



**DOLCE & GABBANA**  
#DGPALERMO

**3Q 2017 net sales**

Milan, October 23, 2017

**LUXOTICA**

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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 which are anticipated. Such risks and uncertainties include, but are not limited to, our ability to manage the effect of the uncertain current global economic conditions on our business, our ability to successfully acquire new businesses and integrate their operations, our ability to predict future economic conditions and changes in consumer preferences, our ability to successfully introduce and market new products, our ability to maintain an efficient distribution network, our ability to set and achieve our business objectives and manage growth, our ability to negotiate and maintain favorable license arrangements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, our ability to protect our proprietary rights, our ability to maintain our relationships with host stores, any failure of our information technology, inventory and other asset risk, 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 our regulatory filings. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.

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This investor presentation contains measures that were not prepared in accordance with IFRS. For a reconciliation of non-IFRS measures used in these materials, see the Company’s press release titled “Luxottica Group: third quarter performance at dual speeds, net sales up 0.8%” dated October 23, 2017, available on the Company’s website [www.luxottica.com](http://www.luxottica.com) under the Investors tab.

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## 3Q 2017: SOLID JULY AND AUGUST, SEPTEMBER HIT BY THE PERFECT STORM

Trending upward in October

- Group sales up by 0.8% at constant forex<sub>(1)</sub> (-3.5% at current forex) due to negative performance in September
  - July and August sales at constant forex<sub>(1)</sub> slightly improving from 1H 2017
  - Accelerating sales results in Europe and Latin America, improving in Asia-Pacific, negative in North America
  - Wholesale sales at constant forex<sub>(1)</sub> almost flat, progressively improving vs. -1.2% in 1H
  - Retail growth at constant forex<sub>(1)</sub> decelerating to 1.3%, negatively impacted by extraordinary events
- Confirming 2017 outlook<sub>(3)</sub>



For additional disclosures regarding information in this presentation, please see “Notes to the presentation” in the Appendix

## BEHIND 3Q 2017 PERFORMANCE

- What worked well
  - Solid July and August on top of a strong 2016 summer season
  - Strong performance in price-mix
  - Ray-Ban sun growth back on track at first anniversary of MAP
  - Healthy growth of optical retail chains in Australia and of Ray-Ban stores in China
- What went wrong
  - September: approx. 800 stores closed for extraordinary events
  - Disruptive, record-breaking hurricane season in North America, earthquake in Mexico and typhoons in South China
  - Strikes in Chile
  - Strategic transformation of LensCrafters undermining sales performance in the short term, compounded further by bad weather in key markets
  - Forex headwind



## 3Q AND 9M 2017 NET SALES PERFORMANCE VS. 2016

Millions of Euro

### 3Q 2017

GROUP

**2,147.3**

-3.5%

+0.8% @c.fx<sub>(1)</sub>

WHOLESALE

**769.8**

-3.7%

-0.3% @c.fx<sub>(1)</sub>

RETAIL

**1,377.4**

-3.3%

+1.3% @c.fx<sub>(1)</sub>

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### 9M 2017

GROUP

**7,064.6**

+1.7%

+1.5% @c.fx<sub>(1)</sub>

WHOLESALE

**2,750.4**

-0.7%

-0.9% @c.fx<sub>(1)</sub>

RETAIL

**4,314.2**

+3.4%

+3.1% @c.fx<sub>(1)</sub>

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# REVENUE ROADMAP BY GEOGRAPHY

At constant forex<sub>(1)(3)</sub>



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## NORTH AMERICA: SHAKY PERFORMANCE IN 3Q

- Group sales -3.7% at constant forex<sub>(1)</sub>, impacted by natural disasters and shipment delays
  - 3Q wholesale sales progress limited by shipping issues and weak sport channel
    - Optical category showing solid growth despite unexpected events
    - Year-to-date sales up by 1%
  - 3Q retail saw struggling optical retail sales, while Sunglass Hut performance progressively improving
    - Approximately 570 stores forced to close due to weather, the majority of them for at least one week
    - Disappointing LensCrafters back-to-school season: negative comps<sub>(2)</sub> for July and August, double-digit negative in September
      - Shifting in-store orders to central labs
      - Showroom model roll-out



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## EUROPE CONFIRMS A SOLID TRADING ENVIRONMENT

- Sales up by 16% at constant forex<sub>(1)</sub> on top of strong 3Q in 2016 and in 2015
  - Solid growth in Italy, Spain, France, UK, Turkey and Eastern Europe
  - Sound performance even excluding Salmoiraghi & Viganò contribution
- Wholesale propelled by healthy demand and superior service level
- Successful retail model
  - Focus on newness and consumer experience



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## ASIA-PACIFIC: 3Q SALES SHOWING IMPROVEMENT

- 3Q sales at constant forex<sub>(1)</sub> in line with LY
  - Australia, Japan and Asian travel retail driving results
  - Accelerating sales growth in Australia behind excellent execution in OPSM
  - Continuing to redevelop distribution in China with a focus on quality
    - Wholesale sales down vs. LY
    - Double-digit comps<sub>(2)</sub> growth in Mainland China, weak Hong Kong
    - Ray-Ban stepping up its retail expansion with the opening of 15 new stores in the quarter, will reach more than 100 stores by year end



# MICHAEL KORS

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## LATIN AMERICA FUELLED BY SOUND BRAZIL

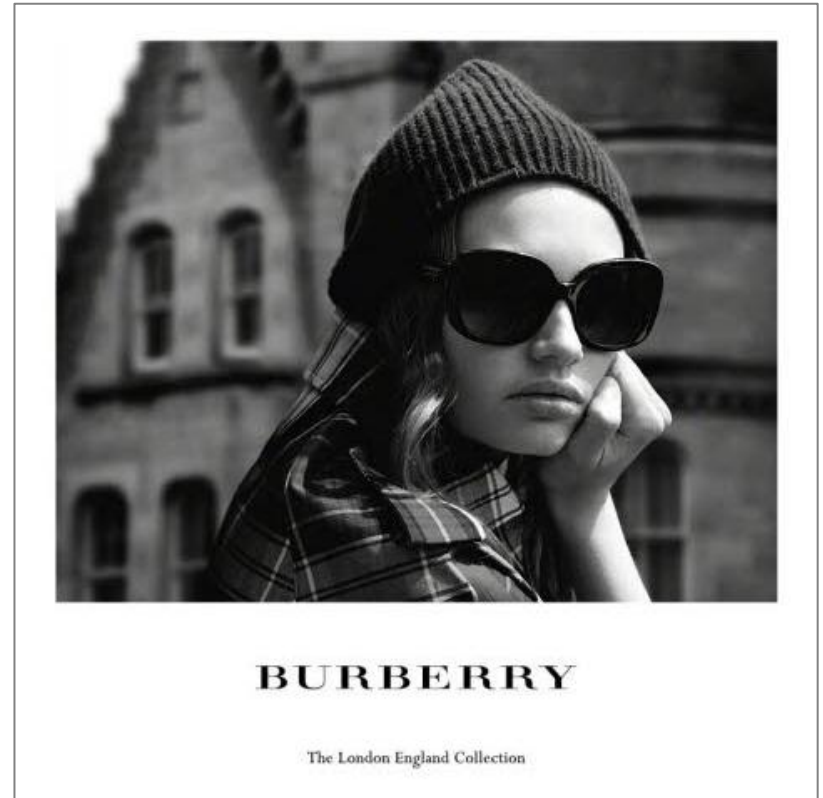
- Sales up by 8% at constant forex<sub>(1)</sub> in 3Q 2017 thanks to an improved consumer environment
- Brazil growing at double-digit pace in the quarter, high single-digit excluding the consolidation of Óticas Carol
- Mexico showing solid growth on top of double-digit growth last year
  - One out of four stores closed for the earthquake
- GMO performance impacted by strikes in Chile
- Retail expansion continues
  - Completed the acquisition of Óticas Carol, marking Luxottica's entry into the optical retail business in Brazil
  - Opening first Sunglass Hut stores in Colombia and Argentina



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## HEADING INTO 2018 WITH A CLEAR VISION FOR FUTURE GROWTH

Focus on brands, products innovation and execution



EMPORIO  ARMANI



APPENDIX

## NOTES TO THE PRESENTATION

- › <sup>1</sup> Figures at constant exchange rates are calculated using the average exchange rates in effect during the corresponding period of the previous year. Please refer to the “Major currencies” table in the press release titled “Luxottica Group: third quarter performance at dual speeds, net sales up 0.8%” dated October 23, 2017 available at the [www.luxottica.com](http://www.luxottica.com) website under the Investors tab.
- › <sup>2</sup> “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
- › <sup>3</sup> FY 2017 outlook data are included in Luxottica’s presentation of its FY 2016 results. See the “#BrandYourPrescription” presentation dated March 2, 2017 available at [www.luxottica.com](http://www.luxottica.com) under the Investors tab.

## 3Q 2017 SALES BREAKDOWN

€ mn	3Q 2016	%	3Q 2017	%	2017 vs. 2016	
					Const. fx <sub>(1)</sub>	Curr. fx
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

## 9M 2017 SALES BREAKDOWN

€ mn	9M 2016	%	9M 2017	%	2017 vs. 2016	
					Const. fx <sub>(1)</sub>	Curr. fx
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

## RETAIL COMPARABLE STORE SALES<sup>(2)</sup>

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



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