

**LUXOTICA<sup>®</sup>**  
**G R O U P**

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**Global leader in eyewear**

*Shift the edge: have it all*

**June 21, 2007**

# Safe Harbor Statement

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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 that are anticipated. Such risks and uncertainties include, but are not limited to, the risk that the merger will not be completed, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to predict future economic conditions and changes in consumer preferences, the ability to achieve and manage growth, the ability to negotiate and maintain favorable license arrangements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, the ability to effectively integrate recently acquired businesses, as well as other political, economic and technological factors and other risks referred to in Luxottica Group and Oakley’s filings with the U.S. Securities and Exchange Commission. These forward-looking statements are made as of the date hereof and, under U.S. securities regulation, neither Luxottica Group nor Oakley assumes any obligation to update them.

Such risks and uncertainties also include, but are not limited to, the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the outcome of any legal proceedings that have been, or will be, instituted related to the merger agreement; the inability to complete the merger due to the failure to obtain Oakley stockholder approval for the merger or the failure to satisfy other conditions to complete the merger, including the receipt of all regulatory approvals related to the merger; risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger; the ability to recognize the benefits of the merger; the amount of the costs, fees, expenses and charges related to the merger and the actual terms of certain financings that will be obtained for the merger.

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## ▶ **The New Group**

- ▶ Overview of Oakley
- ▶ Strategic Rationale
- ▶ Transaction Details
- ▶ Financial Impacts
- ▶ Conclusion
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# Luxottica Group Strategic Guidelines

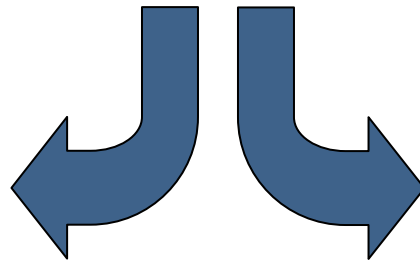
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## MISSION

To strengthen industry leadership through building:

- ▶ A strong brand portfolio
- ▶ An integrated distribution platform (wholesale and retail)
- ▶ A world class organization

## ORGANIC GROWTH



## EXTERNAL GROWTH

Acquisitions and rapid/efficient implementation of business synergies

# The New Group

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## A perfect combination in an evolving industry

**The leading player  
in the eyewear industry (\*)**

- ▶ **Estimated €5.7 billion sales (\*)**
- ▶ **Estimated €1.2 billion EBITDA (\*)**

**The strongest portfolio  
of owned and licensed  
brands in the industry**

**The best in luxury, fashion, lifestyle and sports**

**The leading eyewear retailer**

**A real showcase of brands through more  
than 6,000 stores worldwide (from China to  
Australia to Europe and North America)**

**To drive long-term shareholder value**

(\*) Based on both companies combined 2007 guidance. Please see Appendix for Non-GAAP reconciliation.

# The New Group

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RETAIL PLATFORM

DISTRIBUTION

**Oakley**  
Sport Performance  
Technology  
Active Lifestyle

**Luxottica**  
Fashion  
Luxury  
Lifestyle

BACK-OFFICE

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▶ The New Group

▶ **Overview of Oakley**

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# Oakley - Company Overview

- ▶ **Founded in 1975**
- ▶ **2006 revenue (net sales): US\$762 million**
- ▶ **Segment sales**
  - Optics 73% | AFA 21% | Other 6%
  - Wholesale 77% | U.S. Retail 23%
  - U.S. 56% | International 44%
- ▶ **Distribution**
  - More than 110 countries
  - More than 20,000 accounts
  - More than 225 company-owned retail locations
- ▶ **More than 3,400 worldwide employees**

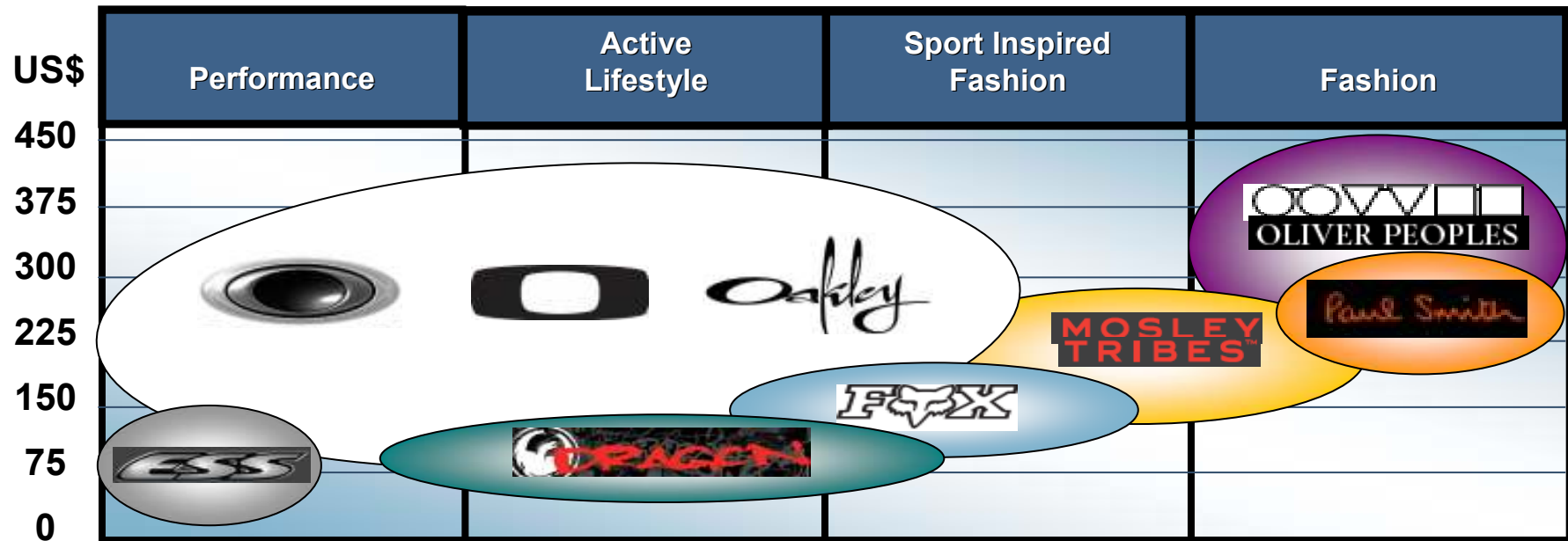


# Oakley Has What is Hardest to Create

- ▶ Strong, iconic brand
- ▶ Strong credibility and authenticity
- ▶ Superior optics
- ▶ Unique approach to design
- ▶ Loyal consumers, including sports enthusiasts and professional athletes
- ▶ Dynamic culture continually seeking to experiment and change



# Oakley is Not Just One Brand



# Oakley is Not Just One Brand

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**89 locations**

**OPTICAL SHOP OF ASPEN**



**21 locations**

**SUNGLASS  
ICON**



**124 locations**

**BE  
BRIGHT  
E-Y-E-S**

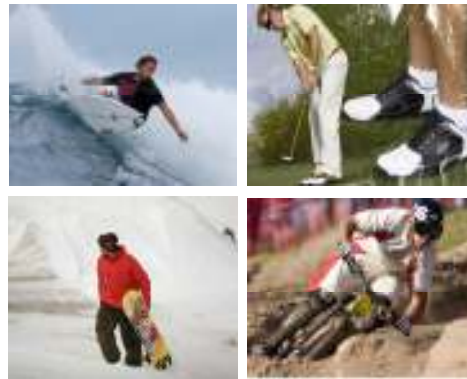


**139 locations**

# Oakley - Optics Growth Opportunities



Gender



Product Use



Style Influence



Geography



Channel

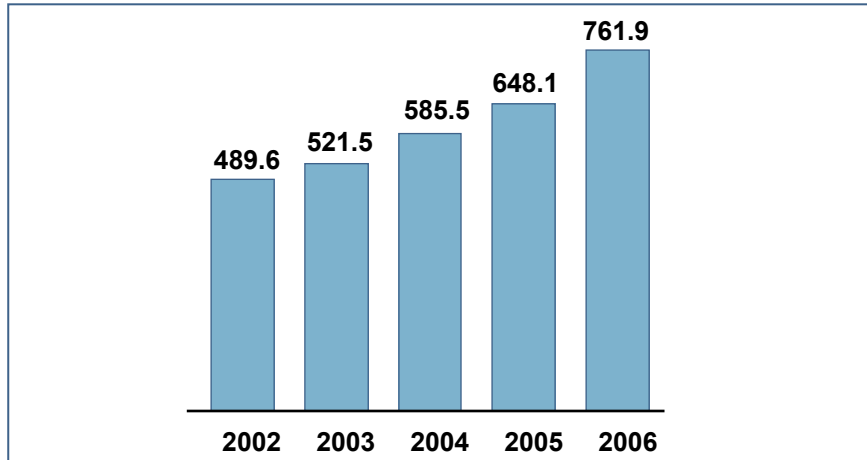


Multiple Brands

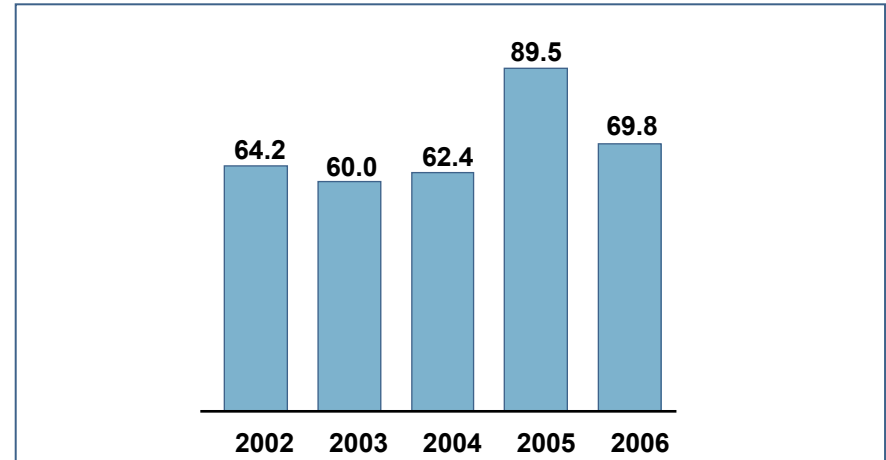
# Oakley - Historical Performance

Millions of US\$

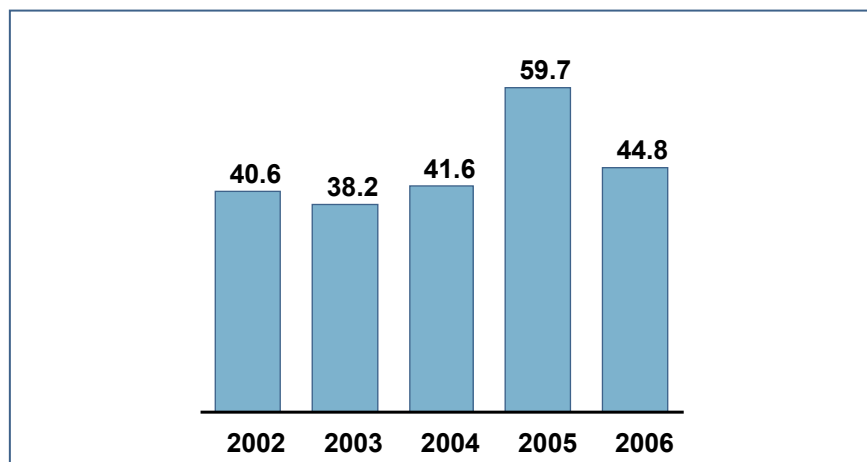
### Sales



### Operating income



### Net income

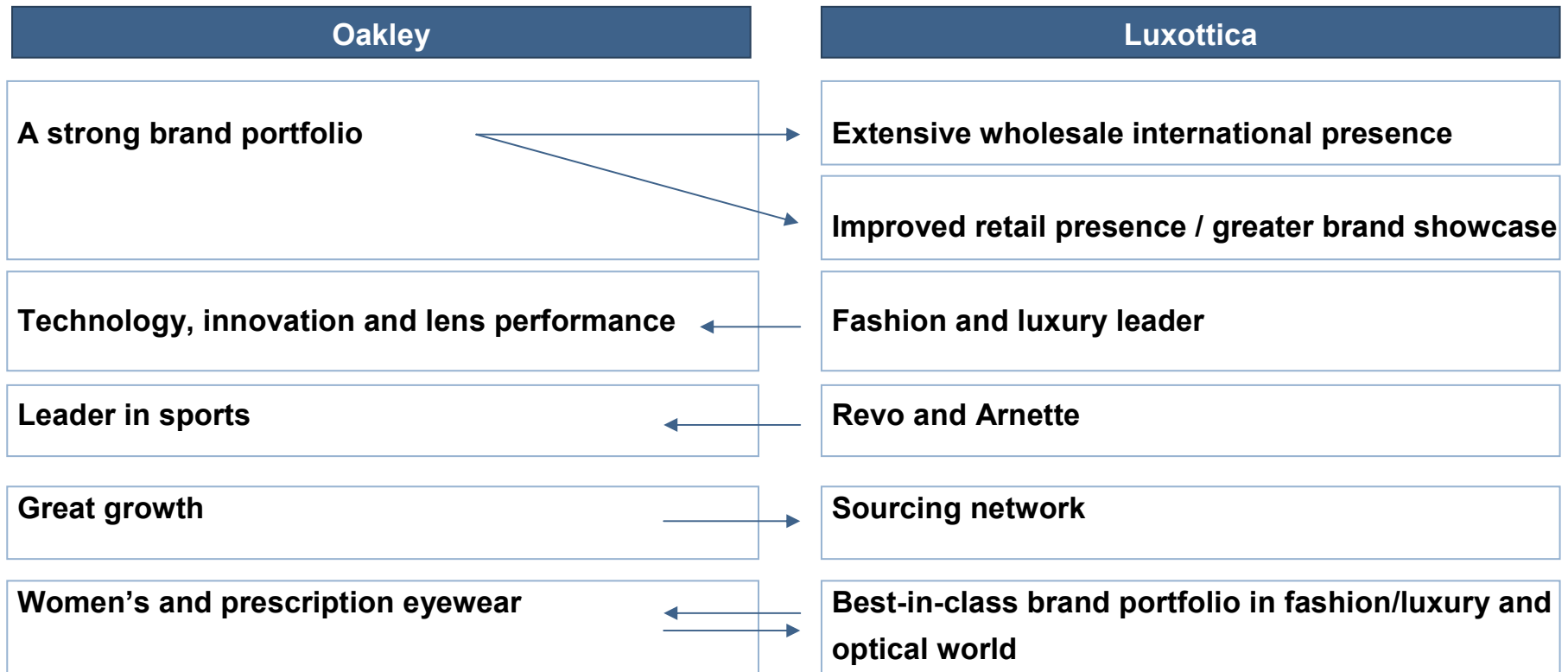


### Commitments

- ▶ **Multiyear financial objectives**
- ▶ **Annual sales growth >10%**
- ▶ **Annual EPS and EBITDA growth exceeding sales growth**
- ▶ **Tight financial control**

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# Oakley and Luxottica



... and many other ways to optimize the combination of Oakley leadership in sports, technology, innovation and grass-roots marketing and Luxottica production capacity, brand portfolio and scale

# The Combination

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- ▶ **Sport / technology / lifestyle / fashion**
- ▶ **Stronger sport technology portfolio**
- ▶ **Worldwide wholesale and retail platform**
- ▶ **Increased sourcing power**
- ▶ **G&A synergies**



**Approx. €100 million per year in operating synergies expected within three years**

**Accretion in 2008, pre-trademark amortization, of approximately 4%**

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# Description of the Transaction

## Key terms

- ▶ **Cash merger agreement**
- ▶ **Price per share:** **US\$29.30**
  - **Premium paid:**
    - > **30-day average** **18%**
    - > **3-month average** **24%**
    - > **6-month average** **30%**
- ▶ **Total consideration:** **US\$2.1 billion**
- ▶ **2008 EV/EBITDA\* pre-synergies:** **11.4X**
- ▶ **2008 EV/EBITDA\* post full synergies\*\*:** **7.8X**
  - **Estimated operating synergies:** **€100 million/year (within 3 years)**
- ▶ **Financing: existing/new credit facilities and cash on hand**
- ▶ **Expected closing:** **2H 2007**
- ▶ **Conditions:**
  - **Approval of Oakley shareholders**
  - **Customary closing conditions, including anti-trust review**

**Best interests of customers, consumers and shareholders, recommended by Oakley Board**

(\*) Please see Appendix for Non-GAAP reconciliation

(\*\*) Considers 100% achievement of synergies by 2010

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# Pro-forma 2007 Highlights<sup>(\*)</sup>

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	<b>Luxottica (billion of €)</b>	<b>Oakley (billion of US\$)</b>	<b>Combined Entity (billion of €, except ratio) <sup>(1)</sup></b>
<b>Net Sales</b>	<b>5.0</b>	<b>0.9</b>	<b>5.7</b>
<b>EBITDA<sup>(2)</sup></b>	<b>1.1</b>	<b>0.2</b>	<b>1.2</b>
<b>Net Debt /EBITDA<sup>(2)(3)</sup></b>	<b>–</b>	<b>–</b>	<b>2.3x</b>

<sup>(\*)</sup> Based on both companies' most recent guidance

<sup>(1)</sup> Euro/US translation rate: €1/US\$1.30

<sup>(2)</sup> Please see Appendix for Non-GAAP reconciliation

<sup>(3)</sup> Assumes the occurrence of approx. US\$2.1 billion of new debt

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# Transaction Highlights

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- ▶ **Oakley is a strong and iconic brand, a leading global sports, technology and lifestyle company with a unique design point of view**
- ▶ **Oakley has tremendous growth potential internationally as well as in prescription and women's eyewear**
- ▶ **Luxottica provides a global platform to showcase Oakley brands while enhancing its international distribution capabilities**
- ▶ **Integration combines two strong, complementary business models**
- ▶ **Integration establishes stronger portfolio of owned and licensed brands**
- ▶ **Combined company's retail platform includes luxury, fashion, lifestyle and sports concepts**

# Transaction Benefits

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- ▶ **Ability to leverage Oakley heritage and capability in sports, technology and optics**
- ▶ **Opportunity to create new eyewear categories and serve new customer needs**
- ▶ **Increase in level of service and innovation for wholesale customers**
- ▶ **More dynamic, global company with enhanced career opportunities for employees**
- ▶ **Enhanced economies of scale with respect to sourcing and distribution**
- ▶ **Approximately €100 million in operating synergies per year is expected within three years**

# Conclusion

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## *A New Group*

*Two premier, global organizations will combine their strong, complementary leadership to achieve even greater success around the world by creating new innovations that defy the ordinary.*

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# Non-U.S. GAAP Measures Notes

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**Net debt to EBITDA ratio:** Net debt means the sum of bank overdrafts, current portion of long-term debt and long-term debt, less cash. EBITDA represents operating income before depreciation and amortization. The Company believes that EBITDA is useful to both management and investors in evaluating the Company's operating performance compared to that of other companies in its industry. Our calculation of EBITDA allows us to compare our operating results with those of other companies without giving effect to financing, income taxes and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to the overall operating performance of a company's business. The ratio of net debt to EBITDA is a measure used by management to assess the Company's level of leverage, which affects our ability to refinance our debt as it matures and incur additional indebtedness to invest in new business opportunities. The ratio also allows management to assess the cost of existing debt since it affects the interest rates charged by the Company's lenders.

EBITDA and the ratio of net debt to EBITDA are not measures of performance under accounting principles generally accepted in the United States (U.S. GAAP). We include them in this presentation in order to:

- ▶ improve transparency for investors;
- ▶ assist investors in their assessment of the Company's operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- ▶ assist investors in their assessment of the Company's cost of debt;
- ▶ ensure that these measures are fully understood in light of how the Company evaluates its operating results and leverage;
- ▶ properly define the metrics used and confirm their calculation; and
- ▶ share these measures with all investors at the same time.

EBITDA and the ratio of net debt to EBITDA are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with U.S. GAAP. Rather, these non-GAAP measures should be used as a supplement to U.S. GAAP results to assist the reader in better understanding the operational performance of the Company. The Company cautions that these measures are not defined terms under U.S. GAAP and their definitions should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group's method of calculating EBITDA and the ratio of net debt to EBITDA may differ from methods used by other companies. The Company recognizes that the usefulness of EBITDA and the ratio of net debt to EBITDA as evaluative tools may have certain limitations, including:

- ▶ EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;
- ▶ EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and expense may have material limitations;
- ▶ EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;
- ▶ EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- ▶ EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- ▶ EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss; and
- ▶ The ratio of net debt to EBITDA is net of cash and cash equivalents, restricted cash and short-term investments, thereby reducing our debt position. Because we may not be able to use our cash to reduce our debt on a dollar-for-dollar basis, this measure may have material limitations.

We compensate for the foregoing limitations by using EBITDA and the ratio of net debt to EBITDA as two of several comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of our operating performance and leverage.

See the table on the following page for a reconciliation of EBITDA to operating income, which is the most directly comparable U.S. GAAP financial measure, as well as the calculation of the ratio of net debt to EBITDA.

# Non-U.S. GAAP Measure: Pro-forma of Net Debt / EBITDA

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Billions of Euro, except for Pro-forma Net Debt / EBITDA

	Combined Entity FY07 E
Operating income – Pro-forma (+)	0.9
Depreciation & amortization – Pro-forma (+)	0.3
EBITDA – Pro-forma (=)	1.2
Estimated net debt	2.8
Pro-forma net debt/EBITDA	2.3x

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