



Press Release

Padua, February 27, 2014 - Safilo Group S.p.A. today announced that the tax audit started in 2011 by the Italian Revenue Agency with respect to its wholly owned subsidiary, Safilo S.p.A., concerning the year 2007 and subsequently extended to the years 2008, 2009, 2010 and 2011 has ended with a determination relating to transfer pricing (i.e., the method whereby intragroup prices are determined), the interpretation of the “beneficial owner” concept (i.e., the amount of withholding tax levied on interest paid on bonds issued by a Luxembourg entity of the Safilo Group) and the method of taxation of foreign source dividends, involving an increased charge of Euro 21 million – of which 7 million already accounted in the financial statement as at December 31, 2012. It is to be paid in 12 quarterly installments starting from February 2014.

The Group has always acted in accordance with the law, the administrative rulings and jurisprudence available from time to time. It illustrated the consequent rationale for its actions in detail in the documentation submitted to the audit.

The Group remains firmly convinced that its conduct was appropriate. Nonetheless, Safilo S.p.A. has decided to accept the settlement proposal, as the key matters of the dispute are largely subjective, in as much as they imply, for instance, the evaluation of the arm’s length nature of the application of prices to foreign subsidiaries. The subject matters therefore lend themselves to divergent positions that are not easy to resolve in litigation, except at the cost of long and expensive defense proceedings with an inevitably uncertain outcome.

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 house brands – Safilo, Carrera, Polaroid, Smith Optics, Oxydo – 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, 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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