

ESSILOR

SEEING THE WORLD BETTER

LUXOTICA®



A Growth Story in the Eyewear Industry

January 16, 2017

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- This presentation includes forward-looking statements, including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding the proposed business combination between Essilor International ("Essilor") and Luxottica Group S.p.A ("Luxottica") (including the benefits, results, effects and timing of a transaction), all statements regarding Essilor's (and Essilor's and Luxottica's combined) expected future financial position, results of operations, cash flows, dividends, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management, and statements containing the words such as "anticipate," "approximate," "believe," "plan," "estimate," "expect," "project," "could," "would," "should," "will," "intend," "may," "potential," "upside," and other similar expressions. Statements in this presentation concerning the business outlook or future economic performance, anticipated profitability, revenues, expenses, dividends or other financial items, and product or services line growth of Essilor (and the combined businesses of Essilor and Luxottica), together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting the best judgment of Essilor based upon currently available information.
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Fighting Poor Vision, the World's Biggest Disability


7.2 billion people worldwide

4.5 billion (63%) require vision correction

100% should protect their eyes (sun, UV, blue light)



1.9
billion
Corrected



2.5+
billion
Uncorrected



1.4
billion
Equipped with sunglasses



5.8
billion
Unequipped

- ↗ Myopes growth rate: 3.3%
- ↗ Presbyopes growth rate: 2.5%

- ↗ 1.6 billion in Asia
- ↗ 530 million in Africa
- ↗ 170 million in Middle East
- ↗ 130 million in Latin America

- ↗ Sunglasses market growth: 6-7%
- ↗ High potential for prescription sunwear

- ↗ Massive under-penetration in Fast-Growing Markets
- ↗ Cataract/Eyelid cancer

Source: Essilor – 2015 estimates

Key Transaction Rationale

Two pure plays joining forces

- Two major players in the eyewear industry, sharing common values, would provide new solutions for both the increasing unmet needs in visual health and the growing appetite for premium branded products

Complementary businesses

- Luxottica Group and Essilor International would bring together complementary expertise in ophthalmic lenses, prescription frames, and sunglasses and develop comprehensive product and service offerings for consumers

High growth potential

- The new entity, with combined sales in excess of €15bn, more than 140,000 employees and sales in more than 150 countries, would be a growth platform with sound capital structure and enhanced financial capabilities, ideally positioned to benefit from future opportunities
- Expected to generate significant synergies

Key Transaction Highlights

Transaction structure

- Contribution by Delfin of its entire stake in Luxottica (approx. 62% of Luxottica's capital) to Essilor, in exchange for newly-issued Essilor shares
- Essilor mandatory exchange offer for all remaining issued and outstanding Luxottica shares⁽¹⁾
- Essilor to become a holding company (EssilorLuxottica) for (i) Luxottica and (ii) Essilor International

Exchange ratio

- 0.461 Essilor share for 1 Luxottica share

Shareholders / BoD support

- Unanimous support from Essilor Board
- Binding commitment from Delfin to contribute its Luxottica shares
- Unanimous support from Luxottica Board

Timetable

- Closing expected in H2 2017

Shareholding structure

- Delfin to own 31-38%⁽²⁾ shares in EssilorLuxottica. Voting rights capped at 31% for all shareholders

(1) In accordance with Italian Law

(2) Depending on acceptance rate of the exchange offer, 31% assumes 100% acceptance rate of exchange offer

Two Dynamic Pure Plays in the Eyewear Industry

From national champions to global players

1849



VARILUX[®]
Transitions[®] **Crizal**[®]

1961



Complementary Profiles with Limited Overlap

	Key success factors	ESSILOR SEEING THE WORLD BETTER	LUXOTTICA®
Ophthalmic Lenses	R&D / Brands / Supply chain	+++++	+
Sunglasses/ Frames	R&D / Brands / Supply chain	+	+++++
Distribution	Scale / Diversified channels	++ (online)	++++ (retail + online)

EssilorLuxottica: a global player across the value chain

A Complementary Brand Portfolio

Lenses

VARILUX®



Xperio
polarized sun lenses

Crizal®



Eyezen®

Transitions®

Kodak LENS



Sun / Frames

Proprietary



VOGUE
eyewear

OLIVER PEOPLES
OOVVVV

FOSTER GRANT

BOLON 暴龙



Licensed

BVLGARI



RALPH LAUREN

BURBERRY

GIORGIO ARMANI

TIFFANY & CO.
NEW YORK SINCE 1837

CHANEL

MICHAEL KORS

TORY BURCH

DOLCE & GABBANA

PRADA

VALENTINO
VERSACE

Brick-and-Mortar Retail and Omnichannel distribution



GMO



OPSM



FRAMESDIRECT.COM
premium eyewear



LENSCRAFTERS



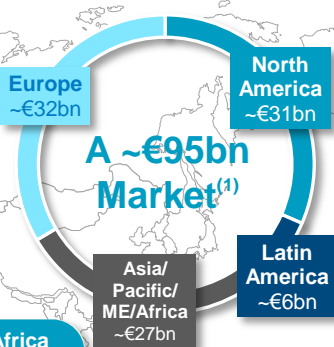
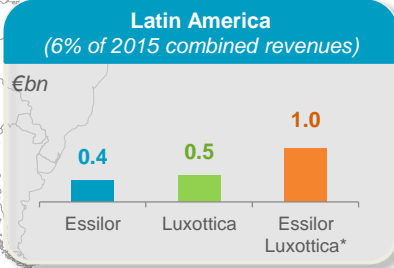
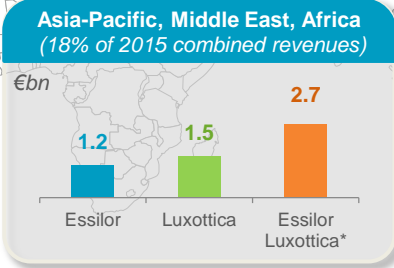
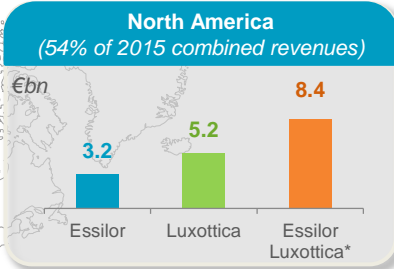
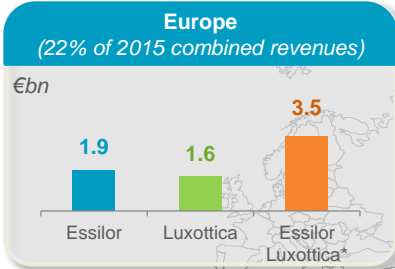
PEARLEVISION
EST. 1961



EYEBUYDIRECT



Global Presence with Significant Upside Remaining



* 2015 public figures, therefore not adjusted for inter-companies sales
 (1) Sell-out value for contact lenses, spectacle lenses, readers, sunglasses and frames
 Source: Essilor fundamental data – 2015 estimates

An Outstanding Combination Driving Superior Growth

Drive market development

- Innovation as a key driver to create value in the industry
- Enhance lens category and improve product mix
- Foster acceptance of premium branded frames
- Increase capabilities to mobilize consumers

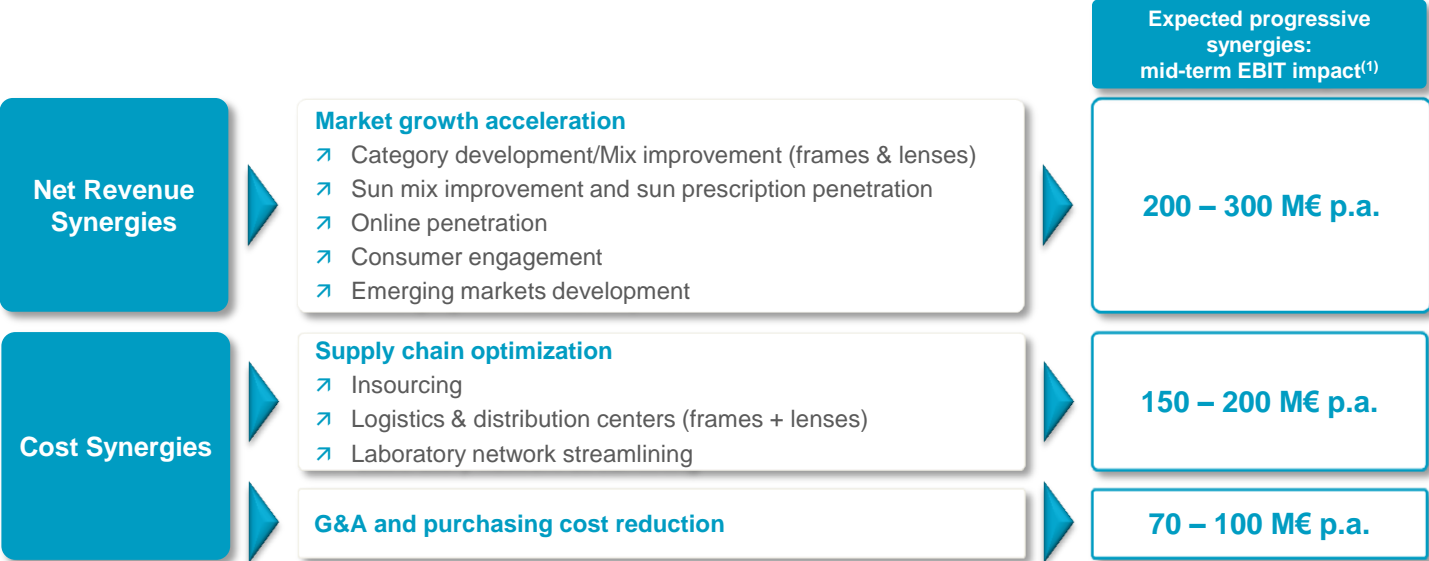
Serve the industry better

- Leaner and faster supply chain
- Enhance consumer experience

Increase consumer reach

- Leverage existing retail footprint and online platforms
- Revolution in a combined “frame + lens” offering

Progressive Ramp-up of Synergies



➤ Revenue synergies to accelerate in the long term

⁽¹⁾ Based on preliminary assumptions.

The Combination of Two Growing and Profitable Players

2015 financials

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**Combined
pre-synergies**

Sales

€6.7bn

€9bn⁽¹⁾

€15bn+

**EBITDA
(% margin)**

€1.6bn
25%

€1.9bn
21%

c.€3.5bn

Net Debt

€2.1bn

€1.0bn

€3.1bn⁽²⁾

Net Debt / EBITDA

1.3x

0.5x

0.9x

Market capitalisation

c.€23bn

c.€24bn

c.€47bn⁽³⁾

(1) Adjusted revenue; reflects adjustment of \$174.3 million due to modification of contract terms. For more information see Item 5 of Luxottica's 2015 annual report on Form 20-F

(2) Assumes exchange offer acceptance rate of 100%

(3) Assumes offer acceptance rate of 100%. Based on Luxottica and Essilor fully diluted NOSH and share prices as of 13/01/2017

Balanced Governance and Leadership

Board of Directors

- Executive Chairman: Leonardo Del Vecchio
- Executive Vice-Chairman: Hubert Sagnières
- Equally composed Board with 8 members from Essilor and 8 members from Luxottica

Management

- EssilorLuxottica CEO: Leonardo Del Vecchio
- EssilorLuxottica Deputy CEO: Hubert Sagnières
- Essilor International Chairman & CEO: Hubert Sagnières
- Luxottica Executive Chairman: Leonardo Del Vecchio

Committees

- Four Board committees with equal representation of Essilor and Luxottica
- Integration committee

Other

- Voting rights cap at 31%. No double voting rights
- Delfin standstill on takeover bid on EssilorLuxottica (as long as no other offer is filed / no other shareholder acquires 20% ownership)

Outstanding Value Proposition for all Stakeholders

Shareholders

- Solid growth and operating profitability prospects
- More diversified and balanced operational profile
- Robust balance sheet and cash generation
- Significant synergy potential

Customers / Consumers

- More integrated and diversified offering
- Improved value proposition derived from innovation on a larger scale
- Accelerating digital offering

Employees

- Organisations sharing common values and attributes
- Creation of a more global and multicultural company
- Stronger Company purpose

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QUESTIONS & ANSWERS