



1 - Introduction and 2007 Perspective

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Key takeaways from today's presentation

- ▶ **FY 2007: sales and update on expectations for full year results**
- ▶ **Financial outlook for FY 2008**
- ▶ **FY 2008: plan and growth platform**
 - Luxottica
 - Oakley
- ▶ **The new Group: detailed plan for Luxottica-Oakley combination**
- ▶ **Longer-term opportunities and plans through 2010**
- ▶ **Getting to know the Oakley business**

Sales results for FY 2007

A strong year in an increasingly challenging environment

A record year

Strong performance across the board

	AT CURRENT EXCH. RATES	AT CONSTANT EXCH. RATES
▪ Group consolidated sales ⁽¹⁾	+4.3%	+10.4%
▪ Oakley FY 2007 sales	+28.0%	+30.4%
▪ Wholesale sales to third parties ⁽²⁾	+19.1%	+21.7%
▪ North America total retail sales ⁽²⁾	(4.3)%	+4.4%
▪ Australia & New Zealand total retail sales ⁽²⁾	+13.0%	+10.8%
▪ Emerging markets wholesale sales ⁽²⁾	+41.6%	+45.2%
▪ Greater China retail comp sales ⁽²⁾	n.a.	+15.7%

Another consecutive year of strong growth⁽²⁾

- ▶ 4th consecutive year of double-digit growth in consolidated sales at constant exchange rates
- ▶ 11 consecutive quarters of double-digit growth for wholesale sales to third parties
- ▶ +41% total combined 2005 - 2007 sun-only retail comp sales

(1) Includes Oakley sales

(2) Does not include Oakley sales

Sales results for FY 2007

Building a solid platform for long-term growth

Closed another record year in an increasingly challenging environment

Drove home important results while engaged on key projects and ongoing investments across multiple markets and businesses

Posted meaningful growth in North America as a whole, even within a challenging retail environment

Another year of impressive growth in wholesale

Excellent results in geographic areas key for future growth

- ▶ Australia and New Zealand
- ▶ Greater China
- ▶ Emerging markets

Outperformed industry and other peers

.... All while building opportunities for future growth, Oakley in primis

Proving once again the value of the full vertical integration model

2007 wholesale sales

Continued excellent performance

11 quarters in a row of double-digit growth in sales⁽²⁾

- ▶ Growth coming from both sun and ophthalmic collections

Strong performance by the entire portfolio

- ▶ Ray-Ban: fifth year in a row of double digit sales growth
- ▶ Strong performance of luxury collections
- ▶ Just launched Tiffany

Strong sales growth across all regions

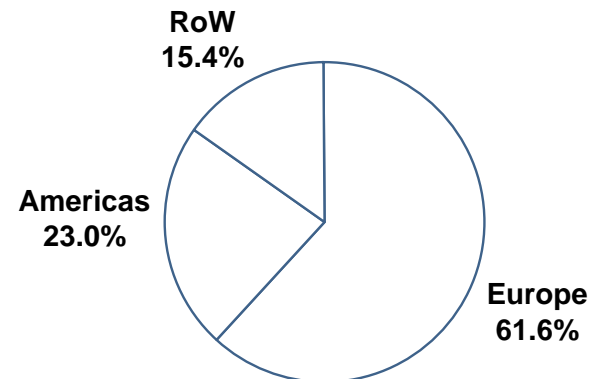
- ▶ Emerging markets: up by over 40%

Growing market share all across the world

Wholesale sales to third parties

Wholesale sales to third parties increased by 21.7%⁽¹⁾

(Sales breakdown by region, FY 2007)⁽²⁾



(YoY% changes by region, FY 2007)⁽¹⁾

- ▶ Europe: +19.4%
- ▶ Americas: +27.5%
- ▶ RoW: +22.5%

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

(2) Wholesale sales to third parties

2007: Retail North America

Building a solid platform for long-term growth

Retail sales up by 4.4% in US\$

- ▶ Highly positive weeks followed by sudden slowdowns: swings in comp sales from -10% to +12%
- ▶ One negative month each quarter
- ▶ Did not see consumers trading down

18 months of significant investments and integration work

- ▶ Adding scale to Pearle Vision
 - Two acquisitions in Canada adding 100 stores
- ▶ D.O.C acquisition: 100 stores rebranded into both Pearle Vision and LensCrafters
- ▶ Launch of ILORI, 6 stores in 2007
- ▶ In 2007, 407 new openings; 585 remodeled and / or relocated
- ▶ Lens manufacturing and lab reorganization finalized

2007: Retail overall

Where are we today?

LensCrafters: the leading optical retail brand in terms of sales and the customers most preferred optical chain in the US

- ▶ Growing A\$\$ and conversion; improving customer retention; solid comps and tough 2006 comparison
- ▶ Core profitability has grown yet again

Pearle Vision: completed a successful reorganization

- ▶ The right positioning and the right scale
- ▶ Moving forward

Sunglass Hut: now a truly global brand

- ▶ Well-positioned and well-organized
- ▶ 3 years of strong growth; cumulative sun-only comp sales: +41% over 4 years
- ▶ 2007: another solid year of growth

Licensed brands: a streamlined alternative business, always profitable

OPSM, Laubman & Pank: profitable leadership in Australia and New Zealand

- ▶ Execution improving year after year, excellent 2007

Greater China: the start-up phase is over

- ▶ Targeting €100 million in sales in 2008
- ▶ Now new openings and acquisitions will leverage the infrastructure

A more focused and efficient organization, ready to take advantage of further growth opportunities

FY 2007 milestones

Outstanding results driven by increasingly efficient business model

Vertical integration and global presence driving growth

- ▶ Total retail sales outside North America: approaching 20% in 2007, from nearly 0% at the beginning of 2003

Stronger and more highly focused brands (retail and wholesale)

- ▶ Addition of new prestigious brands: Polo Ralph Lauren and Tiffany
- ▶ Sunglass Hut: extending its global reach
- ▶ Launch of ILORI

Leap forward in wholesale

- ▶ Fast, simple and efficient organization
- ▶ Higher penetration in key markets and emerging markets

More focused financial management of the business

- ▶ Working capital management
- ▶ Tight financial discipline on investments

Initial steps to capitalize on Luxottica-Oakley merger

A more global and diverse organization

- ▶ Attracting and developing the right people
- ▶ Implementing a consistent single-company approach across each of our markets and divisions

▶ **Appendix**

Retail comparable store sales⁽¹⁾

	4Q07	FY 2007
Optical North America	(3.0)%	(0.1)%
▶ LensCrafters, Pearle Vision	(3.2)%	1.2%
▶ Licensed brands	(2.0)%	(5.4)%
Optical Australia / New Zealand	7.2%	6.3%
Optical Greater China	17.0%	15.7%
SGH worldwide	(3.1)%	1.7%
▶ Sun	2.6%	5.7%
▶ Watches and accessories	(48.0)%	(38.4)%
Total Group	(1.7)%	1.2%

(1) Comparable store sales reflects the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores opened 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 sales.