



***Luxottica Group conference call script  
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***CORPORATE PARTICIPANTS:***

*Alessandra Senici*

*Enrico Cavatorta*

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**Alessandra Senici**

Good evening everyone and thank you for joining today's call. I am here with Enrico Cavatorta, until today our General Manager and CFO.

During the course of today's call, certain forward-looking statements may be made regarding our future financial performance or future events. We wish to caution you that such projections or statements are based upon current information and expectations and actual results may differ materially from those projected in the forward-looking statements. You can read more about our forward-looking statements in the press release issued today which is available on [www.luxottica.com](http://www.luxottica.com). We also refer you to our filings with the SEC and Italian securities authorities.

As you have seen in today's announcement, we are introducing a new organizational and management structure at Luxottica. It will feature a co-CEO model, based on distinct areas of responsibility respectively for Markets and for Corporate Functions. Enrico Cavatorta has been appointed CEO of Corporate Functions. A CEO of Markets will be named shortly but in the interim this role will also be held by Enrico. As part of the change, and by mutual agreement, Andrea Guerra leaves as Group CEO. He has made a very valuable contribution to the Group over the last 10 years and is leaving the Company in excellent shape.

I will now hand the call over to Enrico Cavatorta.

## **Enrico Cavatorta**

Thank you Alessandra, good evening everyone.

Since its foundation Luxottica has been a growth story, leveraging different drivers for development across businesses and geographies. In order to continue to follow this growth trajectory and exploit new opportunities in a dynamic and challenging environment, the Board of Directors, led by our Chairman and founder Leonardo Del Vecchio, has decided to introduce a new organizational model, based on shared leadership, and has given me the responsibility for assuming the co-leadership role and implementing the new model, driving Luxottica to a new phase of development behind a clear growth strategy.

Andrea Guerra leaves as Group CEO. I would like to thank him personally and on behalf of the Company for his contribution to the Group over the past ten years. He has done a great job, as evidenced both by the strength of our results and our growth as a business over the period.

I can say with confidence that the most important asset of Luxottica is its highly professional, skilled and competent management team that has contributed to make Luxottica a world leader in eyewear. This team of managers is more than capable of seizing new opportunities and facing the challenges that lie ahead.

We now believe it's time to make a further, big step to put in place the necessary foundations for a new phase of growth and development, a phase that is consistent and coherent with the Company's existing strategic vision and direction.

However, with our expectation for continuous growth in both traditional and new distribution channels, and with our expansion into new geographies, come new complexities and challenges as well as new opportunities that we need to tackle.

And this new phase of growth is no longer suited to a single leadership role. It requires a new governance model, based on a redefined leadership, with clear responsibilities, areas of expertise and focus.

The evolution to a co-CEO leadership structure with distinct and complementary responsibilities will ensure stronger management of the Group, which has rapidly increased its size, complexity and global presence, in recent years.

With our new management structure the CEO of Markets will focus entirely on ensuring that our potential across developed and new markets, geographies and distribution channels is realized. At the same time, this change will also allow us to look more closely at profit margins, cost management, capital allocation, and at how we can balance our objective of growing revenues with becoming even more efficient. As CEO of Corporate Functions, I will assume the responsibility of guaranteeing this balance and leading the Company in this direction.

It's important to remark that we are not changing the strategy that has brought us so much success over the years. We remain fully committed to investing in the business for

sustainable long-term growth but we will have an increased focus on efficiency and on return on investment, to maximize value for our shareholders.

We will continue carefully managing our brand portfolio and are investing to boost wholesale and retail synergies, which will enhance portfolio visibility across geographies and generate additional sales. Our distribution structure is constantly evolving and we have already identified new markets in which we will have direct distribution over the next few years. At the same time we are also focusing on more innovative distribution channels, such as e-commerce.

The search process for the CEO of Markets is ongoing and we expect to be able to communicate the name before too long. In the meantime, under the leadership of our Chairman and with the help of the entire management team, we will remain resolutely focused on achieving our targets and objectives.

Pending the arrival of the new co-CEO, I will manage the Group to the best of my ability and following the vision and strategy that I have just outlined.

The results of the business are encouraging, the trend in the third quarter to date is consistent with the first half of the year and we are able to confirm our expectations for year-end results in line with the objectives we set and communicated at the beginning of the year. We will work in the coming months to set objectives and an operating plan for 2015, which will, as always, be challenging and consistent with our three-year plan.

So, it is true to say that we are making a change at a time when the company is performing extremely well. But this is a competitive and dynamic environment and if we stand still we will be left behind and that is not an option for us. Leading and growing through change is in our DNA.

Luxottica is a very successful business with a great history and a great future. We are now moving into a new phase and we have excellent growth prospects and opportunities to leverage across our markets.

This change in our structure will allow us to execute our strategy in a more creative, dynamic, focused and effective way.

Thank you for listening. I am now happy to take any questions you may have.