, Safilo, Smith Optics – and the licensed brands Alexander McQueen, Banana Republic, Bobbi Brown, BOSS, BOSS Orange, Bottega Veneta, Céline, Dior, Fendi, Fossil, Gucci, HUGO, J.Lo by Jennifer Lopez, Jack Spade, Jimmy Choo, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max&Co., Pierre Cardin, Saint Laurent, Saks Fifth Avenue and Tommy Hilfiger. For further information www.safilo.com

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