# Winning
# “through the cycle”

Milan, February 5, 2009

# Forward looking statements

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 filings with the US Securities and Exchange Commission.

Although Luxottica Group believes its expectations are based on reasonable assumptions, it cannot assure the expectations reflected herein will be achieved. This forward-looking information may prove to be inaccurate and actual results may differ significantly from those anticipated if one or more of the underlying assumptions or expectations proves to be inaccurate or is unrealized or if other unexpected conditions or events occur.

These forward-looking statements are made as of the date hereof and, under US securities regulation, Luxottica Group undertakes no obligation to subsequently update or revise the forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation.

# Summary

**Comments on 2008**

**Vision and approach going forward**

**Appendix**

# Comments on 2008

# Overview: FY 2008

## Pros

- Consolidated sales up by 4.7%;
  at constant exchange rates up by 10.7%
- Successful 1st year of integration with Oakley
- 5th year in a row of double-digit growth in wholesale sales
- Ray-Ban and Oakley continued to be successful around the world
- Proven ability to continuously react and adapt to changing environment
  - benefits already seen in 2Q and 3Q retail results
  - already identified structural actions to improve efficiency

## Cons

- Challenging world
- 4Q influenced by deteriorating scenario
  - wholesale clients destocking
  - 4Q sales below management expectation
- Immediate reaction from the organization, but results cannot be immediate. Benefits are expected to be realized in coming quarters.
- Dilution on Group profitability
- 2008 net profit expected to be close to € 400 million, down by approx 16% vs. last year (EPS of approx. € 0.88)
  - on a comparable basis, net profit decrease would have narrowed to 8%(1)
  - the estimated EPS of € 0.88 does not include the write-off of residual debt related to the sale of the Things Remembered business, equivalent to € 0.03

(1) On a comparable basis, meaning EPS in US Dollars before trademark amortization. EPS before trademark amortization is not a US GAAP measure. For additional disclosure regarding such measure, see Appendix.

# FY and 4Q 2008 Sales

| | FY08 € million | FY08 vs. FY07 | 4Q08 € million | 4Q08 vs. 4Q07 |
|---|---|---|---|---|
| **Net sales** | | | | |
| • reported at current exchange rates | 5,201.6 | +4.7% | 1,236.5 | +4.0% |
| • pro forma(1) at constant exchange rates | | -0.8% | | -5.5% |
| **Wholesale to third parties** | | | | |
| • reported at current exchange rates | 2,092.5 | +22.8% | 459.7 | +3.1% |
| • pro forma(1) at constant exchange rates | | +1.3% | | -8.3% |
| **Retail** | | | | |
| • reported at current exchange rates | 3,109.1 | -4.7% | 776.8 | +4.6% |
| • pro forma(1) at constant exchange rates | | -2.1% | | -3.7% |

(1) Pro forma data reflects the inclusion of the consolidated results of Oakley, Inc., a subsidiary that was acquired in November 2007, as if it was acquired on January 1, 2007

# Vision and approach going forward

# A structural reset is underway

- In recent years we experienced a mix of real growth and market euphoria
  - our business thrived during these years:
    - wholesale sales CAGR 2003-2008 +21%; organic +12%
    - overall company sales up by over 80% in past 6 years
    - reshaped and upgraded brand portfolio
    - established a strong presence in emerging markets
    - demonstrated ability to reshape organization, infrastructure and costs quickly

- We are currently experiencing
  - not a temporary crisis
  - not a drastic and definitive collapse
  - but a global structural reset, right-sizing markets by approx. 10%

**Working hard to face these changes to emerge stronger and be better positioned for the future**

# Our business model outperformed and it will still be winning moving forward

**Distinctive business model**

- Vertical integration
- Global reach
- Strong brand portfolio

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**Growth DNA**

- Ability in combining and managing:
  - organic growth
  - external growth

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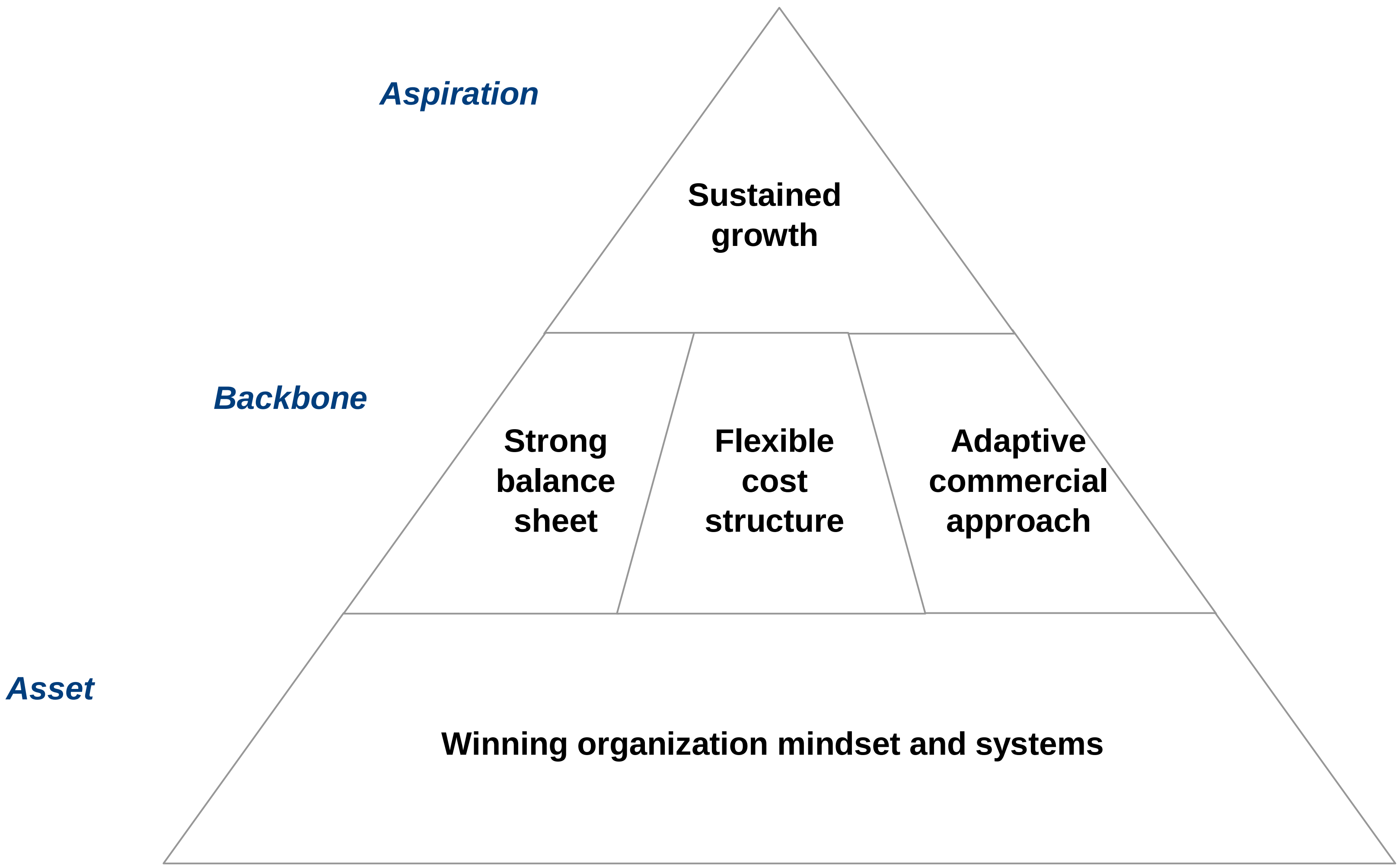
**Enhanced adaptability and flexibility**

- Adaptability
  - in the past boom years we built capacity and now we are resizing our structure
- Flexibility
  - already demonstrated great reaction in early 2008
  - controlling working capital already in 4Q08 and 1Q09 as announced

# We will manage and win “through the cycle” by quickly and decisively acting on 5 pillars



# The backbone of our action plan

## Strong balance sheet

- Working capital optimization
  - 10%-15% inventory reduction
  - faster supply chain
  - 15% improvement through put days
  - new relationships with strategic suppliers
  - investing in the right clients
- "Lean" Capex
  - down approx. 30% vs. 2008 (from € 300 million to € 200 million); still investing approx. 4% of sales
  - heavy investments in IT and supply chain to leverage the New Group
  - review of global stores blueprint
    - 3%/4% of stores under review

## Flexible cost structure

- Commercial organization
  - from January 2009, push alternative models of serving clients
- Operations
  - ☑ production capacity adjustments already in place
  - lean logistics
- Optimizing brand portfolio
  - reviewed agreements for 3 licenses
  - added one new strong regional contract
- Streamlining back-office and G&A and leveraging the new Group's scale
  - 1Q 2009

## Adaptive commercial approach

- Push of "more resilient" optical products
  - offering, service, pricing
  - focusing on Ray-Ban and Oakley
- Segmentation by geography and customer base
  - ☑ adapting strategies to local needs
- Luxury brand positioning
  - ☑ more aggressive entry prices already defined
- Realizing benefits of Oakley/Luxottica integration in Europe and emerging markets
  - 2009 will be another year of solid growth for Oakley

# Our growth aspiration and organizational mindset

## Sustained growth

- Emerging markets
  - partnership with DLF in India
  - keep building Chinese market
  - scouting in new areas
- Sunglass Hut global presence
  - in 2008 strong growth in Middle East, South Africa and Thailand
  - scouting new opportunities
- STARS
  - scale-up affiliation model building on last 3 years' success

## Winning organization mindset and systems

- Speed and flexibility
  - short-term and reactive incentive schemes
- Motivate and retain talent
  - stretched targets
  - bonuses linked to specific projects
- Foster culture of flexibility
  - more focus on strategic objectives

# OneSight foundation

**Who we are**

- Family of charitable programs dedicated to improving vision through outreach, research and education.
- Combines 20 years of innovation from three regional programs (Give the Gift of Sight, Pearle Vision Foundation, Community-I Care) into one, global organization

**Why we care**

- Millions of people worldwide suffer from poor vision
- As a worldwide leader in this industry, Luxottica has the global reach, expertise and passion to help the world see.

**What we do**

- Global Eye Care
  - Hand-delivering vision care, eyewear in developing countries
  - Over 150 missions to 32 developing countries; 2.9+ million helped
- Regional Eye Care
  - Regional and Vision Van Clinics across North America, Australia, China
  - 35+ weeks of Clinic, 33,000+ helped annually
- Community Eye Care
  - In-store and outreach programs across North American and Australia
  - 240,000+ helped annually
- Preventative Eye Care
  - €244,000+ granted to support research seeking cures for preventable blindness
  - Thousands in scholarships for students seeking degree in Optometry

# Appendix

# Retail comparable store sales(1)

| | 4Q08 | FY08 |
|---|---|---|
| **Optical North America** | | |
| LensCrafters, Pearle Vision | -11.5% | -6.5% |
| Licensed brands | -9.7% | -9.1% |
| **Optical Australia/New Zealand** | **+0.2%** | **-0.2%** |
| **Sunglass Hut worldwide(2)** | **-12.9%** | **-4.9%** |

(1) Comparable store sales reflects the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area. The table does not include Oakley retail sales.

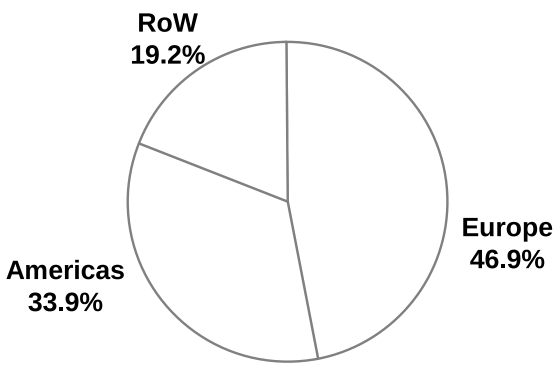
(2) Sun-only stores. Excluding former Oakley, Inc. retail chains, ILORI and David Clulow

# Wholesale sales breakdown

## Sales breakdown for 4Q08

**Wholesale sales to third parties increased by 2.2%(2)**

**(Sales breakdown by region, 4Q08)(1)**



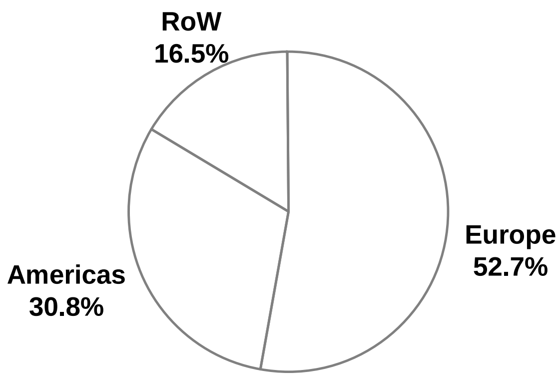

**(YoY% changes by region, 4Q08)(2)**

- Europe: -3.5%
- Americas: -0.5%
- RoW: +27.1%

## Sales breakdown for FY08

**Wholesale sales to third parties increased by 26.7%(2)**

**(Sales breakdown by region, FY08)(1)**




**(YoY% changes by region, FY08)(2)**

- Europe: +10.5%
- Americas: +57.1%
- RoW: +38.9%

(1) Wholesale sales to third parties
(2) Wholesale sales to third parties, at constant exchange rates

# Non-US GAAP Measures: EPS before Trademark Amortization

**Earnings per share before trademark amortization**: Earnings per share (EPS) before trademark amortization means earnings per share before trademark and other similar intangible asset amortization expense, net of taxes, per share. The Company believes that EPS before trademark amortization is useful to both management and investors in evaluating the Company's operating performance and prospects compared to that of other companies in its industry. Our calculation of EPS before trademark amortization allows us to compare our earnings per share with those of other companies without giving effect to the accounting effects of the amortization of the Company's trademarks and other similar intangible assets, which may vary for different companies for reasons unrelated to the overall operating performance of a company's business.

EPS before trademark amortization is not a measure of performance under accounting principles generally accepted in the United States (U.S. GAAP). We include it in this presentation in order to:

- improve transparency for investors;
- assist investors in their assessment of the Company's operating performance;
- ensure that this measure is fully understood in light of how the Company evaluates its operating results;
- properly define the metrics used and confirm their calculation; and
- share this measure with all investors at the same time.

EPS before trademark amortization is 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, this non-GAAP measure 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 this measure is not a defined term under U.S. GAAP and its definition should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group's method of calculating EPS before trademark amortization may differ from methods used by other companies. The Company recognizes that the usefulness of EPS before trademark amortization as an evaluative tool may have certain limitations, including:

- EPS before trademark amortization does not include the effects of amortization of the Company's trademarks and other intangible assets. Because trademarks and other intangible assets are important to our business and to our ability to generate sales, we consider trademark amortization expense as a necessary element of our costs. Therefore, any measure that excludes trademark amortization expense may have material limitations.

We compensate for these limitations by using EPS before trademark amortization as one of several comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of our operating performance.

See the table on the following page for a reconciliation of EPS before trademark amortization to EPS, which is the most directly comparable U.S. GAAP financial measure.

# Non-US GAAP Measures:
# EPS before Trademark Amortization

| Millions of Euro, unless otherwise noted | FY08 (estimated) (1) | FY07 | Δ |
|---|---|---|---|
| Trademark amortization and other similar intangible assets (+) | 72 | 64 | |
| Taxes on trademark amortization and other similar intangible assets (-) | (26) | (24) | |
| Trademark amortization and other similar intangible assets, net of taxes (=) | 45 | 40 | |
| Average number of shares outstanding as of December 31 (in thousands) (/) | 456,564 | 455,185 | |
| **Trademark amortization and other similar intangible assets, net of taxes, per share (=)** | **0.10** | **0.09** | |
| **EPS (2)(3) (+)** | **0.88** | **1.05** | **-16.8%** |
| **EPS before trademark amortization and other similar intangible assets, net of taxes (=)** | **0.98** | **1.14** | **-14.4%** |

| | | | |
|---|---|---|---|
| €/US$ average exchange rate | 1.4707 | 1.3705 | |
| **EPS before trademark amortization and other similar intangible assets, net of taxes (in US$)** | **1.43** | **1.56** | **-8.2%** |

(1) Figures for FY08 are estimated. Luxottica has not yet reported actual net income or EPS for FY08. Actual figures may differ materially from the estimates presented above.

(2) Excluding non-recurring gain related to the sale of a real estate property in 2Q 2007. The impact of the sale was a gain of approximately €20 million before taxes and approximately €13 million after taxes, equivalent to €0.03 at EPS level.

(3) Excluding a non-recurring loss on the write-off of debt related to the sale of Things Remembered. The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share.

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