



## Luxottica Group 2Q05 Consolidated Net Sales Again Top One Billion Euro Mark, Net Income for the Quarter Up 15.3 Percent

Milan, Italy - July 27, 2005 - Luxottica Group S.p.A. (NYSE: LUX; MTA: LUX), global leader in the eyewear sector, today announced consolidated U.S. GAAP results for the three- and six-month periods ended June 30, 2005.

### Financial highlights

#### Second Quarter of 2005<sup>1</sup>

- **Consolidated sales: €1,145.6 million (+41.1%, +45.0% assuming constant exchange rates<sup>2</sup>)**
  - Retail sales: €842.9 million (+53.4%); Retail comparable store sales<sup>3</sup>: +8.3%
  - Total wholesale sales: €368.3 million (+17.6%)
- **Consolidated operating income: €165.7 million (+19.1%); Operating margin: 14.5%**
  - Retail operating income: €100.6 million (+26.6%); Retail operating margin: 11.9%
  - Wholesale operating income: €90.3 million (+24.6%); Wholesale operating margin: 24.5%
- **Consolidated net income: €91.1 million (+15.3 %); Net margin: 7.9%**
- **Earnings per share: €0.20 (US\$0.25 per ADS)**

#### Six-Month Period<sup>4</sup>

- **Consolidated sales: €2,182.6 million (+38.1%, +42.5% assuming constant exchange rates<sup>5</sup>)**
  - Retail sales: €1,599.6 million (+50.5%); Retail comparable store sales<sup>6</sup>: +5.9%
  - Total wholesale sales: €695.2 million (+13.6%)
- **Consolidated operating income: €302.2 million (+16.6%); Operating margin: 13.8%**
  - Retail operating income: €177.1 million (+23.4%); Retail operating margin: 11.1%
  - Wholesale operating income: €168.0 million (+19.6%); Wholesale operating margin: 24.2%
- **Consolidated net income: €167.4 million (+11.5%); Net margin: 7.7%**
- **Earnings per share: €0.37 (US\$0.48 per ADS)**

Andrea Guerra, chief executive officer of Luxottica Group, commented: "Today we are reporting record sales results for our Group and continued progress towards the successful completion of the Cole National integration. For the quarter, we posted consolidated sales levels again well above the one billion Euro mark, in line with our forecast of between 4.0 and 4.15 billion euro for the full year. These strong results - sales for the quarter were up by over 41.1 percent, earnings per share by 14.9 percent - reflected the strength of our business and continued good performance by our entire team as we prepare for the second half of the year."

Results of the retail division for the second quarter were particularly strong, especially in North America where the sun business experienced significant comparable store growth.

Retail results were strong also in Asia-Pacific, with comparable store sales growth in excess of five percent as well as improvements in terms of profitability. Within retail, the integration of the former Cole National businesses continued to proceed smoothly, with operating margin for the quarter doubling year-over-year.

For the second quarter, the Group's wholesale business experienced significant additional growth and improved profitability. Wholesale sales to third parties rose by 16.3% (by 17.0% assuming constant exchange rates), while operating margin for the entire wholesale division reached 24.5%, up 140 bps year-over-year. This significant improvement was reached despite the additional decline in the value of the U.S. currency against the Euro, by an average of nearly five percent for the quarter. Specifically, the performance of the wholesale business continued to reflect the ongoing strengthening of Luxottica Group's brand portfolio as well as improved penetration and distribution of the Group's product in several markets. Key house brands posted yet another quarter of strong results - Ray-Ban Sun above all - with over 20 percent growth rates for the quarter both in units and value. Within license brands, it is worth mentioning the performance of Bvlgari, which continued to show potential for additional growth.

Cash flow generation was again one of the main highlights of Luxottica Group results for the quarter. For the three-month period the Group generated €135.0 million, net of currency effect and before the payment of dividends. On June 30, 2005, Luxottica Group's consolidated net outstanding debt was €1,673.2 million.

Luxottica Group's consolidated results for the three- and six-month periods ended June 30, 2005, were approved today by its Board of Directors. Consolidated results for the quarter and the first half of the year include the consolidation of the Cole National business.

Luxottica Group's financial statements for the six-month period ended June 30, 2005, according to International Financial Reporting Standards (IFRS) will be approved and communicated to the market in September 2005.

#### **About Luxottica Group S.p.A.**

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Luxottica Group is a global leader in eyewear, with nearly 5,500 optical and sun retail stores mainly in North America and Asia-Pacific and a well-balanced portfolio that comprises leading premium house and licensed brands, including Ray-Ban, the best selling sun and prescription eyewear brand in the world. Among others, the Group's brand portfolio includes house brands Vogue, Persol, Arnette and REVO and license brands Bvlgari, Chanel, Donna Karan, Prada and Versace. Luxottica Group's global wholesale network touches 120 countries, with a direct presence in the key 28 eyewear markets worldwide. The Group's products are designed and manufactured at its six Italy-based high-quality manufacturing plants and at the only China-based plant wholly-owned by a premium eyewear manufacturer. For fiscal year 2004, Luxottica Group posted consolidated net sales and net income of €3.2 billion and €286.9 million, respectively. Luxottica Group's 2004 annual report is available online at <http://annual-report-2004.luxottica.com>. Additional information on the Group is available at [www.luxottica.com](http://www.luxottica.com).

## Safe Harbor Statement

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Certain statements in this press release 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, fluctuations in exchange rates, economic and weather factors affecting consumer spending, the ability to successfully introduce and market new products, the ability to successfully launch initiatives to increase sales and reduce costs, the availability of correction alternatives to prescription eyeglasses, the ability to effectively integrate recently acquired businesses, including Cole National, risks that expected synergies from the acquisition of Cole National will not be realized as planned and that the combination of Luxottica Group’s managed vision care business with Cole National will not be as successful as planned, as well as other political, economic and technological factors and other risks referred to in Luxottica Group’s filings with the U.S. Securities and Exchange Commission. These forward-looking statements are made as of the date hereof and Luxottica Group does not assume any obligation to update them.

## Contacts

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- TABLES TO FOLLOW -

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**1** All comparisons, including percentage changes, are between the three-month periods ended June 30, 2005, and 2004.

**2** Excludes the impact of fluctuations in currency exchange rates in the translation of operating results into Euro. See notes to attached tables for more information.

**3** 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. The calculation of comparable store sales for the three- and six-month periods ended June 30, 2005, includes relevant stores of the former Cole National business as if the Cole National acquisition had been completed as of January 1, 2004. Cole National results are actually consolidated with Luxottica Group results only as of the October 4, 2004, acquisition date.

**4** All comparisons, including percentage changes, are between the six-month periods ended June 30, 2005, and 2004.

**5** See note (2).

**6** See note (3).

# LUXOTTICA GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2004

### KEY FIGURES IN THOUSANDS OF EURO <sup>(4)</sup>

	2005	2004 <sup>(5)</sup>	% Change
NET SALES	1,145,566	811,711	41.1%
NET INCOME	91,067	78,968	15.3%
EARNINGS PER SHARE (ADS) <sup>(2)</sup>	0.20	0.18	
FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(3)</sup>	0.20	0.18	

### KEY FIGURES IN THOUSANDS OF U.S. DOLLARS <sup>(1) (4)</sup>

	2005	2004 <sup>(5)</sup>	% Change
NET SALES	1,442,726	977,787	47.6%
NET INCOME	114,690	95,125	20.6%
EARNINGS PER SHARE (ADS) <sup>(2)</sup>	0.25	0.21	
FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(3)</sup>	0.25	0.21	

#### Notes :

	2005	2004
(1) Average exchange rate (in U.S. Dollars per Euro)	1.2594	1.2046
(2) Weighted average number of outstanding shares	449,821,300	448,141,852
(3) Fully diluted average number of shares	452,429,155	450,035,449
(4) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively		
(5) Certain amounts for 2004 have been reclassified to conform to the 2005 presentation		

# LUXOTTICA GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2004

### KEY FIGURES IN THOUSANDS OF EURO <sup>(4)</sup>

	2005	2004 <sup>(5)</sup>	% Change
NET SALES	2,182,567	1,580,830	38.1%
NET INCOME	167,405	150,143	11.5%
EARNINGS PER SHARE (ADS) <sup>(2)</sup>	0.37	0.34	
FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(3)</sup>	0.37	0.33	

### KEY FIGURES IN THOUSANDS OF U.S. DOLLARS <sup>(1) (4)</sup>

	2005	2004 <sup>(5)</sup>	% Change
NET SALES	2,803,988	1,940,153	44.5%
NET INCOME	215,069	184,271	16.7%
EARNINGS PER SHARE (ADS) <sup>(2)</sup>	0.48	0.41	
FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(3)</sup>	0.48	0.41	

#### Notes :

	2005	2004
(1) Average exchange rate (in U.S. Dollars per Euro)	1.2847	1.2273
(2) Weighted average number of outstanding shares	449,524,021	448,112,865
(3) Fully diluted average number of shares	452,216,587	450,033,844
(4) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively		
(5) Certain amounts for 2004 have been reclassified to conform to the 2005 presentation		

# LUXOTTICA GROUP

## CONSOLIDATED INCOME STATEMENT FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2004

In thousands of Euro <sup>(1)</sup>	2Q05	% of sales	2Q04 <sup>(2)</sup>	% of sales	% Change
<b>NET SALES</b>	<b>1,145,566</b>	<b>100.0%</b>	<b>811,711</b>	<b>100.0%</b>	<b>41.1%</b>
COST OF SALES	(364,419)		(254,843)		
<b>GROSS PROFIT</b>	<b>781,146</b>	<b>68.2%</b>	<b>556,868</b>	<b>68.6%</b>	<b>40.3%</b>
<i>OPERATING EXPENSES:</i>					
SELLING EXPENSES	(393,250)		(264,445)		
ROYALTIES	(17,981)		(13,997)		
ADVERTISING EXPENSES	(83,428)		(57,945)		
GENERAL AND ADMINISTRATIVE EXPENSES	(107,227)		(70,618)		
TRADEMARK AMORTIZATION	(13,537)		(10,736)		
<b>TOTAL</b>	<b>(615,422)</b>		<b>(417,742)</b>		
<b>OPERATING INCOME</b>	<b>165,724</b>	<b>14.5%</b>	<b>139,127</b>	<b>17.1%</b>	<b>19.1%</b>
<i>OTHER INCOME (EXPENSE):</i>					
INTEREST EXPENSES	(15,945)		(12,298)		
INTEREST INCOME	1,259		799		
OTHER - NET	1,095		(2,779)		
<b>OTHER INCOME (EXPENSES) NET</b>	<b>(13,591)</b>		<b>(14,278)</b>		
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>152,133</b>	<b>13.3%</b>	<b>124,848</b>	<b>15.4%</b>	<b>21.9%</b>
PROVISION FOR INCOME TAXES	(57,811)		(43,652)		
<b>INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES</b>	<b>94,322</b>		<b>81,196</b>		
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(3,255)		(2,229)		
<b>NET INCOME</b>	<b>91,067</b>	<b>7.9%</b>	<b>78,968</b>	<b>9.7%</b>	<b>15.3%</b>
<b>EARNINGS PER SHARE (ADS) <sup>(1)</sup></b>	<b>0.20</b>		<b>0.18</b>		
FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(1)</sup>	0.20		0.18		
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>449,821,300</b>		<b>448,141,852</b>		
FULLY DILUTED AVERAGE NUMBER OF SHARES	<b>452,429,155</b>		<b>450,035,449</b>		

### Notes :

(1) Except earnings per share (ADS), which are expressed in Euro

(2) Certain amounts for 2004 have been reclassified to conform to the 2005 presentation

# LUXOTTICA GROUP

## CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2004

In thousands of Euro <sup>(1)</sup>	2005	% of sales	2004 <sup>(2)</sup>	% of sales	% Change
<b>NET SALES</b>	<b>2,182,567</b>	<b>100.0%</b>	<b>1,580,830</b>	<b>100.0%</b>	<b>38.1%</b>
COST OF SALES	(698,478)		(498,888)		
<b>GROSS PROFIT</b>	<b>1,484,089</b>	<b>68.0%</b>	<b>1,081,942</b>	<b>68.4%</b>	<b>37.2%</b>
<i>OPERATING EXPENSES:</i>					
SELLING EXPENSES	(766,802)		(529,064)		
ROYALTIES	(34,528)		(27,472)		
ADVERTISING EXPENSES	(149,094)		(104,079)		
GENERAL AND ADMINISTRATIVE EXPENSES	(204,911)		(140,744)		
TRADEMARK AMORTIZATION	(26,583)		(21,347)		
<b>TOTAL</b>	<b>(1,181,917)</b>		<b>(822,705)</b>		
<b>OPERATING INCOME</b>	<b>302,172</b>	<b>13.8%</b>	<b>259,237</b>	<b>16.4%</b>	<b>16.6%</b>
<i>OTHER INCOME (EXPENSE):</i>					
INTEREST EXPENSES	(31,753)		(24,380)		
INTEREST INCOME	3,215		2,169		
OTHER - NET	7,576		1,583		
<b>OTHER INCOME (EXPENSES) NET</b>	<b>(20,962)</b>		<b>(20,628)</b>		
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>281,210</b>	<b>12.9%</b>	<b>238,609</b>	<b>15.1%</b>	<b>17.9%</b>
PROVISION FOR INCOME TAXES	(106,860)		(83,523)		
<b>INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES</b>	<b>174,350</b>		<b>155,086</b>		
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(6,945)		(4,943)		
<b>NET INCOME</b>	<b>167,405</b>	<b>7.7%</b>	<b>150,143</b>	<b>9.5%</b>	<b>11.5%</b>
<b>EARNINGS PER SHARE (ADS) <sup>(1)</sup></b>	<b>0.37</b>		<b>0.34</b>		
FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(1)</sup>	0.37		0.33		
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>449,524,021</b>		<b>448,112,865</b>		
FULLY DILUTED AVERAGE NUMBER OF SHARES	452,216,587		450,033,844		

**Notes :**

(1) Except earnings per share (ADS), which are expressed in Euro

(2) Certain amounts for 2004 have been reclassified to conform to the 2005 presentation

# LUXOTTICA GROUP

## CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2005 AND DECEMBER 31, 2004

In thousands of Euro	June 30, 2005	December 31, 2004 <sup>(1)</sup>
<i>CURRENT ASSETS:</i>		
CASH	381,362	257,349
ACCOUNTS RECEIVABLE	554,591	406,437
SALES AND INCOME TAXES RECEIVABLE	32,446	33,120
INVENTORIES	399,833	433,158
PREPAID EXPENSES AND OTHER	78,188	69,151
DEFERRED TAX ASSETS - CURRENT	87,362	104,508
<b>TOTAL CURRENT ASSETS</b>	<b>1,533,782</b>	<b>1,303,723</b>
<b>PROPERTY, PLANT AND EQUIPMENT - NET</b>	<b>685,379</b>	<b>599,245</b>
<i>OTHER ASSETS</i>		
INTANGIBLE ASSETS - NET	2,698,583	2,473,053
INVESTMENTS	14,520	156,988
OTHER ASSETS	55,697	23,040
SALES AND INCOME TAXES RECEIVABLES	292	9
<b>TOTAL OTHER ASSETS</b>	<b>2,769,092</b>	<b>2,653,090</b>
<b>TOTAL</b>	<b>4,988,253</b>	<b>4,556,058</b>
<i>CURRENT LIABILITIES:</i>		
BANK OVERDRAFTS	410,148	290,531
CURRENT PORTION OF LONG-TERM DEBT	245,388	405,369
ACCOUNTS PAYABLE	282,808	222,550
ACCRUED EXPENSES AND OTHER	423,240	376,779
ACCRUAL FOR CUSTOMERS' RIGHT OF RETURN	12,368	8,802
INCOME TAXES PAYABLE	35,565	12,722
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,409,517</b>	<b>1,316,753</b>
<i>LONG TERM LIABILITIES:</i>		
LONG TERM DEBT	1,398,976	1,277,495
LIABILITY FOR TERMINATION INDEMNITIES	54,602	52,656
DEFERRED TAX LIABILITIES - NON CURRENT	205,904	215,891
OTHER	203,996	173,896
<b>TOTAL LONG TERM LIABILITIES</b>	<b>1,863,478</b>	<b>1,719,938</b>
<i>COMMITMENTS AND CONTINGENCY:</i>		
<b>MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES</b>	<b>14,052</b>	<b>23,760</b>
<i>SHAREHOLDERS' EQUITY:</i>		
456,367,573 ORDINARY SHARES AUTHORIZED AND ISSUED -		
449,932,787 SHARES OUTSTANDING	27,382	27,312
NET INCOME	167,405	286,874
RETAINED EARNINGS	1,506,419	1,181,421
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,701,206</b>	<b>1,495,607</b>
<b>TOTAL</b>	<b>4,988,253</b>	<b>4,556,058</b>

Notes :

(1) Certain amounts for 2004 have been reclassified to conform to the 2005 presentation.



# LUXOTTICA GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2004 - SEGMENTAL INFORMATION -

In thousands of Euro	Manufacturing and Wholesale	Retail	Retail (in thousands of U.S. Dollars)	Inter-Segment Transaction and Corporate Adj.	Consolidated
<b>2005</b>					
Net Sales	695,195	1,599,638	2,055,087	(112,266)	2,182,567
EBITDA <sup>(3)</sup>	192,260	231,271	297,119	(26,280)	397,252
<i>% of sales</i>	27.7%	14.5%			18.2%
Operating income	168,031	177,121	227,550	(42,980)	302,172
<i>% of sales</i>	24.2%	11.1%			13.8%
Capital Expenditures	50,788	50,915	65,412	-	101,703
Depreciation & Amortization	24,229	54,150	69,568	16,701	95,080
Assets	1,670,142	1,263,055	1,528,044	2,055,057	4,988,253
<b>2004 <sup>(1)</sup></b>					
Net Sales	611,799	1,062,700	1,304,252	(93,669)	1,580,830
EBITDA <sup>(3)</sup>	165,232	178,758	219,390	(13,188)	330,801
<i>% of sales</i>	27.0%	16.8%			20.9%
Operating income	140,470	143,515	176,136	(24,749)	259,237
<i>% of sales</i>	23.0%	13.5%			16.4%
Capital Expenditures	12,476	26,496	32,518	-	38,972
Depreciation & Amortization	24,761	35,242	43,253	11,561	71,564
Assets	1,596,227	893,554	1,088,259	1,473,814	3,963,594
<b>2004 As adjusted <sup>(2)</sup></b>					
Net Sales	611,799	1,555,122	1,908,601	(94,178)	2,072,743
EBITDA <sup>(3)</sup>	165,232	191,951	235,581	(13,188)	343,994
<i>% of sales</i>	27.0%	12.3%			16.6%
Operating income	140,470	141,779	174,005	(30,622)	251,627
<i>% of sales</i>	23.0%	9.1%			12.1%
Depreciation & Amortization	24,761	50,172	61,577	17,433	92,367

### Notes :

(1) Certain amounts for 2004 have been reclassified to conform to the 2005 presentation.

(2) These consolidated adjusted amounts are a non-GAAP measurement. The company has included this measurement to give comparative information for the two periods discussed, aligning the consolidation periods of Cole National for both years 2004 and 2005. They reflect the consolidation of Cole National results for the first six months of 2004 (as it is in 2005). This information does not purport to be indicative of the actual results that would have been achieved had the Cole National acquisition been completed as of January 1, 2004.

(3) EBITDA is intended as the sum of Operating income and Depreciation & Amortisation

# LUXOTTICA GROUP

## NON-GAAP COMPARISON OF CONSOLIDATED NET SALES FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2004, ASSUMING CONSTANT EXCHANGE RATES

In million of Euro	2Q 2004 U.S. GAAP results	2Q 2005 U.S. GAAP results	Adjustment for constant exchange rates	2Q 2005 adjusted results
Consolidated net sales	811.7	1,145.6	31.5	1,177.1
Manufacturing/wholesale net sales	313.1	368.3	3.8	372.1
Retail net sales	549.4	842.9	30.0	872.9

In million of Euro	1H 2004 U.S. GAAP results	1H 2005 U.S. GAAP results	Adjustment for constant exchange rates	1H 2005 adjusted results
Consolidated net sales	1,580.8	2,182.6	69.3	2,251.9
Manufacturing/wholesale net sales	611.8	695.2	8.3	703.5
Retail net sales	1,062.7	1,599.6	65.3	1,664.9

**Note:**

Luxottica Group uses certain measures of financial performance that exclude the impact of fluctuations in currency exchange rates in the translation of operating results into Euro. The Company believes that these adjusted financial measures provide useful information to both management and investors by allowing a comparison of operating performance on a consistent basis. In addition, since the Luxottica Group has historically reported such adjusted financial measures to the investment community, the Company believes that their inclusion provides consistency in its financial reporting. Further, these adjusted financial measures are one of the primary indicators management uses for planning and forecasting in future periods. Operating measures that assume constant exchange rates between the first six months of 2005 and the first six months of 2004 and the second quarter of 2005 and the second quarter of 2004 are calculated using for each currency the average exchange rate for the six-month period and the three-month period ended June 30, 2004, respectively. Operating measures that exclude the impact of fluctuations in currency exchange rates are not measures of performance under accounting principles generally accepted in the United States (U.S. GAAP). These non-GAAP measures are not meant to be considered in isolation or as a substitute for results prepared in accordance with U.S. GAAP. In addition, Luxottica Group's method of calculating operating performance excluding the impact of changes in exchange rates may differ from methods used by other companies. See table above for a reconciliation of the operating measures excluding the impact of fluctuations in currency exchange rates to their most directly comparable U.S. GAAP financial measures. The adjusted financial 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.

# LUXOTTICA GROUP

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT  
 PREPARED IN ACCORDANCE WITH US GAAP AND IAS / IFRS FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2005,  
 PURSUANT TO CONSOB REGULATION N. 27021 OF APRIL 7, 2000 AND IN ACCORDANCE WITH CONSOB  
 COMMUNICATION DME/5015175 DATED MARCH 10, 2005.

CONSOLIDATED INCOME STATEMENT  
 FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2005

In thousands of Euro <sup>(1)</sup>	US GAAP	IFRS 2 Stock option	IFRS 3 Business combination	IAS 19 Tfr & Pension	IAS 38 Intangibles	IAS 39 Derivatives	Total IAS/IFRS Adjustment	IAS / IFRS
	2005							2005 <sup>(2)</sup>
<b>NET SALES</b>	<b>2,182,567</b>							<b>2,182,567</b>
COST OF SALES	(698,478)							(698,478)
<b>GROSS PROFIT</b>	<b>1,484,089</b>							<b>1,484,089</b>
<i>OPERATING EXPENSES:</i>								
SELLING EXPENSES	(766,802)							(766,802)
ROYALTIES	(34,528)							(34,528)
ADVERTISING EXPENSES	(149,094)				(934)		(934)	(150,028)
GENERAL AND ADMINISTRATIVE EXPENSES	(204,911)	(4,096)	(613)	2,159	(29)		(2,579)	(207,490)
TRADEMARK AMORTIZATION	(26,583)							(26,583)
<b>TOTAL</b>	<b>(1,181,917)</b>	<b>(4,096)</b>	<b>(613)</b>	<b>2,159</b>	<b>(963)</b>		<b>(3,513)</b>	<b>(1,185,431)</b>
<b>OPERATING INCOME</b>	<b>302,172</b>	<b>(4,096)</b>	<b>(613)</b>	<b>2,159</b>	<b>(963)</b>		<b>(3,513)</b>	<b>298,659</b>
<i>OTHER INCOME (EXPENSE):</i>								
INTEREST EXPENSES	(31,753)							(31,753)
INTEREST INCOME	3,215					(217)	(217)	2,998
OTHER - NET	7,576							7,576
<b>OTHER INCOME (EXPENSES) NET</b>	<b>(20,962)</b>					<b>(217)</b>	<b>(217)</b>	<b>(21,179)</b>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>281,210</b>	<b>(4,096)</b>	<b>(613)</b>	<b>2,159</b>	<b>(963)</b>	<b>(217)</b>	<b>(3,731)</b>	<b>277,479</b>
PROVISION FOR INCOME TAXES	(106,860)	1,556	245	(824)	385	82	1,444	(105,416)
<b>INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES</b>	<b>174,350</b>	<b>(2,539)</b>	<b>(368)</b>	<b>1,334</b>	<b>(578)</b>	<b>(136)</b>	<b>(2,286)</b>	<b>172,064</b>
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(6,945)							(6,945)
<b>NET INCOME</b>	<b>167,405</b>	<b>(2,539)</b>	<b>(368)</b>	<b>1,334</b>	<b>(578)</b>	<b>(136)</b>	<b>(2,286)</b>	<b>165,119</b>
<b>EARNINGS PER SHARE (ADS) <sup>(1)</sup></b>	<b>0.37</b>							<b>0.37</b>
FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(1)</sup>	0.37							0.37
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>449,524,021</b>							<b>449,524,021</b>
FULLY DILUTED AVERAGE NUMBER OF SHARES	452,216,587							452,216,587

Notes :

(1) Except earnings per share (ADS), which are expressed in Euro

(2) Preliminary data pending Board approval. Final data could differ from those presented herein, although not for significant amount.