



## Luxottica Group: third quarter performance at dual speeds, Net sales up 0.8%<sup>2</sup>

*Acceleration in July and August, September curbed by record hurricanes and extraordinary events*

- **Group's net sales in the third quarter to Euro 2,147 million (+0.8% at constant exchange rates<sup>2</sup> and -3.5% at current exchange rates)**
  - Wholesale division's net sales to Euro 770 million (-0.3% at constant exchange rates<sup>2</sup> and -3.7% at current exchange rates)
  - Retail division's net sales to Euro 1,377 million (+1.3% at constant exchange rates<sup>2</sup> and -3.3% at current exchange rates)
- **Outlook confirmed for 2017**

**Milan (Italy), October 23, 2017** – The Board of Directors of Luxottica Group S.p.A. (MTA: LUX), a leader in the design, manufacture, distribution and sale of fashion, luxury and sports eyewear, met today to review the consolidated net sales for the third quarter of 2017 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### Net sales in the third quarter of 2017<sup>1</sup>

<i>(Millions of Euro)</i>	3Q 2016	3Q 2017	Change at constant exchange rates <sup>2</sup>	Change at current exchange rates
<b>Group net sales</b>	<b>2,225</b>	<b>2,147</b>	<b>+0.8%</b>	<b>-3.5%</b>
Wholesale division	800	770	-0.3%	-3.7%
Retail division	1,425	1,377	+1.3%	-3.3%

### Net sales of the first nine month of 2017<sup>1</sup>

<i>(Millions of Euro)</i>	9M 2016	9M 2017	Change at constant exchange rates <sup>2</sup>	Change at current exchange rates
<b>Group net sales</b>	<b>6,944</b>	<b>7,065</b>	<b>+1.5%</b>	<b>+1.7%</b>
Wholesale division	2,770	2,750	-0.9%	-0.7%
Retail division	4,174	4,314	+3.1%	+3.4%



Luxottica's net sales in the third quarter of 2017 were up 0.8% at constant exchange rates<sup>2</sup> (-3.5% at current exchange rates as a result of the strong Euro appreciation against the main currencies). In the first nine months of the year, revenues rose by 1.5% at constant exchange rates<sup>2</sup> (+1.7% at current exchange rates). Quarterly sales performance showed dual speeds: growth acceleration in July and August compared to the first half of the year, followed by a drop in September due to extraordinary events that penalized the business mainly in North America. Globally, these events led to a closure of about 800 Group stores and the total loss of over 4,000 retail days.

Strong growth in Europe and Latin America and an improvement in Asia-Pacific led the Group's quarterly sales. The restructuring of Oakley's sport and retail channels and changes in the LensCrafters business still weighed on sales in North America.

Ray-Ban continues to grow as a most-loved and innovative brand, particularly among younger generations. Thanks to the integrated and increasingly consumer-centric management of sales channels, the brand grew by double digits in the wholesale channel in North America, on Ray-Ban.com globally and through the mono-brand stores in China.

The Wholesale division, which showed improvement compared to the second quarter, recorded flat sales (-0.3% at constant exchange rates<sup>2</sup>), thanks to the increase in the average unit price and the positive effect of "MAP policy" in North America. The Retail business grew 1.3% at constant exchange rates<sup>2</sup>, benefiting from the contribution of new stores, OPSM's excellent performance in Australia and Ray-Ban stores in China. The Group's comparable store sales<sup>3</sup> were down 5.1% due to extraordinary events and the evolution of LensCrafters' business model.

*"We are pleased with the results of July and August, where the Group's businesses generated a solid growth. The unexpected events of September hurt sales for the period, impacting the results of our business in North America, Mexico and China. Nonetheless, and net of strong exchange rate volatility, we have closed a growing quarter,"* commented Leonardo Del Vecchio, Executive Chairman, and Massimo Vian, CEO for Product and Operations of Luxottica.

*"The many initiatives taken in the last two years are bringing clear benefits, particularly the 'MAP policy' which in North America supported double-digit growth for Ray-Ban in the sun segment and online. The success of OPSM in Australia is another example of a strategic initiative undertaken by the Group with consistency and determination. In the same spirit, we are now leading the change in LensCrafters for the chain's long-term success, with a new courageous commercial offering for the American market that is clear and transparent, free of a heavily promotional approach and focused on the quality of the products and services."*

*"Thanks to a return to growth in the first weeks of October and the solid profitability and cash flow of the first nine months, we confirm the outlook for 2017. We are confident that the many initiatives that have been taken in the last two years can lead to acceleration of growth in 2018."*



## Geographic segments: net sales and trends

Net sales (millions of Euro)	3Q 2016	%	3Q 2017	%	Change at constant exchange rates <sup>2</sup>	Change at current exchange rates
North America	1,352	61%	1,231	57%	-3.7%	-9.0%
Wholesale	239	11%	226	11%	+0.5%	-5.4%
Retail	1,113	50%	1,005	47%	-4.6%	-9.7%
Europe	400	18%	457	21%	+16.0%	+14.2%
Asia-Pacific	288	13%	273	13%	-0.6%	-5.2%
Latin America	139	6%	148	7%	+7.9%	+6.7%
Rest of the World	45	2%	38	2%	-12.9%	-15.5%
<b>Group total</b>	<b>2,225</b>	<b>100%</b>	<b>2,147</b>	<b>100%</b>	<b>+0.8%</b>	<b>-3.5%</b>

3Q 2016 sales breakdown has been revised to reflect a market reclassification for the travel retail business

Net sales (millions of Euro)	9M 2016	%	9M 2017	%	Change at constant exchange rates <sup>2</sup>	Change at current exchange rates
North America	4,094	59%	4,027	57%	-1.9%	-1.6%
Wholesale	797	11%	804	11%	+0.6%	+1.0%
Retail	3,297	47%	3,223	46%	-2.5%	-2.3%
Europe	1,415	20%	1,602	23%	+15.1%	+13.2%
Asia-Pacific	896	13%	868	12%	-4.0%	-3.2%
Latin America	392	6%	436	6%	+5.7%	+11.1%
Rest of the World	146	2%	131	2%	-13.1%	-10.3%
<b>Group total</b>	<b>6,944</b>	<b>100%</b>	<b>7,065</b>	<b>100%</b>	<b>+1.5%</b>	<b>+1.7%</b>

9M 2016 sales breakdown has been revised to reflect a market reclassification for the travel retail business

### Europe

In the third quarter, Europe continued to be a bright spot for the Group with sales increasing for the tenth consecutive quarter. Net sales were up 16.0% at constant exchange rates<sup>2</sup> (+14.2% at current exchange rates), positive even net of the contribution of Salmoiraghi & Viganò and on top of the strong results in the previous two years.

Growth in the region was driven by Italy, Spain, France, the United Kingdom, Turkey and Eastern Europe thanks to the warm welcome of the latest spring-summer collections and the continuous improvement of service levels.

The Retail division benefited from the consolidation of the Salmoiraghi & Viganò stores in Italy and Sunglass Hut's growth in continental Europe, with an excellent start to the sun season in the region and the contribution of new stores.

### North America

Third quarter sales in North America recorded a 3.7% drop at constant exchange rates<sup>2</sup> (-9.0% at current exchange rates) due to the extraordinary events that affected the region during the period



and changes introduced in retail, particularly in LensCrafters. Three devastating hurricanes hit Texas, Florida and Puerto Rico, leading to a closure of about 570 Group retail stores, most of them for over a week, and impacting thousands of wholesale customers.

The wholesale business, up 0.5% at constant exchange rates<sup>2</sup> (-5.4% at current exchange rates), was driven by sales to the optical channel and department stores, which offset weakness in the sport channel. In the quarter, Ray-Ban sales were up double-digit in the sun segment thanks to the brand's great vitality.

### **Asia-Pacific**

Asia-Pacific closed the third quarter with sales in line with the same period of the previous year (-0.6% at constant exchange rates<sup>2</sup>, -5.2% at current exchange rates), especially thanks to the positive contribution of Australia, Japan and the travel retail business in the Asian region.

The Wholesale division is still impacted by the restructuring of distribution in Mainland China and the new commercial policies that are almost exclusively focused on direct sales to the final consumer.

The retail business drove the growth in the region, thanks to the excellent performance of the optical retail business and Ray-Ban stores in China, with over 60 new openings by the end of the year. The acceleration of OPSM sales in Australia were also a strong contributor.

### **Latin America**

Latin America, like Europe, helped to maintain the positive performance of the Group in the third quarter, with sales up 7.9% at constant exchange rates<sup>2</sup> (+6.7% at current exchange rates).

Brazil reported net sales accelerating in the quarter compared with the first half of the year, thanks to an improved macroeconomic environment and the consolidation in the Group's perimeter of Óticas Carol.

Mexico continued to grow solidly but slowed down its pace due to the September earthquake that has led to the temporary closure of a quarter of the Group's stores in the area.

Within retail, Sunglass Hut continues to expand into the region with the opening of its first stores in Colombia and Argentina. GMO, after ten consecutive quarters of growth, was impacted by negotiations with trade unions that limited Chile's network operations for a few days.

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*Results for the third quarter and nine months of 2017 will be discussed today during a conference call with the financial community starting at 12:30PM EDT (5:30PM BST, 6:30PM CEST). The call will be available via live webcast and can be accessed at Luxottica Group's corporate website at <http://www.luxottica.com/en/investors/results-and-presentations/webcasts>.*

*The officer responsible for preparing the Company's financial reports, Stefano Grassi, declares, pursuant to Article 154-bis, Section 2 of the Consolidated Law on Finance, that the accounting information contained in this press release is consistent with the data in the supporting documents, books of accounts and other accounting records.*



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## Notes to the press release

1 Comparisons, including percentage changes, are between the three and nine-month periods ended September 30, 2017 and 2016.

2 Figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the previous year. For further information, please refer to the attached tables.

3 “Comps” or “Comparable store sales” reflect 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.

## Luxottica Group S.p.A.

Luxottica is a leader in the design, manufacture and distribution of fashion, luxury and sports eyewear. Its portfolio includes proprietary brands such as Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples and Alain Mikli, as well as licensed brands including Giorgio Armani, Burberry, Bulgari, Chanel, Coach, Dolce&Gabbana, Ferrari, Michael Kors, Prada, Ralph Lauren, Tiffany & Co., Valentino and Versace. The Group's global wholesale distribution network covers more than 150 countries and is complemented by an extensive retail network of approximately 9,000 stores, with LensCrafters and Pearle Vision in North America, OPSM and LensCrafters in Asia-Pacific, GMO and Óticas Carol in Latin America, Salmoiraghi & Viganò in Italy and Sunglass Hut worldwide. In 2016, with more than 80,000 employees, Luxottica posted net sales of over Euro 9 billion. Additional information on the Group is available at [www.luxottica.com](http://www.luxottica.com).

## Important information

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## Safe Harbor Statement

Certain statements in this press release 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 which are anticipated. Such risks and uncertainties include, but are not limited to, the ability to manage the effects of the current uncertain international economic outlook, the ability to successfully acquire and integrate new businesses, the ability to predict future economic conditions and changes to consumer preferences, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to set and achieve our business objectives and manage growth, the ability to negotiate and maintain



favorable license agreements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, the ability to protect intellectual property, the ability to maintain relationships with those hosting our stores, any failure of information technology, inventory and other asset-related risks, credit risk on our accounts, insurance risks, changes in tax laws as well as other political, economic, legal and technological factors and other risks and uncertainties described in Luxottica Group's regulatory filings. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.

**- APPENDIX FOLLOWS -**

**Net sales in the third quarter in EUR and USD**

<i>(millions)</i>	3Q 2016	3Q 2017	% Change
Net sales in EUR	2,225	2,147	-3.5%
Net sales in USD	2,484	2,522	+1.5%

Average exchange rate (in USD per EUR): 1.1746 (2017); 1.1166 (2016)

**Net sales in the first nine months in EUR and USD**

<i>(millions)</i>	9M 2016	9M 2017	% Change
Net sales in EUR	6,944	7,065	+1.7%
Net sales in USD	7,751	7,870	+1.5%

Average exchange rate (in USD per EUR): 1.1140 (2017); 1.1162 (2016)

**Retail comparable store sales<sup>3</sup>**

	3Q 2017	9M 2017
Optical North America		
LensCrafters	-8.1%	-4.1%
Licensed Brands	-1.6%	-2.5%
Australia/New Zealand	+6.0%	+3.6%
Sunglass Hut worldwide	-3.3%	-3.1%
<b>Group's Retail</b>	<b>-5.1%</b>	<b>-3.4%</b>

Figures at constant exchange rates are calculated using the average exchange rate of the respective comparative period. For more information, please refer to the table below.



## Major currencies

<i>Average exchange rates per EUR 1</i>	3Q 2016	9M 2016	3Q 2017	9M 2017
USD	1.1166	1.1162	1.1746	1.1140
AUD	1.4717	1.5048	1.4880	1.4539
GBP	0.8497	0.8030	0.8978	0.8732
CNY	7.4432	7.3466	7.8340	7.5766
JPY	114.2918	120.9523	130.3492	124.6813
BRL	3.6223	3.9561	3.7150	3.5352