



**SAFILO ENHANCES ITS LONGARONE PLANT  
4 MILLION EUROS INVESTED OUT OF 60 MILLION PLANNED FOR THE  
MODERNIZATION OF ITS ITALIAN FACILITIES IN 2020 STRATEGIC PLAN.  
250 NEW WORKERS ALREADY HIRED**

**Plan presented to workers and trade unions, together with progress report of first six months**

**Longarone (BL), October 3, 2016** – Safilo Group, the fully integrated Italian Eyewear creator, manufacturer and worldwide distributor of quality and trust, presented today at a meeting with representatives of workers and trade unions the full transformation plan for the Longarone plant.

Safilo's transformation plan is part of its 2020 strategy, and is part of the overall renewal plan of Safilo's footprint, aimed at maintaining its leadership in Italian eyewear production, with special attention on the preservation and enhancement of the traditional Cadore eyewear heritage, of which Safilo, which began manufacturing eyewear back in 1878, is a founder.

The strategic plan plans for a gradual reversal of the percentage of glasses and components produced within Safilo's plants, among which Longarone plays a key role, as well as Santa Maria di Sala and Martignacco, and Lenti/Bergamo. The objective is to take production from the 30% last year to 70% by 2020, through investments that will reach approximately 60 million euro in total, with modernization of facilities in order to reach an even higher level of ability to serve the market, and improvements in production lead-time, product quality, inventory, and cost management.

Longarone currently employs over a thousand workers and the plant, mainly dedicated to metalworking, is the largest of the four Italian manufacturing sites in Veneto, Friuli and Lombardy (Lenti/Bergamo - recently acquired 100%).

The integrative agreement on welfare, signed in February 2016, has paved the way for the settlement of Longarone's transformation. The agreement recognizes the contribution each worker makes towards the success of the company's strategies and corporate results, a key element in the achievement of the 2020 objectives, and validates the steps towards increased modernization, which are of such significance for a historic company such as Safilo and the industry in general. This in fact reflects the belief that the interests of the company and its workers are inseparable as stated in the Code of principles, values and competencies. Particular attention was given to the theme of Flexible Benefits, a program which is focused on the well-being of the company employees, and which makes available tools which are more efficient and innovative than those normally made available in similar programs. Safilo has introduced, for the first time, not only within the company but also in the eyewear sector, a flexible benefits system designed to take into account not only specific individual needs, but also to ensure the maximum benefit in terms of net income received. The program benefits all who have worked for the company for at least six months, thereby laying the most favorable foundation for the transformation plan.

Investment in human resources and technology represent the starting point of the transformation plan, with the aim of creating an organization which is capable to respond in a timely and appropriate manner to the current market needs, concentrating investments on strengthening production capacity in Italy within a manufacturing system which is able to manage from start to finish the entire cycle of production for each pair of glasses.

Results for the first six months following the initial transformation activities include:

- Arrival of more than 250 new workers

- Over four million euro invested in new technologies, innovation and skills
- Increased production capacity by 25%
- Approximately +30% production hours in the first half of 2016 compared to the first half of 2015
- +32% pieces produced in the second quarter of 2016 compared to the first quarter of 2016
- Process waste reduced by 51%

The meeting held today highlighted the need to review the organizational structure, operations, competencies, production flows, machinery, working conditions, equipment and tools. This transformation path will require all plant employees to contribute to the change in order to respond to market challenges with better effectiveness, in order to maintain and further develop the craftsmanship and respond promptly.

In particular, the areas of intervention are:

- Technical Support, newly established, whose goal is to bring into the plant technological innovation, increased efficiency of production processes through the elimination of waste, reviewed evolution of individual workspace and work cycle, with maximum attention paid to ergonomics and machinery maintenance
- Integrated Planning, with the task of ensuring that volumes are in line with demand
- Product Industrialization, with the aim of transferring creative concepts and input through the right machinery into products which can be manufactured in accordance to costs, time and quality
- Quality Assurance, with the aim of eliminating defects which arise during the production process and thereby providing the customer with a product of impeccable quality
- Management Control and Cost Accounting, to ensure compliance with cost targets and financial goals
- Human Resources and Labor Relations, in support of the organization and to manage change in accordance with our purpose, values, principles and competencies

This path towards increased modernization also ensures a necessary regeneration of talent for people employed in the plant; specific training programs have already begun while others are planned in the coming months and throughout 2017 to support the development of individual skills and to establish a systematic approach to possible plant issues.

Specific and targeted new hires from outside are also foreseen, to cover roles and responsibilities not present today in the plant and that will contribute to the creation and development of skills needed for the finalization of Longarone's regeneration.

#### **About Safilo Group**

Safilo Group is the fully integrated Italian eyewear creator and worldwide distributor of quality and trust, 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 a superior craftsmanship expertise dating back to 1878. With an extensive wholly owned global distribution network in 39 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, Gucci, Banana Republic, Bobbi Brown, BOSS, BOSS Orange, Céline, Elie Saab, Fossil, Givenchy, havaianas, Jack Spade, Jimmy Choo, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Max Mara, Max&Co., Pierre Cardin, Saks Fifth Avenue, Swatch, and Tommy Hilfiger.

Listed on the Italian Stock Exchange (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI), in 2015 Safilo recorded net revenues for Euro 1,279 million.

*Contacts:*

#### **Safilo Group Press Office**

Antonella Leoni  
Ph. +390277807607  
Mob. +393357604297