



**LUXOTICA**<sup>®</sup>

1Q12 Results

Milan – May 7, 2012

# Forward looking statements

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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 achieve 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 filings with the US Securities and Exchange Commission. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.

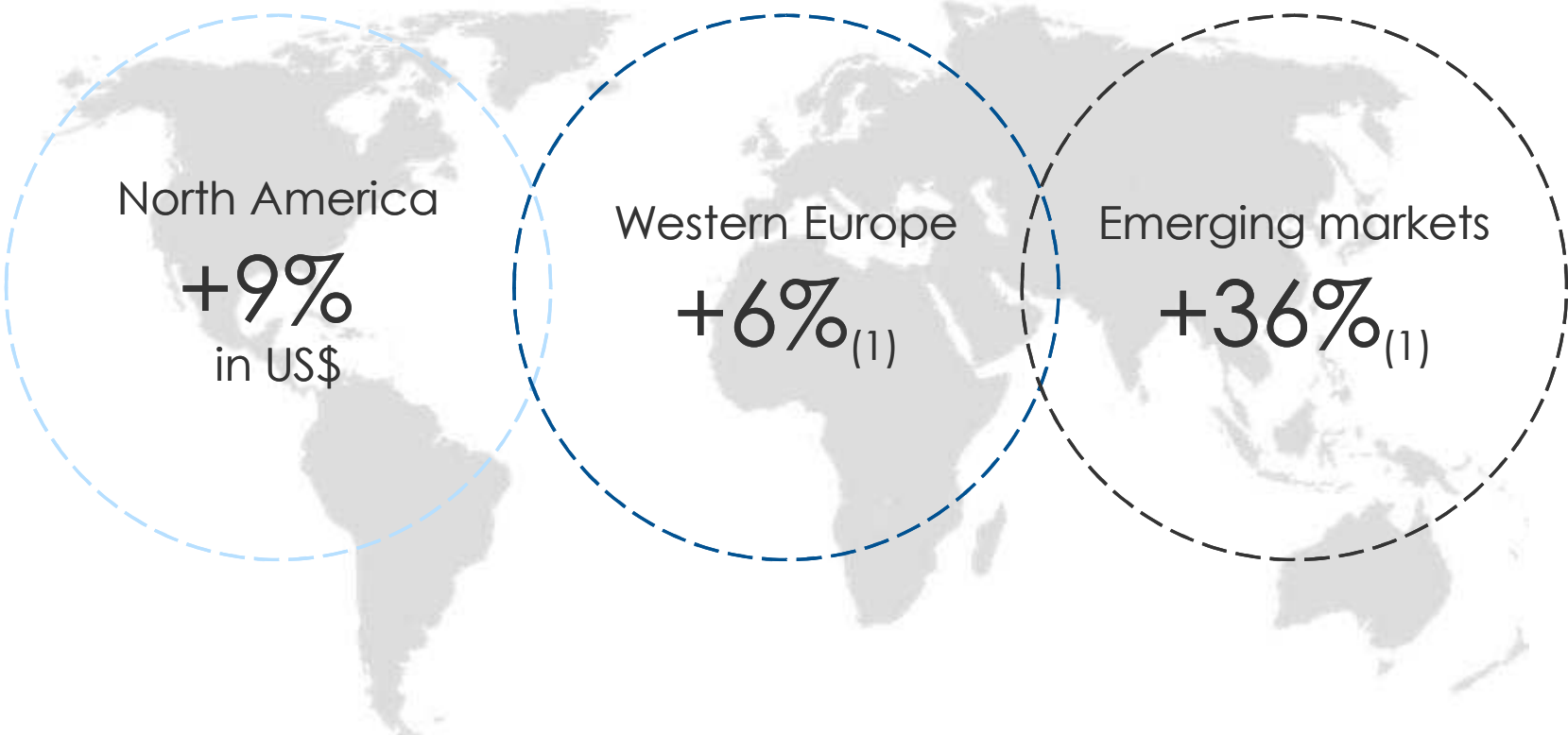
**This investor presentation contains measures that were not prepared in accordance with IAS/IFRS. For a reconciliation of non-IAS/IFRS measures used in these materials, see the Company’s press release titled “Luxottica posts strong growth in first quarter of 2012” dated May 7, 2012, available on our website [www.luxottica.com](http://www.luxottica.com) under the Investors tab.**

# Healthy start to the year



- ▶ Another quarter of accelerated sales growth
  - Retail comps confirmed solid momentum
  - Wholesale reported strong growth in emerging markets & North America. Solid pace in Western Europe<sub>(1)</sub>: +6%
  - Organic<sub>(2)</sub> growth excluding acquisitions and currency effect: +8.6%
  - Managing Tecnol as of end of January 2012
- ▶ Strongly leveraged sales growth
  - Adj. operating margin<sub>(3)</sub> +110bps
- ▶ Healthy free cash flow<sub>(3)</sub> generation continues: €36 million
  - Working capital: -15 days

# 1Q 2012 - solid growth in all regions



# 1Q 2012 shows acceleration in sales

+14.9%

@ constant forex<sub>(1)</sub>

+11.1%

Wholesale @ constant forex<sub>(1)</sub>

+11.9%

Retail comps<sub>(4)</sub>

+6.5%

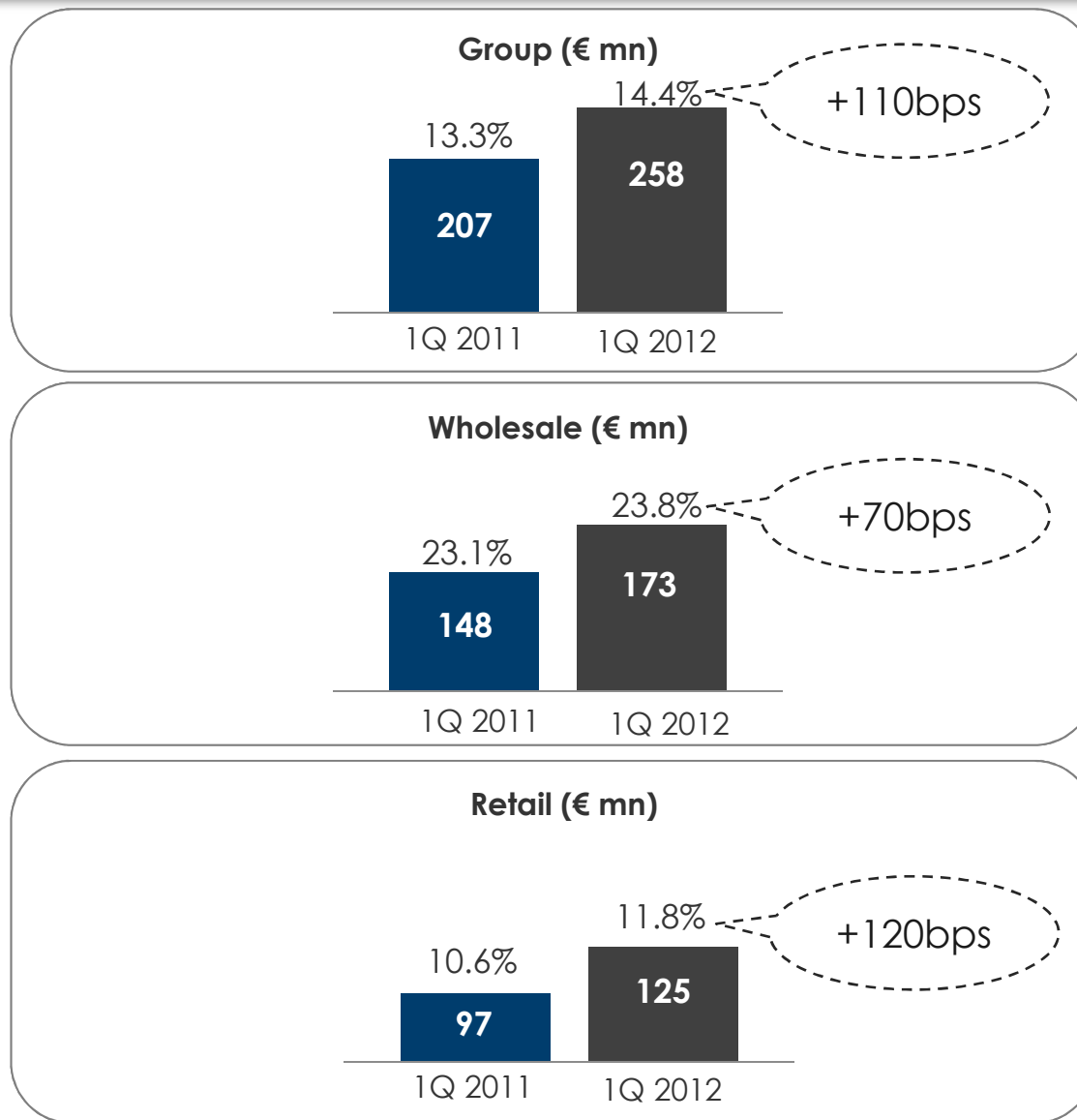
Group organic growth  
@ constant forex<sub>(1)(2)</sub>

+8.6%

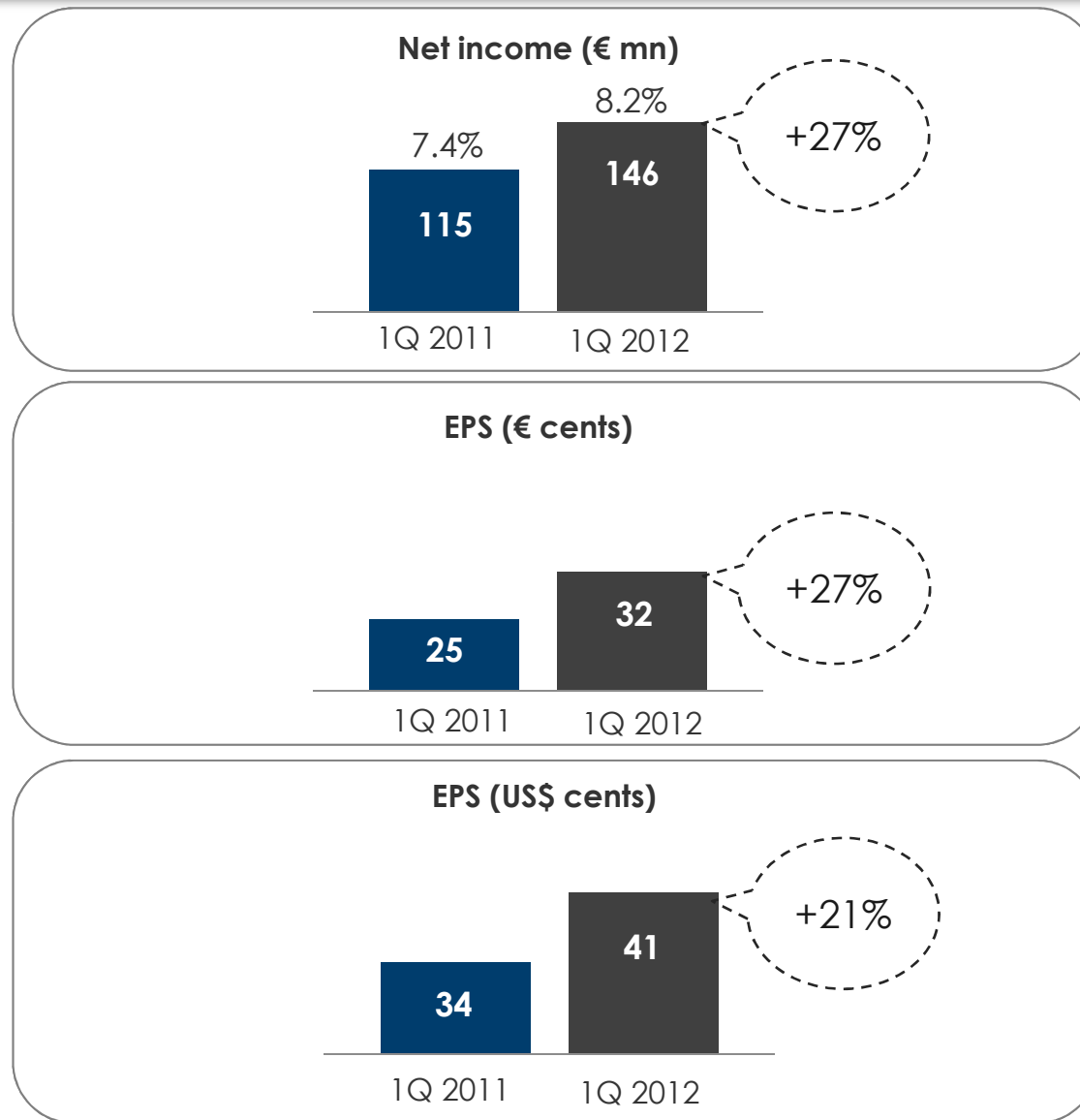
Wholesale organic growth  
@ constant forex<sub>(1)(2)</sub>

+10.1%

# Strong adjusted operating income<sup>(1)(3)</sup> improvement



# Outstanding adjusted net income<sup>(3)</sup> growth



# 2012 non-recurring items accrued in 1Q

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## Australian retail reorganization

- ▶ Restructuring costs related to the reorganization of the optical retail stores located in Australia and New Zealand

**Impact on  
Group operating income  
(€ mn)**

**-21.7**

**Impact on  
Group net income  
(€ mn)**

**-15.2**

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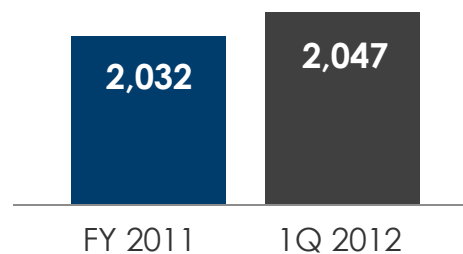
# Great start to 2012, retail adj. operating margin<sub>(3)</sub> shows steady improvement

	1Q 2011	1Q 2012	Δ bps	
<b>Adjusted retail</b>	<b>10.6%</b>	<b>11.8%</b>	<b>+120</b>	
<b>Excl. forex</b>	-	<b>-20bps</b>		▶ From 1.37 to 1.31
<b>Adjusted retail @ constant forex<sub>(1)</sub></b>	<b>10.6%</b>	<b>11.6%</b>	<b>+100</b>	
<b>Excl. LatAm expansion</b>	-	<b>+40bps</b>		▶ GMO, Tecnol and Sunglass Hut LatAm
<b>Adjusted “core” retail @ constant forex<sub>(1)</sub></b>	<b>10.6%</b>	<b>12.0%</b>	<b>+140</b>	

# Strong FCF<sub>(3)</sub> generation

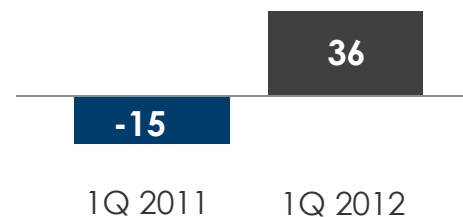
- ▶ Net Debt/EBITDA<sub>(3)</sub> @ constant forex stable at 1.7x even including Tecnol acquisition (€88 million)

Net debt<sub>(3)</sub> (€ mn)



- ▶ Capex €61 million vs. €58 million last year

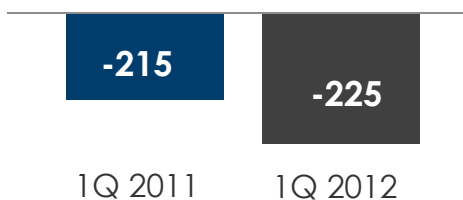
Free cash flow<sub>(3)</sub> (€ mn)



Δ days

- ▶ DSO -4
- ▶ DSI 0 (including Tecnol)
- ▶ DPO +11

Operating working capital (€ mn)

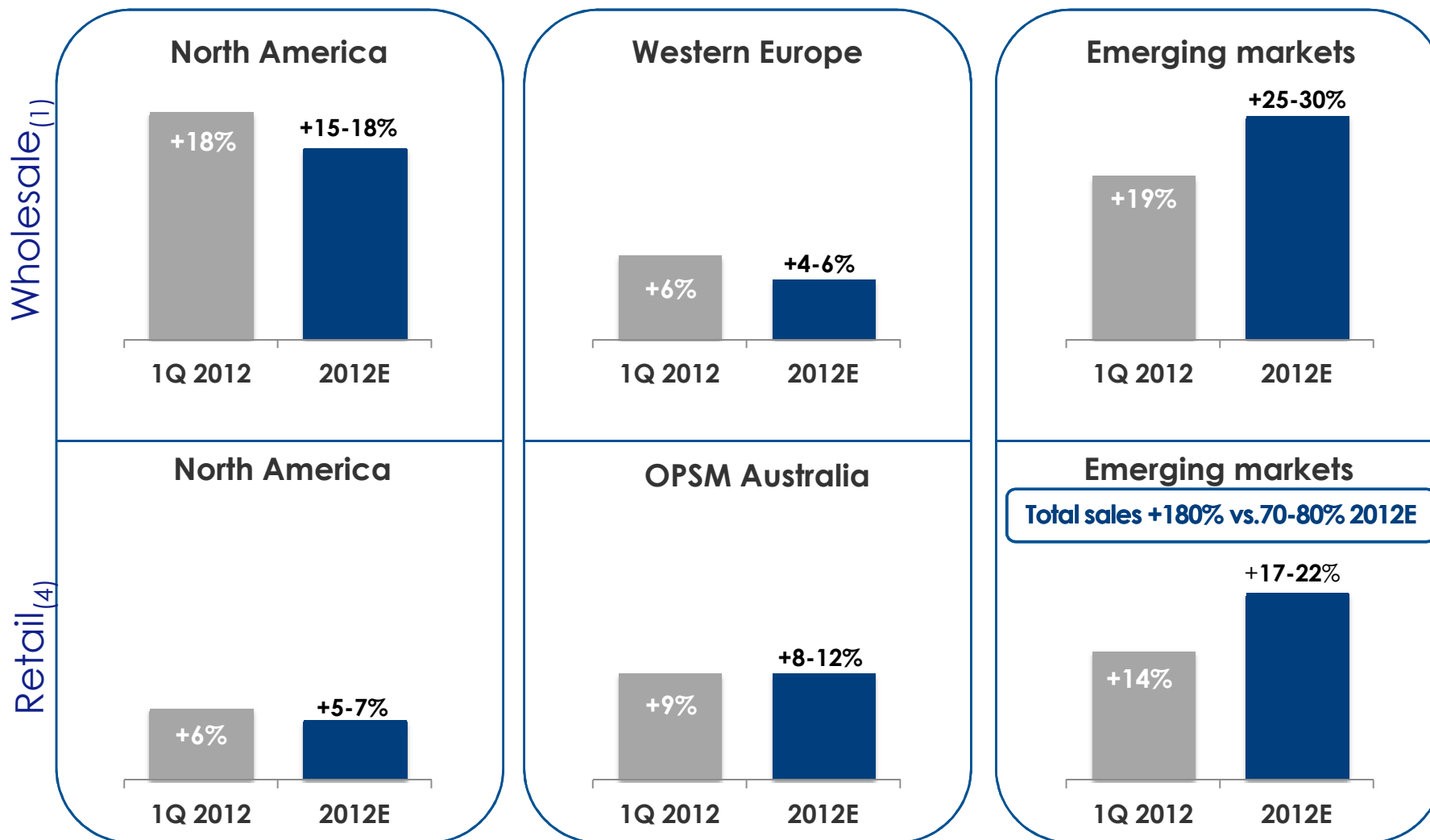


# 1Q adjusted results in line with 2012 “rule of thumb”

% growth vs. 1Q 2011  
(@ current forex)



# 1Q 2012 - revenue roadmap by geography



# 1Q 2012 - emerging markets

Brazil,  
integration  
on track



**Reviewed brand portfolio**  
**New pricing strategy from April 1**  
**Investing in manufacturing technology to start Vogue Rx production in 3Q 2012**

GMO,  
exploiting Latin  
American opportunities



**Over 450 stores**  
**Working to enhance customer experience**  
**Expecting strong profitability performance in 2H 2012 to approach Group level**

Wholesale,  
building momentum



**Strengthening local presence and distribution**  
**Strong growth all around with India and Brazil leading the way**

# 1Q 2012 - accretive brand portfolio

Ray-Ban,  
a glowing start to  
celebrate its 75<sup>th</sup>  
anniversary



**Up double-digits:  
Rx leading growth**

**Global price increase  
effective March 1**

Oakley,  
warming up for the  
Olympic games



**Up double-digits:  
Western Europe  
progressing at faster  
pace**

**Launched RadarLock,  
empowering Switchlock  
technology**

Premium and luxury,  
indulge yourself with  
storytelling



**Another quarter of  
growth driven by  
special collections:  
Chanel, Burberry,  
Prada & Persol**

# Coach delivering “wow” sales



**COACH**

Targeting US\$60 million in sales by year end

- ▶ Successful reception in North America throughout all channels:
  - Combining strong distribution capabilities with dynamic brand awareness
  - First delivery sold out in few weeks
  - Coach boutique eyewear sales on fire
- ▶ Asian launch commenced

# 1Q 2012 - retail engine of growth

LensCrafters,  
the home of  
one-hour service



**~+5% comps<sub>(4)</sub> growth**  
pushed by strong  
execution on lens  
leadership and  
customer experience  
helped by AccuFit

Sunglass Hut,  
growing across the  
board



**7<sup>th</sup> consecutive quarter**  
of double-digit comps  
in North America  
  
**Mexico and Brazil**  
speeding up

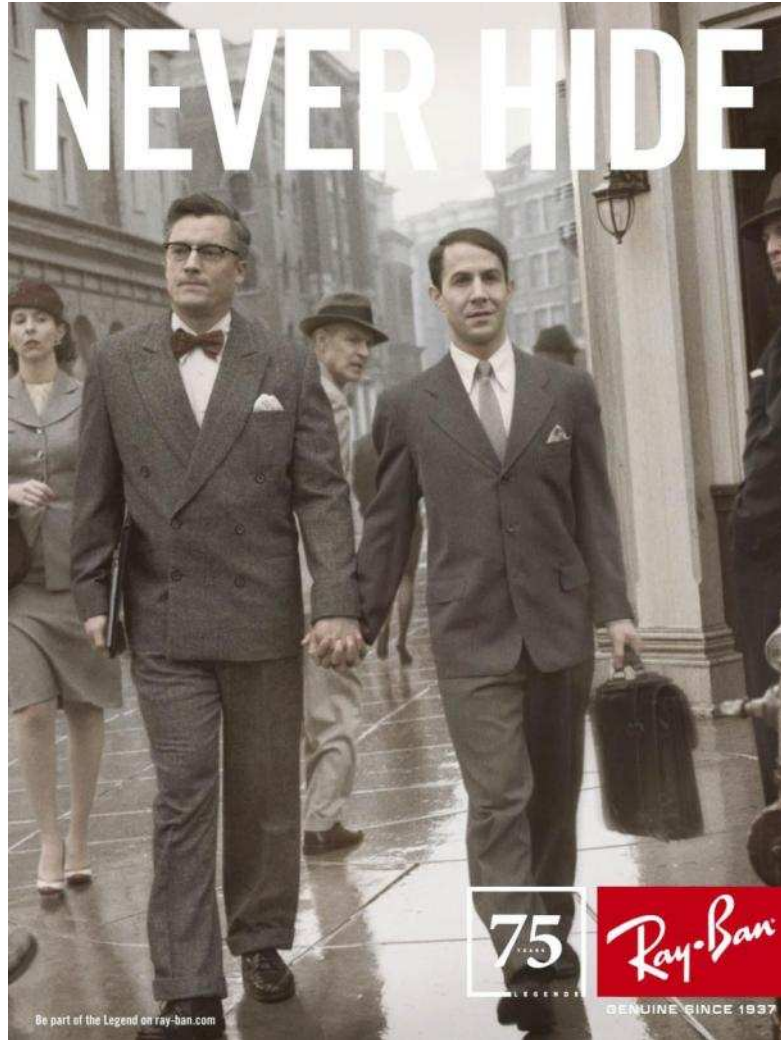
OPSM,  
high-quality eyecare



**+8.5% comps<sub>(4)</sub> growth**  
  
**Working on network transformation:**  
**54 stores to be closed**  
**& 27 to be rebranded**  
**by end of 2Q**



# Ready for sun season



- ▶ Positive sales momentum continues
- ▶ Optimism ahead despite nervousness and fluctuation in trend in Mediterranean Europe
- ▶ Sunglass Hut entering peak sun season supported by higher advertising investments
- ▶ Getting ready for London 2012
  - Over 500 athletes will compete for Olympic Gold while wearing Oakley

# OneSight

**A Luxottica foundation, OneSight's mission** is to restore and preserve clear vision for the 284 million adults and children worldwide who cannot afford or do not have access to primary vision care.

Our vision is a world where primary eye care is a reality for everyone. Through OneSight, we donate our expertise in eye care and eyewear to give back to those in need. We have helped more than 8 million people since 1988.

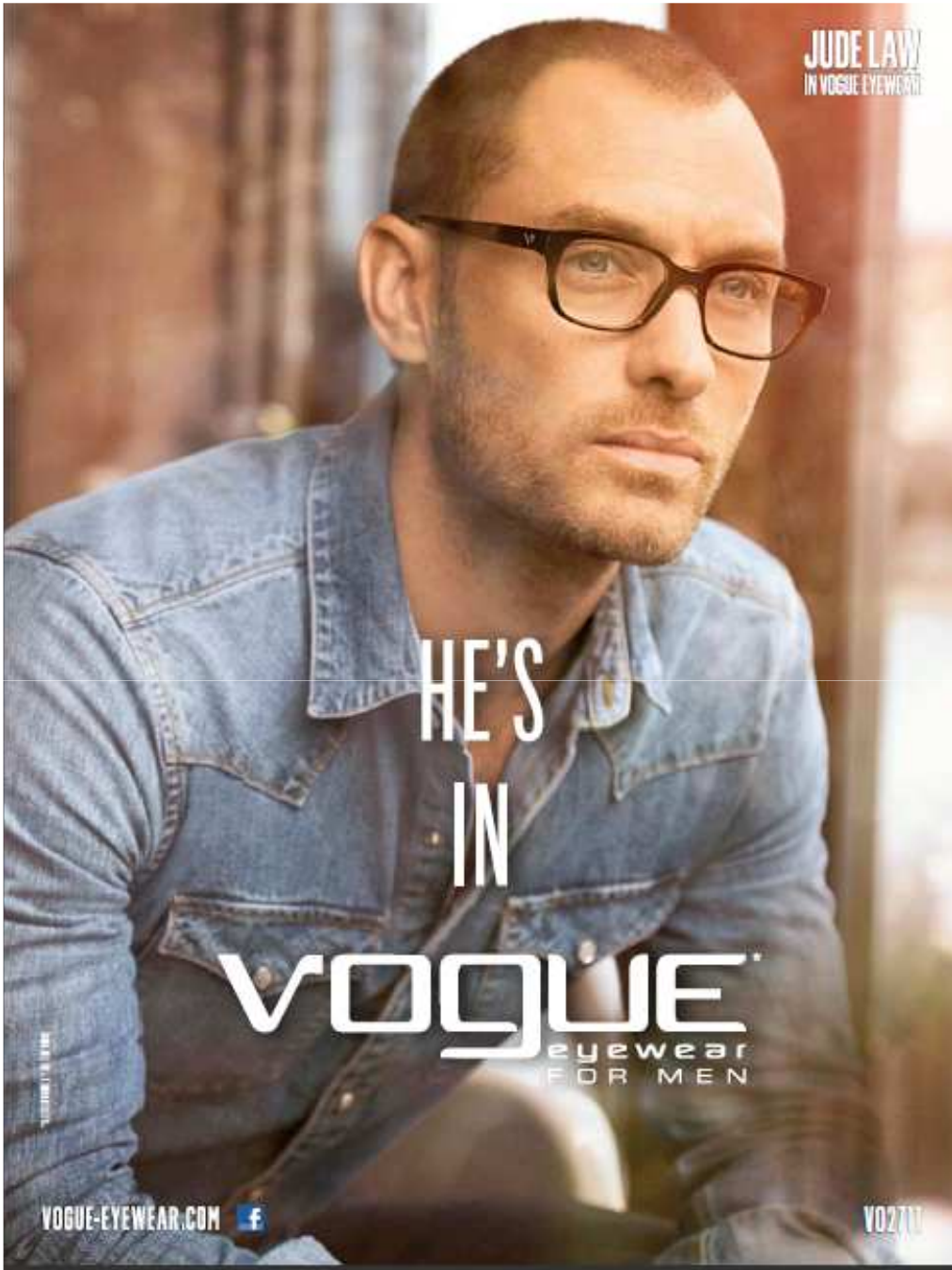
## 1Q 2012 Activities

- ▶ **Global Eye Care:**
  - 2 Global Clinics in South Africa and India
  - 13,184 people helped
- ▶ **Regional Eye Care:**
  - 10 Regional and Vision Van Clinics across North America
  - 6,790 people helped
- ▶ **Community Eye Care:**
  - 26,590 people helped through in-store and community outreach programs across North America
- ▶ **Preventative Eye Care:**
  - The OneSight Research Foundation awarded \$111,000 to organizations that support diabetic retinopathy research



At just 10 years old, Michalea has dreams for her future. A future her father Rafael says could be jeopardized because of her poor vision. After struggling for more than a year to see the board, Michalea attended a OneSight Clinic in California. She was able to pick out a pair of cute black and pink frames and is looking forward to participating more in school!

*North American Clinic, 2012*



# Appendix

# Notes on the presentation

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- (1) 1Q 2011 and 1Q 2012 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 posts strong growth in first quarter of 2012" dated May 7, 2012 available at our website [www.luxottica.com](http://www.luxottica.com) under the Investors tab.
- (2) 1Q 2012 organic sales growth is calculated using constant exchange rates as calculated in Note (1) above and excludes the collective contributions of GMO and Tecnol sales to Group sales of approximately Euro 40 million and to Wholesale division's sales of approximately Euro 11 million. Group believes this metric is a useful financial measure for investors in evaluating Group's operating performance for the period presented and is a useful tool to evaluate Group's ongoing operations. Organic sales growth, however, is not a measure of performance in accordance with IAS/IFRS and should not be considered as a substitute for sales growth as determined in accordance with IAS/IFRS.
- (3) Net debt/EBITDA, net debt, EBITDA, adjusted EBITDA, adjusted operating income, adjusted operating margin, adjusted net income, adjusted earnings per share, operating working capital and free cash flow are not measures in accordance with IAS/IFRS. For additional disclosure see the press release titled "Luxottica posts strong growth in first quarter of 2012" dated May 7, 2012 available at our website [www.luxottica.com](http://www.luxottica.com) under the Investors tab.
- (4) 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.
- (5) Excluding non recurring items
- (6) Equals interest income minus interest expenses
- (7) Equals extraordinary income minus extraordinary expenses
- (8) Net debt figures are calculated using the average exchange rates used to calculate EBITDA figures

# Sales breakdown

## Retail comparable store sales<sub>(4)</sub> for 1Q12

### Optical North America

LensCrafters	+4.9%
Pearle Vision	-3.8%
Licensed Brands	+9.6%

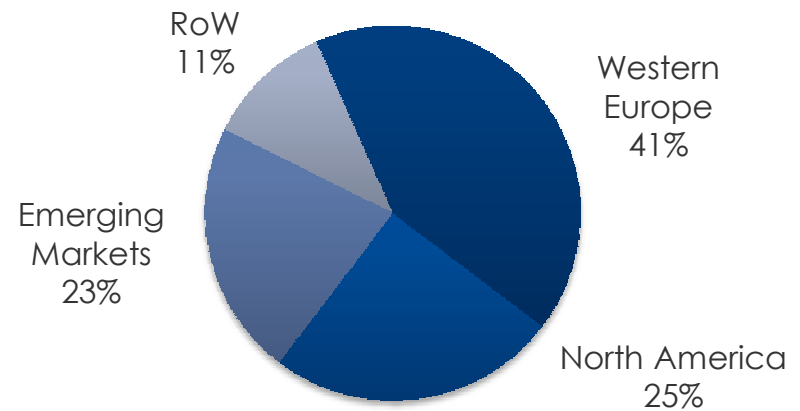
Optical Australia/New Zealand +6.3%

Sunglass Hut worldwide +9.6%

**Group Retail +6.5%**

## Wholesale sales breakdown for 1Q12

Wholesale sales: +11.9%<sub>(1)</sub>  
(Sales breakdown by region, 1Q12)<sub>(1)</sub>



### YoY changes by region, 1Q12<sub>(1)</sub>

Western Europe	+6%
North America	+18%
Emerging markets	+19%
RoW	+10%

# 1Q 2012 - debt overview (€ million)

	1Q 2011	1Q 2012		Dec 31, 2011	March 31, 2012	Δ
<b>EBITDA<sub>(3)(5)</sub></b>	<b>283</b>	<b>346</b>				
Δ working capital	(205)	(203)				
Capex	(58)	(61)				
<b>Operating cash flow</b>	<b>20</b>	<b>81</b>				
Financial charges <sub>(6)</sub>	(27)	(32)				
Taxes paid	(6)	(13)				
Extraordinary charges <sub>(7)</sub>	(2)	(0)				
<b>Free cash flow<sub>(3)</sub></b>	<b>(15)</b>	<b>36</b>				
			Net US\$ debt <sub>(3)</sub>	(1,481)	(1,485)	(4)
			Net € debt <sub>(3)</sub>	(887)	(887)	0
			Translation adj.			38
			€ 1 = US\$	1.2939	1.3356	
			<b>Net debt (€)<sub>(3)</sub></b>	<b>(2,032)</b>	<b>(2,047)</b>	<b>(15)</b>
			<b>Net debt/EBITDA<sub>(3)(5)</sub></b>	<b>1.8X</b>	<b>1.7X</b>	
			<b>Net debt/EBITDA excluding exchange rate effect<sub>(3)(5)(8)</sub></b>	<b>1.7X</b>	<b>1.7X</b>	

# Investor Relations team

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