

LUXOTTICA GROUP SPA
Form 6-K
May 08, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

May 8, 2012

COMMISSION FILE NO. 1 - 10421

LUXOTTICA GROUP S.p.A.

VIA C. CANTÙ 2, MILAN, 20123 ITALY
(Address of principal executive office)

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 May 7, 2012

Press release

Luxottica posts strong growth in first quarter of 2012

Net income rose by 27% to 146 million and net sales increased by 15% to 1.8 billion

Milan, Italy, May 7, 2012 - The Board of Directors of Luxottica Group S.p.A. (MTA: LUX; NYSE: LUX), a leader in the design, manufacture and distribution of fashion, luxury and sports eyewear, met today and approved the consolidated results for the quarter ended March 31, 2012, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS).

First quarter of 2012

(in millions of Euro)	1Q 2012	1Q 2011	Change
Net sales	1,788	1,556	+14.9% (+11.1% at constant exchange rates ²)
<i>Wholesale Division</i>	727	641	+13.4% (+11.9% at constant exchange rates ²)
<i>Retail Division</i>	1,061	915	+16.0% (+10.5% at constant exchange rates ²)
Operating income	237	207	+14.0%
Adjusted^{3,4}	258	207	+24.5%
Net income attributable to Luxottica Group stockholders	131	115	+14.0%
Adjusted^{3,4}	146	115	+27.2%
Earnings per share	0.28	0.25	+13.5%
Adjusted^{3,4}	0.32	0.25	+26.6%
<i>In US\$ adjusted^{3,4}</i>	0.41	0.34	+21.3%

Operating performance for the first quarter of 2012

The results for the first quarter of 2012 confirmed the positive signs seen during the first two months of the year and, more generally, the rapid growth trends reported by both of Luxottica's Divisions in all of the geographic areas where the Group operates. The first quarter of 2012 was the best first quarter in Luxottica's history largely as a result of the various initiatives implemented during the period.

Net sales growth in both Divisions increased by double digits compared to the first quarter of 2011, which was also a period characterized by strong growth. Especially strong performance was achieved in emerging markets, which grew by more than 36%, with peak sales growth of approximately 40% in Brazil, India and East Asia. The Group's performance in the important **North American market** remained very positive with Luxottica's first quarter 2012

(3) The adjusted figures for the first quarter of 2012 do not include non-recurring reorganization costs for Luxottica's OPSM business amounting to an approximately 22 million adjustment to Operating Income and an approximately 15 million adjustment to Net Income.

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net sales in U.S. dollars growing by **8.5%**, mainly due to the performance of the Wholesale Division (+18.1%), which benefited from the successful launch of the Coach brand. **LensCrafters** and **Sunglass Hut** also contributed to these positive results with Sunglass Hut reporting a **double-digit increase (+10.3%) in comparable store sales**.

Positive results were also achieved in Western Europe where, despite the difficult economic situation, Luxottica's sales grew by 6%, primarily due to the strength of Luxottica's brand portfolio, the dynamism and ability of the organization to build and maintain strong relationships with customers, and the successful implementation of commercial activities.

In the first quarter, both our Divisions reported solid growth across all geographic areas: it was another quarter of highly positive growth, confirming the acceleration witnessed in 2011, commented Andrea Guerra, Chief Executive Officer of Luxottica.

The results that we have achieved show that it is possible to seize growth opportunities wherever they present themselves; that, with passion and determination, we were able to succeed in delivering extremely positive results even in regions currently considered to be challenging; and that it is fundamental to maintain excellent brands and talented people.

We continued with our stable growth in both traditional and new emerging markets, which we believe represent incredible opportunities for our future. Highly gratifying results were reported in North America, where we successfully launched the new Coach collection and our retail brands also performed well.

All of our brands are in excellent shape. The growth of both Ray-Ban, which this year is celebrating its 75th anniversary, and Oakley, which will take center stage at the London Olympic Games, continues at double-digit rates. Additionally, the entire portfolio of premium and luxury brands, led by Burberry, Tiffany and Prada, yielded solid results in the first quarter. The reorganization measures implemented in Australia also made an impact in the first quarter with comparable store sales at OPSM increasing by approximately 9%.

We are also satisfied with the improvement shown in the operating margin for the period, increasing by 110 basis points at the Group level, confirming the validity of the measures the Group has taken in recent quarters.

The results achieved in the first quarter of the year are an excellent foundation for the rest of 2012. Many of the markets in which we operate are in good shape, despite the difficult environment in the Mediterranean area of Europe where we see a degree of nervousness and fluctuations in trends, although Luxottica's performance in this area remained positive in the quarter. As a result, we look towards the rest of the year with optimism, aware of the strength of our brands and the need to continue to be simple and fast in seizing the opportunities that present themselves.

Consolidated results

Net sales for the first quarter of 2012 were **1,788.2 million**, marking an **increase** of **14.9%** compared to the same period of 2011 (+11.1% at constant exchange rates²). GMO and TecnoL, which joined the Group in July 2011 and January 2012, respectively, collectively contributed approximately 40 million in net sales.

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Operating performance for the first quarter once again confirmed the trend in Group profitability, with more than proportional growth in this performance metric as compared with net sales. More specifically, **adjusted EBITDA^{3,4}** for the **first quarter of 2012 rose** by **22.1%** over the same period of 2011, reaching **345.6 million**. The adjusted EBITDA margin^{3,4} was therefore up from 18.2% recorded in the first quarter of 2011 to 19.3% in the first quarter of 2012.

Adjusted operating income^{3,4} for the first quarter of 2012 amounted to **258.2 million, up by 24.5%**, as compared to the same period of 2011. The Group's adjusted operating margin^{3,4} therefore rose from 13.3% in the first quarter of 2011 to 14.4% in the first quarter of 2012 (+110 bps).

Adjusted net income^{3,4} for the period was **145.9 million**, up by 27.2%, from 114.7 million for the first quarter of 2011, corresponding to an adjusted earnings per share (EPS)^{3,4} of 0.32.

By carefully controlling working capital, the Group generated positive **free cash flow⁴** (36 million) in a quarter in which free cash flow has historically been negative. Following the closing of the Tecno acquisition for approximately 90 million during the quarter, net debt⁴ remained essentially unchanged at March 31, 2012 at 2,047 million (2,032 million at December 31, 2011). The ratio of adjusted net debt to EBITDA^{3,4} was 1.7x, unchanged from the ratio at year-end.

Overview of performance at the Wholesale Division

The ongoing success of Oakley and Ray-Ban in all markets, strong performance from the premium and luxury segment, the successful launch of the Coach-brand collections in North America along with the Wholesale Division's consistent ability to promote each brand's distinctive traits allowed Luxottica to achieve positive quarterly results in terms of both net sales and profitability.

The Division's net sales rose to 726.8 million from 641.1 million in the first quarter of 2011 (+13.4% at current exchange rates and +11.9% at constant exchange rates²).

In terms of sales performance in Luxottica's primary geographic markets, Luxottica saw markedly positive results in North America, Brazil, India, China, Germany, France and Italy—all of which are key areas for Luxottica.

The Wholesale Division's operating income amounted to 172.9 million, up by 17.0% compared with the 147.8 million reported in the first quarter of 2011, which also was successful for the Division. The operating margin stood at 23.8% compared to 23.1% in the first quarter of 2011 (+70 bps).

Overview of Performance at the Retail Division

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Net sales for the Retail Division rose to 1,061.4 million from 915.0 million in the first quarter of 2011 (+16.0% at current exchange rates, +10.5% at constant exchange rates²).

In terms of comparable store sales⁵, the optical business in North America made solid progress (+5.0%), driven by positive results from LensCrafters consistent with the upward trend reported in recent quarters and which is due, in part, to an improving mix and a closer relationship with consumers, owing to the roll-out of the new digital sight measurement system Accufit. Licensed brands also yielded positive comparable store sales.

Comparable store sales⁵ of the optical business in the Asia-Pacific region increased 6.3%, benefiting from the measures taken in recent quarters and which are expected to yield their full effects in 2012. OPSM comparable store sales⁵ in Australia increased by approximately 9%. Favorable results were also reported by the Retail Division in Latin America and China, where both net sales and comparable store sales increased and where the sun segment is steadily increasing.

Sunglass Hut also continued its strong performance during the quarter with comparable store sales⁵ at the global level increasing by 9.6%. Sunglass Hut's results were driven by the success of initiatives launched during the period, the ability to attract more consumers and involve them in the brand experience and extremely favorable results in the United States (+10.3%) and South Africa.

The Retail Division's adjusted operating income^{3,4} increased to 124.8 million in the first quarter of 2012, up by 29.0%, compared to the 96.8 million reported in the first quarter of 2011. The adjusted operating margin^{3,4} for the Retail Division increased from 10.6% to 11.8% (+120 bps).

§

The Board of Directors also approved the merger of 100%-controlled subsidiary Luxottica STARS S.r.l into Luxottica Group S.p.A.

§

The results of the first quarter of 2012 will be discussed today at 6:30 p.m. (CET) during a conference call with the financial community. The presentation will be available via live webcast at www.luxottica.com.

The officer responsible for preparing the company's financial reports, Enrico Cavatorta, declares, pursuant to Article 154-bis, Section 4, of the Consolidated Law on Finance, that the accounting information contained in this press release is consistent with the data in the supporting documents, books of accounts and other accounting records.

www.luxottica.com

Notes on the press release

(1) All comparisons, including percentage changes, refer to the three months ended March 31, 2012 and March 31, 2011, respectively.

(2) Figures given at constant exchange rates have been calculated using the average exchange rate of the respective comparative period in the previous year. For further information, please refer to the attached tables.

(3) The adjusted data for the first quarter of 2012 does not include restructuring costs relating to the reorganization of OPSM amounting to an approximately 22 million adjustment to Operating Income and an approximately 15 million adjustment to Net Income.

(4) EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted operating margin, free cash flow, net debt, the ratio of net debt to adjusted EBITDA, adjusted net income, adjusted operating income and adjusted earnings per share are not measures in accordance with IAS/IFRS. For additional information on non-IAS/IFRS measures, please see the attached tables.

(5) Comparable store sales reflect 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.

Luxottica Group S.p.A.

Luxottica Group is a leader in premium, luxury and sports eyewear with approximately 7,100 optical and sun retail stores in North America, Asia-Pacific, China, South Africa, Latin America and Europe, and a strong, well-balanced brand portfolio. House brands include Ray-Ban, the world's most famous sun eyewear brand, Oakley, Vogue, Persol, Oliver Peoples, Arnette and REVO, while licensed brands include Bvlgari, Burberry, Chanel, Coach, Dolce & Gabbana, Donna Karan, Polo Ralph Lauren, Prada, Tiffany and Versace. In addition to a global wholesale network involving 130 different countries, the Group manages leading retail chains in major markets, including LensCrafters, Pearle Vision and ILORI in North America, OPSM and Laubman & Pank in Asia-Pacific, LensCrafters in China, GMO in Latin America and Sunglass Hut worldwide. The Group's products are designed and manufactured at its six manufacturing plants in Italy, two wholly owned plants in the People's Republic of China, one plant in Brazil and one plant in the United States devoted to the production of sports eyewear. In 2011, Luxottica Group posted net sales of more than 6.2 billion. Additional information on the Group is available at 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, the ability to manage the effect of the current uncertain international economic outlook, the ability to successfully acquire new businesses and integrate their operations, the ability to predict future economic conditions and changes in consumer preferences, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to achieve and manage growth, the ability to negotiate and maintain favorable license arrangements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, the ability to protect intellectual property, the ability to maintain relations with those hosting our stores, computer system problems, inventory-related risks, credit and insurance risks, changes to tax regimes as well as other, political, economic and technological factors and other risks and uncertainties described in our filings with the Securities and Exchange Commission. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.

LUXOTTICA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2012 AND MARCH 31, 2011

In accordance with IAS/IFRS

(KEY FIGURES IN THOUSANDS OF EURO (1))	2012	2011	% Change
NET SALES	1,788,172	1,556,102	14.9%
NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP STOCKHOLDERS	130,776	114,695	14.0%
BASIC EARNINGS PER SHARE (ADS) (2)	0.28	0.25	13.5%

(KEY FIGURES IN THOUSANDS OF U.S. DOLLARS (1) (3))	2012	2011	% Change
NET SALES	2,343,936	2,128,748	10.1%
NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP STOCKHOLDERS	171,421	156,903	9.3%
BASIC EARNINGS PER SHARE (ADS)(2)	0.37	0.34	8.7%

Notes :	2012	2011
(1) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively		
(2) Weighted average number of outstanding shares	462,217,203	459,932,593
(3) Average exchange rate (in U.S. Dollars per Euro)	1.3108	1.3680

LUXOTTICA GROUP

CONSOLIDATED INCOME STATEMENT

FOR THE THREE-MONTH PERIODS ENDED

MARCH 31, 2012 AND MARCH 31, 2011

In accordance with IAS/IFRS

(KEY FIGURES IN THOUSANDS OF EURO (1))	2012	% of sales	2011	% of sales	% Change
NET SALES	1,788,172	100.0%	1,556,102	100.0%	14.9%
COST OF SALES	(622,564)		(554,453)		
GROSS PROFIT	1,165,608	65.2%	1,001,648	64.4%	16.4%
<i>OPERATING EXPENSES:</i>					
SELLING EXPENSES	(571,572)		(492,264)		
ROYALTIES	(32,518)		(28,543)		
ADVERTISING EXPENSES	(101,978)		(90,412)		
GENERAL AND ADMINISTRATIVE EXPENSES	(202,207)		(162,644)		
TRADEMARK AMORTIZATION AND OTHER	(20,818)		(20,368)		
TOTAL	(929,093)		(794,232)		
OPERATING INCOME	236,515	13.2%	207,416	13.3%	14.0%
<i>OTHER INCOME (EXPENSE):</i>					
INTEREST EXPENSES	(36,984)		(29,262)		
INTEREST INCOME	5,417		2,087		
OTHER - NET	(69)		(1,745)		
OTHER INCOME (EXPENSES)-NET	(31,636)		(28,919)		
INCOME BEFORE PROVISION FOR INCOME TAXES	204,880	11.5%	178,497	11.5%	14.8%
PROVISION FOR INCOME TAXES	(72,181)		(61,399)		
NET INCOME	132,699	7.4%	117,098	7.5%	13.3%
OF WHICH ATTRIBUTABLE TO:					
- LUXOTTICA GROUP STOCKHOLDERS	130,776	7.3%	114,695	7.4%	14.0%
- NON-CONTROLLING INTERESTS	1,923	0.1%	2,403	0.2%	
NET INCOME	132,699	7.4%	117,098	7.5%	13.3%
BASIC EARNINGS PER SHARE (ADS):	0.28		0.25		
FULLY DILUTED EARNINGS PER SHARE (ADS):	0.28		0.25		
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES	462,217,203		459,932,593		
FULLY DILUTED AVERAGE NUMBER OF SHARES	464,615,581		462,150,235		

Notes :

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

LUXOTTICA GROUP

CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2012 AND DECEMBER 31, 2011

In accordance with IAS/IFRS

(KEY FIGURES IN THOUSANDS OF EURO)	March 31, 2012	December 31, 2011
<i>CURRENT ASSETS:</i>		
CASH AND CASH EQUIVALENTS	1,277,788	905,100
ACCOUNTS RECEIVABLE - NET	843,464	714,033
INVENTORIES - NET	669,992	649,506
OTHER ASSETS	215,650	230,850
TOTAL CURRENT ASSETS	3,006,894	2,499,489
<i>NON-CURRENT ASSETS:</i>		
PROPERTY, PLANT AND EQUIPMENT - NET	1,145,324	1,169,066
GOODWILL	3,101,140	3,090,563
INTANGIBLE ASSETS - NET	1,310,950	1,350,921
INVESTMENTS	8,252	8,754
OTHER ASSETS	140,807	147,625
DEFERRED TAX ASSETS	385,157	377,739
TOTAL NON-CURRENT ASSETS	6,091,630	6,144,667
TOTAL	9,098,523	8,644,156
<i>CURRENT LIABILITIES:</i>		
BANK OVERDRAFTS	189,326	193,834
CURRENT PORTION OF LONG-TERM DEBT	686,893	498,295
ACCOUNTS PAYABLE	523,747	608,327
INCOME TAXES PAYABLE	82,824	39,859
OTHER LIABILITIES	662,072	632,932
TOTAL CURRENT LIABILITIES	2,144,863	1,973,247
<i>NON-CURRENT LIABILITIES:</i>		
LONG-TERM DEBT	2,448,872	2,244,583
LIABILITY FOR TERMINATION INDEMNITIES	44,427	45,286
DEFERRED TAX LIABILITIES	442,154	456,375
OTHER LIABILITIES	297,212	299,545
TOTAL NON-CURRENT LIABILITIES	3,232,664	3,045,789
<i>STOCKHOLDERS EQUITY:</i>		
LUXOTTICA GROUP STOCKHOLDERS EQUITY	3,709,305	3,612,928
NON-CONTROLLING INTEREST	11,691	12,192
TOTAL STOCKHOLDERS EQUITY	3,720,996	3,625,120
TOTAL	9,098,523	8,644,156

LUXOTTICA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS

FOR THE THREE-MONTH PERIODS ENDED

MARCH 31, 2012 AND MARCH 31, 2011

- SEGMENTAL INFORMATION -

In accordance with IAS/IFRS

(In thousands of Euro)	Manufacturing and Wholesale	Retail	Inter-Segment Transactions and Corporate Adj.	Consolidated
2012				
Net Sales	726,794	1,061,378		1,788,172
Operating Income	172,919	103,157	(39,560)	236,515
<i>% of Sales</i>	<i>23.8%</i>	<i>9.7%</i>		<i>13.2%</i>
Capital Expenditures (1)	22,758	52,864		75,622
Depreciation & Amortization	23,112	43,461	20,818	87,390
2011				
Net Sales	641,127	914,975		1,556,102
Operating Income	147,819	96,755	(37,159)	207,416
<i>% of Sales</i>	<i>23.1%</i>	<i>10.6%</i>		<i>13.3%</i>
Capital Expenditures	17,420	40,467		57,887
Depreciation & Amortization	20,718	34,470	20,368	75,556

Notes :

(1) In 2012, Capital Expenditures include finance leases of the Retail division of Euro 14.2 million. Capital Expenditures excluding finance leases were Euro 61.4 million.

Non-IAS/IFRS 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, net income and earnings per share.

For comparative purposes, management has adjusted each of the foregoing measures by excluding non-recurring OPSM reorganization costs of approximately 22 million.

In addition, we have made adjustments to fiscal year 2011 measures for comparative purposes as described in the footnotes to the tables that contain such fiscal year 2011 data.

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 International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS). 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 IAS/IFRS. Rather, these non-IAS/IFRS measures should be used as a supplement to IAS/IFRS 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 IAS/IFRS 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 IAS/IFRS 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 IAS/IFRS financial measures or, in the case of adjusted EBITDA and adjusted EBITDA margin, to EBITDA and EBITDA margin, respectively, which are also non-IAS/IFRS measures. For a discussion of EBITDA and EBITDA margin and a reconciliation of EBITDA and EBITDA margin to their most directly comparable IAS/IFRS financial measures, see the tables on the pages immediately following the reconciliation of the adjusted measures.

Non-IAS/IFRS Measure: Reconciliation between reported and adjusted P&L items

Millions of Euro

Luxottica Group

	1Q 2012					1Q 2011				
	Net sales	EBITDA	Operating Income	Net Income	EPS	Net sales	EBITDA	Operating Income	Net Income	EPS
Reported	1,788.2	323.9	236.5	130.8	0.28	1,556.1	283.0	207.4	114.7	0.25
> Adjustment for OPSM reorganization		21.7	21.7	15.2	0.04					
Adjusted	1,788.2	345.6	258.2	145.9	0.32	1,556.1	283.0	207.4	114.7	0.25

Retail Division

	1Q 2012					1Q 2011				
	Net sales	EBITDA	Operating Income	Net Income	EPS	Net sales	EBITDA	Operating Income	Net Income	EPS
Reported	1,061.4	146.6	103.2	n.a.	n.a.	915.0	131.2	96.8	n.a.	n.a.
> Adjustment for OPSM reorganization		21.7	21.7							
Adjusted	1,061.4	168.3	124.8	n.a.	n.a.	915.0	131.2	96.8	n.a.	n.a.

Non-IAS/IFRS Measure: EBITDA and EBITDA margin

EBITDA represents net income before non-controlling interest, taxes, other income/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 International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS). 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;