SAFILO LAUNCHES A SHARE CAPITAL INCREASE UP TO A MAXIMUM OF EURO 150 MILLION AS PART OF A COMPREHENSIVE REFINANCING PLAN TO SUPPORT EXECUTION OF BUSINESS PLAN

- **Strengthen Safilo's capital and financial structure to support execution of the 2020 business plan**
- **Capital increase supported by the reference shareholder**
- **Call of the Extraordinary Shareholders' Meeting**

Padua, September 26, 2018 – The Board of Directors of Safilo Group S.p.A. ("**Safilo**") met today and resolved to convene the Extraordinary Shareholders Meeting for 29 October 2018 to approve a **share capital increase for consideration**, **for a maximum amount of Euro 150,000,000.00**, including any share premium, in separable form, through the issue of new ordinary shares to be offered to the Company's shareholders via a rights offering pursuant to Article 2441, paragraph 1, 2 and 3 of the Italian Civil Code (the "**Share Capital Increase"**), subject to an amendment of the Bylaws in order to eliminate the express indication of the par value of shares. Subject to corporate and regulatory approvals, the Company intends to complete the transaction as soon as possible.

The Share Capital Increase supports the overall program of refinancing of the Group's debt expiring within the next twelve months, strengthening and optimizing Safilo's capital and financial structure so as to allow the company to focus on the growth and development targets set forth in the Group's update of the 2020 business plan, released on 2 August 2018.

As part of this program, the Group and a pool of leading banks have negotiated the commercial terms and conditions of a new financing of Euro 150,000,000.00 with ca. 4,5 years term (the "**Refinancing**"). Such terms and conditions will be submitted to the relevant internal bodies of the lending banks for approval upon which the parties will enter into the Refinancing documentation before the date of the Extraordinary Shareholders' Meeting.

As regards the Share Capital Increase, Safilo has entered into an agreement (the "**Subscription Agreement**") with its reference shareholder, Multibrands Italy B.V. ("**Multibrands**"), a subsidiary of HAL Holding N.V. ("HAL"), holding No. 26,073,783 existing shares, equal to approximately 41.61% of Safilo's share capital, pursuant to which Multibrands committed to subscribe for: (i) the new shares underlying the option rights relating to its existing holding (the "**Option Shares**" and "**Commitment on Option Shares**"); and (ii) any new shares which remained unsubscribed after the offer in option and the subsequent offer on the stock exchange pursuant to Article 2441 (3) of the Italian Civil Code (the "**Remaining New Shares**" and "**Commitment on Remaining New Shares**").

Angelo Trocchia, Safilo Chief Executive Officer, commented: "*The capital increase and the confirmed support of the reference shareholder and the lending banks represent a significant step for Safilo, following which the Company will be ready to confidently pursue the targets of the 2020 business plan, focusing on few, very clear, priorities.*"

The commitments of Multibrands under the Subscription Agreement are subject to certain conditions precedent (which may be waived at Multibrands' discretion) relating to: (i) the obtainment of all corporate and regulatory authorisations relating to the Share Capital Increase and the cancellation of the par value of the shares; (ii) the publication by the Company of a prospectus prepared in accordance with the applicable laws and regulations and including the disclosure of the commitments of Multibrands; (iii) the maintenance of the listing of the Company's shares on the Mercato Telematico Azionario; (iv) the formalisation of the refinancing and that such refinancing is not terminated or the Company is in breach of the same; (v) the circumstance that the subscription price of the new shares, as it will be determined by the Board of Directors of the Company on the basis of the powers granted by the shareholders' meeting, shall not be higher than Euro 1,50 per share; and (vi) the completeness and correctness of the representation and warranties (so called *reps*) made by the Company to Multibrands. Moreover, Multibrands shall have the right to withdraw from the Subscription Agreement in case of (a) a material adverse change relating to the Company or to its

Group, (b) non-compliance by the Company with its representations, warranties and undertakings and/or (c) for the case in which the above conditions will be no longer capable of being satisfied.

The Subscription Agreement also provides that, with reference to the condition referred to in the previous point (v), Multibrands shall inform, by means of a press release to the market, within two calendar days from the publication from Safilo of the press release concerning the resolution of the Board of Directors of the Company setting the subscription price of the new shares, the occurrence or non-occurrence of this condition or, in the event that the same has not been fulfilled, its willingness to renounce it, in this case proceeding in any case with the purchase of the Option Shares and the Remaining New Shares.

Moreover, to the knowledge of the Company, if Multibrands:

- as a consequence of the Commitment on Option Shares and of the partial non-subscription of Shares by the other shareholders purchased a holding in the Company higher than the 5 per cent of the share capital, then Multibrands shall not be obliged to launch a mandatory tender offer on the Company's total share capital. This is pursuant to the safe harbor exemption envisaged in applicable rules, applying to exercise of “rights originally pertaining”;
- would exceed the 45% threshold of the Company's share capital because of the subscription of shares under the above safe harbour exemption, it could materially increase its participation in the Company by subscribing Remaining New Shares in compliance with the Subscription Agreement with no obligation to launch a mandatory tender offer on the Company's total share capital. This is due to the interpretation provided for by Consob in some of its communications (see inter alia Communication no. DEM/2042919 of 14 June 2002)
- would not exceed the 45% threshold because of the subscription of Option Shares, and afterwards subscribed Remaining New Shares in compliance with the Subscription Agreement, then Multibrands would be obliged to launch a mandatory tender offer on the Company's total share capital. To the Company's available information, the relevant price of such mandatory offer should correspond to the Subscription price of the New Shares of the Capital Increase to the extent that either the offeror (i.e. Multibrands) or the subjects deemed acting in concert with same, pursuant to article 101-bis of D.Lgs n. 58/98, did not purchase any Company's share during the last twelve months preceding the date on which the above relevant threshold has been exceeded.

In consideration of the commitment relating to the subscription of the Remaining New Shares, the Company shall pay to Multibrands an amount equal to 2% of the risk effectively undertaken by Multibrands. Such risk is calculated on the basis of the entire Share Capital Increase, net of the countervalue of the new shares underlying Multibrands’ existing holding and of the new shares that eventually other shareholders of the Company may irrevocably commit to subscribe before the publication of the Rights Issue prospectus. The payment of such amount is in any case contingent upon completion of the Share Capital Increase.

The signing of the Subscription Agreement has been considered a minor transaction with a related party, applying the relevance index of the countervalue, given by the ratio between the countervalue of the transaction and the greater between the shareholders' equity taken from the most recent consolidated balance sheet published by Safilo and the Safilo market capitalization at the close of the last open market day of the relative reference period. The value of the transaction was calculated by applying the consideration equal to 2% of the part of the Share Capital Increase beyond the stake held by Multibrands - plus the maximum amount of expenses that may be incurred by Multibrands and reimbursed by Safilo - and comparing it to the values as of 30 June 2018. The Subscription Agreement has been approved today by the Board of Directors upon the favourable opinion of the Related Parties Committee on the interest of Safilo in entering the Agreement and on the convenience and substantial fairness of the relevant terms and conditions.

In accordance with market practice, the Board of Directors has proposed to the Extraordinary Shareholders' Meeting to empower the Board of Directors to define, shortly before the launch of the offer of options on the new ordinary shares (the “**Offer**”), the terms and conditions of the Share Capital Increase, including: (i) the timetable of the various phases of the Share Capital Increase, including the Offer and the subsequent offer on the stock exchange of rights that may have remained unsubscribed at the end of the subscription period, in compliance with the final deadline set by the Shareholders’ Meeting, i.e. 31 August 2019; (ii) the final amount of the Share Capital Increase, within the limits of the maximum amount of Euro 150,000,000.00; (iii) the issue price (the “**Issue Price**”) of each of the new shares and, therefore, the portion of the Issue Price to be allocated to the share premium reserve; (iv) the number of new ordinary shares to be issued and the option ratio applicable to each of the Company's existing ordinary shares, proceeding, where appropriate, to the appropriate rounding of the number of shares. The issue price to be determined by the Board of Directors, will be calculated by applying, among other considerations, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, defined using current methodology, in accordance with market practices for similar operations.

The launch of the Offer is subject to approval by the Extraordinary Shareholders' Meeting, as well as to the approval by the Italian securities and exchange commission of the prospectus relating to the Offer and admission to trading on the Mercato Telematico Azionario, of the Company's new shares.

As regards the Equity-Linked Bonds (ISIN XS1069899232) of a nominal total value of Euro 150,000,000.00, falling due on 22 May 2019, the Company will adjust the conversion price, given the share capital increase, pursuant to Article 6 of the Terms and Conditions.

For more information regarding the Share Capital Increase, please refer to the report of the Board of Directors drafted pursuant to Article 72and Annex 3A of CONSOB Regulation No. 11971/1999, as subsequently amended, that will be published within the terms and in accordance with the applicable law and regulations. Additional documentation related to the individual items on the agenda of the Extraordinary Shareholders' Meeting will be made available to the public in accordance with the procedure and timeframe provided for by law.

About Safilo Group

Safilo Group is a worldwide leader in the design, manufacturing and distribution of eyewear, leader in the premium sector for sunglasses, optical frames and sports eyewear. Design inspired and brand driven, Safilo translates extraordinary design into excellent products created thanks to superior craftsmanship expertise dating back to 1878. With an extensive wholly owned global distribution network in 40 countries – in North and Latin America, Europe, Middle East and Africa, and Asia Pacific and China – Safilo is committed to quality distribution of its products all around the world. Safilo's portfolio encompasses Carrera, Polaroid, Smith, Safilo, Oxydo, Dior, Dior Homme, Fendi, Banana Republic, Bobbi Brown, BOSS, Elie Saab, Fossil, Givenchy, havaianas, HUGO, Jack Spade, Jimmy Choo, Juicy Couture, kate spade new york, Liz Claiborne, Love Moschino, Marc Jacobs, Max Mara, Max&Co., Moschino, Pierre Cardin, rag&bone, Saks Fifth Avenue, Swatch, and Tommy Hilfiger.

Listed on the Italian Stock Exchange (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI), in 2017 Safilo recorded net revenues for Euro 1,047 million.

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