Comunicato stampa

Luxottica: il fatturato 2008 supera per la prima volta i 5 miliardi di euro

Il Gruppo rafforza ulteriormente la struttura patrimoniale e ottimizza i costi per cogliere nuove opportunità

Milano, 12 marzo 2009 – Il Consiglio di Amministrazione di Luxottica Group S.p.A. (MTA: LUX; NYSE: LUX), leader mondiale nel design, produzione, distribuzione e vendita di occhiali di fascia alta, di lusso e sportivi, riunitosi oggi, ha approvato il bilancio consolidato redatto secondo i principi contabili statunitensi (U.S. GAAP) e secondo i principi IFRS, i cui principali indicatori sono già stati comunicati al mercato lo scorso 5 febbraio.

Esercizio 2008[1] – U.S. GAAP

(milioni di euro)	FY08	FY07	Variazione
Fatturato	**5.201,6**	4.966,1	+4,7% (+10,7% a cambi costanti)
EBITDA[2]	**1.014,7**	1,046,1[3]	-3,0%[3]
Utile operativo	**749,8**	813,3[3]	-7,8%[3]
Utile Netto	**395,0**[4]	479,2[3]	-17,6%[3,4]
Utile per azione (Euro)	**0,87**[4]	1,05[3]	-17,8%[3,4]
- Prima dell'ammortamento dei marchi[2]	0,96[4]	1,14[3]	-15,4%[3,4]
Utile per azione (Dollari)	**1,27**[4]	1,44[3]	-11,8%[3,4]
- Prima dell'ammortamento dei marchi[2]	1,42[4]	1,56[3]	-9,2%[3,4]

Quarto trimestre 2008[1] – U.S. GAAP

(milioni di euro)	Q408	Q407	Variazione
Fatturato	**1.236,5**	1.188,5	+4,0% (invariato a cambi costanti)
EBITDA[2]	**186,1**	215,7	-13,7%
Utile operativo	**117,4**	151,7	-22,6%
Utile netto	**54,1**[4]	96,9	-44,2%[4]
Utile per azione (Euro)	**0,12**[4]	0,21	-44,3%[4]
- Prima dell'ammortamento dei marchi[2]	0,14[4]	0,24	-39,7%[4]
Utile per azione (Dollari)	**0,16**[4]	0,31	-49,3%[4]
- Prima dell'ammortamento dei marchi[2]	0,19[4]	0,35	-45,1%[4]

"Abbiamo chiuso un anno sfidante come il 2008 con un fatturato record di oltre 5 miliardi, circa 400 milioni di euro di utile netto e un free cash flow di 300 milioni. Abbiamo concluso con successo il primo anno di lavoro in comune con Oakley e gettato le basi per l'ulteriore, duratura crescita di Luxottica anche in un periodo impegnativo come quello che si prospetta", ha commentato Andrea Guerra, Amministratore Delegato di Luxottica Group.

Il 2008 è stato per Luxottica un anno caratterizzato da tre fattori: il primo anno di integrazione con Oakley; la svalutazione del dollaro e di altre divise di riferimento per il Gruppo nei confronti dell'euro; il forte rallentamento del mercato americano, prima, e di quello europeo, successivamente.

A fronte di questa situazione, Luxottica ha reagito con la flessibilità e l'efficacia del proprio modello di business integrato, che le hanno consentito di mantenere un elevato free cash flow[2], pari a 302 milioni di euro nel 2008. In particolare, Luxottica ha beneficiato degli effetti della fusione con Oakley, dei continui investimenti (pari a circa 300 milioni di euro) e di azioni, volte sia a incrementare il fatturato sia a generare efficienze, da cui il Gruppo prevede di cogliere significativi frutti nei prossimi trimestri e grazie alle quali Luxottica vedrà ulteriormente rafforzata la struttura patrimoniale e ottimizzati i costi per cogliere nuove opportunità.

"*Abbiamo infatti già intrapreso una serie di azioni che ci consentiranno di adattarci in maniera veloce e flessibile al nuovo scenario e che mirano da un lato a stimolare la crescita del fatturato, dall'altro a rendere più snella la struttura dei costi in tutte le divisioni e aree geografiche. Stiamo lavorando all'ottimizzazione del capitale circolante e dello stato patrimoniale, con l'obiettivo di mantenere una ottima generazione di cassa anche in questo contesto per poter cogliere opportunità si dovessero presentare. Stiamo* *inoltre adattando rapidamente la nostra capacità produttiva, distributiva e commerciale alle nuove esigenze del mercato*", ha aggiunto Guerra.

Le azioni per il 2009

Il 2009 si preannuncia come un anno impegnativo, in particolare nel primo e nel secondo trimestre, il cui confronto con il 2008 sarà difficile a causa del riadattamento strutturale che il mercato sta vivendo. In questi due trimestri sarà conclusa la maggior parte delle azioni che consentiranno al Gruppo di affrontare al meglio i cambiamenti del mercato e di essere ancora più forte e meglio posizionato per il futuro.

AZIONI SUL FATTURATO

- Dopo aver concluso il sesto anno consecutivo di crescita a doppia cifra, anche nel 2009 Ray-Ban si confermerà il principale marchio mondiale dell'eyewear, grazie, fra l'altro, al successo dei modelli iconici, a un miglioramento del mix, all'accelerazione sul segmento vista e al lancio di collezioni particolarmente innovative sia del punto di vista del design che dei materiali come Ray-Ban Tech.
- Nel 2009 Luxottica beneficia del **secondo anno di integrazione con Oakley**, delle ulteriori sinergie fra le due strutture e delle ancora inespresse potenzialità di Oakley in Europa e nei mercati emergenti. E' previsto che il marchio possa crescere significativamente nel 2009, grazie anche al lancio di nuovi modelli nei segmenti sport e performance, all'ulteriore sviluppo delle collezioni vista e donna e all'esclusiva tecnologia delle lenti da sole, fra le migliori oggi presenti sul mercato, che potrà determinare importanti sinergie a livello di Gruppo. L'innovativo modello Jawbone, il cui lancio è previsto nelle prossime settimane, dovrebbe contribuire in maniera significativa all'ulteriore successo del marchio.
  Fra gli altri progetti, il 2009 è un anno importante per REVO, la cui realizzazione e distribuzione sul canale sportivo sono state affidate a Oakley.
- Sul fronte dei marchi premium e luxury, sono stati messi in campo numerosi progetti, collezioni ed edizioni speciali con l'obiettivo di attirare quei clienti in questo momento meno propensi al consumo.
- Ulteriore attenzione è dedicata al **segmento vista**, più resiliente, dove Luxottica punta a crescere in termini di penetrazione sul mercato, nonché di servizio al cliente e ampiezza dell'offerta. Particolarmente importante sarà l'introduzione sul mercato della collezione Prada Linea Rossa Vista
- Grande enfasi è posta sulla **segmentazione dell'offerta** per area geografica e per tipologia di cliente, con l'obiettivo di adattare le strategie commerciali ai bisogni locali.
  In particolare, sarà migliorata l'efficacia dell'approccio ai principali clienti, nell'ottica di valorizzare al massimo l'intero portafoglio dei marchi, pianificando le attività in un orizzonte temporale più esteso e investendo sul potenziale del singolo cliente.
- Dopo tre anni di successi, prosegue il **programma STARS**, con l'obiettivo di superare i 1.000 clienti e di stabilire relazioni ancora più solide e fiduciarie con un importante segmento di clientela.
- Per quanto riguarda la divisione retail, dopo l'espansione in Tailandia e India, saranno valutate **nuove opportunità nei Paesi emergenti**, nonché *location premium* che potrebbero rendersi disponibili anche nei mercati più maturi.
  In Nord America proseguirà la strategia di segmentazione e differenziazione nell'approccio al cliente delle catene del Gruppo, con l'obiettivo di ottimizzare il potenziale di ciascun marchio e di attrarre nuovi clienti. In quest'ottica, particolarmente rilevante sarà l'attività di LensCrafters, che punta a rafforzare

ulteriormente il principale marchio dell'ottica americano attraverso i suoi valori di eccellenza nel servizio e ampiezza dell'offerta.

AZIONI DI EFFICIENZA E DI OTTIMIZZAZIONE DELLO STATO PATRIMONIALE

- Dopo aver completato con velocità il faticoso processo di riadattamento della capacità produttiva, nel 2009 prosegue l'attento lavoro di **ottimizzazione del capitale circolante e dello stato patrimoniale**.
  In particolare, è prevista una riduzione degli inventari di circa il 10-15% e un significativo miglioramento di tutta la *supply chain,* nonché la revisione delle condizioni commerciali con circa l'80% dei fornitori.
- I **nuovi investimenti**, che per il 2009 si attesteranno appena al di sotto dei **200 milioni di euro**, saranno attentamente selezionati e focalizzati in progetti ad alto valore aggiunto nel campo dell'Information Technology e della *supply chain*.
- Grande attenzione è posta al **contenimento di tutte le spese**, da quelle operative a quelle commerciali. In particolare, saranno ulteriormente ottimizzati il portafoglio dei marchi e la struttura commerciale internazionale; saranno inoltre ridotte del 10% le spese pubblicitarie a favore di un rafforzamento delle attività di promozione dei prodotti sul campo.
- Sarà quindi **ottimizzata la presenza globale della divisione retail**, con l'obiettivo di rivedere il 2-3% dei negozi in tutto il mondo.

Nel 2009 è peraltro previsto che Luxottica possa cogliere i benefici di un diverso rapporto di cambio fra euro e dollaro, con l'attenzione rivolta oggi però anche all'andamento dell'euro nei confronti delle altre divise, con dinamiche differenti sul fatturato e sulla redditività.

Andamento del Gruppo nel 2008

Nel 2008, il fatturato è cresciuto a ritmi sostenuti, +10,7% a cambi costanti (+4,7% a cambi correnti), superando per la prima volta nella storia del Gruppo i 5 miliardi di euro (5.201,6 milioni di euro rispetto ai 4.966,1 milioni del 2007), grazie soprattutto all'apporto del fatturato di Oakley. Il fatturato netto pro forma[5] a cambi costanti è invece rimasto sostanzialmente invariato (-0,8%).

Nel quarto trimestre si è assistito tuttavia a un significativo rallentamento della domanda, cui si è accompagnata una contrazione dei margini di entrambe le divisioni: forti e rapidi cali del fatturato hanno infatti un effetto immediato sui margini, soprattutto nella divisione *retail.* Nel quarto trimestre è stata peraltro avviata una serie di significativi interventi sull'infrastruttura operativa industriale e logistica, con l'obiettivo di riportare il più velocemente possibile il Gruppo in linea con le aspettative patrimoniali. Il fatturato netto del Gruppo nel quarto trimestre è passato da 1.188,5 milioni nel quarto trimestre del 2007 a 1.236,5 milioni di euro (invariato a cambi costanti, +4% a cambi correnti), mentre il fatturato netto pro forma[5] è calato del 5,5% a cambi costanti.

Considerando le performance operative, l'**EBITDA**[2] è risultato in leggero calo rispetto all'anno precedente (da 1.046,1[3] milioni di euro nel 2007 a **1.014,7 milioni** nel 2008, -3,0%[3]). Su base pro forma[5], il margine EBITDA[2] è passato al 19,5% dal 20,7%[3] del 2007 (-120bps[3]). Nel quarto trimestre, l'**EBITDA**[2] è invece calato del 13,7% a 186,1 milioni di euro (215,7 milioni nello stesso periodo dell'anno precedente).

Il **risultato operativo** si è attestato a **749,8 milioni** di euro rispetto agli 813,3[3] milioni dell'anno precedente (-7,8%[3]). Su base pro forma[5], il margine operativo del Gruppo è passato al 14,4% rispetto al 15,5%[3] del 2007 (-110bps[3]). Nel quarto trimestre, il risultato operativo si è invece attestato a 117,4 milioni di euro (151,7 milioni nello stesso periodo dell'anno precedente, -22,6%)

L'**utile netto** del 2008 si è attestato a **395,0[4] milioni** di euro (479,2[3] milioni nel 2007, -17,6%[3,4]), corrispondente a un **EPS** (utile per azione) di 0,87[4] euro (con un cambio medio euro/dollaro pari a 1,47). Su base omogenea, ovvero considerando l'EPS in dollari prima dell'ammortamento marchi[2], il calo è invece contenuto al 9,2%[3,4]. La variazione è pressoché interamente dovuta ai maggiori oneri finanziari del periodo rispetto allo scorso anno a seguito dell'operazione Oakley, nonché all'effetto cambio.
Il dato non include una minusvalenza straordinaria di 15 milioni di euro al netto delle imposte (pari a 0,03 euro per azione) dovuta al write-off del credito residuo legato alla cessione della catena retail Things Remembered avvenuta nel settembre 2006.

La **forte generazione di cassa** ha consentito al Gruppo di ridurre l'indebitamento netto: a causa dell'effetto cambio, tuttavia, l'indebitamento netto[2] del Gruppo al 31 dicembre 2008 è risultato pari a **2.949,5 milioni** di euro (2.871,8 milioni a fine 2007). Grazie all'attento controllo del capitale circolante, il rapporto indebitamento netto/EBITDA[2] è risultato pari a 2,9 (2,8 al netto dell'effetto cambio, in linea con l'anno precedente).

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Il Consiglio di Amministrazione 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 2008. Con l'obiettivo di rendere ancora più solida la struttura patrimoniale e di avere risorse adeguate per cogliere tutte le opportunità che questi periodi possono offrire, il Consiglio di Amministrazione non ha ritenuto opportuno proporre, allo stato, la distribuzione di un dividendo, riservandosi peraltro di sottoporre a un'eventuale assemblea da tenersi nel secondo semestre del 2009 la proposta di distribuzione di dividendi.

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I risultati del 2008 saranno illustrati domani 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.

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 mesi e all'esercizio terminati il 31 dicembre 2008 e 2007, secondo i principi contabili US GAAP.
2 EBITDA, pro forma EBITDA, margine EBITDA, *free cash flow,* indebitamento netto, il rapporto tra indebitamento netto e l'EBITDA pro forma e EPS prima dell'ammortamento dei marchi non sono calcolati sulla base dei principi contabili americani (US GAAP). Per ulteriori informazioni relative a tali indicatori si rimanda alle tabelle allegate.
3 Esclude una posta straordinaria derivante dalla cessione di una proprietà immobiliare nel 2Q07, pari a circa €20 milioni ante imposte e €13 milioni dopo le imposte.
4 Non include una minusvalenza straordinaria di 15 milioni di Euro al netto delle imposte (pari a 0,03 euro per azione) dovuta al write-off del credito residuo legato alla cessione della catena retail Things Remembered avvenuta nel settembre 2006
5 I dati pro forma si riferiscono all'inserimento dei dati consolidati di Oakley, Inc., società che è stata acquisita nel novembre 2007, come se fosse stata acquisita il primo gennaio 2007.
6 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 mondiale nel settore degli occhiali di fascia alta, di lusso e sportivi, con oltre 6.250 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 2008, Luxottica Group ha registrato vendite nette pari a €5.2 miliardi. Ulteriori informazioni sul Gruppo sono disponibili su 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 integrare con successo le attività di Oakley, la capacità di concretizzare le attese sinergie derivanti dall'acquisizione di Oakley, la capacità di gestire gli effetti dell'attuale difficile congiuntura economica internazionale, la capacità di introdurre e commercializzare con successo nuovi prodotti, la capacità di mantenere un sistema distributivo efficiente, la capacità di prevedere le future condizioni economiche e cambi nelle preferenze dei consumatori, 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, l'abilità di integrare effettivamente gli altri business recentemente acquisiti, 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.

- SEGUONO LE TABELLE E L'APPENDICE -

LUXOTTICA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2008 AND DECEMBER 31, 2007

KEY FIGURES IN THOUSANDS OF EURO (3)

	2008	2007	% Change
NET SALES	1,236,476	1,188,500	4.0%
NET INCOME	38,825	96,926	-59.9%
NET INCOME w/o extr. Loss	54,106	96,926	-44.2%
BASIC EARNINGS PER SHARE (ADS) w/o extr. loss (2) (4):	0.12	0.21	-44.3%
EPS PRE-TRADEMARK AMORTIZATION w/o extr. Loss (2) (4) (5):	0.14	0.24	-39.7%

KEY FIGURES IN THOUSANDS OF U.S. DOLLARS (1) (3)

	2008	2007	% Change
NET SALES	1,629,675	1,721,662	-5.3%
NET INCOME	51,171	140,407	-63.6%
NET INCOME w/o extr. Loss	71,312	140,407	-49.2%
BASIC EARNINGS PER SHARE (ADS) w/o extr. loss (2) (4):	0.16	0.31	-49.3%
EPS PRE-TRADEMARK AMORTIZATION w/o extr. Loss (2) (4) (5):	0.19	0.35	-45.1%

Notes :	2008	2007
(1) Average exchange rate (in U.S. Dollars per Euro)	1.3180	1.4486
(2) Weighted average number of outstanding shares	456,816,446	456,047,831

(3) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively

(4) Excluding the non-recurring loss on the write-off of credit related to the sale of Things Remembered.
The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share.

(5) EPS before trademark amortization is not a US-GAAP measure. For additional disclosure regarding non-US GAAP measures and a reconciliation to US GAAP measures, see the tables attached.

LUXOTTICA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED
DECEMBER 31, 2008 AND DECEMBER 31, 2007

KEY FIGURES IN THOUSANDS OF EURO [3]

	2008	2007	% Change
NET SALES	5,201,611	4,966,054	4.7%
NET INCOME	379,722	492,204	-22.9%
NET INCOME w/o extr. gain/loss [4] [5]	395,003	479,191	-17.6%
BASIC EARNINGS PER SHARE (ADS) w/o extr. loss [2] [4] [5]:	0.87	1.05	-17.8%
EPS PRE-TRADEMARK AMORTIZATION w/o extr. Loss [2] [4] [5] [6]:	0.96	1.14	-15.4%

KEY FIGURES IN THOUSANDS OF U.S. DOLLARS [1] [3]

	2008	2007	% Change
NET SALES	7,650,009	6,805,977	12.4%
NET INCOME	558,457	674,566	-17.2%
NET INCOME w/o extr. gain/loss [4] [5]	580,931	656,732	-11.5%
BASIC EARNINGS PER SHARE (ADS) w/o extr. loss [2] [4] [5]:	1.27	1.44	-11.8%
EPS PRE-TRADEMARK AMORTIZATION w/o extr. Loss [2] [4] [5] [6]:	1.42	1.56	-9.2%

Notes :	2008	2007
(1) Average exchange rate (in U.S. Dollars per Euro)	1.4707	1.3705
(2) Weighted average number of outstanding shares	456,563,502	455,184,797

(3) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively

(4) Excluding non-recurring gain related to the sale of a real estate property in 2Q 2007. The impact of the sale was a gain of approximately € 20 million before taxes and approximately €13 million after taxes

(5) Excluding the non-recurring loss on the write-off of credit related to the sale of Things Remembered. The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share.

(6) EPS before trademark amortization is not a US-GAAP measure. For additional disclosure regarding non-US GAAP measures and a reconciliation to US GAAP measures, see the tables attached.

LUXOTTICA GROUP

CONSOLIDATED INCOME STATEMENT
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2008 AND DECEMBER 31, 2007

In thousands of Euro [1]	4Q08 [2]	% of sales	4Q07	% of sales	% Change
NET SALES	**1,236,476**	**100.0%**	**1,188,500**	**100.0%**	**4.0%**
COST OF SALES	(436,458)		(423,605)		
GROSS PROFIT	**800,018**	**64.7%**	**764,895**	**64.4%**	**4.6%**
OPERATING EXPENSES:					
SELLING EXPENSES	(448,566)		(391,988)		
ROYALTIES	(24,346)		(33,009)		
ADVERTISING EXPENSES	(69,154)		(81,600)		
GENERAL AND ADMINISTRATIVE EXPENSES	(121,470)		(86,154)		
TRADEMARK AMORTIZATION	(19,034)		(20,463)		
TOTAL	**(682,570)**		**(613,214)**		
OPERATING INCOME	**117,448**	**9.5%**	**151,681**	**12.8%**	**-22.6%**
OTHER INCOME (EXPENSE):					
INTEREST EXPENSES	(35,252)		(30,313)		
INTEREST INCOME	3,384		6,019		
OTHER - NET	(33,780)		16,109		
OTHER INCOME (EXPENSES)-NET	**(65,648)**		**(8,185)**		
INCOME BEFORE PROVISION FOR INCOME TAXES	**51,800**	**4.2%**	**143,496**	**12.1%**	**-63.9%**
PROVISION FOR INCOME TAXES	(10,368)		(44,114)		
INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	**41,432**		**99,382**		
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(2,607)		(2,455)		
NET INCOME	**38,825**	**3.1%**	**96,926**	**8.2%**	**-59.9%**
BASIC EARNINGS PER SHARE (ADS):	**0.08**		**0.21**		
FULLY DILUTED EARNINGS PER SHARE (ADS):	**0.08**		**0.21**		
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES	**456,816,446**		**456,047,831**		
FULLY DILUTED AVERAGE NUMBER OF SHARES	**457,405,862**		**458,478,516**		

Notes :

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

(2) Including the non-recurring loss on the write-off of credit related to the sale of Things Remembered. The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share.

LUXOTTICA GROUP

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2008 AND DECEMBER 31, 2007

In thousands of Euro (1)	2008 (3)	% of sales	2007 (2)	% of sales	% Change
NET SALES	**5,201,611**	**100.0%**	**4,966,054**	**100.0%**	**4.7%**
COST OF SALES	(1,744,907)		(1,575,618)		
GROSS PROFIT	**3,456,705**	**66.5%**	**3,390,436**	**68.3%**	**2.0%**
OPERATING EXPENSES:					
SELLING EXPENSES	(1,706,474)		(1,591,438)		
ROYALTIES	(115,639)		(129,644)		
ADVERTISING EXPENSES	(339,258)		(348,198)		
GENERAL AND ADMINISTRATIVE EXPENSES	(473,829)		(423,878)		
TRADEMARK AMORTIZATION	(71,742)		(63,965)		
TOTAL	**(2,706,942)**		**(2,557,123)**		
OPERATING INCOME	**749,763**	**14.4%**	**833,313**	**16.8%**	**-10.0%**
OTHER INCOME (EXPENSE):					
INTEREST EXPENSES	(135,267)		(89,498)		
INTEREST INCOME	13,265		17,087		
OTHER - NET	(37,890)		19,780		
OTHER INCOME (EXPENSES)-NET	**(159,892)**		**(52,631)**		
INCOME BEFORE PROVISION FOR INCOME TAXES	**589,870**	**11.3%**	**780,681**	**15.7%**	**-24.4%**
PROVISION FOR INCOME TAXES	(194,657)		(273,501)		
INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	**395,213**		**507,180**		
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(15,492)		(14,976)		
NET INCOME	**379,722**	**7.3%**	**492,204**	**9.9%**	**-22.9%**
BASIC EARNINGS PER SHARE (ADS):	**0.83**		**1.08**		
FULLY DILUTED EARNINGS PER SHARE (ADS):	**0.83**		**1.07**		
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES	**456,563,502**		**455,184,797**		
FULLY DILUTED AVERAGE NUMBER OF SHARES	**457,717,044**		**458,530,609**		

Notes :

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

(2) Including non-recurring gain related to the sale of a real estate property in 2Q 2007. The impact of the sale was a gain of approximately € 20 million before taxes and approximately €13 million after taxes

(3) Including the non-recurring loss on the write-off of credit related to the sale of Things Remembered. The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share.

LUXOTTICA GROUP

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007

In thousands of Euro	**December 31, 2008**	**December 31, 2007**
CURRENT ASSETS:		
CASH	288,450	302,894
MARKETABLE SECURITIES	23,550	21,345
ACCOUNTS RECEIVABLE	630,018	665,184
SALES AND INCOME TAXES RECEIVABLE	151,609	89,000
INVENTORIES	570,987	575,016
PREPAID EXPENSES AND OTHER	144,054	139,305
DEFERRED TAX ASSETS - CURRENT	131,907	117,853
TOTAL CURRENT ASSETS	**1,940,575**	**1,910,597**
PROPERTY, PLANT AND EQUIPMENT - NET	**1,170,698**	**1,057,782**
OTHER ASSETS		
INTANGIBLE ASSETS - NET	3,928,804	3,907,957
INVESTMENTS	5,503	17,668
OTHER ASSETS	175,234	194,329
SALES AND INCOME TAXES RECEIVABLE	965	1,042
DEFERRED TAX ASSETS - NON-CURRENT	83,447	67,891
TOTAL OTHER ASSETS	**4,193,952**	**4,188,887**
TOTAL	**7,305,225**	**7,157,266**
CURRENT LIABILITIES:		
BANK OVERDRAFTS	432,465	455,588
CURRENT PORTION OF LONG-TERM DEBT	286,213	792,617
ACCOUNTS PAYABLE	398,080	423,432
ACCRUED EXPENSES AND OTHER	390,783	441,721
ACCRUAL FOR CUSTOMERS' RIGHT OF RETURN	31,363	26,557
INCOME TAXES PAYABLE	18,353	19,314
TOTAL CURRENT LIABILITIES	**1,557,255**	**2,159,229**
LONG-TERM LIABILITIES:		
LONG-TERM DEBT	2,519,289	1,926,523
LIABILITY FOR TERMINATION INDEMNITIES	55,522	56,911
DEFERRED TAX LIABILITIES - NON-CURRENT	233,551	248,377
OTHER	385,687	229,972
TOTAL LONG-TERM LIABILITIES	**3,194,049**	**2,461,782**
COMMITMENTS AND CONTINGENCIES:		
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	**47,328**	**41,097**
SHAREHOLDERS' EQUITY:		
463,368,233 ORDINARY SHARES AUTHORIZED AND ISSUED - 456,933,447 SHARES OUTSTANDING	27,802	27,757
NET INCOME	379,722	492,204
RETAINED EARNINGS	2,099,068	1,975,196
TOTAL SHAREHOLDERS' EQUITY	**2,506,592**	**2,495,158**
TOTAL	**7,305,225**	**7,157,266**

LUXOTTICA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED
DECEMBER 31, 2008 AND DECEMBER 31, 2007
- SEGMENTAL INFORMATION -

In thousands of Euro	Manufacturing and Wholesale	Retail	Oakley	Inter-Segment Transactions and Corporate Adj.	Consolidated
2008					
Net Sales	2,472,330	3,109,146		(379,864)	5,201,611
Operating Income	545,507	291,469		(87,214)	749,763
% of sales	*22.1%*	*9.4%*			*14.4%*
Capital Expenditures	125,489	170,946			296,436
Depreciation & Amortization	85,987	123,129		55,821	264,937
Assets	2,750,630	1,509,658		3,044,937	7,305,225
2007 (2)					
Net Sales	1,992,740	3,233,802	86,964	(347,452)	4,966,054
Operating Income	527,991	361,809	3,717	(80,224)	813,293
% of sales	*26.5%*	*11.2%*	*4.3%*		*16.4%*
Capital Expenditures	112,973	213,293	8,503		334,769
Depreciation & Amortization	68,981	118,100	7,682	38,050	232,813
Assets	2,321,204	1,405,299	1,937,292	1,493,471	7,157,266
2007 Pro-forma (1) (2)					
Net Sales	2,577,786	3,407,907		(446,693)	5,539,000
Operating income	593,898	376,660		(112,453)	858,105
% of sales	*23.0%*	*11.1%*			*15.5%*
Depreciation & Amortization	97,012	126,473		64,681	288,166

Notes :

(1) These consolidated adjusted amounts are a non-GAAP measurement. The company has included this measurement to give comparative information for the two periods discussed, aligning the consolidation periods of Oakley for both years 2007 and 2008. They reflect the consolidation of Oakley results for the twelve months of 2007 (as it is in 2008) and same trademark amortization as in 2008. This information does not purport to be indicative of the actual result that would have been achieved had the Oakley acquisition been completed as of January 1, 2007.

(2) Excluding non-recurring gain related to the sale of a real estate property in 2Q 2007. The impact of the sale was a gain of approximately € 20 million before taxes and approximately €13 million after taxes

LUXOTTICA GROUP

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT
PREPARED IN ACCORDANCE WITH US GAAP AND IAS / IFRS FOR THE YEAR ENDED DECEMBER 31, 2008

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008

In thousands of Euro [2]	US GAAP 2008	IFRS 2 Stock option	IAS 2 Inventories	IFRS 3 Business combination	IAS 12 Income Taxes	IAS 19 Employee benefit	IAS 36 Impairment of Assets	IAS 38 Intangible Depreciation	IAS 39 Derivatives / Amortized cost	Total adj. IAS-IFRS	IAS / IFRS 2008
NET SALES	**5,201,611**										**5,201,611**
COST OF SALES	(1,744,907)		3,490	(868)						2,622	(1,742,284)
GROSS PROFIT	**3,456,705**		**3,490**	**(868)**						**2,622**	**3,459,327**
OPERATING EXPENSES:											
SELLING EXPENSES	(1,706,474)		(5,177)	(16,776)			(354)			(22,307)	(1,728,780)
ROYALTIES	(115,639)										(115,639)
ADVERTISING EXPENSES	(339,258)							1,747		1,747	(337,511)
GENERAL AND ADMINISTRATIVE EXPENSES	(473,829)	31,885		(32,337)		265				(187)	(474,016)
TRADEMARK AMORTIZATION	(71,742)										(71,742)
TOTAL	**(2,706,942)**	**31,885**	**(5,177)**	**(49,113)**		**265**	**(354)**	**1,747**		**(20,746)**	**(2,727,688)**
OPERATING INCOME	**749,763**	**31,885**	**(1,687)**	**(49,981)**		**265**	**(354)**	**1,747**		**(18,124)**	**731,639**
OTHER INCOME (EXPENSE):											
INTEREST EXPENSES	(135,267)			(3,223)	(1,321)				16,808	12,264	(123,002)
INTEREST INCOME	13,265										13,265
OTHER - NET	(37,890)	4,247			90				23	4,360	(33,530)
OTHER INCOME (EXPENSES)-NET	**(159,892)**	**4,247**		**(3,223)**	**(1,231)**				**16,831**	**16,625**	**(143,268)**
INCOME BEFORE PROVISION FOR INCOME TAXES	**589,870**	**36,132**	**(1,687)**	**(53,204)**	**(1,231)**	**265**	**(354)**	**1,747**	**16,831**	**(1,499)**	**588,371**
PROVISION FOR INCOME TAXES	(194,657)	(2,594)	665	18,388	(5,607)	(339)	140	(670)	(5,824)	4,158	(190,499)
INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	**395,213**	**33,538**	**(1,022)**	**(34,815)**	**(6,838)**	**(74)**	**(214)**	**1,077**	**11,007**	**2,659**	**397,872**
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(15,492)			**7,787**						7,787	(7,705)
NET INCOME	**379,722**	**33,538**	**(1,022)**	**(27,029)**	**(6,838)**	**(74)**	**(214)**	**1,077**	**11,007**	**10,446**	**390,167**
BASIC EARNINGS PER SHARE (ADS) [1]	**0.83**										**0.85**
FULLY DILUTED EARNINGS PER SHARE (ADS) [1]	**0.83**										**0.85**
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES	**456,563,502**										**456,563,502**
FULLY DILUTED AVERAGE NUMBER OF SHARES	457,717,044										457,844,280

Notes :

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

(2) Including the non-recurring loss on the write-off of credit related to the sale of Things Remembered. The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share

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

EBITDA represents operating income before 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 t

- 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 opportunitie
- 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 limitation
- 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

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 operating income, which is the most directly comparable U.S. GAAP financial measure, as well as the calculation of EBITDA margin on net sale

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

Millions of Euro

	4Q08	4Q07	4Q07 pro forma(1)
Operating income (+)	117.4	151.7	150.6
Depreciation & amortization (+) (+)	68.6	64.0	73.2
EBITDA (=)	186.1	215.7	223.8
Net sales (/)	1,236.5	1,188.5	1,257.9
EBITDA margin (=)	15.0%	18.1%	17.8%

1. These pro forma figures reflect the inclusion of the consolidated results of Oakley, Inc., a subsidiary that was acquired in November 2007, as if it was acquired on January 1, 2007.

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

Millions of Euro

	FY08	FY07(2)	FY07 pro forma(1)(2)
Operating income (+)	749.8	813.3	858.1
Depreciation & amortization (+) (+)	264.9	232.8	288.2
EBITDA (=)	1,014.7	1,046.1	1,146.3
Net sales (/)	5,201.6	4,966.1	5,539.0
EBITDA margin (=)	19.5%	21.1%	20.7%

1. These pro forma figures reflect the inclusion of the consolidated results of Oakley, Inc., a subsidiary that was acquired in November 2007, as if it was acquired on January 1, 2007.
2. Excluding non-recurring gain related to the sale of a real estate property in 2Q 2007. The impact of the sale was a gain of approximately €20 million before taxes and approximately €13 million after taxes.

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 operating income before 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 operating 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, 2007	Dec 31, 2008
Long-term debt (+)	1,926.5	2,519.3
Current portion of long-term debt (+) (+)	792.6	286.2
Bank overdrafts (+)	455.6	432.5
Cash (-)	-302.9	-288.5
Net debt (=)	2,871.8	2,949.5
EBITDA	1,066.1	1,014.7
Net debt/EBITDA	2.7x	2.9x
Net debt @ avg exchange rate (1) for the period	3,010.3	2,821.2
Net debt / EBITDA @ avg. exchange rates (1)	2.8x	2.8x

1. Calculated using the 12-month average exchange rate as of December 31, 2007 and December 31, 2008, respectively

Non-U.S. GAAP Measures: EPS before Trademark Amortization

Earnings per share before trademark amortization: Earnings per share (EPS) before trademark amortization means earnings per share before trademark and other similar intangible asset amortization expense, net of taxes, per share.
The Company believes that EPS before trademark amortization is useful to both management and investors in evaluating the Company's operating performance and prospects compared with that of other companies in its industry.
Our calculation of EPS before trademark amortization allows us to compare our earnings per share with those of other companies without giving effect to the accounting effects of the amortization of the Company's trademarks and other similar intangible assets, which may vary for different companies for reasons unrelated to the overall operating performance of a company's business.

EPS before trademark amortization 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
- 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.

EPS before trademark amortization 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 calculating EPS before trademark amortization may differ from methods used by other companies.
The Company recognizes that the usefulness of EPS before trademark amortization as an evaluative tool may have certain limitations, including:

- EPS before trademark amortization does not include the effects of amortization of the Company's trademarks and other intangible assets. Because trademarks and other intangible assets are important to our business and to our ability to generate sales, we consider trademark amortization expense as a necessary element of our costs. Therefore, any measure that excludes trademark amortization expense may have material limitations.

We compensate for these limitations by using EPS before trademark amortization as one of several comparative tools, 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 EPS before trademark amortization to EPS, which is the most directly comparable U.S. GAAP financial measure

Non-U.S. GAAP Measure: EPS before Trademark Amortization

Millions of Euro, unless otherwise noted

	FY08 (2)	FY07 (1)	Δ
Trademark amortization and other similar intangible assets (+)	72	64	
Taxes on trademark amortization and other similar intangible assets (-)	(26)	(24)	
Trademark amortization and other similar intangible assets, net of taxes (=)	45	40	
Average number of shares outstanding as of FY December 31 (in thousands) (/)	456,564	455,185	
Trademark amortization and other similar intangible assets, net of taxes, per share (=)	**0.10**	**0.09**	
EPS (+)	**0.87**	**1.05**	**-17.8%**
EPS before trademark amortization and other similar intangible assets, net of taxes (=)	**0.96**	**1.14**	**-15.4%**
US$ / € average exchange rate	1.4707	1.3705	
EPS before trademark amortization and other similar intangible assets, net of taxes in US$	**1.42**	**1.56**	**-9.2%**

1. Excluding non-recurring gain related to the sale of a real estate property in 2Q 2007. The impact of the sale was a gain of approximately €20 million before taxes and approximately €13 million after taxes, equivalent to €0.03 at EPS level.
2. Excluding the write-off of credit related to the sale of the Things Remembered business. The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share.

Non-U.S. GAAP Measure: EPS before Trademark Amortization

Millions of Euro, unless otherwise noted

	4Q08 (1)	4Q07	Δ
Trademark amortization and other similar intangible assets (+)	19	20	
Taxes on trademark amortization and other similar intangible assets (-)	(7)	(8)	
Trademark amortization and other similar intangible assets, net of taxes (=)	12	13	
Average number of shares outstanding as of December 31 (in thousands) (/)	456,816	456,048	
Trademark amortization and other similar intangible assets, net of taxes, per share (=)	**0.03**	**0.03**	
EPS (+)	**0.12**	**0.21**	**-44.3%**
EPS before trademark amortization and other similar intangible assets, net of taxes (=)	**0.14**	**0.24**	**-39.7%**
US$ / € average exchange rate	1.3180	1.4486	
EPS before trademark amortization and other similar intangible assets, net of taxes in US$	**0.19**	**0.35**	**-45.1%**

1. Excluding the write-off of credit related to the sale of the Things Remembered business. The impact of such write-off is a loss of approximately € 15 million after tax or € 0.03 per share.

Non-US GAAP Measures: Free Cash Flow

Free cash flow represents income from operations before depreciation and amortization (i.e. EBITDA – see table on page 17) 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 may be used, among other things, 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; and
- 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.

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 page 17 for a reconciliation of EBITDA to operating income, which is the most directly comparable U.S. GAAP financial measure.

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

Millions of Euro

	Dec 31, 2008
EBITDA [(1)]	**1,014.7**
Δ working capital	(77.0)
Capex	(296.4)
Operating cash flow	**641.3**
Financial charges [(2)]	(122.0)
Taxes	(202.2)
Extraordinary charges [(3)]	(15.1)
Free cash flow	**302.0**

1. EBITDA is not a U.S. GAAP measure; please see table on page 17 for a reconciliation from operating income

2. Equal interest income minus interest expenses

3. Equal extraordinary income minus extraordinary expenses