Luxottica Group:  
Global Leader in Eyewear  

Second Quarter 2005 Results  
- Investor Conference Call & Webcast -
Highlights for the Quarter

- A strong quarter all-around, continuing the positive momentum
  - 45.0% increase in sales at constant exchange rates
- Solid performances by wholesale and retail alike
  - Wholesale sales to third parties up by 16.3%
  - Retail comparable store sales jump by 8.3%
    - Significantly above expectations for Sun in North America
- Additional progress at the profitability level
  - Wholesale margin up another 140 bps to 24.5%
  - Solid quarter for retail
- Net income reflected positive performance, notwithstanding
  - Higher debt to be financed
  - Tax rate at 38%
- Over €135 million cash flow generation - before dividends and currency impact
- Focus on working capital throughout entire organization

Notes: For all non-U.S. GAAP measures, including constant exchange rate figures and retail comparable sales, see Appendix for required disclosures.
## 2Q05 Financial Highlights

### Consolidated Income Statement

<table>
<thead>
<tr>
<th>In millions of Euro</th>
<th>2Q05</th>
<th>2Q04</th>
<th>Δ</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1,145.6</td>
<td>811.7</td>
<td>41.1%</td>
<td>-</td>
</tr>
<tr>
<td>- Retail</td>
<td>842.9</td>
<td>549.4</td>
<td>53.4%</td>
<td>-</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>368.3</td>
<td>313.1</td>
<td>17.6%</td>
<td>-</td>
</tr>
<tr>
<td>Operating Income</td>
<td>165.7</td>
<td>139.1</td>
<td>19.1%</td>
<td>14.5%</td>
</tr>
<tr>
<td>- Retail</td>
<td>100.6</td>
<td>79.5</td>
<td>26.6%</td>
<td>11.9%</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>90.3</td>
<td>72.5</td>
<td>24.6%</td>
<td>24.5%</td>
</tr>
<tr>
<td>Net Income</td>
<td>91.1</td>
<td>79.0</td>
<td>15.3%</td>
<td>7.9%</td>
</tr>
<tr>
<td>EPS (€)</td>
<td>0.20</td>
<td>0.18</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EPS (US$)</td>
<td>0.25</td>
<td>0.21</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes: All figures are in accordance with U.S. GAAP. 2005 figures reflect the consolidation of Cole National.
## Consolidated Income Statement

<table>
<thead>
<tr>
<th></th>
<th>1H05</th>
<th>1H04</th>
<th>Δ</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>2,182.6</td>
<td>1,580.8</td>
<td>38.1%</td>
<td>-</td>
</tr>
<tr>
<td>- Retail</td>
<td>1,599.6</td>
<td>1,062.7</td>
<td>50.5%</td>
<td>-</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>695.2</td>
<td>611.8</td>
<td>13.6%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>302.2</td>
<td>259.2</td>
<td>16.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>- Retail</td>
<td>177.1</td>
<td>143.5</td>
<td>23.4%</td>
<td>11.1%</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>168.0</td>
<td>140.5</td>
<td>19.6%</td>
<td>24.2%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>167.4</td>
<td>150.1</td>
<td>11.5%</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>EPS (€)</strong></td>
<td>0.37</td>
<td>0.34</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS (U$)</strong></td>
<td>0.48</td>
<td>0.41</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes:** All figures are in accordance with U.S. GAAP. 2005 figures reflect the consolidation of Cole National.
**1H05 Financial Highlights**

### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2005</th>
<th>December 31, 2004</th>
<th>June 30, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>685.4</td>
<td>599.2</td>
<td>----</td>
</tr>
<tr>
<td>Intangibles</td>
<td>2,698.6</td>
<td>2,473.1</td>
<td>----</td>
</tr>
<tr>
<td>Net working capital</td>
<td>398.4</td>
<td>425.5</td>
<td>570.2</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>1,701.2</td>
<td>1,495.6</td>
<td>----</td>
</tr>
<tr>
<td>Net debt</td>
<td>1,673.2</td>
<td>1,716.0</td>
<td>----</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>2.35</td>
<td>2.66</td>
<td>----</td>
</tr>
</tbody>
</table>

**Notes:** All figures are in accordance with U.S. GAAP and reflect the consolidation of Cole National as of October 4, 2004. Net debt, EBITDA, Net debt/EBITDA and Net working capital are non-U.S. GAAP measures. For non-U.S. GAAP measures, see Appendix for additional disclosures. In the Net Debt/EBITDA ratio, EBITDA is calculated for the twelve months ending on the respective date.
Wholesale

A strong quarter all-around

- Total sales up by 17.6%, by 16.3% to third parties
  - Reflecting market appetite for fashion and premium brands
  - Improved penetration and distribution on several markets
  - Donna Karan collections performing as expected

- Operating margin up 140 bps to 24.5%
  - Improved mix toward fashion and premium brands
  - Improved efficiency in selling and commercial activities
  - Overall industrial cost positively impacted by progressive rebalancing of manufacturing mix
    - Now at 84% - 16%, from 87% - 13% for the comparable period last year
Wholesale

- Continuing to strengthen market position
  - Above average growth in North America
  - Europe continued to perform extremely well for Luxottica Group
    - Data shows that overall market was negative for most other players
    - Luxottica Group experienced well above double digit growth in key markets
      - Spain, Greece, France, Germany and UK
    - Positive growth in all other markets
  - Opening of representative offices in China and Russia

- Brands
  - Ray-Ban Sun up over 20% both in units and value in the best quarter for Sun
  - Best sellers: Bvlgari, Chanel, Prada and Versace
The Cole National Integration: Continuing to Make Progress

Integration Status Update

- Corporate functions
  - Entering final stage, former Cole National headquarters in Twinsburg to close on Aug. 15, ’05

- Managed Vision Care
  - Good demand for new product, good rate of conversion for existing customers, first new contracts are already operative
  - Combined systems ⇒ completion underway

- Supply chain systems
  - Manufacturing & distribution ⇒ Already entered new phase of the project
  - Assortment planning ⇒ Sept 05

- Improved Luxottica Group product assortment:
  - Started in March, to reach 45% by year-end(1)

- Franchising:
  - Taken another important step - presented Luxottica vision at Pearle Franchisee Convention
  - Starting to see improved penetration of Luxottica Group products

- Financial systems integration ⇒ Done

(1) In units.
Luxottica Retail North America

- **LensCrafters:** another solid quarter
  - Nearly double digit comparable store sales growth
  - Strong growth in Rx Sun and A/R
  - Continued to work on enhanced brand image
  - Positive contribution from ongoing remodeling/fashion update program
    - 83 YTD, 181 more by year-end

- **Sunglass Hut:** a particularly strong quarter in the most important quarter for Sun
  - Comparable sales growth in the double digits
  - Increased penetration of premium fashion brands:
    - Launch of Donna Karan and DKNY
  - Ongoing remodeling/fashion update
    - 100 YTD, 115 more by year-end
    - 40 new stores opened
• Continued progress on the Cole National front
  - Another positive quarter from a profitability perspective
    - Operating margin doubled year-over-year
  - Testing improved promotional activities at Pearle Vision and licensed brands channel
  - Closed 28 unprofitable Target Optical locations in July
  - Entering strategic phase for Pearle Vision: putting life back into one of the most well-known eyecare brands in the U.S.

• Precision Optical acquisition in Canada
  - Ontario-based, 27 strategically located stores, one central lab
  - Expanding presence in a market with room for additional growth
Who Are We Targeting

**TARGET AUDIENCE:** Suzanne
- Age 35-44, affluent
- Fashion conscious

**BRAND PROMISE:** inspired confidence
- “I actually like wearing my glasses”

**BRAND CHARACTER:** confident, engaging, in-the-know
Who Are We Targeting

TARGET AUDIENCE: Elizabeth
- Age 45+, affluent
- Careful shopper

BRAND PROMISE: Trusted eyecare
- “I care about the health of my eyes and how I look”

BRAND CHARACTER:
Reliable, compassionate, driven
Luxottica Retail Asia-Pacific

• Now one Luxottica Retail division for the entire Asia-Pacific region
  - Includes Mainland China and Hong Kong
  - New organizational structure, one single management for optical and Sun

• Working on the full integration of Sun with optical business
  - To be completed by December 2005
  - Optical integration completed in 2004

• Shared service function
  - Optical, Sun
  - Retail, wholesale
  - All markets including China
Luxottica Retail Asia-Pacific

Australia & New Zealand

• Results well ahead of economic growth, more operational improvements
  - Over 5% comparable store sales, strong improvement in profitability

• Continued implementation of multi-brand strategy in Australia

• Increased penetration and display of fashion and Luxottica Group products
  - Launch of Bvlgari at all OPSM stores, Prada by September

• Ongoing remodeling and fashion updates of OPSM store base
  - Already 25% of stores in the new format
**China Retail**

**Xueliang Optical Acquisition**
- Key strategic acquisition in one of the world’s most important markets for fashion and premium eyewear
- The leading premium optical chain in Beijing
  - All 79 stores centrally located in the Chinese capital
  - Brings China-based store total to 149
  - Focused on highly branded products
  - Currently mainly optical, Sun represents a big opportunity
  - Best eyecare in China, with its own training center - the “Xueliang Visual and Optical Institute”
    - Nearly 50% of stores less than 24 months old, common IT platform
- Sales of approx. € 10 million for FY 2004, consideration of € 17 million plus € 4 million in assumed liabilities
- Anticipating receiving customary approval by the relevant Chinese governmental authorities by year-end

**Hong Kong - The Optical Shop**
- Launch of new concept store, new logo
- Going after the higher end of the market by improving location and accelerating availability of fashion
- Profitability improvement
OPSM Old Store Design
The New OPSM Stores

- 311 stores in Australia & NZ
- Over 25% market share
- Targets over 50% of the market
- Fashion browsers, confident selectors
- The destination for fashion eyewear
- Positioned in fashion floors within malls
Investor & media relations team

Luca Biondolillo  
Alessandra Senici  
Caterina Parenti

Tel. +39 (02) 8633 - 4062  
Email: InvestorRelations@Luxottica.com
Appendix
Certain statements in this 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, fluctuations in exchange rates, economic and weather factors affecting consumer spending, the ability to successfully introduce and market new products, the availability of correction alternatives to prescription eyeglasses, the ability to successfully launch initiatives to increase sales and reduce costs, 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.
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 income from operations 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 level of leverage. 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). These non-GAAP measures 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. In addition, Luxottica Group's method of calculating EBITDA and the ratio of net debt to EBITDA may differ from methods used by other companies. See the tables on the following pages for a reconciliation of net debt to long-term debt, which is the most directly comparable U.S. GAAP financial measure, a reconciliation of EBITDA to income from operations, which is the most directly comparable U.S. GAAP financial measure, as well as the calculation of the ratio of net debt to EBITDA. 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.
## Non-U.S. GAAP Measure: Net Debt

<table>
<thead>
<tr>
<th>In millions of Euro</th>
<th>June 30, 2005</th>
<th>December 31, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt (+)</td>
<td>1,399.0</td>
<td>1,277.5</td>
</tr>
<tr>
<td>Current portion of long-term debt (+)</td>
<td>245.4</td>
<td>405.4</td>
</tr>
<tr>
<td>Bank overdrafts (+)</td>
<td>410.1</td>
<td>290.5</td>
</tr>
<tr>
<td>Cash (-)</td>
<td>(381.4)</td>
<td>(257.3)</td>
</tr>
<tr>
<td>Net debt (=)</td>
<td>1,673.2</td>
<td>1,716.0</td>
</tr>
</tbody>
</table>
Non-U.S. GAAP Measure: LTM EBITDA

<table>
<thead>
<tr>
<th>In millions of Euro</th>
<th>1H04 (-)</th>
<th>FY 2004 (+)</th>
<th>1H05 (+)</th>
<th>LTM June 30, 2005 (=)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operations (+)</td>
<td>(259.2)</td>
<td>492.8</td>
<td>302.2</td>
<td>535.8</td>
</tr>
<tr>
<td>Depreciation &amp; amortization (+)</td>
<td>(71.6)</td>
<td>152.8</td>
<td>95.1</td>
<td>176.3</td>
</tr>
<tr>
<td>EBITDA (=)</td>
<td>330.8</td>
<td>645.6</td>
<td>397.3</td>
<td>712.0</td>
</tr>
<tr>
<td>Net debt/ LTM EBITDA</td>
<td>----</td>
<td>2.66</td>
<td>----</td>
<td>2.35</td>
</tr>
</tbody>
</table>

Note: LTM = Last twelve months
Net Working Capital: Net working capital means total current assets, net of cash, minus total current liabilities, net of bank overdrafts and the current portion of long-term debt. Luxottica Group believes that net working capital is useful information to both management and investors because it allows them to assess the short-term capital used in operating the business. Net working capital is a non-GAAP measure and is 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. See the table on the next page for a reconciliation of net working capital to total current assets, which is the most directly comparable U.S. GAAP financial measure. This adjusted financial measure should be used as a supplement to U.S. GAAP results to assist the reader in better understanding the capital used in operating the Company.
### Non-U.S. GAAP Measure: Net Working Capital

<table>
<thead>
<tr>
<th>In millions of Euro</th>
<th>June 30, 2005</th>
<th>June 30, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total current assets</td>
<td>1,533.8</td>
<td>1,311.1</td>
</tr>
<tr>
<td>Cash (-)</td>
<td>(381.4)</td>
<td>(260.0)</td>
</tr>
<tr>
<td>Total current liabilities (-)</td>
<td>(1,409.5)</td>
<td>(1,154.4)</td>
</tr>
<tr>
<td>Bank overdrafts (+)</td>
<td>410.1</td>
<td>338.9</td>
</tr>
<tr>
<td>Current portion of long-term debt (+)</td>
<td>245.4</td>
<td>334.7</td>
</tr>
<tr>
<td>Net working capital (=)</td>
<td>398.4</td>
<td>570.2</td>
</tr>
</tbody>
</table>
Non-U.S. GAAP Measures Notes

**Constant Exchange Rates:** 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 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 second quarter and first half of 2005 and the second quarter and first half of 2004, respectively, are calculated using for each currency the average exchange rate for the three- and six-month periods ended June 30, 2004. 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. 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.

Additional information regarding constant exchange rates figures and retail comparable store sales, as required by Regulation G, is available in the notes to Luxottica Group’s second quarter of 2005 earnings release. See [www.luxottica.com](http://www.luxottica.com), section investor relations, press releases.