

## Luxottica aumenta il dividendo del 59% (0,35 euro per azione)

*L'utile netto del 2009 si attesta a 314,8 milioni di euro*

**Milano, 1 marzo 2010** - Il Consiglio di Amministrazione di Luxottica Group S.p.A. (MTA: LUX; NYSE: LUX), leader nel design, produzione, distribuzione e vendita di occhiali di fascia alta, di lusso e sportivi, riunitosi oggi, ha approvato il progetto di bilancio di esercizio e il bilancio consolidato redatto secondo i principi contabili statunitensi (U.S. GAAP) e secondo i principi IFRS.

### Esercizio 2009<sup>1</sup>

<i>(milioni di euro)</i>	<b>FY09</b>	<b>FY08</b>	<b>Variazione</b>
<b>Fatturato</b>	<b>5.094,3</b>	5.201,6	-2,1% (-4,5% a parità di cambi <sup>2</sup> )
<b>Fatturato a parità di settimane<sup>3</sup></b>	<b>5.086,7</b>	5.155,6	-1,3% (-3,8% a parità di cambi <sup>2</sup> )
<b>EBITDA<sup>4</sup></b>	<b>869,1</b>	1.014,7	-14,3%
<i>Adjusted<sup>3,4</sup></i>	<b>873,9</b>	982,8	-11,1%
<b>Utile operativo</b>	<b>583,2</b>	749,8	-22,2%
<i>Adjusted<sup>3,4</sup></i>	<b>588,0</b>	710,6	-17,3%
<b>Utile netto</b>	<b>314,8</b>	379,7	-17,1%
<i>Adjusted<sup>3,4</sup></i>	<b>317,9</b>	369,7	-14,0%

### Quarto trimestre 2009<sup>1</sup>

<i>(milioni di euro)</i>	<b>Q409</b>	<b>Q408</b>	<b>Variazione</b>
<b>Fatturato</b>	<b>1.157,1</b>	1.236,5	-6,4% (-1,1% a parità di cambi <sup>2</sup> )
<b>Fatturato a parità di settimane<sup>3</sup></b>	<b>1.149,4</b>	1.190,5	-3,4% (+2,1% a parità di cambi <sup>2</sup> )
<b>EBITDA<sup>4</sup></b>	<b>148,2</b>	186,1	-20,3%
<i>Adjusted<sup>3,4</sup></i>	<b>153,0</b>	175,9	-13,0%
<b>Utile operativo</b>	<b>76,9</b>	117,4	-34,5%
<i>Adjusted<sup>3,4</sup></i>	<b>81,7</b>	107,3	-23,9%
<b>Utile netto</b>	<b>35,6</b>	38,8	-8,4%
<i>Adjusted<sup>3,4</sup></i>	<b>38,7</b>	47,9	-19,2%

## **Andamento del Gruppo nel 2009**

Il 2009 è stato un anno importante, da cui Luxottica è uscita rafforzata grazie alla confermata validità del modello di business integrato, conseguendo risultati patrimoniali ed economici positivi e in progressivo miglioramento lungo tutto il 2009.

In particolare, nel corso dell'anno Luxottica ha saputo incrementare la propria penetrazione in tutti i principali Paesi, pur a fronte di una contrazione dei mercati di riferimento, in virtù delle azioni intraprese per stimolare il fatturato, della forza di due marchi fondamentali come Ray-Ban e Oakley, dell'articolata presenza geografica del Gruppo e della solida struttura patrimoniale.

*"I risultati conseguiti nel 2009 confermano ancora una volta la validità del nostro modello di business integrato, grazie al quale Luxottica è stata in grado non solo di mantenere un fatturato a livelli record, ma anche di generare cassa per circa 700 milioni e di conseguire un utile netto di circa 315 milioni",* ha commentato Andrea Guerra, Chief Executive Officer di Luxottica.

*"I primi due mesi del nuovo anno, per quanto rappresentino un arco di tempo limitato, sono stati decisamente positivi. Notiamo che, a oggi, gli Stati Uniti mostrano un solido recupero; i Paesi emergenti sono da tempo su un percorso di nuova e stabile crescita, mentre l'Europa viaggia a velocità diverse, con i Paesi dell'area continentale e nordica migliori dei Paesi dell'area mediterranea. Complessivamente, il 2010 è un anno in cui sarà particolarmente importante riuscire a cogliere le opportunità con velocità e flessibilità".*

## **Le azioni per il 2010**

I risultati conseguiti nel 2009 e la forza del modello di business di Luxottica pongono il Gruppo nelle migliori condizioni per poter avere un 2010 "normale", che per Luxottica significa crescita del fatturato "mid single digit", incremento più che proporzionale della redditività e ulteriore riduzione della leva finanziaria.

**Quattro saranno i pilastri del 2010, grazie ai quali il Gruppo potrà raggiungere tali risultati: il potenziale di crescita di Oakley, l'ulteriore sviluppo nei Paesi emergenti, la crescita negli Stati Uniti e la flessibilità, con una continua attenzione allo stato patrimoniale e alla generazione di cassa.**

### *Il potenziale di crescita di Oakley*

In questi anni di riadattamento strutturale del mondo, Oakley ha dimostrato di far parte della categoria dei marchi straordinari, conseguendo sia nel 2008 sia - dato ancora più significativo - nel 2009 una crescita a doppia cifra. Le opportunità per Oakley sono ancora notevoli: dopo aver lavorato intensamente sulla distribuzione sia in Europa che nei Paesi emergenti, nel 2010 saranno incrementati significativamente gli investimenti sul marchio.

Altro tema di grande importanza è la capacità di cavalcare il posizionamento unico e distintivo di Oakley nel segmento "vista", attraverso ulteriori investimenti nella politica commerciale, nello stile e nella tecnologia.

Oakley è un marchio che contribuirà in maniera determinante alla crescita sostenibile di lungo periodo di Luxottica.

### *L'ulteriore sviluppo nei Paesi emergenti*

Nel 2010 è previsto che Luxottica possa proseguire nel trend di crescita nei Paesi emergenti, che già oggi rappresentano circa il 15% del fatturato della divisione Wholesale e circa il 7% del fatturato di Gruppo, dato sostanzialmente raddoppiato rispetto a solo cinque anni fa. Il Gruppo

punta a crescere significativamente in Asia e America Latina, con particolare attenzione a Brasile, Cina, India. In particolare, nel corso dell'anno saranno lanciate collezioni Ray-Ban *ad hoc* e progetti speciali per questi Paesi, con l'obiettivo di stimolare la domanda e incrementare la penetrazione dei marchi Luxottica. Il 2010 vedrà inoltre il completamento dell'integrazione di Oakley in Brasile e in Sud Africa, nonché il lancio del progetto STARS in America Latina, India e nell'Europa orientale.

Proseguiranno inoltre gli investimenti di piccola e media taglia alla ricerca di nuove opportunità per la divisione Retail, e in particolare per Sunglass Hut, in queste regioni.

### *Gli Stati Uniti*

Gli Stati Uniti rappresentano una regione fondamentale per Luxottica. Il quarto trimestre del 2009 e i primi due mesi del 2010 evidenziano un confortante recupero di crescita, sia in termini di vendite che di redditività, non ancora continuativo, ma con evidenti segnali positivi.

In particolare, nei primi due mesi dell'anno LensCrafters ha mostrato un'accelerazione della crescita, con vendite omogenee<sup>5</sup> in miglioramento di oltre il 7%: il lavoro svolto negli Stati Uniti durante gli ultimi due difficili anni in termini di organizzazione, tecnologia e servizi offerti sta quindi dando i propri frutti.

### *Efficienza e flessibilità*

E' previsto che gli investimenti e le azioni intraprese nel corso degli ultimi due anni possano dispiegare appieno i loro effetti nel 2010, grazie a una struttura dei costi e dell'organizzazione oggi molto più flessibile ed efficiente che in passato.

Nel 2010 proseguiranno inoltre gli investimenti in infrastrutture volti a creare una reale piattaforma comune per le attività del Gruppo in tutto il mondo, fondamentale per la futura crescita. Il 2009 ha visto l'avvio di SAP nel polo logistico di Sedico, in Sunglass Hut e nel nuovo centro servizi europeo, realtà in grado di ottimizzare i processi di acquisto e amministrativi a livello continentale, con importanti risparmi ed efficienze. E' previsto che nel 2010 l'applicazione sia estesa al polo logistico cinese e alla divisione Wholesale in Italia, Stati Uniti e Regno Unito.

**Il fatturato del 2009 si è mantenuto sopra i 5 miliardi di euro: 5.086,7 milioni** a parità di settimane<sup>3</sup> (-1,3% a cambi correnti e -3,8% a cambi costanti) rispetto al dato dell'anno precedente, che aveva rappresentato il miglior risultato della storia del Gruppo. Il fatturato del quarto trimestre, dopo un graduale e continuo miglioramento lungo tutto il 2009, si è attestato a 1.149,4 milioni di euro, in progresso del 2,1% a parità di cambi e settimane<sup>3</sup>.

Considerando le performance operative, l'**EBITDA adjusted<sup>3,4</sup>** si è attestato a **873,9 milioni** di euro (-11,1% rispetto ai 982,8 milioni nel 2008). Il margine EBITDA *adjusted<sup>3,4</sup>* è passato al 17,2% dal 19,1% dell'anno precedente. Nel quarto trimestre l'**EBITDA adjusted<sup>3,4</sup>** è stato pari a 153,0 milioni di euro (-13,0% rispetto allo stesso periodo del 2008), mentre il margine EBITDA *adjusted<sup>3,4</sup>* è passato al 13,3% dal 14,8% del quarto trimestre 2008.

**Il risultato operativo adjusted<sup>3,4</sup>** si è quindi attestato a **588,0 milioni** di euro, rispetto ai 710,6 milioni di euro dell'anno precedente (-17,3%), mentre il margine operativo *adjusted<sup>3,4</sup>* è passato dal 13,8% del 2008 all'11,6%. Nel quarto trimestre, il risultato operativo *adjusted<sup>3,4</sup>* si è invece attestato a 81,7 milioni di euro (107,3 milioni nello stesso periodo dell'anno precedente, -23,9%), con un margine operativo *adjusted<sup>3,4</sup>* del 7,1% (9,0% nel quarto trimestre del 2008).

L'**utile netto adjusted<sup>3,4</sup>** del 2009 è stato quindi pari a **317,9 milioni** di euro (369,7 milioni nel 2008, -14,0%), con un cambio medio euro/dollaro pari a 1,3947.

Grazie all'attento controllo del capitale circolante e dopo aver pagato nel quarto trimestre il dividendo per complessivi 100,8 milioni di euro, il Gruppo ha ottenuto una **forte generazione di cassa**<sup>4</sup> anche nel quarto trimestre, raggiungendo nell'anno la cifra record di 691 milioni di euro. Di conseguenza, l'indebitamento netto<sup>4</sup> al 31 dicembre 2009 è risultato in ulteriore riduzione a **2.339 milioni** di euro (2.950 milioni a fine 2008), mentre il rapporto indebitamento netto/EBITDA<sup>4</sup> è risultato pari a 2,7 (2,9 a fine 2008).

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Il Consiglio di Amministrazione proporrà all'Assemblea degli Azionisti la distribuzione di un dividendo di 0,35 euro per azione ordinaria, in crescita del 59%. Il monte dividendi è quindi pari a circa 160 milioni di euro.

*"Riteniamo opportuno condividere con tutti gli azionisti i positivi risultati del 2009, ottenuti in un contesto difficile. Un pay-out di circa il 50% rappresenta un passo importante verso la "normalità" per Luxottica",* ha aggiunto Guerra.

Il Consiglio ha deliberato di convocare per il 29 aprile in prima convocazione e per il 30 aprile in seconda convocazione l'Assemblea Ordinaria degli Azionisti per l'approvazione del Bilancio di esercizio 2009; il dividendo verrà posto in pagamento il 27 maggio 2010 (data stacco cedola 24 maggio 2010). Per quanto riguarda gli American Depositary Shares (ADS) quotati al New York Stock Exchange, la data di stacco del dividendo coinciderà con il 24 maggio, mentre la data di pagamento del dividendo in dollari da parte di Deutsche Bank Trust Americas (DB), banca intestataria delle azioni a fronte delle quali sono stati emessi gli American Depositary Receipts (ADR) ed incaricata al pagamento in oggetto, è stata prevista da DB per il 3 giugno 2010, al tasso di cambio Euro / Dollaro del 27 maggio 2010.

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Con riferimento al programma di acquisto di azioni proprie deliberato dall'assemblea del 29 ottobre 2009, avviato il 16 novembre 2009, si segnala che nel mese di febbraio Luxottica Group SpA non ha acquistato sul mercato azioni proprie; del pari, la controllata Arnette Optics Illusion Inc. non ha ceduto sul mercato azioni Luxottica Group.

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I risultati del 2009 saranno illustrati domani 2 marzo a partire dalle ore 9:30 (GMT) nel corso di una presentazione alla comunità finanziaria che si terrà a Londra. La presentazione sarà disponibile in web cast in diretta sul sito Internet [www.luxottica.com](http://www.luxottica.com).

*Il Dirigente Preposto alla redazione dei documenti contabili societari Enrico Cavatorta dichiara ai sensi del comma 2 articolo 154 bis del Testo Unico della Finanza che l'informativa contabile contenuta nel presente comunicato corrisponde alle risultanze documentali, ai libri e alle scritture contabili.*

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## Note al comunicato

**1** Tutti i confronti, incluse le variazioni percentuali, si riferiscono ai tre e ai dodici mesi terminati il 31 dicembre 2009 e il 31 dicembre 2008, rispettivamente.

**2** I dati utilizzati per fare i confronti a parità di cambi con il quarto trimestre 2008 e con l'intero 2008 sono calcolati utilizzando i cambi medi dei tre e dei dodici mesi terminati il 31 dicembre 2008, ovvero 1€=1,3180USD e 1€=1,4707USD rispettivamente

**3** Nel 2008 l'anno fiscale della Divisione Retail in Nord America era costituito da 53 settimane; analogo effetto si è verificato nel 2009 nella Divisione Retail in Asia Pacifico, Cina e Sud Africa.

Al fine di effettuare un confronto omogeneo, i dati "adjusted" tengono inoltre conto del fatto che nel quarto trimestre del 2009 la divisione Retail in Nord America ha sostenuto oneri non ricorrenti per circa 7 milioni di euro, nonché del fatto che nel 2008 il Gruppo aveva registrato una minusvalenza straordinaria per circa 15 milioni di euro al netto delle imposte (22,8 milioni ante imposte) dovuta alla vendita del credito residuo legato alla cessione della catena retail Things Remembered avvenuta nel settembre 2006. Nel terzo trimestre del 2008, infine, il Gruppo aveva registrato una plusvalenza straordinaria di 19,1 milioni di euro al netto delle imposte (29 milioni ante imposte) relativa a rimborsi assicurativi, alla riduzione delle spese per le remunerazioni in azioni e all'ammortamento dei marchi.

**4** Utile operativo *adjusted*, margine operativo *adjusted*, EBITDA, EBITDA *adjusted*, margine EBITDA, margine EBITDA *adjusted*, *free cash flow*, indebitamento netto, rapporto indebitamento netto / EBITDA e risultato netto *adjusted* sono indicatori non previsti dai principi contabili americani (US GAAP). Per ulteriori informazioni relativi a tali indicatori si rimanda alle tabelle allegate.

**5** Per vendite omogenee si intendono le vendite a parità di negozi, cambi e perimetro di consolidamento.

## Luxottica Group S.p.A.

Luxottica Group è leader nel settore degli occhiali di fascia alta, di lusso e sportivi, con oltre 6.200 negozi operanti sia nel segmento vista che sole in Nord America, Asia-Pacifico, Cina, Sudafrica, Europa e un portafoglio marchi forte e ben bilanciato. Tra i marchi propri figurano Ray-Ban, il marchio di occhiali da sole più conosciuto al mondo, Oakley, Vogue, Persol, Oliver Peoples, Arnette e REVO mentre i marchi in licenza includono Bvlgari, Burberry, Chanel, Dolce & Gabbana, Donna Karan, Polo Ralph Lauren, Prada, Salvatore Ferragamo, Tiffany e Versace. Oltre a un network wholesale globale che tocca 130 Paesi, il Gruppo gestisce nei mercati principali alcune catene leader nel retail tra le quali LensCrafters, Pearle Vision e ILORI in Nord America, OPSM e Laubman & Pank in Asia-Pacifico, LensCrafters in Cina e Sunglass Hut in tutto il mondo. I prodotti del Gruppo sono progettati e realizzati in sei impianti produttivi in Italia e in due, interamente controllati, nella Repubblica Popolare Cinese. Nel 2009, Luxottica Group ha registrato vendite nette pari a €5.1 miliardi. Ulteriori informazioni sul Gruppo sono disponibili su [www.luxottica.com](http://www.luxottica.com).

## Safe Harbor Statement

Talune dichiarazioni contenute in questo comunicato stampa potrebbero costituire previsioni ("forward looking statements") così come definite dal Private Securities Litigation Reform Act del 1995. Tali dichiarazioni riguardano rischi, incertezze e altri fattori che potrebbero portare i risultati effettivi a differire, anche in modo sostanziale, da quelli anticipati. Tra tali rischi ed incertezze rientrano, a titolo meramente esemplificativo e non esaustivo, la capacità di gestire gli effetti dell'attuale difficile congiuntura economica internazionale, la capacità di acquisire nuove attività e di integrarle efficacemente, la capacità di prevedere le future condizioni economiche e cambi nelle preferenze dei consumatori, la capacità di introdurre e commercializzare con successo nuovi prodotti, la capacità di mantenere un sistema distributivo efficiente, la capacità di raggiungere e gestire la crescita, la capacità di negoziare e mantenere accordi di licenza favorevoli, la disponibilità di strumenti correttivi alternativi agli occhiali da vista, fluttuazioni valutarie, così come altri fattori politici, economici e tecnologici e altri rischi e incertezze già evidenziati nei nostri filing presso la Securities and Exchange Commission. Tali previsioni ("forward looking statements") sono state rilasciate alla data di oggi e non ci assumiamo alcun obbligo di aggiornamento.

# LUXOTTICA GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE THREE-MONTHS PERIOD ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

### KEY FIGURES IN THOUSANDS OF EURO <sup>(3)</sup>

	2009	2008	% Change
NET SALES	1,157,085	1,236,476	-6.4%
NET INCOME	35,581	38,826	-8.4%
BASIC EARNINGS PER SHARE (ADS) <sup>(2)</sup> :	0.08	0.08	-8.5%

### KEY FIGURES IN THOUSANDS OF U.S. DOLLARS <sup>(1)(3)</sup>

	2009	2008	% Change
NET SALES	1,710,056	1,629,675	4.9%
NET INCOME	52,585	51,173	2.8%
BASIC EARNINGS PER SHARE (ADS) <sup>(2)</sup> :	0.11	0.11	2.6%

#### Notes :

(1) Average exchange rate (in U.S. Dollars per Euro)	2009 1.4779	2008 1.3180
(2) Weighted average number of outstanding shares	457,752,091	456,816,446
(3) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively		

# LUXOTTICA GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

### KEY FIGURES IN THOUSANDS OF EURO <sup>(3)</sup>

	2009	2008	% Change
NET SALES	5,094,318	5,201,611	-2.1%
NET INCOME	314,762	379,722	-17.1%
BASIC EARNINGS PER SHARE (ADS) <sup>(2)</sup> :	0.69	0.83	-17.2%

### KEY FIGURES IN THOUSANDS OF U.S. DOLLARS <sup>(1) (3)</sup>

	2009	2008	% Change
NET SALES	7,105,045	7,650,009	-7.1%
NET INCOME	438,999	558,457	-21.4%
BASIC EARNINGS PER SHARE (ADS) <sup>(2)</sup> :	0.96	1.22	-21.5%

#### Notes :

	2009	2008
(1) Average exchange rate (in U.S. Dollars per Euro)	1.3947	1.4707
(2) Weighted average number of outstanding shares	457,270,491	456,563,502
(3) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively		

# LUXOTTICA GROUP

## CONSOLIDATED INCOME STATEMENT FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

In thousands of Euro <sup>(1)</sup>	4Q 09	% of sales	4Q 08 <sup>(2)</sup>	% of sales	% Change
<b>NET SALES</b>	<b>1,157,085</b>	<b>100.0%</b>	<b>1,236,476</b>	<b>100.0%</b>	<b>-6.4%</b>
COST OF SALES	(412,885)		(437,924)		
<b>GROSS PROFIT</b>	<b>744,201</b>	<b>64.3%</b>	<b>798,552</b>	<b>64.6%</b>	<b>-6.8%</b>
<i>OPERATING EXPENSES:</i>					
SELLING EXPENSES	(412,938)		(439,900)		
ROYALTIES	(26,114)		(24,346)		
ADVERTISING EXPENSES	(66,342)		(69,220)		
GENERAL AND ADMINISTRATIVE EXPENSES	(142,531)		(128,604)		
TRADEMARK AMORTIZATION	(19,391)		(19,034)		
<b>TOTAL</b>	<b>(667,316)</b>		<b>(681,104)</b>		
<b>OPERATING INCOME</b>	<b>76,885</b>	<b>6.6%</b>	<b>117,448</b>	<b>9.5%</b>	<b>-34.5%</b>
<i>OTHER INCOME (EXPENSE):</i>					
INTEREST EXPENSES	(22,305)		(35,252)		
INTEREST INCOME	2,565		3,384		
OTHER - NET	(2,345)		(33,780)		
<b>OTHER INCOME (EXPENSES)-NET</b>	<b>(22,085)</b>		<b>(65,648)</b>		
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>54,800</b>	<b>4.7%</b>	<b>51,800</b>	<b>4.2%</b>	<b>5.8%</b>
PROVISION FOR INCOME TAXES	(18,091)		(10,368)		
<b>NET INCOME</b>	<b>36,709</b>		<b>41,432</b>		
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(1,128)		(2,607)		
<b>NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP SHAREHOLDERS</b>	<b>35,581</b>	<b>3.1%</b>	<b>38,825</b>	<b>3.1%</b>	<b>-8.4%</b>
<b>BASIC EARNINGS PER SHARE (ADS):</b>	<b>0.08</b>		<b>0.08</b>		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS):</b>	<b>0.08</b>		<b>0.08</b>		
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>457,752,091</b>		<b>456,816,446</b>		
<b>FULLY DILUTED AVERAGE NUMBER OF SHARES</b>	<b>458,810,708</b>		<b>458,224,364</b>		

### Notes :

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

(2) Certain figures from 2008 have been reclassified to conform to the 2009 presentation



# LUXOTTICA GROUP

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

In thousands of Euro <sup>(1)</sup>	2009	% of sales	2008 <sup>(2)</sup>	% of sales	% Change
<b>NET SALES</b>	<b>5,094,318</b>	<b>100.0%</b>	<b>5,201,611</b>	<b>100.0%</b>	<b>-2.1%</b>
COST OF SALES	(1,768,436)		(1,751,251)		
<b>GROSS PROFIT</b>	<b>3,325,882</b>	<b>65.3%</b>	<b>3,450,360</b>	<b>66.3%</b>	<b>-3.6%</b>
<i>OPERATING EXPENSES:</i>					
SELLING EXPENSES	(1,693,593)		(1,669,533)		
ROYALTIES	(100,623)		(115,639)		
ADVERTISING EXPENSES	(312,144)		(339,258)		
GENERAL AND ADMINISTRATIVE EXPENSES	(555,664)		(504,426)		
TRADEMARK AMORTIZATION	(80,657)		(71,742)		
<b>TOTAL</b>	<b>(2,742,680)</b>		<b>(2,700,597)</b>		
<b>OPERATING INCOME</b>	<b>583,202</b>	<b>11.4%</b>	<b>749,763</b>	<b>14.4%</b>	<b>-22.2%</b>
<i>OTHER INCOME (EXPENSE):</i>					
INTEREST EXPENSES	(91,571)		(135,267)		
INTEREST INCOME	6,887		13,265		
OTHER - NET	(4,235)		(37,890)		
<b>OTHER INCOME (EXPENSES)-NET</b>	<b>(88,919)</b>		<b>(159,892)</b>		
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>494,283</b>	<b>9.7%</b>	<b>589,870</b>	<b>11.3%</b>	<b>-16.2%</b>
PROVISION FOR INCOME TAXES	(167,417)		(194,657)		
<b>NET INCOME</b>	<b>326,866</b>		<b>395,213</b>		
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(12,105)		(15,492)		
<b>NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP SHAREHOLDERS</b>	<b>314,762</b>	<b>6.2%</b>	<b>379,722</b>	<b>7.3%</b>	<b>-17.1%</b>
<b>BASIC EARNINGS PER SHARE (ADS):</b>	<b>0.69</b>		<b>0.83</b>		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS):</b>	<b>0.69</b>		<b>0.83</b>		
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>457,270,491</b>		<b>456,563,502</b>		
<b>FULLY DILUTED AVERAGE NUMBER OF SHARES</b>	<b>457,942,618</b>		<b>457,717,044</b>		

### Notes :

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

(2) Certain figures from 2008 have been reclassified to conform to the 2009 presentation

**LUXOTTICA GROUP**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2009 AND DECEMBER 31, 2008**

In thousands of Euro	December 31, 2009	December 31, 2008 <sup>(1)</sup>
<i>CURRENT ASSETS:</i>		
CASH AND CASH EQUIVALENT	380,081	288,450
MARKETABLE SECURITIES		23,550
ACCOUNTS RECEIVABLE - NET	618,884	630,018
SALES AND INCOME TAXES RECEIVABLE	59,516	151,609
INVENTORIES - NET	526,548	570,987
PREPAID EXPENSES AND OTHER	137,603	144,054
DEFERRED TAX ASSETS - CURRENT	101,859	131,907
<b>TOTAL CURRENT ASSETS</b>	<b>1,824,493</b>	<b>1,940,575</b>
<b>PROPERTY, PLANT AND EQUIPMENT - NET</b>	<b>1,148,916</b>	<b>1,159,231</b>
<i>OTHER ASSETS</i>		
INTANGIBLE ASSETS - NET	3,856,977	3,928,804
INVESTMENTS	45,677	5,503
OTHER ASSETS	152,540	175,234
SALES AND INCOME TAXES RECEIVABLE	965	965
DEFERRED TAX ASSETS - NON-CURRENT	107,051	83,447
<b>TOTAL OTHER ASSETS</b>	<b>4,163,210</b>	<b>4,193,952</b>
<b>TOTAL</b>	<b>7,136,619</b>	<b>7,293,758</b>
<i>CURRENT LIABILITIES:</i>		
BANK OVERDRAFTS	148,951	432,465
CURRENT PORTION OF LONG-TERM DEBT	166,279	286,213
ACCOUNTS PAYABLE	434,604	398,080
ACCRUED EXPENSES AND OTHER	483,794	396,182
ACCRUAL FOR CUSTOMERS' RIGHT OF RETURN	27,334	31,363
INCOME TAXES PAYABLE	11,204	18,353
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,272,167</b>	<b>1,562,655</b>
<i>LONG-TERM LIABILITIES:</i>		
LONG-TERM DEBT	2,404,189	2,519,289
LIABILITY FOR TERMINATION INDEMNITIES	54,608	55,522
DEFERRED TAX LIABILITIES - NON-CURRENT	235,523	233,551
OTHER LONG-TERM LIABILITIES	309,898	368,821
<b>TOTAL LIABILITIES</b>	<b>4,276,386</b>	<b>4,739,838</b>
<i>COMMITMENTS AND CONTINGENCIES:</i>		
<i>EQUITY:</i>		
464,386,383 ORDINARY SHARES AUTHORIZED AND ISSUED - 458,038,451 SHARES		
OUTSTANDING	27,863	27,802
NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP SHAREHOLDERS	314,762	379,722
RETAINED EARNINGS	2,460,718	2,099,068
<b>TOTAL LUXOTTICA GROUP SHAREHOLDERS' EQUITY</b>	<b>2,803,343</b>	<b>2,506,593</b>
<b>NONCONTROLLING INTEREST</b>	<b>56,890</b>	<b>47,328</b>
<b>TOTAL EQUITY</b>	<b>2,860,233</b>	<b>2,553,921</b>
<b>TOTAL</b>	<b>7,136,619</b>	<b>7,293,758</b>

**Notes:**

(1) Certain figures from 2008 have been reclassified to conform to the 2009 presentation

# LUXOTTICA GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008 - SEGMENTAL INFORMATION -

In thousands of Euro	Manufacturing and Wholesale	Retail	Inter-Segment Transactions and Corporate Adj.	Consolidated
<b>2009</b>				
Net Sales	1,955,340	3,138,978		5,094,318
Operating Income	355,507	367,457	(139,763)	583,202
<i>% of sales</i>	18.2%	11.7%		11.4%
Capital Expenditures	81,175	119,234		200,409
Depreciation & Amortization	76,005	129,261	80,657	285,923
Assets	1,849,677	1,169,840	4,117,101	7,136,619
<b>2008 Adjusted <sup>(1)</sup></b>				
Net Sales	2,092,465	3,109,146		5,201,611
Operating Income	439,957	430,565	(120,759)	749,763
<i>% of sales</i>	21.0%	13.8%		14.4%
Capital Expenditures	125,489	170,947		296,436
Depreciation & Amortization	85,987	123,129	55,822	264,938
Assets <sup>(2)</sup>	1,959,812	1,156,820	4,177,126	7,293,758
<b>2008 Reported</b>				
Net Sales	2,472,330	3,109,146	(379,865)	5,201,611
Operating income	545,507	291,469	(87,213)	749,763
<i>% of sales</i>	22.1%	9.4%		14.4%
Capital Expenditure	125,489	170,947		296,436
Depreciation & Amortization	85,987	123,129	55,822	264,938
Assets <sup>(2)</sup>	2,750,630	1,498,192	3,044,937	7,293,758

### Notes :

(1) In 2009 the Company adopted a new method to report Segmental information. This method is in compliance with ASC no 280 requirements. For the purpose of providing comparability with financial information from previous periods, the Company has presented 2008 segment data in accordance with the revised methodology.

(2) Certain figures from 2008 have been reclassified to conform to the 2009 presentation

# LUXOTTICA GROUP

## RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT PREPARED IN ACCORDANCE WITH US GAAP AND IAS / IFRS FOR THE YEAR ENDED DECEMBER 31, 2009

### CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009

In thousands of Euro	US GAAP	IFRS 2	IAS 2	IFRS 3	IAS 19	IAS 39	Other	Total	IAS / IFRS
	2009	Stock option	Inventories	Business combination	Employee benefit	Derivatives / Amortized cost			2009
<b>NET SALES</b>	<b>5,094,318</b>								<b>5,094,318</b>
COST OF SALES	(1,768,436)		5,846					5,846	(1,762,590)
<b>GROSS PROFIT</b>	<b>3,325,882</b>		<b>5,846</b>					<b>5,846</b>	<b>3,331,728</b>
<i>OPERATING EXPENSES:</i>									
SELLING EXPENSES	(1,693,593)		(4,019)				(2,793)	(6,812)	(1,700,405)
ROYALTIES	(100,623)								(100,623)
ADVERTISING EXPENSES	(312,144)						206	206	(311,938)
GENERAL AND ADMINISTRATIVE EXPENSES	(555,664)	(8,645)		(77)	(2,633)			(11,355)	(567,019)
TRADEMARK AMORTIZATION	(80,657)								(80,657)
<b>TOTAL</b>	<b>(2,742,680)</b>	<b>(8,645)</b>	<b>(4,019)</b>	<b>(77)</b>	<b>(2,633)</b>		<b>(2,587)</b>	<b>(17,961)</b>	<b>(2,760,641)</b>
<b>OPERATING INCOME</b>	<b>583,202</b>	<b>(8,645)</b>	<b>1,827</b>	<b>(77)</b>	<b>(2,633)</b>		<b>(2,587)</b>	<b>(12,115)</b>	<b>571,087</b>
<i>OTHER INCOME (EXPENSE):</i>									
INTEREST EXPENSES	(91,571)			(2,673)		(13,120)	(1,768)	(17,561)	(109,132)
INTEREST INCOME	6,887								6,887
OTHER - NET	(4,235)					180		180	(4,056)
<b>OTHER INCOME (EXPENSES)-NET</b>	<b>(88,919)</b>			<b>(2,673)</b>		<b>(12,940)</b>	<b>(1,768)</b>	<b>(17,382)</b>	<b>(106,301)</b>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>494,283</b>	<b>(8,645)</b>	<b>1,827</b>	<b>(2,751)</b>	<b>(2,633)</b>	<b>(12,940)</b>	<b>(4,355)</b>	<b>(29,497)</b>	<b>464,786</b>
PROVISION FOR INCOME TAXES	(167,417)	1,713	(696)	244	932	4,672	664	7,528	(159,888)
<b>NET INCOME</b>	<b>326,866</b>	<b>(6,933)</b>	<b>1,131</b>	<b>(2,507)</b>	<b>(1,701)</b>	<b>(8,268)</b>	<b>(3,691)</b>	<b>(21,969)</b>	<b>304,897</b>
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(12,105)			6,330				6,330	(5,774)
<b>NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP SHAREHOLDERS</b>	<b>314,762</b>	<b>(6,933)</b>	<b>1,131</b>	<b>3,824</b>	<b>(1,701)</b>	<b>(8,268)</b>	<b>(3,691)</b>	<b>(15,638)</b>	<b>299,123</b>
<b>BASIC EARNINGS PER SHARE (ADS) <sup>(1)</sup></b>	<b>0.69</b>								<b>0.65</b>
<b>FULLY DILUTED EARNINGS PER SHARE (ADS) <sup>(1)</sup></b>	<b>0.69</b>								<b>0.65</b>
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>457,270,491</b>								<b>457,270,491</b>
FULLY DILUTED AVERAGE NUMBER OF SHARES	457,942,618								457,937,802

#### Notes :

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

## Non-U.S. GAAP Measures: Adjusted measures

In order to provide a supplemental comparison of current period results of operations to prior periods, we have adjusted for certain non-recurring transactions or events.

We have made such adjustments to the following measures: EBITDA, EBITDA margin, operating income, operating margin and net income.

For comparative purposes, management has adjusted each of the foregoing measures by excluding, as applicable, the following:

- (a) the impact of the 53rd week of operations in the Retail Division in North America in fiscal year 2008 and in the Retail Division in Asia Pacific, Greater China and South Africa in fiscal year 2009;
- (b) non-recurring charges of €7 million incurred by the Retail Division in North America in the fourth quarter of 2009;
- (c) a non-recurring loss of €22.8 million (€15.3 million, net of tax) related to the sale in 2008 of a note we received as part of the sale of the Things Remembered retail chain in September 2006; and
- (d) a non-recurring gain of €29.0 million incurred in the third quarter of 2008 related to income from insurance proceeds, reduction of non-cash stock compensation expenses and trademark amortization reversal.

The Company believes that these adjusted measures are useful to both management and investors in evaluating the Company's operating performance compared with that of other companies in its industry because they exclude the impact of non-recurring items that are not relevant to the Company's operating performance.

The adjusted measures referenced above are not measures of performance in accordance with accounting principles generally accepted in the United States (U.S. GAAP). We include these adjusted comparisons in this presentation in order to provide a supplemental view of operations that excludes items that are unusual, infrequent or unrelated to our ongoing core operations.

These adjusted 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. 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 adjusted 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 these adjusted measures may differ from methods used by other companies.

The Company recognizes that there are limitations in the usefulness of adjusted comparisons due to the subjective nature of items excluded by management in calculating adjusted comparisons. We compensate for the foregoing limitation by using these adjusted measures as a comparative tool, together with U.S. GAAP measurements, to assist in the evaluation of our operating performance.

See the tables on the following pages for a reconciliation of the adjusted measures discussed above to their most directly comparable U.S. GAAP financial measures or, in the case of adjusted EBITDA and adjusted EBITDA margin, to EBITDA and EBITDA margin, respectively, which are also non-U.S. GAAP measures. For a discussion of EBITDA and EBITDA margin and a reconciliation of EBITDA and EBITDA margin to their most directly comparable U.S. GAAP financial measures, see the tables on the pages immediately following the reconciliation of the adjusted measures.

**Non-U.S. GAAP Measure: Reconciliation between reported and adjusted P&L items**

Millions of Euro

	FY09				FY08			
	Net sales	EBITDA	Operating Income	Net Income	Net sales	EBITDA	Operating Income	Net Income
<b>Reported</b>	<b>5,094.3</b>	<b>869.1</b>	<b>583.2</b>	<b>314.8</b>	<b>5,201.6</b>	<b>1,014.7</b>	<b>749.8</b>	<b>379.7</b>
> Adjustment for the 53 <sup>rd</sup> week	(7.6)	(2.6)	(2.6)	(1.7)	(46.0)	(10.1)	(10.1)	(6.2)
> Non-recurring costs		7.4	7.4	4.9				
> Non-recurring gains						(21.8)	(29.0)	(19.1)
> One - time capital loss in 2008								15.3
<b>Adjusted</b>	<b>5,086.7</b>	<b>873.9</b>	<b>588.0</b>	<b>317.9</b>	<b>5,155.6</b>	<b>982.8</b>	<b>710.6</b>	<b>369.7</b>
Adjusted net sales (/)			5,086.7				5,155.6	
Adjusted operating margin (=)			11.6%				13.8%	

**Non-U.S. GAAP Measure: Reconciliation between reported and adjusted P&L items**

Millions of Euro

	4Q09				4Q08			
	Net sales	EBITDA	Operating Income	Net Income	Net sales	EBITDA	Operating Income	Net Income
<b>Reported</b>	1,157.1	148.2	76.9	35.6	1,236.5	186.1	117.4	38.8
> Adjustment for the 53 <sup>rd</sup> week	(7.6)	(2.6)	(2.6)	(1.7)	(46.0)	(10.1)	(10.1)	(6.2)
> Non-recurring costs		7.4	7.4	4.9				
> One - time capital loss in 2008								15.3
<b>Adjusted</b>	<b>1,149.4</b>	<b>153.0</b>	<b>81.7</b>	<b>38.7</b>	<b>1,190.5</b>	<b>175.9</b>	<b>107.3</b>	<b>47.9</b>
Adjusted net sales (/)			1,149.4				1,190.5	
Adjusted operating margin (=)			7.1%				9.0%	

## Non-U.S. GAAP Measure: EBITDA and EBITDA margin

**EBITDA** represents net income before non-controlling interests, taxes, other income/expense, interest expense, depreciation and amortization. **EBITDA margin** means EBITDA divided by net sales.

The Company believes that EBITDA is useful to both management and investors in evaluating the Company's operating performance compared with 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.

EBITDA and EBITDA margin 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 EBITDA margin 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 may differ from methods used by other companies. The Company recognizes that the usefulness of EBITDA has 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; and
- ▶ EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss.

We compensate for the foregoing limitations by using EBITDA as a comparative tool, together with U.S. GAAP measurements, to assist in the evaluation of our operating performance and leverage.

See the tables on the following pages for a reconciliation of EBITDA to net income, which is the most directly comparable U.S. GAAP financial measure, as well as the calculation of EBITDA margin on net sales.



## Non-U.S. GAAP Measure: EBITDA

Millions of Euro

	4Q09	4Q08	FY09	FY08
Net income/(loss) (+)	35.6	38.8	314.8	379.7
Net income attributable to non-controlling interests (+)	1.1	2.6	12.1	15.5
Provision for income taxes (+)	18.1	10.4	167.4	194.7
Other (income)/expense (+)	2.3	33.8	4.2	37.9
Interest expense (+)	19.7	31.9	84.7	122.0
Depreciation & amortization (+)	71.3	68.6	285.9	264.9
EBITDA (=)	148.2	186.1	869.1	1,014.7

## Non-U.S. GAAP Measure: Adjusted EBITDA

Millions of Euro

	4Q09	4Q08	FY09	FY08
Adjusted net income/(loss) (+)	38.7	47.9	317.9	369.7
Net income attributable to non-controlling interests (+)	1.1	2.6	12.1	15.5
Adjusted provision for income taxes (+)	19.7	13.9	169.1	188.4
Adjusted other (income)/expense (+)	2.3	11.0	4.2	15.1
Interest expense (+)	19.7	31.9	84.7	122.0
Adjusted depreciation & amortization (+)	71.3	68.6	285.9	272.1
Adjusted EBITDA (=)	153.0	175.9	873.9	982.8

## Non-U.S. GAAP Measure: EBITDA and EBITDA margin

Millions of Euro

	4Q09	4Q08	FY09	FY08
Net income/(loss) (+)	35.6	38.8	314.8	379.7
Net income attributable to non-controlling interests (+)	1.1	2.6	12.1	15.5
Provision for income taxes (+)	18.1	10.4	167.4	194.7
Other (income)/expense (+)	2.3	33.8	4.2	37.9
Interest expense (+)	19.7	31.9	84.7	122.0
Depreciation & amortization (+)	71.3	68.6	285.9	264.9
EBITDA (=)	148.2	186.1	869.1	1,014.7
Net sales (/)	1,157.1	1,236.5	5,094.3	5,201.6
EBITDA margin (=)	12.8%	15.0%	17.1%	19.5%

## Non-U.S. GAAP Measure: Adjusted EBITDA and Adjusted EBITDA margin

Millions of Euro

	4Q09	4Q08	FY09	FY08
Adjusted net income/(loss) (+)	38.7	47.9	317.9	369.7
Net income attributable to non-controlling interests (+)	1.1	2.6	12.1	15.5
Adjusted provision for income taxes (+)	19.7	13.9	169.1	188.4
Adjusted other (income)/expense (+)	2.3	11.0	4.2	15.1
Interest expense (+)	19.7	31.9	84.7	122.0
Adjusted depreciation & amortization (+)	71.3	68.6	285.9	272.1
Adjusted EBITDA (=)	153.0	175.9	873.9	982.8
Adjusted net sales (/)	1,149.4	1,190.5	5,086.7	5,155.6
Adjusted EBITDA margin (=)	13.3%	14.8%	17.2%	19.1%

## Non-U.S. GAAP Measure: Net Debt to EBITDA ratio

**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 net income before non-controlling interests, taxes,

other income/expense, interest expense, depreciation and amortization.

The Company believes that EBITDA is useful to both management and investors in evaluating the Company's operating performance compared with 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 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 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 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, as well as the calculation of the ratio of net debt to EBITDA.

For a reconciliation of EBITDA to net income, which is the most directly comparable U.S. GAAP financial measure, see the tables on the preceding pages.

## Non-U.S. GAAP Measure: Net debt and Net debt / EBITDA

Millions of Euro

	Dec 31, 2009	Dec 31, 2008
Long-term debt (+)	2,404.2	2,519.3
Current portion of long-term debt (+)	166.3	286.2
Bank overdrafts (+)	149.0	432.5
Cash (-)	(380.1)	(288.5)
Net debt (=)	2,339.3	2,949.5
EBITDA	869.1	1,014.7
Net debt/EBITDA	2.7x	2.9x
Net debt @ avg. exchange rates <sup>(1)</sup>	2,383.9	2,821.2
Net debt @ avg. exchange rates <sup>(1)</sup> / EBITDA	2.7x	2.8x

1. Calculated using the respective 12-month average exchange rate as of December 31, 2008 and the 12-month average exchange rate as of December 31, 2009, which were €1 = U.S.\$ 1.3947 and €1 = U.S.\$ 1.4707 respectively

## Non-US GAAP Measures: Free Cash Flow

**Free cash flow** represents net income before non-controlling interests, taxes, other income/expense, interest expense, depreciation and amortization (i.e. EBITDA – see table on the earlier page) plus or minus the decrease/(increase) in working capital over the prior period, less capital expenditures, plus or minus interest income/(expense) and extraordinary items, minus taxes paid. The Company believes that free cash flow is useful to both management and investors in evaluating the Company's operating performance compared with other companies in its industry. In particular, our calculation of free cash flow provides a clearer picture of the Company's ability to generate net cash from operations, which it uses to cover mandatory debt service requirements and to fund discretionary investments, pay dividends or pursue other strategic opportunities.

Free cash flow is not a measure of performance under accounting principles generally accepted in the United States (U.S. GAAP). We include it 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 generate cash from operations in excess of its cash expenses;
- Ensure that this measure is fully understood in light of how the Company evaluates its operating results;
- Properly define the metrics used and confirm their calculation; and
- Share this measure with all investors at the same time.

Free cash flow 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. Rather, this non-GAAP measure 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 this measure is not a defined term under U.S. GAAP and its definition should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group's method of calculation of free cash flow may differ from methods used by other companies. The Company recognizes that the usefulness of free cash flow as an evaluative tool may have certain limitations, including:

- The manner in which the Company calculates free cash flow may differ from that of other companies, which limits its usefulness as a comparative measure;
- Free cash flow does not represent the total increase or decrease in the net debt balance for the period since it excludes, among other things, cash used for funding discretionary investments and to pursue strategic opportunities during the period and any impact of the exchange rate changes;
- Free cash flow can be subject to adjustment at the Company's discretion if the Company takes steps or adopts policies that increase or diminish its current liabilities and/or changes to working capital; and
- Free cash flow includes amounts that are used to cover mandatory debt service and other non-discretionary requirements and therefore does not represent the residual cash flow available solely for discretionary expenditures.

We compensate for the foregoing limitations by using free cash flow as one of several comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of our operating performance.

See the table on the following page for a reconciliation of free cash flow to EBITDA and the table on the earlier page for a reconciliation of EBITDA to net income, which is the most directly comparable U.S. GAAP financial measure.

## Non-U.S. GAAP Measure: Free cash flow

Millions of Euro

	FY09
<b>EBITDA</b> <sup>(1)</sup>	<b>869.1</b>
Δ working capital	181.5
Capex	(200.4)
<hr/>	
<b>Operating cash flow</b>	<b>850.2</b>
Financial charges <sup>(2)</sup>	(84.7)
Taxes	(70.8)
Extraordinary charges <sup>(3)</sup>	(3.3)
<hr/>	
<b>Free cash flow</b>	<b>691.4</b>

1. EBITDA is not a U.S. GAAP measure; please see table on the earlier page for a reconciliation of EBITDA to net income

2. Equals interest income minus interest expense

3. Equals extraordinary income minus extraordinary expense