Global leader in luxury and premium eyewear
• Overview of results for 2005

• Financial highlights for fiscal year 2005

• Outlook for fiscal year 2006

• Elements of continued growth beyond 2006
Overview of Results for Fiscal Year 2005

A strong year all-around, setting the stage for more growth in 2006

Twelve months of solid growth in both wholesale and retail, across all regions
- Wholesale sales to third parties up by 18.3% for the year, with 4Q05 sales up by 27.5%
- Retail comp sales up by 5.5% for the entire division
- Retail North America
  . Outpaced premium U.S. retail sector with +6.1% comp sales
  . LensCrafters: +7.2% comp sales
  . Sunglass Hut: double-digit growth in comp sales at nearly 14%\(^{(1)}\)
  . Profitability of former Cole National brands nearly tripled
- A positive year for the retail optical business in Asia-Pacific

€440 million cash generation, before acquisitions, dividends and currency effect

Additional progress on the profitability front
- Wholesale operating margin for the year up by 190 bps to 23.2%
- Strong performance in retail: operating margin already at 11.5%, compared with pro-forma\(^{(2)}\) operating margin of 10% for FY 2004
- Non-cash expense for stock options, for a total of €16.7 million for the full year

Entering 2006 on a strong note: consolidated operating margin for 4Q05 up by 200 bps, to 13.0%

\(^{(1)}\) Comp sales in local currency, US$.
\(^{(2)}\) FY 2004 pro forma results for the retail division include the performance of the Cole National operations as if the acquisition had been completed as of January 1, 2004.
## FY 2005: Retail North America

**Sunglass Hut and LensCrafters: Strong core business**

At Sunglass Hut, the repositioning strategy is only starting to pay off
- Working on the store base:
  . 112 new openings and relocations
  . 93 closings
  . 145 remodelings
- Operating margin up over 300 bps for the year
- Stores with sales of at least US$750,000:
  . Up 60%, to 10% of store base

Above-average comp sales and improved profitability at LensCrafters driven by:
- Total selling focus on premium frames and products
  . A/R to 30% of units, up by 55%
  . The “Scotchgard” exclusive
- Highly focused marketing activities and campaigns

**Pearle and managed vision care: Opportunities in the making**

Pearle Vision
- Entering the new “era”, results trending up
- Positive operating profitability for the year, from a loss in FY 2004
- Good results come from:
  . New organization, new vision, new values
  . More efficient cost structure
  . Better product, more Luxottica product

Managed Vision Care
- A strong year behind the introduction of the new EyeMed go-forward product
  . Results driven by old panel, existing contracts
  . Benefit of new client signings to be seen in 2006

The operational integration is over, we are already into the new phase
FY 2005: Retail Asia-Pacific

Australia and New Zealand

Completed one of the most active years for the organization, now one single sun and optical Luxottica Retail division

- Completed the relaunch of the OPSM brand
- Rebranding and repositioning of Laubman & Pank: from three brands to one single brand
- Starting down a brand new course with Sunglass Hut
- Sold all stores in Malaysia and Singapore
- One single shared service center for retail and wholesale
- Optical retail margin up, Luxottica product up to 29%, from 9%

Additional improvements in profitability
FY 2005: Retail Asia-Pacific

**Greater China**

**China**
- Made two back-to-back key acquisitions
- Now the leading luxury optical retailer in Greater China with nearly 300 stores
- Received regulatory approval for Xueliang Optical, will start running the business as of March 1

**Hong Kong**
- Launched the new strategy
- Clearly positioned TOS in the upper-fashion segment: launch of the new store format
- More fashion, LUX products to 20%, from 7%
- Building the ultimate experience in premium optical retail
FY 2005: Wholesale

Drivers

The best-balanced brand portfolio in the industry
- House brands: 60%
- License brands: 40%

More focus on the strategy
- More support for brands:
  - Advertising expenses: +150 bps as a percentage of sales
- Rationalization of selling structure
- Maximizing the potential of new markets
  - Russia: trade and brand investments, key accounts management
  - Eastern Europe: improved coverage to capture growing potential
  - Korea: moved to direct distribution

Improvement in production efficiencies and flexibility

Strong performance in all key markets

(Sales breakdown by region, FY 2005)

- Europe: 61%
- Americas: 22%
- R.o.W.: 17%

(YoY % changes by region, FY 2005)

- Europe: +16%
- Americas: +22%
- R.o.W.: +18%

Operating margin hits 23%, up another 190 bps

(1) Wholesale sales to third parties, in Euro.
(2) Wholesale sales to third parties, at constant exchange rates.
FY 2005: Wholesale

Drivers

**Dolce & Gabbana, D&G**
- Launched in the fourth quarter, results to-date confirming strong expectations

**Signed another strong brand: Burberry**

**The strongest brand portfolio in the luxury segment**
- Bvlgari, Chanel, Dolce & Gabbana, Prada, Versace …

**Strong performance by house and license brands alike**
- Third year in a row of strong growth for Ray-Ban
- Key luxury brands: continuing the growth
- Vogue: new testimonial to better reflect new positioning and global scope

**New brand portfolio strategy**
- Already taken all decisions
• Overview of results for 2005

• **Financial highlights for fiscal year 2005**

• Outlook for fiscal year 2006

• Elements of continued growth beyond 2006
## 4Q05 Financial Highlights

### Consolidated Income Statement, Millions of Euro

<table>
<thead>
<tr>
<th></th>
<th>4Q '05</th>
<th>4Q '04</th>
<th>Δ</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retail</td>
<td>849.6</td>
<td>737.1</td>
<td>+15.3%</td>
<td>-</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>331.3</td>
<td>257.8</td>
<td>+28.5%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retail</td>
<td>95.0</td>
<td>74.4</td>
<td>+27.6%</td>
<td>11.2%</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>73.0</td>
<td>45.4</td>
<td>+60.7%</td>
<td>22.0%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>85.6</td>
<td>59.8</td>
<td>+43.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>EPS (€)</strong></td>
<td>0.19</td>
<td>0.13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS (US$)</strong></td>
<td>0.23</td>
<td>0.17</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.
# FY05 Financial Highlights

## Consolidated Income Statement, Millions of Euro

<table>
<thead>
<tr>
<th></th>
<th>FY 2005</th>
<th>FY 2004</th>
<th>Δ</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retail</td>
<td>4,370.7</td>
<td>3,255.3</td>
<td>+34.3%</td>
<td>-</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>1,310.3</td>
<td>1,094.8</td>
<td>+19.7%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>602.6</td>
<td>492.8</td>
<td>+22.3%</td>
<td>13.8%</td>
</tr>
<tr>
<td>- Retail</td>
<td>378.4</td>
<td>310.3</td>
<td>+21.9%</td>
<td>11.5%</td>
</tr>
<tr>
<td>- Wholesale</td>
<td>304.3</td>
<td>233.1</td>
<td>+30.5%</td>
<td>23.2%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>342.3</td>
<td>286.9</td>
<td>+19.3%</td>
<td>7.8%</td>
</tr>
<tr>
<td><strong>EPS (€)</strong></td>
<td>0.76</td>
<td>0.64</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS (US$)</strong></td>
<td>0.95</td>
<td>0.80</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.
## FY05 Financial Highlights

### Summary of Consolidated Balance Sheet, Millions of Euro

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2005</th>
<th>Dec. 31, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>735.1</td>
<td>599.2</td>
</tr>
<tr>
<td><strong>Intangibles</strong></td>
<td>2,698.6</td>
<td>2,473.1</td>
</tr>
<tr>
<td><strong>Net working capital</strong></td>
<td>339.8</td>
<td>425.5</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>1,954.7</td>
<td>1,495.6</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>1,435.2</td>
<td>1,716.0</td>
</tr>
<tr>
<td><strong>Net debt/EBITDA</strong></td>
<td>1.81</td>
<td>2.66</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.
## FY 2005 Financial Performance

<table>
<thead>
<tr>
<th>Key financial messages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>During a year of integration, net income rose by nearly 20%</strong></td>
</tr>
<tr>
<td>- Operating margin for 4Q05 – the first quarter to allow apple-to-apple comparison – rose YoY by 200 bps</td>
</tr>
<tr>
<td><strong>Strong cash generation</strong></td>
</tr>
<tr>
<td>- €440 million(^{(1)}) even with approx.€110 million in additional Capex over the previous year</td>
</tr>
<tr>
<td><strong>Good control over working capital, following an already strong 2004</strong></td>
</tr>
<tr>
<td><strong>Net debt/EBITDA already down to 1.8X only 15 months after a €600 million acquisition</strong></td>
</tr>
<tr>
<td>- Provides additional flexibility, including for potential expansion plan or increase in the dividend payout</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Before dividends, acquisitions and currency effect.
• Overview of results for 2005

• Financial highlights for fiscal year 2005

• **Outlook for fiscal year 2006**

• Elements of continued growth beyond 2006
Outlook for 2006: Wholesale

<table>
<thead>
<tr>
<th>Drivers</th>
</tr>
</thead>
</table>
| **Dolce & Gabbana, D&G**  
- Targeting sales of €120 million for the year |
| **Burberry**  
- Adding another strong brand to our portfolio as of September 1 |
| **Ray-Ban: the #1 sun and prescription brand in the world will continue to grow**  
- Expecting more strong growth even after three years in a row of spectacular results |
| **We are not only about strong brands, our entire wholesale organization is stronger**  
- A stronger field organization, especially in North America  
- Improved KA management |
| **Plenty of markets and segments with potential for significant growth**  
- Russia, Middle East, Korea, Mexico, Turkey and the duty free channel |
| **Executing the second stage of the new portfolio strategy** |
| **Good momentum for luxury and premium to continue into 2006** |

Double digit growth in sales, +100 bps in operating margin
## Outlook for 2006: Retail

### Drivers

- **The operational integration is over, we are now a new organization ready to take advantage of more opportunities**
  - Remember our track record with LensCrafters

- **We are only at the beginning of the implementation of our new strategy in sun in North America**
  - The entire sun category in the U.S. is worth approximately US$2 billion
    - Majority is non-premium; within premium, fashion fastest growing segment
  - Sunglass Hut holds a leading share of the premium segment

- **Overall strength of premium retail in North America**
  - Luxottica Retail is positioned to see continued growth in both sun and optical

- **Australia and New Zealand offer plenty of other opportunities for growth, targeting 14% operating margin in 2006**
  - Further expansion of high-fashion store base
    - OPSM, roll out of new Laubman & Pank store format
  - Continuing to work on the store base
    - Opening 24 optical stores, remodeling 54
  - Higher penetration of Luxottica and other premium products, to 35%

- **Studying new growth opportunities**
### Still plenty of room for growth in sun with SGH

**There is an opportunity to expand the size of the premium segment, taking advantage of strong demand in the U.S. for fashion products**

- Continuing to build style credibility

- Remodeling program, ongoing store design and experience upgrades; by year-end:
  - 45% of in-line stores will be fully updated

- 120 new openings, shifting store network to most fashion-driven locations:
  - 85% of new openings in sunbelt and coastal fashion

- Will evaluate acquisition opportunities of premium sun retailers and chains

- Increased fashion product penetration: moving into the 40-50% range

- Roll-out of the new POS system to improve store control

---

![SunglassHut Storefront](image)
Outlook for 2006: North America, Optical Retail

**In 2005 we positioned each optical brand, 2006 will be pure execution, and synergistic results**

**Increasing share of fashion brands together with strong investments in stores and advertising:**
- To continue successful “upgrade” strategy to improve shopping experience and drive sales
  - More fashion frames and premium lenses
  - Expecting 204 remodelings, 98 new openings for the year
  - More brand-building marketing initiatives

**Exploit opportunity areas not yet fully developed (sun within optical, contact lenses, eye exams)**

**Cross-benefiting from sharing of info and expertise (“Better Together”):**
- Promote productivity improvement
  - The optimization of the labs organization will result in improved service and cost efficiencies
  - Optometric/optician staffing
  - Leveraging LensCrafters’ in-store labs to support the Pearle brand now, Sears/Target later
- Managed vision care - EyeMed
  - Reaping the benefits of new structure, new products and new panel
  - New contracts signed in 2005 kick in only in 2006
  - Investing in sales force to maximize benefit of new model
Outlook for 2006: North America, Pearle Vision

Restoring Pearle Vision sales and profitability model – setting the stage for future growth

**Driving sales**
- “Trusted Eye Care” positioning
- TV advertising
- Luxottica frames
- Premium lenses
- Reduced discounting
- 100% “Selling Skills” training and focus
- More product sales through franchisees

**Reducing costs**
- Eliminating in-store labs
  - Glasses produced centrally and in LensCrafters labs
- New POS systems mid-year – eliminate pricing errors, speed process
- Disciplined labor scheduling à la LensCrafters
- Greater lens/contact lens consistency with LensCrafters/other brands
- Reducing excessive warranty expenses

Reaching double-digit operating margin into 2007
Outlook for 2006: Retail

Greater China

Hong Kong
- New operational plan in place, focusing on a single high-fashion, premium brand
- Aggressive roll-out of new concept store
  - 24 out of 65 new stores by year-end, 20 of which in the first half
- Increasing mix of fashion products in one of the most fashion-conscious markets
  - Becoming the window of China

China
- Fully dedicated to building the right infrastructure, putting in place the right HR, IT systems
- Integration, implementation of best-practices
- Launch of the new store format and remodeling plan
  - Opening 5 flagship stores in Beijing already in the first half of 2006

Forecasting FY 06E sales of already US$60 million
Outlook for 2006: Consolidated Results

**Outlook**

**Consolidated net sales**
- Between €4.7 billion and €4.8 billion

**EPS**
- Between €0.89 and €0.91
- Between US$1.11 and US$1.13

**Net Debt to EBITDA**
- Between 1.4X and 1.3X

**Assumption of € to US$ exchange rate**
- €1 = US$1.2444*(1)

---

**Focus on the bottom line**

**Consolidated sales**
- (In € billion)
  - FY 2004: 3.2
  - FY 2005: 4.4
  - FY 2006: 4.7–4.8
  - CAGR: +22%

**EPS**
- (In €)
  - FY 2004: 0.64
  - FY 2005: 0.76
  - FY 2006: 0.89–0.91
  - CAGR: +19%

---

FY 2006 to bring strong profitability growth

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*(1)* Reflecting actual average exchange rate for fiscal year 2005.
• Overview of results for 2005

• Financial highlights for fiscal year 2005

• Outlook for fiscal year 2006

• Elements of continued growth beyond 2006
Elements of Continued Growth Beyond 2006: Pearle Vision

The blueprint: LensCrafters

<table>
<thead>
<tr>
<th>(% of growth, 1995 - 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td># of stores</td>
</tr>
<tr>
<td>+47%</td>
</tr>
<tr>
<td>Net sales</td>
</tr>
<tr>
<td>+75%</td>
</tr>
<tr>
<td>Operating Income</td>
</tr>
<tr>
<td>+165%</td>
</tr>
</tbody>
</table>

The starting point

<table>
<thead>
<tr>
<th>LensCrafters vs. Pearle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate stores</td>
</tr>
<tr>
<td>3x</td>
</tr>
<tr>
<td>Net sales</td>
</tr>
<tr>
<td>5x</td>
</tr>
<tr>
<td>Store O.I.</td>
</tr>
<tr>
<td>7x</td>
</tr>
</tbody>
</table>

The opportunities

- Format complementary to LensCrafters’: suburban/off-urban locations vs. urban, mall
- Expand reach beyond high-fashion crowd
- Double digit operating margin requires sales of only US$800K\(^{(1)}\)
- In 70% of U.S. States Pearle is still underdeveloped
- Canada: the whole country is an opportunity
- Franchising

Significant sales and operating income opportunity from Pearle Vision

(1) For reference, LensCrafters average US$1.8 million in sales per store
Elements of Continued Growth Beyond 2006:
Sun in North America

SGH: still plenty of room for growth

- Growing the overall market, attracting more consumers to the premium segment
- Established style credibility, reaping the benefits of the new positioning
- Opening over 100 stores a year through 2008
- By 2008, 84% of in-line stores will be remodeled (comp sales of remodeled stores 7% to 10% above the average)

Driving the growth

<table>
<thead>
<tr>
<th>YE 2006</th>
<th>YE 2007</th>
<th>YE 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>45%</td>
<td>66%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Expecting double-digit growth over the next three years

Remember the profitability scale effect at Sunglass Hut

* Excluding dept. stores and kiosks
## Elements of Continued Growth Beyond 2006: China & Asia-Pacific

<table>
<thead>
<tr>
<th>Asia Pacific: clearly where the medium- to long-term retail growth will take place</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Still extremely low penetration rate of both eyewear and retail</strong></td>
</tr>
<tr>
<td>- Great opportunities in South East Asia and China both for optical and sun; still value to be captured in the sun business thanks to fashion products</td>
</tr>
<tr>
<td>- Medical need will continue to drive most of the growth, but fashion is an important driver</td>
</tr>
<tr>
<td><strong>950 stores are only a drop in the ocean</strong></td>
</tr>
<tr>
<td>- <strong>China:</strong> Having built the platform, the focus will be on growth</td>
</tr>
<tr>
<td>. Expecting store expansion in line with the growing consumer spending power</td>
</tr>
<tr>
<td>- <strong>Sunglass Hut</strong> expansion into Hong Kong, China and other markets</td>
</tr>
<tr>
<td>- Looking for new <strong>market opportunities for optical</strong></td>
</tr>
</tbody>
</table>

The main driver of our medium- to long-term retail growth
## Elements of Continued Growth Beyond 2006: Wholesale & Brands

<table>
<thead>
<tr>
<th>Wholesale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidating presence in new markets, maximizing opportunities</strong></td>
</tr>
<tr>
<td>- Identified markets: China, Korea, Mexico, Middle East and Turkey</td>
</tr>
<tr>
<td>- Putting proper organization in place</td>
</tr>
<tr>
<td>- Adequate investments</td>
</tr>
<tr>
<td>- Expecting that over the next three years these markets will experience highest growth rates</td>
</tr>
</tbody>
</table>

**Working with an optimized brand portfolio**  
- Only strong brands  
- Continued proactive management of portfolio  

6,000 stores-and-growing retail will continue to be a key factor in attracting new licenses  

**Ray-Ban will continue to grow**  
- For example: over 60% unaided brand recognition, over 90% aided in both Turkey and India  

**Slow down in activity of many medium-sized global and regional players**
Fully committed, the heart of our organization

- **A strong 2005**
  - 12 international missions
  - 9 missions in North America
  - 667,141 people helped for the year

- **Expanding the reach of GTGOS over the next three years**
  - Doubling international missions to 24
  - Covering more of North America with 24 missions
  - Reach a total of 7 million people cumulatively
Investor & Media Relations Team

Luca Biondolillo
Alessandra Senici
Caterina Parenti

Tel. +39 (02) 8633 – 4062

InvestorRelations@Luxottica.com
MediaRelations@Luxottica.com

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www.luxottica.com/financialmedia
Notes
Safe Harbor Statement

- 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 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, the impact of the application of APB 25 (Accounting for Stock Issued to Employees) and, as of January 1, 2006, the adoption of SFAS 123 (R) 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.
Non-U.S. GAAP Measures Notes

- **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

**Millions of Euro**

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2005</th>
<th>Dec. 31, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-term debt</strong></td>
<td>1,420.1</td>
<td>1,277.5</td>
</tr>
<tr>
<td>(+)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current portion of long-term debt</strong></td>
<td>97.7</td>
<td>405.4</td>
</tr>
<tr>
<td>(+)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bank overdrafts</strong></td>
<td>289.7</td>
<td>290.5</td>
</tr>
<tr>
<td>(+)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>(372.3)</td>
<td>(257.3)</td>
</tr>
<tr>
<td>(-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>1,435.2</td>
<td>1,716.0</td>
</tr>
<tr>
<td>(=)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Non-U.S. GAAP Measure: EBITDA

<table>
<thead>
<tr>
<th></th>
<th>FY 2005</th>
<th>FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operations (+)</td>
<td>602.6</td>
<td>492.8</td>
</tr>
<tr>
<td>Depreciation &amp; amortization (+)</td>
<td>189.1</td>
<td>152.8</td>
</tr>
<tr>
<td>EBITDA (=)</td>
<td>791.7</td>
<td>645.6</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>1.81X</td>
<td>2.66X</td>
</tr>
</tbody>
</table>
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. In addition, Luxottica Group’s method of calculating net working capital may differ from methods used by other companies. 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

**Millions of Euro**

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2005</th>
<th>Dec. 31, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash (-)</td>
<td>(372.3)</td>
<td>(257.3)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(-)</td>
<td>(1,155.2)</td>
<td>(1,316.8)</td>
</tr>
<tr>
<td><strong>Net working capital</strong> (=)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current portion of long-term debt (+)</strong></td>
<td>97.7</td>
<td>405.4</td>
</tr>
<tr>
<td><strong>Bank overdrafts (+)</strong></td>
<td>289.7</td>
<td>290.5</td>
</tr>
<tr>
<td><strong>Net working capital (=)</strong></td>
<td>339.8</td>
<td>425.5</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 fourth quarter and fiscal year 2005 and the fourth quarter and the fiscal year 2004, respectively, are calculated using for each currency the average exchange rate for the three- and twelve-month periods ended December 31, 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 rate figures and retail comparable store sales, as required by Regulation G, is available in the notes to Luxottica Group’s fourth quarter of 2005 earnings release. See www.luxottica.com, section investor relations, press releases.
Non-U.S. GAAP Measures Notes

- **Forecast of net debt to EBITDA ratio for fiscal year 2006**: Management believes that a forecast of the net debt to EBITDA ratio for fiscal year 2006 is useful to investors because it allows investors to assess the impact of anticipated cash flows on the Company’s future level of leverage. Forecasted EBITDA and the forecasted ratio of net debt to EBITDA are not measures of performance under accounting principles generally accepted in the United States (U.S. GAAP). These forward-looking 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. 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. See the table below for a reconciliation of forecasted EBITDA for FY 2006 to forecasted income from operations for 2006, which is the most directly comparable forward-looking U.S. GAAP financial measure, as well as the calculation of the forecasted ratio of net debt to EBITDA. Our forecast of net debt of between Euro 1,195.0 million and Euro 1,265.0 million at December 31, 2006 was derived by reducing our net debt of Euro 1,435.2 million at December 31, 2005 (derived as set forth elsewhere in this presentation) by an estimate of our cash flows for FY 2006 of between Euro 240.2 million and Euro 170.2 million. A reconciliation of forecasted net debt for FY 2006 to forecasted long-term debt for FY 2006 (which would be the most directly comparable forward-looking U.S. GAAP financial measure) is unavailable because it is not possible at this time to anticipate the specific components of forecasted cash flows for FY 2006. Since we are unable to quantify the components of our future cash flows with certainty, actual cash flows for FY 2006 could vary significantly from our estimate and could have a significant effect on our forecast of the net debt to EBITDA ratio for 2006.
Non-U.S. GAAP Measure: Forecast of Net Debt / EBITDA

Millions of Euro, showing a range for FY 2006 E

<table>
<thead>
<tr>
<th></th>
<th>FY 2006 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast of income from operations (+)</td>
<td>711.0 - 723.0</td>
</tr>
<tr>
<td>Forecast of depreciation &amp; amortization (+)</td>
<td>191.5 - 195.5</td>
</tr>
<tr>
<td>Forecast of EBITDA (=)</td>
<td>902.5 - 918.5</td>
</tr>
<tr>
<td>Estimated net debt</td>
<td>1,265.0 - 1,195.0</td>
</tr>
<tr>
<td>Forecast net debt/EBITDA</td>
<td>1.40x - 1.30x</td>
</tr>
</tbody>
</table>