



HAL BEREIKT OVEREENSTEMMING OVER DE ACQUISITIE VAN EEN MINDERHEIDSBELANG IN SAFILO ONDER VOORBEHOUD VAN EEN SUCCESVOL BOD OP SAFILO'S SENIOR NOTES

HAL is tot overeenstemming gekomen met Safilo Group S.p.A. (Safilo) en Only3T S.p.A (thans 39.9% aandeelhouder van Safilo), om een aandelenbelang variërend van 37,23% tot 49,99% in Safilo te verkrijgen onder voorbehoud van een aantal te vervullen voorwaarden die hieronder zijn beschreven.

Safilo is een in Padua (Italië) gevestigde producent en distributeur van monturen en zonnebrillen. Daarnaast heeft de onderneming optiekretailactiviteiten. De omzet van Safilo over 2008 bedroeg ongeveer €1,1 miljard.

Als onderdeel van de transactie zal HAL de optiekretailactiviteiten van Safilo in Spanje, Australië en China verkrijgen. Safilo heeft eveneens de intentie om haar 60% belang in de Sunglass Island en Island Optical winkels in Mexico aan HAL te verkopen. De totale koopprijs voor de retailactiviteiten bedraagt € 20 miljoen.

De transactie is onderhevig aan een aantal te vervullen voorwaarden waaronder:

- een succesvol bod in contanten op de uitstaande 9½% Senior Notes ("Notes"), aflopend in 2013, uitgegeven door Safilo Capital International S.A. Dit bod wordt naar verwachting uitgebracht op dinsdag 20 oktober 2009. Per 19 oktober 2009 hadden investeerders die gezamenlijk 38,76% van de uitstaande Notes bezitten, zich gecommitteerd om hun Notes aan te bieden
- de toekenning door de Commissione Nazionale per le Società e la Borsa (CONSOB) van een vrijstelling om een verplicht openbaar bod uit te brengen op de Safilo aandelen
- herstructurering van Safilo's bestaande senior bankschuld



- goedkeuring van de transactie door de relevante anti-trust autoriteiten
- goedkeuring van de transactie door de buitengewone aandeelhoudersvergadering van Safilo.

De totale verwachte investering voor HAL varieert van € 240 tot € 330 million, afhankelijk van het aantal verkregen aandelen en Notes.

Voor meer informatie over de transactie wordt verwezen naar het bijgevoegde persbericht van Safilo.

HAL Holding N.V.

20 oktober 2009



**THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A.
APPROVES A RECAPITALIZATION PLAN FOR THE COMPANY**

Also analyzed the Group preliminary results for the third quarter ending September 30th, 2009

Padova, 19th October 2009 – Today, 19th October 2009, the Board of Directors of Safilo Group S.p.A. (Safilo or Company) approved a recapitalization plan for the Company to be executed in connection with a binding investment agreement underwritten by HAL Holding N.V. (HAL), Only 3T S.p.A (O3T) and Safilo.

The Board of Directors also analyzed the Group preliminary results for the third quarter ending September 30th, 2009, which show a very weak business performance in the context of ongoing challenging and uncertain market conditions for the remainder of the year and going forwards. Preliminary results for the third quarter ending September 30th, 2009 show a year to date total turnover of Euro 775 million and an EBITDA of Euro 47.5 million (6.1% margin), which reflects a total turnover of approximately Euro 213 million and an EBITDA of about Euro 3.5 million (1.6% margin) for Q3 2009 versus a turnover of approximately Euro 229 million and an EBITDA of Euro 16.7 million in Q3 2008. The net financial position of the Company has remained substantially unchanged with respect to Q2 2009, at approximately Euro 590 million. Furthermore, the order intake for the first two weeks of October is 12.5% below that of the same period of last year. The data outlined above is to be considered preliminary, exclusively deriving from internal management reporting and as such it may vary upon approval of the quarterly report, expected on 11th November 2009.

The proposed recapitalisation transaction aims at strengthening the Company's capital structure via the following steps as detailed below:

- (i) the injection of new equity by HAL, an industrial partner that will become the new Safilo reference shareholder with a stake in between 37.23% and 49.99%;
- (ii) the purchase by HAL of all the outstanding high yield notes denominated "€300,000,000 9½% Senior Notes 2013" issued by the Luxembourg company Safilo Capital International S.A. with principal amount of Euro 195 million (the HY Notes) and in any case not less than 60%;
- (iii) the restructuring of Safilo's senior debt facilities, implemented through an arrangement with Safilo's main financing banks (namely IntesaSanpaolo and Unicredit Corporate Banking);
- (iv) the sale of certain non-core retail chains.

As previously indicated, the overall recapitalization plan is conditional, among other things, upon the successful completion of a cash tender offer (Tender Offer) to be launched by HAL on

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the HY Notes. The Tender Offer is conditional upon HAL reaching an acceptance threshold equal to or higher than 60%.

Should the Tender Offer threshold not be met, the following next steps will not be implemented. Should the above condition be met, the following next steps will be implemented:

- (i) a Reserved Capital Increase shall be subscribed and paid-in by HAL of up to 10% of Safilo's share capital, pursuant to art. 2441, par. 4, second part, of the Civil Code, for a total amount of about Euro 13 million, inclusive of share premium (First Capital Increase);
- (ii) a rights issue for a total amount of EUR 250 million (inclusive of share premium) to be underwritten by HAL also for the percentage of option rights pertaining to O3T. As to the option rights pertaining to other shareholders who do not intend to exercise their option rights, it shall be guaranteed by HAL and Banca IMI and Unicredit Group (HVB Milan), according to the terms and conditions set forth below (Second Capital Increase);
- (iii) restructuring of the existing senior debt financing agreements;
- (iv) the sale from Safilo to HAL - for a consideration of about Euro 20 million - of certain non core loss generating retail chains in view of bringing in additional cash to the Company.

The total estimated funds inflow for Safilo will be ca. Euro 283 million, which will be used to strengthen Safilo's capital structure and to partially repay the current outstanding debt facilities for Euro 185 million.

Tender Offer on the HY Notes

The first step of the envisaged transaction is the launch by HAL of a voluntary cash tender offer on 100% of the outstanding HY Notes for a price equal to 60% of their nominal value. The Tender Offer is conditional upon HAL reaching an acceptance threshold equal to or higher than 60%. The Tender Offer will start on October 20th and will remain open until November 19th. Cash settlement is expected on Tuesday November 24th, 2009.

As of the date of the present press release, an agreement has been reached with certain holders of the HY Notes (the "Lock-up Agreement") pursuant to which the latter have agreed to tender a total of 38,76% of the principal amount of HY Notes currently outstanding in the Tender Offer and to generally take, encourage, assist or support any action that would result in the Tender Offer being accepted.

It is important to underline that should the above condition not be met, the following next steps will not be implemented and the proposed transaction will not take place.

Reserved Capital Increase

The First Capital Increase for consideration reserved to HAL, pursuant to art. 2441, par. 4, second part, of the Civil Code, will be limited to 10% of the pre-existing share capital.

The total amount of the First Capital Increase is estimated to be approximately Euro 13 million (inclusive of share premium), on the basis of an indicative issue share price of Euro 0.45. As prescribed by law, (i) the issue price of the shares issued against the First Capital Increase will correspond to the market value of the shares and (ii) such value shall be confirmed by the company's auditors report.

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By effect of the Reserved Capital Increase, HAL's participation in the Company share capital will be equal to 10.98% (calculated on a fully diluted basis).

Rights Issue

The total amount of the Second Capital Increase is estimated to be Euro 250 million (inclusive of share premium). Such Second Capital Increase will be underwritten by HAL also for the percentage of option rights pertaining to O3T. As to the option rights issued in connection with the Second Capital Increase pertaining to other shareholders who do not intend to exercise their option rights, it shall be guaranteed by HAL and Banca IMI and Unicredit Group (HVB Milan) up to a maximum of 64.88% for HAL and 35.12% for the banks. The subscription price per share will be equal to EUR 0.304 and, therefore, at a discount against the market value.

By effect of the First Capital Increase and the Second Capital Increase (for which HAL has agreed to acquire the O3T option rights), HAL's participation in the Company share capital will be equal to a percentage ranging between 37.23% and 49.99% (calculated on a fully diluted basis).

Restructuring of the current senior debt facilities

In conjunction with the First and Second Capital Increases, Safilo has renegotiated its senior debt facilities with IntesaSanpaolo and Unicredit Corporate Banking, extending the final term of the financing from 31 December 2012 to 30 June 2015 for an amount of Euro 300 million. The restructuring agreement has been approved, subject to subscription and payment by HAL of the First Capital Increase and its portion of Second Capital Increase.

Disposal of non core optical retail business

The non core loss making retail activities comprise the retail chains Loop Vision in Spain, Just Spectacles in Australia and retail activities in the People's Republic of China. Moreover, as a part of the transaction, Safilo intends to sell the Sunglass Island and Island Optical shop chains in Mexico to HAL.

Total 2009 estimated sales attributable to Safilo of these operations is around Euro 53 million with a 2009 estimated EBITDA loss of Euro 5 million. These non core retail activities shall be acquired by HAL for a consideration of approximately Euro 20 million.

Safilo will keep its sunglass chain Solstice in the USA.

In addition to HAL reaching an acceptance threshold equal to or higher than 60% in the High Yield Bond Tender Offer, the overall transaction is subject, among others, to the following main conditions:

- (i) the granting by the Commissione Nazionale per le Società e la Borsa (CONSOB) of the exemption for a mandatory tender offer as provided for under art. 49, par. 1, lett. b) of the Consob Regulation n. 11971/99;
- (ii) the granting of clearance for the transaction by the relevant Antitrust Authorities;
- (iii) the approval by the extraordinary shareholders' meeting of Safilo of the First and the Second Capital Increases.

The completion of the transaction is envisaged in the first quarter of 2010.

Banca IMI, UniCredit Corporate and Investment Banking and BNP Paribas acted as financial advisors to Safilo in connection with the Transaction.

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Safilo shall shortly call the Extraordinary General Meeting for 23rd November 2009 (in first call) to resolve the above capital increases.

This press release is published in both Italian and English but in the case of inconsistency the Italian version shall prevail.

The Safilo Group is worldwide leader in the premium eyewear sector and maintains a leadership position in the prescription, sunglasses, fashion and sports eyewear sectors. Present in the international market through exclusive distributors and 39 subsidiaries in primary markets (U.S.A., Europe and Far East). The main proprietary branded collections distributed are: Safilo, Carrera, Smith, Oxydo, Blue Bay, and the licensed branded collections are: Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, Bottega Veneta, BOSS by Hugo Boss, Diesel, 55DSL, Dior, Emporio Armani, Fossil, Giorgio Armani, Gucci, HUGO by Hugo Boss, J.Lo by Jennifer Lopez, Jimmy Choo, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max&Co., Nine West, Pierre Cardin, Saks Fifth Avenue, Valentino, Yves Saint Laurent.

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

For further information:

Investor Relations

Barbara Ferrante

Ph. +39 049 6985766

www.safilo.com/it/investors.html

Safilo press office

Nicoletta Chinello

ph. +39 049.69.85.379

Community consulenza nella comunicazione ph. +39 0422.416.111 - 02.89.40.42.31

Auro Palomba – Mob. +39 335.71.78.637

Giuliano Pasini – Mob. +39 335.60.85.019

Angelo Brunello – Mob. +39 329 2117752

HAL Holding N.V. HAL Holding N.V. is an international investment company based in the Netherlands Antilles. All shares of HAL Holding are held by HAL Trust and form the Trust's entire assets. HAL Trust's shares are quoted on the Amsterdam Stock Exchange (Ticker symbol: HAL NA). HAL is currently a 2.1% shareholder in Safilo.

See also: www.halholding.com

Only3T S.p.A. is the holding company of the Tabacchi family which currently holds 39.9% of Safilo.