



**THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES  
THE RESULTS AS AT 30 SEPTEMBER 2014**

**Q3 confirms growth trend of sales and bottom line  
driven by effective product mix and quality of distribution channels**

**Padua, November 6, 2014** – The Board of Directors of Safilo Group S.p.A. – the fully integrated Italian eyewear creator and worldwide distributor of quality and trust, listed on the Milan stock Exchange – has today approved the results of the third quarter and first nine months of 2014.

In the third quarter, Safilo confirmed the increase in sales at constant exchange rates of 7.4% already recorded in the second quarter, taking the first nine-months' top line growth to 5.5%.

Economic results were also in line with the business dynamics that characterized the first part of the year, with the gross profit margin for the first nine months at 62.3%, after a further progression registered by the same profit margin in the third quarter compared to the corresponding period of 2013.

The contraction of the EBITDA margin was the result of the investments dedicated to the new commercial and marketing organizations, whereas at the bottom line the Group net profit showed an evident improvement both in the third quarter and in the first nine months, equal to +37.9% and +24.0% (*adjusted*<sup>1</sup>) respectively.

At the end of September, the Group net debt totaled Euro 158.9 million, taking the *adjusted*<sup>1</sup> financial leverage to 1.3 times.

**Economic and financial highlights**

Euro million	9M 2014	9M 2013	% change	% change (*)	Q3 2014	Q3 2013	% change	% change (*)
<b>Net sales</b>	<b>867.5</b>	841.8	+3.1%	<b>+5.5%</b>	<b>261.2</b>	243.4	+7.3%	<b>+7.4%</b>
<b>Gross profit</b>	<b>540.6</b>	516.9	<b>+4.6%</b>		<b>157.1</b>	144.8	<b>+8.5%</b>	
%	<b>62.3%</b>	61.4%			<b>60.1%</b>	59.5%		
EBITDA	83.3	81.3	+2.4%		14.6	16.3	-10.5%	
%	9.6%	9.7%			5.6%	6.7%		
<b>Adjusted<sup>1</sup> EBITDA</b>	<b>86.3</b>	88.7	<b>-2.7%</b>		<b>14.6</b>	16.3	<b>-10.5%</b>	
%	<b>9.9%</b>	10.5%			<b>5.6%</b>	6.7%		
Operating profit	57.2	54.1	+5.7%		5.7	6.8	-17.0%	
%	6.6%	6.4%			2.2%	2.8%		
<b>Adjusted<sup>1</sup> Operating profit</b>	<b>60.2</b>	61.5	<b>-2.1%</b>		<b>5.7</b>	6.8	<b>-17.0%</b>	
%	<b>6.9%</b>	7.3%			<b>2.2%</b>	2.8%		
Group net profit	31.7	21.8	+45.3%		2.4	1.7	+37.9%	
%	3.7%	2.6%			0.9%	0.7%		
<b>Adjusted<sup>1</sup> Group net profit</b>	<b>33.9</b>	27.3	<b>+24.0%</b>		<b>2.4</b>	1.7	<b>+37.9%</b>	
%	<b>3.9%</b>	3.2%			<b>0.9%</b>	0.7%		
<b>Group net debt</b>	<b>158.9</b>	180.7	<b>-12.1%</b>					

(\*) at constant exchange rates

Luisa Delgado, CEO of Safilo Group, commented:

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*“Economic results in the third quarter confirm the progress of our product centered strategic and operational direction.*

*Brand driven product quality and creative product design have continued to be our hallmark in our latest collections, as evidenced for example by Dior’s iconic sun trendsetters, and the transformation of Fendi eyewear, our most recently acquired license.*

*Our sales trend has remained solid, as we have accelerated our commercial re-set focused on quality of distribution, step-changed commercial leadership & capability, and have introduced brand differentiated communication and commercial strategies. This is enabling us to balance systemically our market and brand portfolios, across proprietary and licensed brands, and within licensed brands. Specifically, our market priorities responded, with Iberia, Germany, North America, Brazil and China leading the growth, while we built up managerial capability in Asia Pacific. Our proprietary brands responded, with Polaroid continuing its very strong development, and Smith gearing up for its global expansion, while we prepare for Carrera’s further acceleration next year. Our licensed brands also responded, with Dior, Celine, Jimmy Choo, Boss, Max Mara, Tommy Hilfiger and Kate Spade leading the way, while we prepare for potential future licenses.*

*Product mix and quality of our distribution channels were also the drivers for our improvement in gross margin reaching 62.3% in the first nine months of the year. We are re-investing significantly in the modernization of our organization, chiefly through IT enabled sales, demand and production planning standardization & simplification, and Brand Building. We are initiating a Global Supply Network overhaul, and organizing Product Development.*

*At the same time, we register with satisfaction the growth of our Group net profit level, both in the quarter and for the first nine months of the year, also due to the significant improvement of our financial management. We continue to focus with confidence on our mid-term track in order to transform Safilo to deliver sustained profitable growth, by design.”*

## **Key economic and financial performance**

### **Financials**

In the third quarter of 2014, **Group total revenues** stood at Euro 261.2 million, up 7.3% compared to Euro 243.4 million recorded in the same quarter of 2013 (+7.4% at constant exchange rates). The quarterly performance, which confirmed the trends already recorded in the second quarter, took the increase of the first nine-months’ sales to +3.1%, at Euro 867.5 million compared to Euro 841.8 million in the same period of 2013 (+5.5% at constant exchange rates).

In the quarter, turnover for the wholesale business increased to Euro 239.2 million from Euro 222.5 million in the third quarter of 2013 (+7.5% at current and constant exchange rates), while in the first nine months, turnover reached Euro 805.7 million, up 3.3% compared to Euro 780.0 million in the same period of 2013 (+5.7% at constant exchange rates).

From an economic standpoint, Safilo closed the third quarter of 2014 with a **gross profit** of Euro 157.1 million, up 8.5% compared to Euro 144.8 million of the same period of 2013 and with the gross margin improving by 60 basis points to 60.1% from 59.5% of the third quarter of 2013.

Gross profit and gross margin for the first nine months respectively reached Euro 540.6 million and 62.3% (Euro 516.9 million and 61.4% in the first nine months of 2013), confirming the effectiveness of the commercial actions put in place by the Group and based on an higher product mix and a better quality of distribution.

In the third quarter, **EBITDA** equaled Euro 14.6 million compared to Euro 16.3 million recorded in the same quarter of 2013. The EBITDA margin declined to 5.6% of revenues from 6.7%. Investments related to the development of brand building capabilities and step-changing the commercial organization, as well as the major incidence of contractual engagements on brands impacted on this result.

*Adjusted*<sup>1</sup> EBITDA for the first nine months of 2014 stood at Euro 86.3 million, resulting in an *adjusted*<sup>1</sup> EBITDA margin of 9.9%. In the same period of 2013, the *adjusted*<sup>1</sup> EBITDA was equal to Euro 88.7 million, with a margin of 10.5%.

In the third quarter of 2014, **EBIT** totaled Euro 5.7 million compared to Euro 6.8 million for the same period of 2013. EBIT margin was equal to 2.2% compared to 2.8% in the third quarter of 2013.

*Adjusted*<sup>1</sup> EBIT for the first nine months of 2014 amounted to Euro 60.2 million, a slight decline compared to Euro 61.5 million in the first nine months of 2013. *Adjusted*<sup>1</sup> EBIT margin stood at 6.9% compared to 7.3% in the same period of 2013.

Below the operating results, interest expenses and negative exchange rate differences in the third quarter were more than offset by the effects of the fair value valuation of the option component embedded in the equity-linked bonds placed in May 2014 and by the positive exchange rate differences.

Overall, in the period, total financial charges were equal to Euro 1.8 million compared to Euro 2.9 million in the corresponding period of 2013. In the first nine months of 2014, total financial charges dropped by 61.9% to Euro 6.3 million compared to Euro 16.7 million in the first nine months of 2013.

In line with the first six months of the year, the *adjusted*<sup>1</sup> tax rate at the end of September was equal to 35.7% compared to the *adjusted*<sup>1</sup> 36.3% registered in the first nine months of 2013.

Safilo closed the third quarter of the year with a **Group net profit** of Euro 2.4 million, marking an increase compared to Euro 1.7 million recorded in the same period of 2013.

*Adjusted*<sup>1</sup> Group net profit for the first nine months of 2014 rose to Euro 33.9 million, up 24.0% compared to Euro 27.3 million in the first nine months of 2013.

## Markets

The North-American market was the growth driver of the quarter, thanks to the positive performance of the brand portfolio in the independent optician channel and in the department stores.

Sales trends in the European countries which outperformed in the first part of the year, namely France, Germany and Spain, were also very positive, whereas the UK business was affected by a difficult comparison base, given the double digit growth recorded in the third quarter of 2013.

Sales in emerging markets, whose development is one of the main objectives of the Group's action plan, further accelerated the pace of growth recorded in the first half of the year, to around +27%, thanks in particular to the strong performance of the Chinese and Brazilian markets.

### Americas

In the American market, revenues for the third quarter amounted to Euro 125.2 million, up 14.1% compared to Euro 109.7 million in the same quarter of 2013 (+14.6% at constant exchange rates). In the first nine months, regional sales reached Euro 361.1, up 3.3% at current exchange rates and 7.3% at constant exchange rates compared to Euro 349.5 million in the same period of 2013.

Quarterly sales for Solstice stores in the United States equaled Euro 22.0 million, up 5.4% compared to Euro 20.9 million registered in the third quarter of 2013 (+5.6% at constant exchange rates). In the first nine months of 2014, the sales performance of the 130 US stores was in line with the previous year, totaling Euro 61.8 million (+2.9% at constant exchange rates).

### Europe

In the European market, Group turnover for the third quarter reached Euro 98.6 million compared to Euro 96.8 million in the third quarter of 2013 (+1.9% at current exchange rates, +1.7% at constant exchange rates). For the first nine months of 2014, regional revenues grew by 4.7% to Euro 368.2 million compared to Euro 351.7 million in the same period of 2013 (+5.0% at constant exchange rates)

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## Asia

In Asia, the third quarter ended with revenues of Euro 32.8 million compared to Euro 34.1 million in the same period of 2013 (-3.7% at current exchange rates, -4.6% at constant exchange rates). In the first nine months of the year, Safilo's Asian business recorded revenues of Euro 125.2 million compared to Euro 130.4 million in the first nine months of 2013 (-4.0% at current exchange rates, -0.9% at constant exchange rates).

While a different allocation of the travel retail sales, previously only included in the Asian region, and the slow-down of some South-Eastern Asian markets impacted our performance in the region, we also decided to refocus our Asia Pacific business on sustainable quality sales channels, and build up our local commercial and managerial capability to, in turn, build the business accordingly. We are getting into shape for 2015 sustained delivery.

## Brands

The positive market trends were echoed by the good performance of the portfolio, with various brands leading the way in the relevant business segments. Dior, Celine and Jimmy Choo, as well as Boss and Max Mara, excelled in the different areas of the fashion luxury segment, while Polaroid continued its strong development in the mass cool segment together with the growth of Kate Spade both in and out of the US market. The proprietary brand Smith also outgrew in the quarter as Safilo started a new integration plan to turn the brand into a global player in one of the fastest growing arenas, the sports and outdoor lifestyle segment.

## Key Cash Flow data

Euro million	9M 2014	9M 2013	Q3 2014	Q3 2013
Cash flow from operating activities before changes in working capital	51.9	46.6	2.4	3.7
Changes in working capital	(34.4)	9.2	3.4	26.1
Cash flow from operating activities	17.5	55.8	5.8	29.8
Cash flow for investment activities	(27.8)	(21.9)	(9.7)	(7.4)
<b>Free Cash Flow</b>	<b>(10.3)</b>	<b>33.9</b>	<b>(3.9)</b>	<b>22.5</b>

**Free cash flow** for the first nine months of 2014 was negative for Euro 10.3 million, reflecting the different dynamics of working capital and higher investing activities. An increase in inventory was the major driver of absorption, and is being addressed through control/reduction interventions, and systemically through better connection of sales and production planning.

At the end of September 2014, **Group net debt** stood at Euro 158.9 million, declining compared to Euro 166.1 million at the end of June 2014 and Euro 182.5 million as of December 31, 2013.

## Other information

Safilo Group announces that the Group CFO Vincenzo Giannelli leaves his post effective end of November, concluding a four-year cycle during which the company has made significant financial and operational progress. "On behalf of the organization and the Board of Directors, we thank Vincenzo for his leadership and for the professionalism and integrity with which he has acted in his role with a strong business orientation, and wish him excellent continued success for the future", says Luisa Delgado, CEO of Safilo Group.

The Group also announces the appointment of Gerd Graehsler, currently Director of New Business Development & Corporate Strategy, as the new Group CFO, effective December 1<sup>st</sup>, 2014 "We are delighted to count on Gerd as our new CFO. He will seamlessly transition both into the new role from within the company, and lead Safilo's strong finance organization, while bringing skills and experiences from an international career in business, finance and accounting to the role as we proceed with Safilo's transformation".

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<sup>1</sup>The *adjusted* economic results do not include the non-recurring expenses incurred in the second quarter of 2014, for Euro 3.0 million, related to the voluntary exit incentives recently signed with employees and trade unions, as the solidarity contracts come to an end, and to some reorganization costs. Net of the fiscal effect, the total impact was equal to Euro 2.2 million  
In the second quarter of 2013, non-recurring expenses were equal to Euro 7.4 million and related for around Euro 6.0 million to the CEO succession plan announced by the Group on June 19, 2013 and for around Euro 1.4 million to some restructuring expenses in the European market.

Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for the preparation of the Company's financial documents, Mr. Vincenzo Giannelli, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

Disclaimer

This document contains forward-looking statements, relating to future events and operating, economic and financial results for Safilo Group. Such forecasts, due to their nature, imply a component of risk and uncertainty due to the fact that they depend on the occurrence of certain future events and developments. The actual results may therefore vary even significantly to those announced in relation to a multitude of factors.

Alternative Performance Indicators

The definitions of the "Alternative Performance Indicators", not foreseen by the IFRS-EU accounting principles and used in this press release to allow for an improved evaluation of the trend of economic-financial management of the Group, are provided below:

- EBITDA (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and Amortization and is also stated before impairment losses to intangible assets such as goodwill;
- The net debt is for Safilo the sum of bank borrowings and short, medium and long-term loans, net of cash in hand and at bank;
- The net capital employed for Safilo is the sum of shareholders' equity of the Group and minority interests and the "net debt" (see above);
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities.

Conference Call

Today, at 6.00pm CEST (5.00pm BST; 12.00pm US EST) a conference call will be held with the financial community during which the results of the third quarter and first nine months of 2014 will be discussed.

It is possible to participate to the call by dialling the following number: +39 06 87500876, +44 20 34271911, or +1 646 2543366 (for journalists: +39 06 87500874) and quoting the following confirmation code: 2512952.

The playback of the conference call will be available until November 8, 2014 by dialling the number +39 06 45217196, +44 20 34270598, or +1 347 3669565 (access code: 2512952).

The conference call can be also followed via webcast on the site [www.safilo.com/en/investors.html](http://www.safilo.com/en/investors.html).

The presentation is available and downloadable from the company website.

Financial statement as of September 30, 2014

Please note that the intermediate report at September 30, 2014 will be made available to the public today as soon as it is available and in accordance with the law, at the company's registered offices, at the central storage of regulated information and on the company's internet website at the address: [www.safilo.com/en/investors.html](http://www.safilo.com/en/investors.html).

**Sàfilo Group S.p.A.***Consolidated income statement*

<i>(Euro/000)</i>	First nine months			Third quarter		
	2014	2013	Change %	2014	2013	Change %
Net sales	867,546	841,769	3.1%	261,260	243,408	7.3%
Cost of sales	(326,949)	(324,929)	0.6%	(104,202)	(98,596)	5.7%
<b>Gross profit</b>	<b>540,597</b>	<b>516,840</b>	<b>4.6%</b>	<b>157,058</b>	<b>144,812</b>	<b>8.5%</b>
Selling and marketing expenses	(362,625)	(344,124)	5.4%	(111,857)	(101,989)	9.7%
General and administrative expenses	(117,402)	(110,986)	5.8%	(38,927)	(35,993)	8.2%
Other operating income (expenses)	(3,377)	(7,627)	-55.7%	(587)	23	n.s.
<b>Operating profit</b>	<b>57,192</b>	<b>54,103</b>	<b>5.7%</b>	<b>5,686</b>	<b>6,853</b>	<b>-17.0%</b>
Share of income (loss) of associates	(848)	(1,440)	-41.1%	(9)	(238)	-96.2%
Interest expenses and other financial charges, net	(6,338)	(16,657)	-61.9%	(1,819)	(2,859)	-36.4%
<b>Profit before taxation</b>	<b>50,006</b>	<b>36,006</b>	<b>38.9%</b>	<b>3,858</b>	<b>3,756</b>	<b>2.7%</b>
Income taxes	(18,106)	(13,863)	30.6%	(1,438)	(1,959)	-26.6%
<b>Net profit of the period</b>	<b>31,900</b>	<b>22,143</b>	<b>44.1%</b>	<b>2,420</b>	<b>1,797</b>	<b>34.7%</b>
Non-controlling interests	196	326	-39.9%	38	69	-44.9%
<b>Net profit attributable to owners of the Parent</b>	<b>31,704</b>	<b>21,817</b>	<b>45.3%</b>	<b>2,382</b>	<b>1,728</b>	<b>37.9%</b>
<b>EBITDA</b>	<b>83,250</b>	<b>81,261</b>	<b>2.4%</b>	<b>14,532</b>	<b>16,243</b>	<b>-10.5%</b>
Basic EPS (Euro)	0.508	0.353		0.037	0.028	
Diluted EPS (Euro)	0.505	0.350		0.037	0.027	
<b>Economic indicators pre non-recurring items</b>						
<b>EBIT pre non-recurring items</b>	<b>60,201</b>	<b>61,488</b>	<b>-2.1%</b>	<b>5,686</b>	<b>6,853</b>	<b>-17.0%</b>
<b>EBITDA pre non-recurring items</b>	<b>86,259</b>	<b>88,646</b>	<b>-2.7%</b>	<b>14,532</b>	<b>16,243</b>	<b>-10.5%</b>
<b>Net profit attributable to the Group pre non-recurring items</b>	<b>33,879</b>	<b>27,317</b>	<b>24.0%</b>	<b>2,382</b>	<b>1,728</b>	<b>37.9%</b>

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**Sàfilo Group S.p.A.***Consolidated net sales*

Net sales by geographical area (Euro in millions)	First nine months					
	2014	%	2013	%	Change %	Change % (*)
Europe	368.2	42.4	351.7	41.8	+4.7	+5.0
Americas	361.1	41.6	349.5	41.5	+3.3	+7.3
Asia	125.2	14.4	130.4	15.5	-4.0	-0.9
Rest of the world	13.0	1.5	10.2	1.2	+27.7	+38.3
<b>Total</b>	<b>867.5</b>	<b>100.0</b>	<b>841.8</b>	<b>100.0</b>	<b>+3.1</b>	<b>+5.5</b>

(\*) at constant exchange rates

Net sales by product (Euro in millions)	First nine months					
	2014	%	2013	%	Change %	Change % (*)
Prescription frames	317.4	36.6	312.3	37.1	+1.6	+4.2
Sunglasses	490.0	56.5	474.3	56.3	+3.3	+5.5
Sport products	54.4	6.3	48.9	5.8	+11.5	+14.4
Other	5.7	0.7	6.3	0.7	-8.6	-8.2
<b>Total</b>	<b>867.5</b>	<b>100.0</b>	<b>841.8</b>	<b>100.0</b>	<b>+3.1</b>	<b>+5.5</b>

(\*) at constant exchange rates

Net sales by geographical area (Euro in millions)	Third quarter					
	2014	%	2013	%	Change %	Change % (*)
Europe	98.6	37.7	96.8	39.8	+1.9	+1.7
Americas	125.2	47.9	109.7	45.1	+14.1	+14.6
Asia	32.8	12.6	34.1	14.0	-3.7	-4.6
Rest of the world	4.6	1.8	2.8	1.2	+66.0	+67.6
<b>Total</b>	<b>261.2</b>	<b>100.0</b>	<b>243.4</b>	<b>100.0</b>	<b>+7.3</b>	<b>+7.4</b>

(\*) at constant exchange rates

Net sales by product (Euro in millions)	Third quarter					
	2014	%	2013	%	Change %	Change % (*)
Prescription frames	100.1	38.3	97.4	40.0	+2.7	+3.1
Sunglasses	134.1	51.3	121.9	50.1	+10.0	+9.5
Sport products	25.6	9.8	22.2	9.1	+15.6	+16.8
Other	1.4	0.5	1.9	0.8	-20.6	-22.6
<b>Total</b>	<b>261.2</b>	<b>100.0</b>	<b>243.4</b>	<b>100.0</b>	<b>+7.3</b>	<b>+7.4</b>

(\*) at constant exchange rates

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**Sàfilo Group S.p.A.**  
**Consolidated Balance sheet**

<i>(Euro/000)</i>	September 30, 2014	December 31, 2013	Change
<b>ASSETS</b>			
<b>Current assets</b>			
Cash in hand and at bank	99,524	82,608	16,916
Trade receivables, net	244,464	238,979	5,485
Inventory, net	256,267	212,780	43,487
Derivative financial instruments	2,296	54	2,242
Other current assets	53,049	59,760	(6,711)
<b>Total current assets</b>	<b>655,600</b>	<b>594,181</b>	<b>61,419</b>
<b>Non-current assets</b>			
Tangible assets	200,827	198,176	2,651
Intangible assets	52,731	48,703	4,028
Goodwill	570,547	536,075	34,472
Investments in associates	8,317	8,432	(115)
Available-for-sale financial assets	216	237	(21)
Deferred tax assets	87,650	77,168	10,482
Derivative financial instruments	-	34	(34)
Other non-current assets	2,912	2,631	281
<b>Total non-current assets</b>	<b>923,200</b>	<b>871,456</b>	<b>51,744</b>
<b>Total assets</b>	<b>1,578,800</b>	<b>1,465,637</b>	<b>113,163</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings	73,131	73,874	(743)
Trade payables	200,706	204,934	(4,228)
Tax payables	34,459	18,210	16,249
Derivative financial instruments	345	1,673	(1,328)
Other current liabilities	58,234	43,518	14,716
Provisions for risks and charges	3,017	3,325	(308)
<b>Total current liabilities</b>	<b>369,892</b>	<b>345,534</b>	<b>24,358</b>
<b>Non-current liabilities</b>			
Long-term borrowings	185,274	191,230	(5,956)
Employees benefits liability	30,267	34,879	(4,612)
Provisions for risks and charges	13,898	34,593	(20,695)
Deferred tax liabilities	9,155	8,061	1,094
Derivative financial instruments	13,745	24	13,721
Other non-current liabilities	11,861	5,254	6,607
<b>Total non-current liabilities</b>	<b>264,200</b>	<b>274,041</b>	<b>(9,841)</b>
<b>Total liabilities</b>	<b>634,092</b>	<b>619,575</b>	<b>14,517</b>
<b>Shareholders' equity</b>			
Share capital	312,675	311,000	1,675
Share premium reserve	484,689	482,565	2,124
Retained earnings (losses) and other reserves	113,302	34,526	78,776
Cash flow reserves	(89)	(490)	401
Income attributable to the Group	31,704	15,521	16,183
<b>Total shareholders' equity attributable to the Group</b>	<b>942,281</b>	<b>843,122</b>	<b>99,159</b>
<b>Non-controlling interests</b>	<b>2,427</b>	<b>2,940</b>	<b>(513)</b>
<b>Total shareholders' equity</b>	<b>944,708</b>	<b>846,062</b>	<b>98,646</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,578,800</b>	<b>1,465,637</b>	<b>113,163</b>

This press release may use 'alternative performance indicators' not foreseen by the IFRS-EU accounting standards (EBITDA, Net debt, Net capital employed and Free Cash Flow), and whose meaning and contents are illustrated in the specific section of the press release and in accordance with the CESR/05-1788 recommendation published on 3<sup>rd</sup> November 2005.

## Sàfilo Group S.p.A.

## Consolidated statement of cash flows

(Euro/000)	First nine months	
	2014	2013
<b>A - Opening net cash and cash equivalents (net financial indebtedness - short term)</b>	<b>69,669</b>	<b>45,623</b>
<b>B - Cash flow from (for) operating activities</b>		
Net profit for the period (including minority interests)	31,900	22,143
Depreciation and amortization	26,058	27,161
Other non-monetary items	(12,529)	465
Interest expenses, net	7,285	9,508
Income tax expenses	18,105	13,862
<b>Income from operating activities prior to movements in working capital</b>	<b>70,818</b>	<b>73,139</b>
(Increase) Decrease in trade receivables	4,148	47,517
(Increase) Decrease in inventory, net	(35,516)	2,037
Increase (Decrease) in trade payables	(10,333)	(36,713)
(Increase) Decrease in other current receivables	(591)	(13,626)
Increase (Decrease) in other current payables	7,902	9,985
Interest expenses paid	(4,006)	(10,391)
Income taxes paid	(14,953)	(16,148)
<b>Total (B)</b>	<b>17,469</b>	<b>55,801</b>
<b>C - Cash flow from (for) investing activities</b>		
Purchase of property, plant and equipment	(19,827)	(17,285)
Disposals of property, plant and equipment)	979	575
Acquisition of minorities (in subsidiaries and associates)	(1,553)	(3,750)
(Acquisition) Disposal of investments and bonds	-	-
Purchase of intangible assets	(7,399)	(1,455)
<b>Total (C)</b>	<b>(27,800)</b>	<b>(21,914)</b>
<b>D - Cash flow from (for) financing activities</b>		
Proceeds from borrowings	210,000	115,000
Repayment of borrowings	(227,767)	(133,843)
Share capital and reserves increase	3,799	241
Dividends paid	-	-
<b>Total (D)</b>	<b>(13,967)</b>	<b>(18,602)</b>
<b>E - Cash flow for the period (B+C+D)</b>	<b>(24,298)</b>	<b>15,285</b>
Translation exchange differences	8,732	452
<b>Total (F)</b>	<b>8,732</b>	<b>452</b>
<b>G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)</b>	<b>54,102</b>	<b>61,360</b>

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