

SHE'S IN
VOGUE
eyewear

VOG0045B



Adriana Lima wears the Embrace Collection in Los Angeles.
VOGUE-EYEWEAR.COM

1H 2016 results

Milan, July 25, 2016

LUXOTICA

FORWARD-LOOKING STATEMENT

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 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 IFRS. For a reconciliation of non-IFRS measures used in these materials, see the Company’s press release titled “Luxottica Group, net sales and adjusted net income up in the first half along with record cash flow generation” dated July 25, 2016, available on the Company’s website www.luxottica.com under the Investors tab.

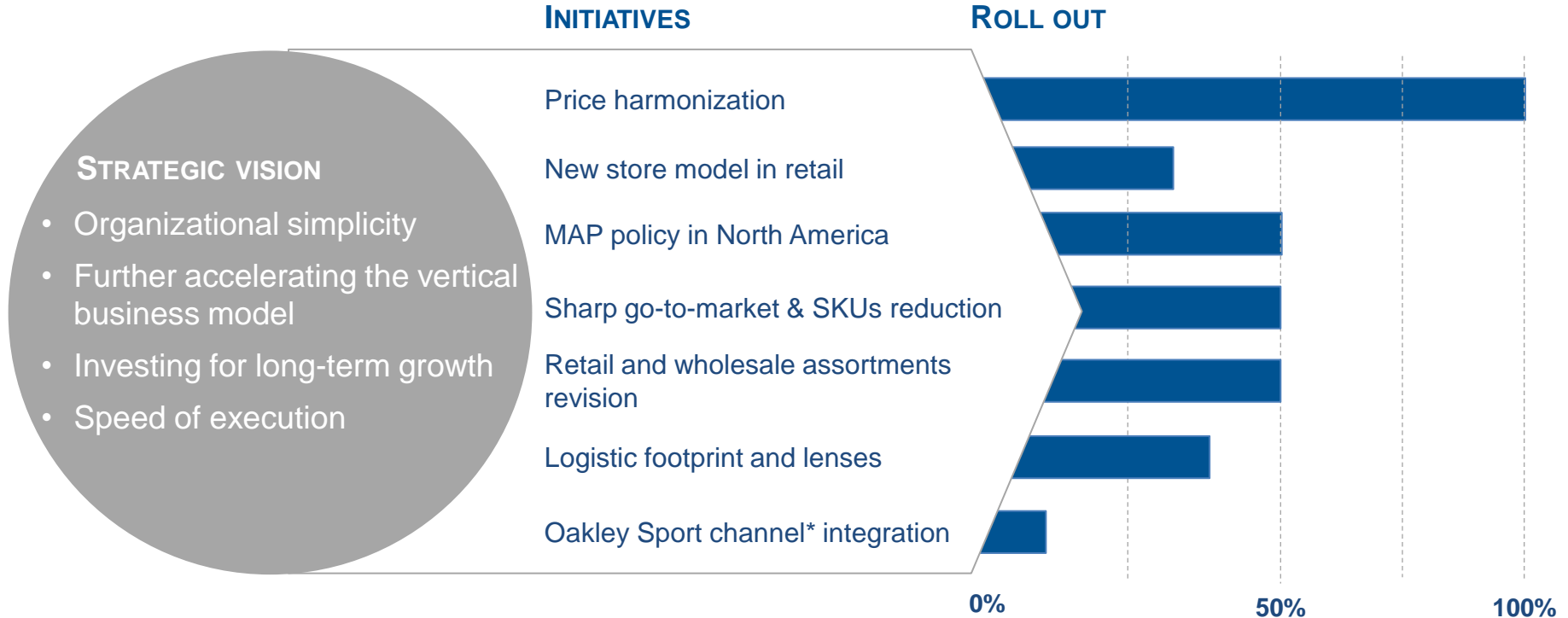
1H 2016: HEALTHY RESULTS NOTWITHSTANDING A SOFT START OF THE SUN SEASON

- Group sales up by 1.6% at constant forex₍₁₎₍₃₎₍₄₎ driven by both wholesale and retail and sound e-commerce growth
 - Strong optical business, but sun business affected by unseasonal weather in certain regions
- Group adjusted₍₃₎₍₄₎ operating margin at constant forex₍₁₎ unchanged from record 18.5% in 1H 2015
 - Higher efficiency driving wholesale margin₍₃₎₍₄₎: +150bps
 - Investments for the long-term weighing on retail margin₍₃₎₍₄₎: -150bps
- All time high adjusted₍₃₎₍₄₎ net income of €532 million
 - Adjusted₍₃₎₍₄₎ net margin up by 50bps at constant forex₍₁₎
- Solid financial position
 - Record free cash flow₍₃₎ generation: €403 million
 - Net debt/adjusted EBITDA₍₃₎₍₄₎₍₅₎ at 0.6x, after dividend payment of €428 million



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

BUILDING ON GROUP STRENGTHS, ADAPTING TO THE FUTURE



*Oakley Sport channel includes the wholesale distribution of sport and performance eyewear to sport retailers, the AFA business (apparel, footwear and accessories) and Oakley "O" stores

FINAL STAGE OF OAKLEY INTEGRATION

- Completed review of the Sport channel
 - Foothill Ranch (California) as the epicenter
 - Oakley's R&D and engineering
 - Excellence in manufacturing high-performance frames and lenses
 - Sport channel to be integrated into Luxottica organization
 - Repositioning AFA: more focused verticals, higher consistency with eyewear excellence
- More effective marketing through a unique global organization



1H 2016 NET SALES PERFORMANCE VS. 2015 COMPARABLE₍₃₎₍₄₎ FIGURES

Millions of Euro

1H 2016

GROUP

4,719.4

-0.7%₍₃₎₍₄₎

+1.6% @c.fx₍₁₎₍₃₎₍₄₎

WHOLESALE

1,970.4

-1.9%

+1.1% @c.fx₍₁₎

RETAIL

2,749.0

+0.2%₍₃₎₍₄₎

+1.9% @c.fx₍₁₎₍₃₎₍₄₎

1H 2015

GROUP

4,752.5₍₃₎₍₄₎

+21.8%₍₃₎₍₄₎

+6.9% @c.fx₍₁₎₍₃₎₍₄₎

WHOLESALE

2,007.9

+15.4%

+6.9% @c.fx₍₁₎

RETAIL

2,744.5₍₃₎₍₄₎

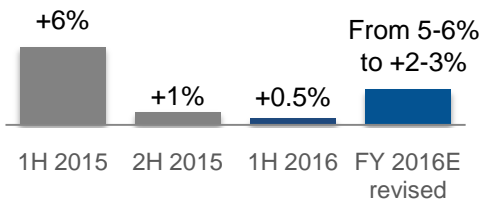
+26.9%₍₃₎₍₄₎

+6.9% @c.fx₍₁₎₍₃₎₍₄₎

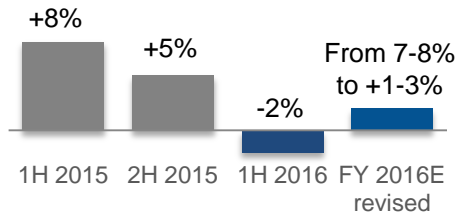
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REVENUE ROADMAP BY GEOGRAPHY

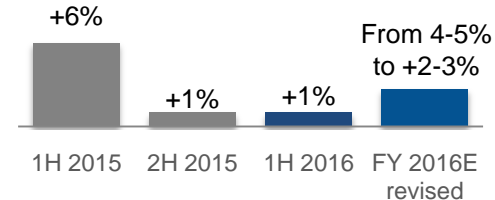
North America total sales⁽¹⁾⁽³⁾⁽⁴⁾



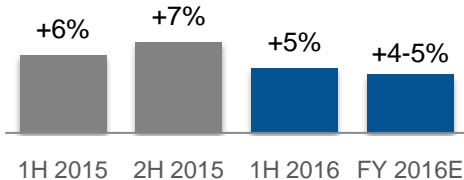
Wholesale sales⁽¹⁾



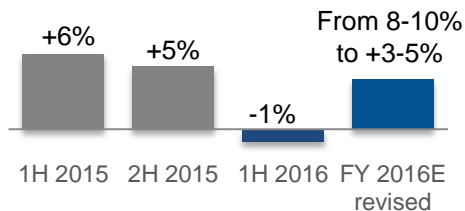
Retail sales⁽¹⁾⁽³⁾⁽⁴⁾



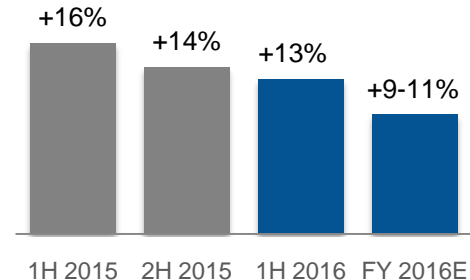
Europe⁽¹⁾



Asia-Pacific⁽¹⁾



Latin America⁽¹⁾



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EFFICIENCIES DRIVING ADJUSTED₍₃₎₍₄₎ PROFITABILITY

€ mn	1H 2015		1H 2016	2016 vs. 2015	
				Curr. fx	Const. fx ₍₁₎
Net sales	4,667		4,719		
Eyemed change in sales presentation	86		-		
Net sales adjusted₍₃₎₍₄₎	4,752		4,719	-0.7%	1.6%
- Wholesale	2,008		1,970	-1.9%	1.1%
- Retail sales adjusted ₍₃₎₍₄₎	2,745		2,749	0.2%	1.9%
Gross profit₍₃₎₍₄₎	3,191	67.1%	3,108	65.8%	-90bps
Operating income	859	18.4%	788	16.7%	-140bps
Adjustments (pre tax)	(20)		(69)		
Operating income adjusted₍₃₎₍₄₎	879	18.5%	857	18.2%	unchanged
- Wholesale operating income adjusted ₍₃₎₍₄₎	556	27.7%	565	28.7%	+150bps
- Retail operating income adjusted ₍₃₎₍₄₎	424	15.5%	384	14.0%	-150bps
Net income	505	10.8%	476	10.1%	-50bps
Adjustments (after tax)	(20)		(56)		
Net income adjusted₍₃₎₍₄₎	525	11.0%	532	11.3%	+50bps
EPS	1.05		0.99		
EPS adjusted₍₃₎₍₄₎	1.10		1.11		

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SOLID FINANCIAL POSITION

€ mn	June 30, 2015	June 30, 2016	YoY change
Adjusted EBITDA₍₃₎₍₄₎	1,115	1,106	(9)
Change in working capital	(262)	(295)	(33)
Capex	(217)	(285)	(68)
Operating cash flow	635	525	(110)
Free cash flow₍₃₎	299	403	104
Net debt₍₃₎	(1,447)	(1,127)	320
Net debt/adjusted Ebitda₍₃₎₍₄₎	0.8x	0.6x	
Net debt/adjusted Ebitda excluding exchange rate effect₍₃₎₍₄₎₍₅₎	0.8x	0.6x	
Total operating working capital days	144	139	(5)

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REVIEWING 2016 RULE OF THUMB

Soft 2Q and a more cautious view on 2H

	2016 as of March 2	1H 2016	2016 new
SALES GROWTH ₍₁₎₍₃₎₍₄₎	+5-6%	+1.6%	+2-3%
ADJ. OPERATING INCOME GROWTH ₍₁₎₍₃₎₍₄₎	≥1.5x SALES	+1.5%	~1x SALES
ADJ. NET INCOME GROWTH ₍₁₎₍₃₎₍₄₎	≥1.5x SALES	+5.6%	~1x SALES
NET DEBT/EBITDA ₍₃₎₍₄₎₍₅₎ excluding the buyback	0.5-0.4x	0.5x	0.5-0.4x

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1H 2016 NORTH AMERICA: MARKETPLACE TRANSFORMATION

Group sales in line with 1H 2015

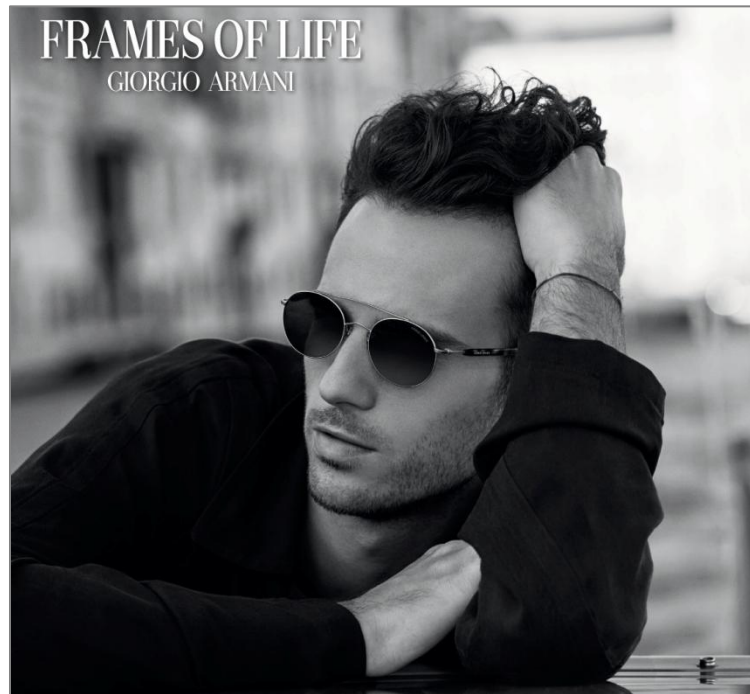
- Wholesale revenues down by 1.6% at constant forex₍₁₎ while building a healthier distribution network
 - MAP policy: sales to online retailers down by 50% in 2Q
 - Oakley Sport channel struggling
- Retail sales₍₁₎₍₃₎₍₄₎ up by 1%
 - LensCrafters: +1.3% in comps₍₂₎ vs. +6.1% in 1H 2015
 - Opening first LensCrafters locations at Macy's
 - Ongoing investments in Clarifye and new POS system fostering digital transformation
 - Sunglass Hut back to positive comps₍₂₎ in 2Q, continued softness in tourist areas
 - Improving trends: June - July comps₍₂₎ growing mid-single digit



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1H 2016 EUROPE: SOLID TRADING ENVIRONMENT

- Sales up by 5% at constant forex₍₁₎, building on top of last year's +6%
 - Brands and service level driving growth
 - STARS +380 doors
- Outstanding performance in Italy, Spain, Turkey and Eastern Europe, soft France
- Sunglass Hut confirming its solid growth in Continental Europe
 - 26 Sunglass Hut stores opened at Galeries Lafayette in France



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1H 2016 ASIA-PACIFIC: ACTIONS SPEAK LOUDER THAN FIGURES

- Sales down slightly at constant forex₍₁₎, improving in 2Q
 - Solid growth in India and Japan, Korea recovered what lost in 1Q
- Continuous growth in Mainland China
 - Changing go-to-market approach
 - Strengthening direct sales force
 - Promising start of first Ray-Ban stores
- Hong Kong still struggling
 - Stronger focus on prescription to better target the local customers
- Australia winning with brands



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1H 2016 LATIN AMERICA: STRONG MOMENTUM CONTINUES

- Double-digit growth trends across the region at constant currency⁽¹⁾
 - Brazil: outstanding execution fueling growth
 - Solid local demand for premium products
 - Price increases in March to account for currency devaluation
 - Mexico outpacing results on top of last year's strong performance
 - Just launched Ray-Ban e-commerce
 - Ready to launch Sunglass Hut's e-commerce
 - GMO becoming increasingly popular for its premium optical assortment with high-single digit growth in comps⁽²⁾



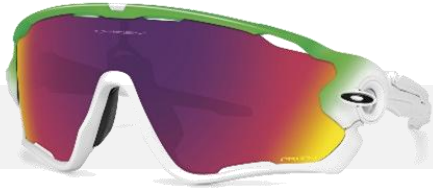
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OAKLEY



OAKLEY @ THE OLYMPIC GAMES IN RIO: GREEN FADE COLLECTION

The color of innovation and performance



OAKLEY RADAR PACE IN STORES AND ONLINE IN EARLY OCTOBER

First appearance at the Olympic Games in Rio



RAY-BAN: “IT TAKES COURAGE”

- Enhancing the brand equity
 - MAP policy, Authorized Retail Agreements and RFID system to protect the brand
- Extending e-commerce presence
 - Now live in India
- Testing Ray-Ban stores in China



RAY-BAN: “IT TAKES COURAGE”

- Consolidating success on new trends: combining innovation and tradition
 - Launch of Ray-Ban Clubround, the marriage of two icons (Clubmaster and Round)
 - New design language “double bridges”
 - Lens assortment enriched with “Chromance”



ENTERING 2H WITH GOOD MOMENTUM IN SUN

- Sun season rebounding after a soft start
 - Sunglass Hut June-July comps₍₂₎ up by mid-single digit driven by North America
 - Portfolio orders up high-single digit
- Retail sales expected to accelerate
 - Strong back-to-school offering
 - Progressive store roll-out: LensCrafters @Macy's, Target Optical, Sunglass Hut @Galeries Lafayette
- Continuous investments in product innovation, new launches very well received by customers



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OneSight is a nonprofit leading the global effort to provide permanent access to quality vision care and eyewear in underserved communities worldwide. Since it was founded by Luxottica in 1988, OneSight has engaged thousands of skilled volunteers across the Company to help nine million people in 41 countries.

1H 2016 results

To date in 2016, OneSight helped 86,338 people in nine countries across four continents through both charitable programs and sustainable initiatives.

OneSight was awarded a grant from Verizon and piloted a mobile vision care program in the US focused on leveraging innovative technology to improve vision screenings in schools. The partnership launched in May at the OneSight clinic in Omaha, Nebraska.

Sustainable initiatives

OneSight signed a memorandum of understanding (MoU) in Rwanda to expand the permanent vision center model throughout the country. This MoU will allow for OneSight to expand access to the entire population of Rwanda (12 million people) by 2018.

OneSight and a team of skilled Luxottica volunteers opened two additional vision centers in Rwanda in Rwamagana and Kigali at the University of Rwanda. By the end of 2016, over 1.7 million Rwandans will have access to affordable, quality vision care.

In addition, OneSight partnered with the globally respected L V Prasad Eye Institute to open four vision centers in the first part of 2016 in Nellore District, Andhra Pradesh. Four additional vision centers will be opened this year and by the end of 2017 the partnership will provide access to 1.4 million people throughout Andhra Pradesh.



OneSight partnered with the University of Rwanda to provide continuing education for all Ophthalmic Clinic Officers (OCO) across the country. The training was led by Luxottica volunteers and included training on refraction, dispensing and fitting of glasses. Previously this education was provided in a classroom setting via textbook, but now will be provided via practical application with first-hand experience for each OCO, helping them maintain their certification with improved preparation and education. Pictured above is the first class of OCO's following the completion of their training..



P R A D A

APPENDIX

NOTES ON THE PRESENTATION

- › ¹ 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, net sales and adjusted net income up in the first half along with record cash flow generation” dated July 25, 2016 available at the www.luxottica.com website under the Investors tab.
- › ² “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.
- › ³ Net debt/EBITDA, net debt/adjusted EBITDA, net debt, EBITDA, adjusted EBITDA, adjusted operating income, adjusted operating margin, adjusted net income, adjusted net sales, adjusted earnings per share and free cash flow are not measures in accordance with IFRS. For additional disclosure, see the press release titled “Luxottica Group, net sales and adjusted net income up in the first half along with record cash flow generation” dated July 25, 2016 available at the www.luxottica.com website under the Investors tab.
- › ⁴ Excluding adjusting items
- › ⁵ Net debt figures are calculated using the average exchange rates used to calculate EBITDA figures

1H 2016 SALES BREAKDOWN

€ mn	1H 2015 ₍₃₎₍₄₎	%	1H 2016	%	2016 vs. 2015	
					Const. fx ₍₁₎	Curr. fx
North America₍₃₎₍₄₎	2,740	58%	2,739	58%	0.5%	0.0%
Wholesale	568	12%	554	12%	-1.6%	-2.5%
Retail ₍₃₎₍₄₎	2,172	46%	2,184	46%	1.0%	0.6%
Europe	956	20%	981	21%	4.6%	2.6%
Asia-Pacific	616	13%	590	13%	-0.8%	-4.2%
Latin America	262	5%	247	5%	13.0%	-5.4%
Rest of the World	178	4%	162	3%	-6.2%	-9.0%
GROUP TOTAL adj.₍₃₎₍₄₎	4,752	100%	4,719	100%	1.6%	-0.7%
North America rep.	2,654		2,739		3.7%	3.2%
Retail reported	2,086		2,184		5.2%	4.7%
GROUP TOTAL rep.	4,667		4,719		3.5%	1.1%

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2Q 2016 SALES BREAKDOWN

€ mn	2Q 2015 ₍₃₎₍₄₎	%	2Q 2016	%	2016 vs. 2015	
					Const. fx ₍₁₎	Curr. fx
North America ₍₃₎₍₄₎	1,425	57%	1,387	57%	-0.3%	-2.7%
Wholesale	293	12%	268	11%	-5.8%	-8.4%
Retail ₍₃₎₍₄₎	1,132	45%	1,118	46%	1.1%	-1.2%
Europe	531	21%	546	22%	5.0%	2.7%
Asia-Pacific	318	13%	308	13%	0.5%	-3.0%
Latin America	131	5%	127	5%	12.9%	-3.3%
Rest of the World	95	4%	86	3%	-7.0%	-9.6%
GROUP TOTAL adj. ₍₃₎₍₄₎	2,501	100%	2,454	100%	1.4%	-1.9%
North America rep.	1,381		1,387		2.9%	0.4%
Retail reported	1,088		1,118		5.2%	2.8%
GROUP TOTAL rep.	2,457		2,454		3.2%	-0.1%

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RETAIL COMPARABLE STORE SALES⁽²⁾

	2Q 2016	1H 2016
Optical North America		
• LensCrafters	+0.5%	+1.3%
• Licensed brands	+6.1%	+3.7%
Australia/New Zealand	+1.1%	+2.7%
Sunglass Hut worldwide	+1.7%	+1.5%
Group retail	-0.3%	+0.6%

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Upcoming events

- October 24 – 3Q 2016 net sales results

www.luxottica.com/en/company/investors/financial-calendar

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