



**Luxottica and Oakley:
The beginning of a new
journey together**

November 15, 2007

Safe Harbor Statement

Certain statements in this investor presentation may constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those that are anticipated. Such risks and uncertainties include, but are not limited to, the ability to successfully integrate Oakley’s operations, the ability to realize expected synergies from the merger with Oakley, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to predict future economic conditions and changes in consumer preferences, the ability to achieve and manage growth, the ability to negotiate and maintain favorable license arrangements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, the ability to effectively integrate other recently acquired businesses, as well as other political, economic and technological factors and other risks referred to in Luxottica Group’s and Oakley’s filings with the U.S. Securities and Exchange Commission. These forward-looking statements are made as of the date hereof and, under U.S. securities regulation, neither Luxottica Group nor Oakley assumes any obligation to update them.

- ▶ **Description of the transaction**
 - ▶ **The new group**
 - ▶ **The new journey**
- ▶ Appendix

Description of the transaction

Key facts

Luxottica – Oakley merger	Closed on November 14
Cash price per share:	US\$29.30
Financed with existing credit facilities and cash on hand	
Total equity consideration:	approx. US\$2.1 billion
Assumed Net debt^(*):	approx. US\$151 million
Immediate consolidation of results	
Estimated operating synergies (within 3 years):	€100 million/year

^(*) Net debt is comprised of Oakley's Lines of credit less Cash and cash equivalents as of September 30, 2007

The new group

A winning combination in a growing, evolving industry

A global leader

- ▶ FY 07E pro forma revenues: €5.7 billion ⁽¹⁾
- ▶ FY 07E pro forma EBITDA: €1.2 billion ^{(1) (2)}

Portfolio strength,
with enhanced global distribution

The best owned and license brands in

- ▶ Luxury
- ▶ Fashion
- ▶ Active lifestyle
- ▶ Sports performance

A leading retailer

A showcase of brands through more than 6,000 stores worldwide (from China to Australia, Europe and North America)

To drive stronger growth for the combined businesses for years to come

(1) Based on both companies' combined 2007 guidance

(2) Please see Appendix for Non-GAAP reconciliation

The new journey: what we will focus on

Retail

- ▶ Optimize sales of each other's brands through the respective retail chains
- ▶ Maximize consumer reach through enhanced positioning of sun retail brands

Oakley Brands International Sales

- ▶ Significant emerging markets opportunities
- ▶ Complementary sales structure in many different markets
- ▶ Realize economies of scale in emerging markets

Trade Channels

- ▶ Oakley active lifestyle and sports performance channels know-how
- ▶ Luxottica global key-account and department store structure

Leveraging the Brand Portfolio

- ▶ True global exposure for all Oakley owned and license brands
- ▶ Performance know-how selectively applied to luxury/fashion; luxury/fashion selectively applied to sports performance and active lifestyle
- ▶ Account merchandising optimization and leverage

The new journey: what we will focus on

Combined expertise

- ▶ Women's and prescription eyewear for Oakley brands
- ▶ Blend between performance and luxury/fashion
- ▶ New eyewear solutions to serve new customer needs
- ▶ Oakley brand building and grass roots marketing approaches used with other portfolio brands

Lens Technology

- ▶ Extend Oakley's best-in-class R&D capabilities
- ▶ New opportunities in sun Rx lenses
- ▶ Sourcing benefits

Sourcing

- ▶ Benefit from greater scale
- ▶ New worldwide opportunities
- ▶ Better time to market

The new journey: where we are today

Joint integration teams working to identify opportunities

- ▶ Open-mindedness, shared understanding, collaboration, fun spirit

By the end of November, joint teams will define operating plans

- ▶ Topics, targets, tools, timing

Some integration activities to start immediately

- ▶ Optimize sales of Oakley's brands through Luxottica's retail network
- ▶ Emerging markets opportunities

Global investor conference (possible investor day) during 1Q08

- ▶ Presentation of business plans
- ▶ Key markets investor road show

- ▶ Description of the transaction
- ▶ The new group
- ▶ The new journey

- ▶ **Appendix**

Non-U.S. GAAP Measures Notes

EBITDA represents operating income before depreciation and amortization.

Historical and forecasted EBITDA are not measures of performance under accounting principles generally accepted in the United States (U.S. GAAP). We include them in this presentation in order to:

- ▶ improve transparency for investors;
- ▶ assist investors in their assessment of the Company's historical and forecasted operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- ▶ assist investors in their assessment of the Company's cost of debt;
- ▶ ensure that these measures are fully understood in light of how the Company evaluates its operating results and leverage;
- ▶ properly define the metrics used and confirm their calculation; and
- ▶ share these measures with all investors at the same time.

Historical and forecasted EBITDA are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with U.S. GAAP. Rather, these non-GAAP measures should be used as a supplement to U.S. GAAP results to assist the reader in better understanding the operational performance of the Company. The Company cautions that these measures are not defined terms under U.S. GAAP and their definitions should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group's method of calculating EBITDA may differ from methods used by other companies. The Company recognizes that the usefulness of EBITDA as an evaluative tool may have certain limitations, including:

- ▶ EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;
- ▶ EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and expense may have material limitations;
- ▶ EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;
- ▶ EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- ▶ EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- ▶ EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss.

We compensate for the foregoing limitations by using EBITDA as a comparative tool, together with U.S. GAAP measurements, to assist in the evaluation of our historical and forecasted operating performance and leverage.

See the table on the following page for a reconciliation of EBITDA to operating income, which is the most directly comparable U.S. GAAP financial measure.

Non-U.S. GAAP Measure: Pro forma EBITDA

	Luxottica FY07 E (Billions of €)	Oakley FY07 E (Billions of US\$)	Pro forma Combined Entity FY07 E (Billions of €)
Operating income (+)	0.8	0.1	0.9
Depreciation & amortization (+)	0.2	0.1	0.3
EBITDA (=)	1.1	0.2	1.2

Note: Above Combined Entity figures include the translation of the Oakley, Inc. figures at an average exchange rate of €1 = US\$1.35

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