

LUXOTTICA GROUP SPA  
Form 6-K  
November 08, 2006

## FORM 6-K

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

### REPORT OF FOREIGN PRIVATE ISSUER

### PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

November 8, 2006

COMMISSION FILE NO. 1 - 10421

## LUXOTTICA GROUP S.p.A.

VIA CANTÙ 2, MILAN, 20123 ITALY

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F       Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T  
Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T  
Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to  
the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes                       No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82-\_\_\_\_\_

Set forth below is the text of a press release issued on November 6, 2006.

**Luxottica posts 19.3 percent rise in net income for the third quarter, once again increases guidance on full year results**

**Milan, Italy November 6, 2006 - Luxottica Group S.p.A. (NYSE: LUX; MTA: LUX)**, the global leader in the eyewear sector, today announced consolidated U.S. GAAP results for the three- and nine-month periods ended September 30, 2006.

Consolidated results for both periods reflect the sale of the Things Remembered business in September of this year, which is reported under U.S. GAAP as a discontinued operation. Consequently, results of the Things Remembered business for the three- and nine-month periods ended September 30, 2005 and 2006 are not included in the Group's consolidated sales, operating income and net income from continuing operations reported today.

Financial highlights for the respective periods were as follows:

**Third quarter of 2006**(1)

- **Consolidated sales: 1,120.4 million (+9.8%) (+13.8% excluding effect of exchange rates)**
- Retail sales: 838.6 million (+4.8%); Retail comparable store sales(2): +6.0%
- Total wholesale sales: 359.5 million (+26.7%)
- **Consolidated operating income: 186.5 million (+20.5%)** Operating margin: 16.6%
- Retail operating income: 112.6 million (+8.8%); Retail operating margin: 13.4%
- Wholesale operating income: 88.0 million (+39.1%); Wholesale operating margin: 24.5%
- **Consolidated net income from continuing operations(3): 107.0 million (+19.3%);** Net margin: 9.6%
- **Earnings per share: 0.24 (US\$0.30 per ADS)**

**First nine months of 2006**(4)

- **Consolidated sales: 3,565.6 million (+15.1%)**
- Retail sales: 2,525.0 million (+10.0%); Retail comparable store sales(5): +7.0%
- Total wholesale sales: 1,301.5 million (+33.0%)
- **Consolidated operating income: 591.1 million (+30.7%)** Operating margin: 16.6%
- Retail operating income: 345.5 million (+25.7%); Retail operating margin: 13.7%
- Wholesale operating income: 341.6 million (+47.7%); Wholesale operating margin: 26.2%

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- **Consolidated net income from continuing operations(6): 330.0 million (+29.6%); Net margin: 9.3%**
- **Earnings per share: 0.73 (US\$0.91 per ADS)**

2

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Andrea Guerra, chief executive officer of Luxottica Group, commented: After nine months of extremely positive results, today our business is strong with both wholesale and retail on track to deliver a record year. Thanks to these results, today we are able to confirm our full year guidance of earnings per share (EPS) of between 0.93 and 0.94 even though our business no longer includes the results of Things Remembered, which historically has been contributing EPS of 0.03 on a yearly basis. Today this reflects a year-over-year growth in EPS from continuing operations of 28 percent.

Mr. Guerra continued: Cash flow generation was again one of the highlights of our results, with 129 million for the quarter.

Consolidated results for the third quarter continued to be strong all around, in all regions and in both the wholesale and retail businesses. The Group continued to outpace the sector, gaining additional penetration in key markets as well as greater visibility for its portfolio of leading luxury and fashion brands. This resulted in further improvements in profitability, with operating margin rising significantly by 140 basis points to 16.6%.

The third quarter was a record period for the Group's wholesale business, with sales to third parties—a key measure of the wholesale business rising by 27.8% and operating margin up by 220 basis points to 24.5%, in line with all-time highs for the wholesale division. Main drivers of this performance were another exceptional quarter by Ray-Ban and the strength and further improved penetration of the Group's luxury and fashion brands—mainly Bvlgari, Chanel, Dolce & Gabbana, Prada and Versace.

In the retail business, the Group enjoyed another quarter of particularly strong results, especially from operations in North America. LensCrafters posted another above-average quarter, while Sunglass Hut's comparable store sales rose by over 6.0%. Similarly, Pearle Vision posted its first full year of growth, with comparable store sales up to mid-single digits and further improvements in profitability. In Asia-Pacific, the Group's optical business posted a positive quarter. Overall, operating margin for all of the Group's retail operations was a strong 13.4% for the quarter and 13.7% for the year-to-date period.

On September 30, 2006, Luxottica Group's consolidated net outstanding debt was 1,299.8 million.

Results for the quarter and the year-to-date period reflect the impact of non-cash expenses for stock options(7) of 7.7 million and 28.7 million, respectively, compared with 5.8 million and 12.4 million for the comparable periods last year.

Luxottica Group's consolidated results for the third quarter and first nine months of 2006 were approved today by its Board of Directors.

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

Luxottica Group is a global leader in eyewear, with nearly 5,700 optical and sun retail stores in North America, Asia-Pacific, China and Europe and a strong brand portfolio that includes Ray-Ban, the best selling sun and prescription eyewear brand in the world, as well as, among others, license brands Bvlgari, Burberry, Chanel, Dolce & Gabbana, Donna Karan, Prada,

Versace and Polo Ralph Lauren, beginning January 2007, and key house brands Vogue, Persol, Arnette and REVO. In addition to a global wholesale network that touches 130 countries, the Group manages leading retail brands such as LensCrafters and Pearle Vision in North America, OPSM and Laubman & Pank in Asia-Pacific, and Sunglass Hut globally. The Group's products are designed and manufactured in six Italy-based high-quality manufacturing plants and in the only two China-based plants wholly-owned by a premium eyewear manufacturer. For fiscal year 2005, Luxottica Group (NYSE: LUX; MTA: LUX) posted consolidated net sales of \$4.4 billion. Additional information on the Group is available at [www.luxottica.com](http://www.luxottica.com).

#### **Safe Harbor Statement**

Certain statements in this press release may constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, fluctuations in exchange rates, economic and weather factors affecting consumer spending, the ability to successfully introduce and market new products, the availability of correction alternatives to prescription eyeglasses, the ability to successfully launch initiatives to increase sales and reduce costs, the ability to effectively integrate recently acquired businesses, including Cole National, risks that expected synergies from the acquisition of Cole National will not be realized as planned and that the combination of Luxottica Group's managed vision care business with Cole National will not be as successful as planned, as well as other political, economic and technological factors and other risks referred to in Luxottica Group's filings with the U.S. Securities and Exchange Commission. These forward-looking statements are made as of the date hereof and, under U.S. securities regulation, Luxottica Group does not assume any obligation to update them.

#### **Company media and investor relations contacts**

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#### **TABLES TO FOLLOW**

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- (1) All comparisons, including percentage changes, are between the three-month periods ended September 30, 2006 and 2005
  - (2) Comparable store sales reflects the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area.
  - (3) Figures exclude the results of Things Remembered, a discontinued operation.
  - (4) All comparisons, including percentage changes, are between the nine-month periods ended September 30, 2006 and 2005
  - (5) Comparable store sales reflects the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area.
  - (6) Figures exclude the results of Things Remembered, a discontinued operation.
  - (7) The non-cash expenses for stock options for the three- and nine-month periods ended September 30, 2006, resulted from the application of SFAS 123 (R).

## LUXOTTICA GROUP

**CONSOLIDATED FINANCIAL HIGHLIGHTS  
FOR THE THREE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005**

**KEY FIGURES IN THOUSANDS OF EURO (4)**

	2006	2005	% Change	
<b>NET SALES</b>	<b>1,120,380</b>	<b>1,020,629</b>	<b>9.8</b>	<b>%</b>
<b>NET INCOME FROM CONTINUING OPERATIONS (5)</b>	<b>107,041</b>	<b>89,754</b>	<b>19.3</b>	<b>%</b>
<b>NET INCOME</b>	<b>104,126</b>	<b>89,309</b>	<b>16.6</b>	<b>%</b>
<b>BASIC EARNINGS PER SHARE (ADS) (2):</b>				
FROM CONTINUING OPERATIONS (5)	0.24	0.20		
TOTAL	0.23	0.20		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS) (3):</b>				
FROM CONTINUING OPERATIONS (5)	0.23	0.20		
TOTAL	0.23	0.20		

**KEY FIGURES IN THOUSANDS OF U.S. DOLLARS (1) (4)**

	2006	2005	% Change	
<b>NET SALES</b>	<b>1,427,700</b>	<b>1,244,861</b>	<b>14.7</b>	<b>%</b>
<b>NET INCOME FROM CONTINUING OPERATIONS (5)</b>	<b>136,402</b>	<b>109,473</b>	<b>24.6</b>	<b>%</b>
<b>NET INCOME</b>	<b>132,688</b>	<b>108,931</b>	<b>21.8</b>	<b>%</b>
<b>BASIC EARNINGS PER SHARE (ADS) (2):</b>				
FROM CONTINUING OPERATIONS (5)	0.30	0.24		
TOTAL	0.29	0.24		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS) (3):</b>				
FROM CONTINUING OPERATIONS (5)	0.30	0.24		
TOTAL	0.29	0.24		

**Notes :**

	2006	2005
<b>(1) Average exchange rate (in U.S. Dollars per Euro)</b>	<b>1.2743</b>	<b>1.2197</b>
<b>(2) Weighted average number of outstanding shares</b>	<b>453,121,133</b>	<b>450,359,614</b>
<b>(3) Fully diluted average number of shares</b>	<b>456,263,730</b>	<b>453,829,742</b>

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

**(5) Results of Things Remembered, Inc., a former subsidiary that was sold in September 2006, are classified as discontinued operations and are not included in results from continuing operations for 2006 or 2005**

1

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## LUXOTTICA GROUP

**CONSOLIDATED FINANCIAL HIGHLIGHTS  
FOR THE NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005**

**KEY FIGURES IN THOUSANDS OF EURO (4)**

	2006	2005	% Change	
<b>NET SALES</b>	<b>3,565,603</b>	<b>3,099,002</b>	<b>15.1</b>	<b>%</b>
<b>NET INCOME FROM CONTINUING OPERATIONS (5)</b>	<b>329,962</b>	<b>254,679</b>	<b>29.6</b>	<b>%</b>
<b>NET INCOME</b>	<b>328,597</b>	<b>256,715</b>	<b>28.0</b>	<b>%</b>
<b>BASIC EARNINGS PER SHARE (ADS) (2):</b>				
FROM CONTINUING OPERATIONS (5)	0.73	0.57		
TOTAL	0.73	0.57		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS) (3):</b>				
FROM CONTINUING OPERATIONS (5)	0.72	0.56		
TOTAL	0.72	0.57		

**KEY FIGURES IN THOUSANDS OF U.S. DOLLARS (1) (4)**

	2006	2005	% Change	
<b>NET SALES</b>	<b>4,437,036</b>	<b>3,913,110</b>	<b>13.4</b>	<b>%</b>
<b>NET INCOME FROM CONTINUING OPERATIONS (5)</b>	<b>410,605</b>	<b>321,583</b>	<b>27.7</b>	<b>%</b>
<b>NET INCOME</b>	<b>408,906</b>	<b>324,151</b>	<b>26.1</b>	<b>%</b>
<b>BASIC EARNINGS PER SHARE (ADS) (2):</b>				
FROM CONTINUING OPERATIONS (5)	0.91	0.71		
TOTAL	0.90	0.72		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS) (3):</b>				
FROM CONTINUING OPERATIONS (5)	0.90	0.71		
TOTAL	0.90	0.72		

**Notes :**

	2006	2005
<b>(1) Average exchange rate (in U.S. Dollars per Euro)</b>	<b>1.2444</b>	<b>1.2627</b>
<b>(2) Weighted average number of outstanding shares</b>	<b>452,665,455</b>	<b>449,805,613</b>
<b>(3) Fully diluted average number of shares</b>	<b>455,896,985</b>	<b>452,757,366</b>
<b>(4) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively</b>		

**(5) Results of Things Remembered, Inc., a former subsidiary that was sold in September 2006, are classified as**

**discontinued operations and are not included in results from continuing operations for 2006 or 2005**

2

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## LUXOTTICA GROUP

**CONSOLIDATED INCOME STATEMENT  
FOR THE THREE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005**

In thousands of Euro (1)	3Q06	% of sales	3Q05	% of sales	% Change	
<b>NET SALES</b>	<b>1,120,380</b>	<b>100.0</b>	<b>% 1,020,629</b>	<b>100.0</b>	<b>% 9.8</b>	<b>%</b>
COST OF SALES	(330,262 )		(309,589 )			
<b>GROSS PROFIT</b>	<b>790,118</b>	<b>70.5</b>	<b>% 711,040</b>	<b>69.7</b>	<b>% 11.1</b>	<b>%</b>
<i>OPERATING EXPENSES:</i>						
SELLING EXPENSES	(373,887 )		(364,924 )			
ROYALTIES	(20,578 )		(14,020 )			
ADVERTISING EXPENSES	(76,311 )		(62,494 )			
GENERAL AND ADMINISTRATIVE EXPENSES	(116,797 )		(102,477 )			
TRADEMARK AMORTIZATION	(16,066 )		(12,314 )			
<b>TOTAL</b>	<b>(603,638 )</b>		<b>(556,230 )</b>			
<b>OPERATING INCOME</b>	<b>186,480</b>	<b>16.6</b>	<b>% 154,810</b>	<b>15.2</b>	<b>% 20.5</b>	<b>%</b>
<i>OTHER INCOME (EXPENSE):</i>						
INTEREST EXPENSES	(18,820 )		(17,409 )			
INTEREST INCOME	2,529		972			
OTHER - NET	(2,523 )		912			
<b>OTHER INCOME (EXPENSES) - NET</b>	<b>(18,815 )</b>		<b>(15,525 )</b>			
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>167,665</b>	<b>15.0</b>	<b>% 139,285</b>	<b>13.6</b>	<b>% 20.4</b>	<b>%</b>
PROVISION FOR INCOME TAXES	(58,851 )		(48,723 )			
<b>INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES</b>	<b>108,814</b>		<b>90,561</b>			
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(1,773 )		(808 )			
<b>NET INCOME FROM CONTINUING OPERATIONS (2)</b>	<b>107,041</b>	<b>9.6</b>	<b>% 89,754</b>	<b>8.8</b>	<b>% 19.3</b>	<b>%</b>
DISCONTINUED OPERATIONS	(2,915 )		(444 )			
<b>NET INCOME</b>	<b>104,126</b>	<b>9.3</b>	<b>% 89,309</b>	<b>8.8</b>	<b>% 16.6</b>	<b>%</b>
<b>BASIC EARNINGS PER SHARE (ADS):</b>						
FROM CONTINUING OPERATIONS (1) (2)	<b>0.24</b>		<b>0.20</b>			
TOTAL (1)	<b>0.23</b>		<b>0.20</b>			
<b>FULLY DILUTED EARNINGS PER SHARE (ADS):</b>						
FROM CONTINUING OPERATIONS (1) (2)	0.23		0.20			
TOTAL (1)	0.23		0.20			
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>453,121,133</b>		<b>450,359,614</b>			
FULLY DILUTED AVERAGE NUMBER OF SHARES	456,263,730		453,829,742			

**Notes :**

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

(2) Results of Things Remembered, Inc., a former subsidiary that was sold in September 2006, are classified as discontinued operations and are not included in results from continuing operations for 2006 or 2005

## LUXOTTICA GROUP

**CONSOLIDATED INCOME STATEMENT  
FOR THE NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005**

In thousands of Euro (1)	2006	% of sales	2005	% of sales	% Change	
<b>NET SALES</b>	<b>3,565,603</b>	<b>100.0</b>	<b>% 3,099,002</b>	<b>100.0</b>	<b>% 15.1</b>	<b>%</b>
COST OF SALES	(1,090,581 )		(980,245 )			
<b>GROSS PROFIT</b>	<b>2,475,022</b>	<b>69.4</b>	<b>% 2,118,757</b>	<b>68.4</b>	<b>% 16.8</b>	<b>%</b>
<i>OPERATING EXPENSES:</i>						
SELLING EXPENSES	(1,156,794 )		(1,073,927 )			
ROYALTIES	(76,196 )		(48,548 )			
ADVERTISING EXPENSES	(255,517 )		(206,176 )			
GENERAL AND ADMINISTRATIVE EXPENSES	(351,635 )		(300,018 )			
TRADEMARK AMORTIZATION	(43,819 )		(37,912 )			
<b>TOTAL</b>	<b>(1,883,960 )</b>		<b>(1,666,581 )</b>			
<b>OPERATING INCOME</b>	<b>591,062</b>	<b>16.6</b>	<b>% 452,176</b>	<b>14.6</b>	<b>% 30.7</b>	<b>%</b>
<i>OTHER INCOME (EXPENSE):</i>						
INTEREST EXPENSES	(54,201 )		(49,142 )			
INTEREST INCOME	6,128		4,188			
OTHER - NET	(12,628 )		9,337			
<b>OTHER INCOME (EXPENSES) - NET</b>	<b>(60,701 )</b>		<b>(35,617 )</b>			
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>530,362</b>	<b>14.9</b>	<b>% 416,558</b>	<b>13.4</b>	<b>% 27.3</b>	<b>%</b>
PROVISION FOR INCOME TAXES	(193,049 )		(154,127 )			
<b>INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES</b>	<b>337,313</b>		<b>262,432</b>			
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(7,351 )		(7,753 )			
<b>NET INCOME FROM CONTINUING OPERATIONS (2)</b>	<b>329,962</b>	<b>9.3</b>	<b>% 254,679</b>	<b>8.2</b>	<b>% 29.6</b>	<b>%</b>
DISCONTINUED OPERATIONS	(1,365 )		2,036			
<b>NET INCOME</b>	<b>328,597</b>	<b>9.2</b>	<b>% 256,715</b>	<b>8.3</b>	<b>% 28.0</b>	<b>%</b>
<b>BASIC EARNINGS PER SHARE (ADS):</b>						
FROM CONTINUING OPERATIONS (1) (2)	<b>0.73</b>		<b>0.57</b>			
TOTAL (1)	<b>0.73</b>		<b>0.57</b>			
<b>FULLY DILUTED EARNINGS PER SHARE (ADS):</b>						
FROM CONTINUING OPERATIONS (1) (2)	0.72		0.56			
TOTAL (1)	0.72		0.57			
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>452,665,455</b>		<b>449,805,613</b>			
FULLY DILUTED AVERAGE NUMBER OF SHARES	455,896,985		452,757,366			

**Notes :**

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

(2) Results of Things Remembered, Inc., a former subsidiary that was sold in September 2006, are classified as discontinued operations and are not included in results from continuing operations for 2006 or 2005

## LUXOTTICA GROUP

**CONSOLIDATED BALANCE SHEET  
AS OF SEPTEMBER 30, 2006 AND DECEMBER 31, 2005**

In thousands of Euro	September 30, 2006	December 31, 2005 (1) (2)
<i>CURRENT ASSETS:</i>		
CASH	400,887	367,461
ACCOUNTS RECEIVABLE	539,979	461,353
SALES AND INCOME TAXES RECEIVABLE	22,425	45,823
INVENTORIES	383,254	370,289
PREPAID EXPENSES AND OTHER	102,478	87,581
DEFERRED TAX ASSETS - CURRENT	112,088	89,781
ASSETS HELD FOR SALE	10,847	182,296
<b>TOTAL CURRENT ASSETS</b>	<b>1,571,958</b>	<b>1,604,584</b>
<b>PROPERTY, PLANT AND EQUIPMENT - NET</b>	<b>739,617</b>	<b>705,166</b>
<i>OTHER ASSETS</i>		
INTANGIBLE ASSETS - NET	2,531,289	2,602,469
INVESTMENTS	22,632	15,832
OTHER ASSETS	100,393	44,741
SALES AND INCOME TAXES RECEIVABLES	729	730
<b>TOTAL OTHER ASSETS</b>	<b>2,655,043</b>	<b>2,663,772</b>
<b>TOTAL</b>	<b>4,966,618</b>	<b>4,973,522</b>
<i>CURRENT LIABILITIES:</i>		
BANK OVERDRAFTS	264,135	275,956
CURRENT PORTION OF LONG-TERM DEBT	314,214	110,978
ACCOUNTS PAYABLE	296,763	281,348
ACCRUED EXPENSES AND OTHER	356,886	379,166
ACCRUAL FOR CUSTOMERS' RIGHT OF RETURN	17,974	7,799
INCOME TAXES PAYABLE	184,092	133,382
LIABILITIES HELD FOR SALE		47,092
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,434,064</b>	<b>1,235,721</b>
<i>LONG TERM LIABILITIES:</i>		
LONG-TERM DEBT	1,122,340	1,417,931
LIABILITY FOR TERMINATION INDEMNITIES	60,515	56,600
DEFERRED TAX LIABILITIES - NON-CURRENT	62,516	116,639
OTHER	156,020	179,120
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>1,401,391</b>	<b>1,770,289</b>
<i>COMMITMENTS AND CONTINGENCIES:</i>		
<b>MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES</b>	<b>9,312</b>	<b>13,478</b>
<i>SHAREHOLDERS' EQUITY:</i>		
459,824,773 ORDINARY SHARES AUTHORIZED AND ISSUED - 453,389,987 SHARES OUTSTANDING	27,589	27,479
NET INCOME	328,597	342,294
RETAINED EARNINGS	1,765,665	1,584,260
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,121,851</b>	<b>1,954,033</b>
<b>TOTAL</b>	<b>4,966,618</b>	<b>4,973,522</b>

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**Notes :**

- (1) Certain amounts of 2005 have been reclassified to conform to 2006 presentation**
- (2) Results of Things Remembered, Inc., a former subsidiary that was sold in September 2006, are classified as assets and liabilities held for sale in the balance sheet for December 31, 2005**

5

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## LUXOTTICA GROUP

**CONSOLIDATED FINANCIAL HIGHLIGHTS  
FOR THE NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005  
- SEGMENTAL INFORMATION -**

In thousands of Euro	Manufacturing and Wholesale	Retail	Inter-Segment Transactions and Corporate Adj.	Consolidated
<b>2006</b>				
Net Sales	1,301,533	2,524,996	(260,926 )	3,565,603
EBITDA (1)	383,199	428,105	(67,432 )	743,873
<i>% of sales</i>	<i>29.4</i>	<i>% 17.0</i>	<i>%</i>	<i>20.9 %</i>
Operating income	341,615	345,515	(96,068 )	591,062
<i>% of sales</i>	<i>26.2</i>	<i>% 13.7</i>	<i>%</i>	<i>16.6 %</i>
Capital Expenditures	65,658	96,012		161,669
Depreciation & Amortization	41,584	82,590	28,637	152,811
Assets	1,776,446	1,312,726	1,877,446	4,966,618
<b>2005 (2) (3)</b>				
Net Sales	978,928	2,295,650	(175,576 )	3,099,002
EBITDA (1)	267,741	351,781	(30,702 )	588,820
<i>% of sales</i>	<i>27.4</i>	<i>% 15.3</i>	<i>%</i>	<i>19.0 %</i>
Operating income	231,310	274,797	(53,931 )	452,176
<i>% of sales</i>	<i>23.6</i>	<i>% 12.0</i>	<i>%</i>	<i>14.6 %</i>
Capital Expenditures	65,005	79,560		144,566
Depreciation & Amortization	36,431	76,984	23,229	136,645
Assets	1,591,005	1,213,261	2,064,259	4,868,526

**Notes :**

(1) EBITDA is the sum of Operating Income and Depreciation & Amortization

(2) Results of Things Remembered, Inc., a former subsidiary that was sold in September 2006, are classified as discontinued operations and are not included in results of operations of 2006 or 2005

(3) Certain amounts of 2005 have been reclassified to conform to 2006 presentation

## LUXOTTICA GROUP

**RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT  
PREPARED IN ACCORDANCE WITH US GAAP AND IAS / IFRS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006,  
PURSUANT TO CONSOB REGULATION N. 27021 OF APRIL 7, 2000 AND IN ACCORDANCE WITH  
CONSOB  
COMMUNICATION DME/5015175 DATED MARCH 10, 2005.**

## CONSOLIDATED INCOME STATEMENT

## FOR THE PERIOD ENDED SEPTEMBER 30, 2006

In thousands of Euro (1)	US GAAP 2006	IFRS 2 Stock option	IAS 19 Tfr & Pension	IAS 38 Intangibles	IAS 39 Derivatives	Other adjs	Total IAS/IFRS Adjustment	IAS / IFRS 2006
<b>NET SALES</b>	<b>3,565,603</b>					<b>534</b>	<b>534</b>	<b>3,566,137</b>
COST OF SALES	(1,090,581 )		2,493			1,414	3,907	(1,086,674 )
<b>GROSS PROFIT</b>	<b>2,475,022</b>		<b>2,493</b>			<b>1,948</b>	<b>4,441</b>	<b>2,479,463</b>
<i>OPERATING EXPENSES:</i>								
SELLING EXPENSES	(1,156,794 )					314	314	(1,156,479 )
ROYALTIES	(76,196 )					145	145	(76,051 )
ADVERTISING EXPENSES	(255,517 )			2,067		815	2,882	(252,635 )
GENERAL AND ADMINISTRATIVE EXPENSES	(351,635 )	(553 )	3,091			434	2,972	(348,663 )
TRADEMARK AMORTIZATION	(43,819 )							(43,819 )
<b>TOTAL</b>	<b>(1,883,960 )</b>	<b>(553 )</b>	<b>3,091</b>	<b>2,067</b>		<b>1,708</b>	<b>6,313</b>	<b>(1,877,647 )</b>
<b>OPERATING INCOME</b>	<b>591,062</b>	<b>(553)</b>	<b>5,584</b>	<b>2,067</b>		<b>3,656</b>	<b>10,754</b>	<b>601,816</b>
<i>OTHER INCOME (EXPENSE):</i>								
INTEREST EXPENSES	(54,201 )				(300 )		(300 )	(54,501 )
INTEREST INCOME	6,128							6,128
OTHER - NET	(12,628 )							(12,628 )
<b>OTHER INCOME (EXPENSES) NET</b>	<b>(60,701 )</b>				<b>(300 )</b>		<b>(300 )</b>	<b>(61,000 )</b>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>530,362</b>	<b>(553)</b>	<b>5,584</b>	<b>2,067</b>	<b>(300)</b>	<b>3,656</b>	<b>10,454</b>	<b>540,816</b>
PROVISION FOR INCOME TAXES	(193,049 )		(2,194 )	(806 )	99	(5,721 )	(8,623 )	(201,671 )
<b>INCOME BEFORE MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES</b>	<b>337,313</b>	<b>(553)</b>	<b>3,390</b>	<b>1,261</b>	<b>(201)</b>	<b>(2,065)</b>	<b>1,832</b>	<b>339,145</b>
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	(7,351 )							(7,351 )
<b>NET INCOME FROM CONTINUING OPERATIONS (2)</b>	<b>329,962</b>	<b>(553)</b>	<b>3,390</b>	<b>1,261</b>	<b>(201)</b>	<b>(2,065)</b>	<b>1,832</b>	<b>331,794</b>
DISCONTINUED OPERATIONS	(1,365 )							(1,365 )
<b>NET INCOME</b>	<b>328,597</b>	<b>(553)</b>	<b>3,390</b>	<b>1,261</b>	<b>(201)</b>	<b>(2,065)</b>	<b>1,832</b>	<b>330,429</b>
<b>BASIC EARNINGS PER SHARE (ADS):</b>								
FROM CONTINUING OPERATIONS (1) (2)	<b>0.73</b>							<b>0.73</b>
TOTAL (1)	<b>0.73</b>							<b>0.73</b>
<b>FULLY DILUTED EARNINGS PER SHARE (ADS):</b>								
FROM CONTINUING OPERATIONS (1) (2)	0.72							0.73

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TOTAL (1)	0.72	0.72
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>452,665,455</b>	<b>452,665,455</b>
FULLY DILUTED AVERAGE NUMBER OF SHARES	455,896,985	456,027,393

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**Notes :**

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

**(2) Results of Things remembered, Inc., a former subsidiary that was sold in September 2006, are classified as discontinued operations and are not included in results of operations from continuing operations for 2006 and 2005**

7

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LUXOTTICA GROUP S.p.A.

DATE: November 8, 2006

By: /s/ Enrico Cavatorta  
ENRICO CAVATORTA  
CHIEF FINANCIAL OFFICER

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