LUXOTTICA GROUP SPA
Form 6-K
November 10, 2011

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

For the quarter ended September 30, 2011
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 ý Form 40-F o

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): o

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): o

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 o No ý

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

F O R M 6-K

for the quarter
ended September 30 of
Fiscal Year 2011

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Luxottica Group S.p.A.

Headquarters and registered office   Via C. Cantù 2, 20123 Milan, Italy

Capital Stock € 28,022,941.98

authorized and issued

ITEM 1. MANAGEMENT REPORT ON THE INTERIM
CONSOLIDATED FINANCIAL RESULTS
AS OF SEPTEMBER 30, 2011
(UNAUDITED)

The following discussion should be read in conjunction with the disclosure contained in the Consolidated Financial Statements as of December 31, 2010, which includes a study about risks and uncertainties that can influence operational results or the financial position of Luxottica Group (the "Group").

1. OPERATING PERFORMANCE FOR THE THREE- AND THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011

During the first nine months and third quarter of 2011, Luxottica's growth trend continued. In a macroeconomic environment that was positive, the Group benefited from a prolonged "sun" season, delivering sales and earnings growth for the eighth straight quarter. The Group achieved particularly solid performance in Emerging Markets (growing more than 24 percent and 35 percent at constant exchange rates[1] for the first nine months and third quarter of 2011, respectively) and in North America during this period. Despite the significant depreciation of the U.S. dollar against the Euro, going from 1.3145 to 1.4065 (6.5 percent) in the first nine months of 2011 and from 1.2910 during the third quarter of 2010 to 1.4127 (8.6 percent) during the same period in 2011, net sales exceeded Euro 4.7 billion and Euro 1.5 billion and net income was Euro 388.0 million and Euro 111.2 million for the first nine months and for the third quarter of 2011, respectively.

[1] We calculate constant exchange rates by applying to the current period the average exchange rates between the Euro and the relevant currencies of the various markets in which the Group operates, during the relevant nine and three months periods ended September 30, 2011. Please refer to Attachment 1 for further details on exchange rates.

During the third quarter of the year, Luxottica achieved well-balanced growth in both its Retail and Wholesale Divisions. The results recorded by the Wholesale Division were once again excellent, with strong growth in net sales which were Euro 1,900.2 million (+10.3 percent or +11.9 percent at constant exchange rates) and Euro 555.1 million (+7.1 percent or +10.7 percent at constant exchange rates) for the nine months ended September 30, 2011 and for the third quarter 2011, respectively.

The results recorded by the Retail Division confirmed the positive trend shown in the first six months of the year with well-balanced growth rates in all the geographies in which the Group operates. Net sales were Euro 2,813.3 million (+3.1 percent or +8.0 percent at constant exchange rates) and Euro 968.7 million (+2.4 percent or +9.6 percent at constant exchange rates) for the nine months ended September 30, 2011 and for the third quarter 2011, respectively.

In the third quarter of 2011, net sales rose by 10.0 percent at constant exchange rates (+4.0 percent at current exchange rates) to Euro 1,523.8 million from Euro 1,464.7 million in the third quarter of 2010. During the nine-month period, net sales rose by 9.6 percent at constant exchange rates to Euro 4,713.5 million, from Euro 4,451.5 million in the first nine months of 2010.

Net income attributable to Luxottica Group Stockholders for the nine- and three-month periods ended September 30, 2011 was Euro 388.0 million and Euro 111.2 million, respectively, operating income for the respective periods was Euro 678.8 million and Euro 194.5 million and EPS was Euro 0.84

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and Euro 0.24. During the third quarter of 2011, the Group recorded the following items characterized as extraordinary or non-recurring in its financial results which have been incorporated, as indicated, into our disclosures in this Report: (1) an extraordinary gain of approximately Euro 21.0 million related to the acquisition of a 40% stake in Multiopticas Internacional S.L. ("Multiopticas Internacional"); (2) non-recurring costs related to Luxottica's 50th anniversary celebrations of approximately Euro 12.0 million; and (3) non-recurring restructuring and start-up costs in the Retail Division of approximately Euro 11.8 million.

Adjusted EBITDA[2] for the third quarter of 2011 grew over the previous year by 4.7 percent to Euro 276.0 million, from Euro 263.5 million in the third quarter of 2010. For the first nine months of the year, adjusted EBITDA increased to Euro 911.1 million from Euro 841.5 million posted for the same period of 2010.

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[2] For a further discussion of Adjusted EBITDA, see page 17 "Non-IAS/IFRS Measures."

Adjusted operating income[3] for the third quarter of 2011 was Euro 197.4 million (Euro 186.4 million for the same period last year, +5.9 percent), while the Group's adjusted operating margin[4] improved from 12.7 percent in the third quarter of 2010 to 13.0 percent in the third quarter of 2011. For the first nine months of the year, the adjusted operating income amounted to Euro 681.6 million, up 10.6 percent over the Euro 616.0 million posted for the same period last year.

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[3] For a further discussion of Adjusted Operating Income, see page 17 "Non-IAS/IFRS Measures."

[4] For a further discussion of Adjusted Operating Margin, see page 17 "Non-IAS/IFRS Measures."

Adjusted net income[5] for the third quarter of 2011 increased to Euro 106.1 million, up by +4.1 percent from Euro 101.9 million in the same period of 2010, resulting in adjusted earnings per share[6] (EPS) of Euro 0.23 (at an average Euro/U.S. dollar exchange rate of 1.4127). The adjusted EPS in U.S. dollars grew by 13.4 percent from U.S. $0.29 in the third quarter of 2010 to U.S. $0.33 in the third quarter of 2011. Net income for the nine month period of 2011 increased to Euro 388.0 million (Adjusted Euro 382.9 million), up by 11.8 percent from Euro 347.1 million in the same period of 2010, resulting in EPS of Euro 0.84 (at an average Euro/U.S. dollar exchange rate of 1.4065). The adjusted EPS in U.S. dollars grew by 17.6 percent to U.S. $ 1.17 in the first nine months of 2011 from U.S. $ 0.99 in the same period of 2010.

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[5] For a further discussion of Adjusted Net Income, see page 17 "Non-IAS/IFRS Measures."

[6] For a further discussion of Adjusted EPS, see page 17 "Non-IAS/IFRS Measures."

For the third quarter of 2011 and the first nine month period ended September 30, 2011, Luxottica once again generated positive free cash flow[7] (Euro 200 million and Euro 338 million, respectively). Net debt[8] as of September 30, 2011 amounted to Euro 2,078 million (Euro 2,111 million at the end of 2010), with a ratio of net debt to adjusted EBITDA of 1.8x as compared with 2.0x at the end of 2010.

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[7] For a further discussion of Free Cash Flow, see page 17 "Non-IAS/IFRS Measures."

[8] For a further discussion of Net Debt and Net Debt to Adjusted EBITDA, see page 17 "Non-IAS/IFRS Measures."

2. SIGNIFICANT EVENTS DURING THE NINE MONTHS ENDED SEPTEMBER 30, 2011

January

On January 20, 2011, the Group terminated the revolving credit line with Banca Nazionale del Lavoro totaling Euro 150 million. The original maturity date of the credit line was July 13, 2011. As of December 31, 2010, the credit line was undrawn.

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February

On February 17, 2011, the Group announced that it had entered into agreements pursuant to which the Group subsequently acquired two sunglass specialty retail chains totaling more than 70 stores in Mexico for a total amount of Euro 19.5 million. This transaction marks the Company's entry into the sun retail business in Mexico where the Group already has a solid presence through its wholesale division. Over time, the stores will be rebranded under the Sunglass Hut brand. The acquisition was completed in the second quarter of 2011.

March

During the first three months of 2011, we purchased on the Mercato Telematico Azionario ("MTA") 466,204 of our ordinary shares at an average price of Euro 22.45 per share, for a total amount of Euro 10.5 million, pursuant to the stock purchase program approved at the Stockholders' Meeting on October 29, 2009 and launched on November 16, 2009. This stock purchase program expired on April 28, 2011.

April

At the Stockholders' Meeting on April 28, 2011, the stockholders approved the Statutory Financial Statements as of December 31, 2010, as proposed by the Board of Directors and the distribution of a cash dividend of Euro 0.44 per ordinary share, reflecting a year-over-year 26 percent increase. The aggregate dividend amount of Euro 204.6 million was fully paid in May 2011.

May

On May 23, 2011, the Group announced that it had entered into an agreement to accelerate the purchases, in July 2011, of 57 percent of Multiopticas Internacional share capital. The Group already owned a 40 percent stake in Multiopticas Internacional, which itself currently owns over 470 eyewear stores operating under the Opticas GMO, Econopticas and Sun Planet retail brands in Chile, Peru, Ecuador and Colombia.

Once the call option is exercised (which is worth approximately Euro 95 million), the Group will own 97 percent of Multiopticas Internacional's share capital.

Multiopticas Internacional is currently present in South America with more than 470 stores as follows: 221 in Chile, 141 in Peru, 40 in Ecuador and 77 in Colombia. In 2010 they had total net sales exceeding Euro 80 million. Over the last four years, Compound Annual Growth Rate (CAGR) of net sales was more than 11 percent. It is expected that net sales for 2011 for the Multiopticas Internacional business could reach Euro 95 million.

Under the terms of the agreement, the Group paid on July 13, 2011, 70 percent of the exercise price, determined on the basis of Multiopticas Internacional's sales and EBITDA values, at the time of the exercise of the call option. The remaining 30 percent of the exercise price will be paid by the end of 2011.

August

On August 5, 2011, the Group announced that it had entered into an agreement pursuant to which it will acquire Erroca, the premier sunglass specialty retail chain in Israel, with more than 60 stores. This transaction marks Luxottica's entry into the sun Retail business in Israel, where the Group already has a solid presence through its Wholesale Division. Over time, the stores will be rebranded under the Sunglass Hut brand, the largest sunglass specialty retailer in the world.

The enterprise value of this transaction, which is subject to the approval of the relevant competition authority and is expected to close by the end of 2011, is approximately Euro 20 million.

As part of the celebrations marking the Group's 50th anniversary of its founding, on August 31, 2011 the Board of Directors of Luxottica Group S.p.A. approved the gifting of free treasury shares to

employees of the Group in Italy. The transaction involved over 7 thousand employees for an aggregate maximum amount of 313,575 Group treasury shares.

September

On September 19, 2011, the Group approved the partial demerger of Luxottica S.r.l., a wholly-owned subsidiary of Luxottica, in favor of Luxottica Group S.p.A. The assets of Luxottica S.r.l. that, in connection with the demerger, will be transferred to Luxottica Group S.p.A. are primarily the subsidiary's license contracts and assets related to its distribution activities. Given that Luxottica Group S.p.A. owns 100 percent of the share capital of Luxottica S.r.l., according to the provisions of article n° 2505 of the Italian Civil Code and pursuant to the bylaws of the companies involved, the demerger will be executed in simplified form and the resolution authorizing the demerger will be approved by the Boards of Directors of the two companies. Given that Luxottica is the sole shareholder of Luxottica S.r.l., no shares of Luxottica will be granted in exchange for these assets and no capital increase will take place. Furthermore, the corporate purpose of Luxottica will not be changed. The demerger is part of a broader project of reorganization of the activities of Luxottica S.r.l., which started in 2007 and is aimed at focusing the business of this company on manufacturing activities. The demerger, which is not subject to the Group's Procedure for Operations with Related Parties, will be based upon the financial statements as of June 30, 2011 of the two companies. The transaction is expected to be completed by January 1, 2012.

3. FINANCIAL RESULTS

The Group is a global leader in the design, manufacture and distribution of fashion, luxury and sport eyewear, with net sales reaching Euro 5.8 billion in 2010, over 60,000 employees and a strong global presence. The Group operates in two industry segments: (i) manufacturing and wholesale distribution (the "Wholesale Segment"); and (ii) retail distribution (the "Retail Segment"). See Note 5 to the Condensed Consolidated Quarterly Financial Report as of September 30, 2011 (unaudited) for additional disclosures about our operating segments. Through the manufacturing and wholesale distribution segment, we are engaged in the design, manufacture, wholesale distribution and marketing of house and designer lines of mid- to premium-priced prescription frames and sunglasses. The Group operates its retail distribution segment principally through its retail brands, which include, among others, LensCrafters, Sunglass Hut, Pearle Vision, ILORI, The Optical Shop of Aspen, OPSM, Laubman & Pank, Budget Eyewear, Bright Eyes, Oakley "O" Stores and Vaults, David Clulow and our Licensed Brands (Sears Optical and Target Optical).

As a result of numerous acquisitions and the subsequent expansion of business activities in the United States through these acquisitions, the Group's results of operations, which are reported in Euro, are susceptible to currency rate fluctuations between the Euro and the U.S. dollar. The Euro/U.S. dollar exchange rate has fluctuated from an average exchange rate of Euro 1.00 = U.S. $1.3145 in the first nine months of 2010 to Euro 1.00 = U.S. $1.4065 in the same period of 2011. With the acquisition of OPSM and Bright Eyes (acquired through Oakley), our results of operations have also been rendered susceptible to currency fluctuations between the Euro and the Australian dollar, from an average exchange rate of Euro 1.00 = Australian $1.4655 in the first nine months of 2010 to Euro 1.00 = Australian $1.3540 in the same period of 2011. Additionally, we incur part of our manufacturing costs in Chinese Yuan; therefore, the fluctuation of the Chinese Yuan relative to other currencies in which we receive revenues could impact the demand for our products or our profitability as reported in the Group's consolidated financial reports. However, in the first nine months of 2011, the fluctuation of the Chinese Yuan did not significantly affect demand for products or decrease the Group's reported profitability. Although the Group engages in certain foreign currency hedging activities to mitigate the impact of these fluctuations, they have impacted reported revenues and expenses during the periods discussed herein. This discussion should be read in conjunction with the risk factor discussion in Note 10 of the Management Report of the 2010 Consolidated Financial Statements.

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RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (UNAUDITED)

In accordance with IAS/IFRS

	Nine months ended September 30,			
In thousands of Euro	2011	% of net sales	2010	% of net sales
Net sales	**4,713,453**	**100.0%**	**4,451,542**	**100.0%**
Cost of sales	1,621,782	34.4%	1,529,395	34.4%
Gross profit	**3,091,671**	**65.6%**	**2,922,148**	**65.6%**
Selling	1,485,787	31.5%	1,427,794	32.1%
Royalties	80,122	1.7%	74,512	1.7%
Advertising	306,771	6.5%	286,455	6.4%
General and administrative	480,061	10.2%	454,547	10.2%
Intangibles amortization	60,159	1.3%	62,829	1.4%
Total operating expenses	**2,412,900**	**51.2%**	**2,306,136**	**51.8%**
Income from operations	**678,771**	**14.4%**	**616,012**	**13.8%**
Other income/(expense)				
Interest income	10,393	0.2%	5,824	0.1%
Interest expense	(89,809)	(1.9)%	(78,500)	(1.8)%
Other net	(5,947)	(0.1)%	(5,872)	(0.1)%
Income before provision for income taxes	**593,408**	**12.6%**	**537,464**	**12.1%**
Provision for income taxes	(200,211)	(4.2)%	(186,202)	(4.2)%
Net income	**393,198**	**8.3%**	**351,262**	**7.9%**
Attributable to				
Luxottica Group stockholders	**387,963**	**8.2%**	**347,077**	**7.8%**
non-controlling interests	5,235	0.1%	4,185	0.1%
NET INCOME	**393,198**	**8.3%**	**351,262**	**7.9%**

During the nine-month period ended September 30, 2011, the Group recorded the following items characterized as extraordinary or non-recurring in its financial results: (1) an extraordinary gain of approximately Euro 21.0 million related to the acquisition of the 40% stake in Multiopticas Internacional; (2) non-recurring costs related to Luxottica's 50th anniversary celebrations of approximately Euro 12.0 million; and (3) non-recurring restructuring and start-up costs in the Retail Division of approximately Euro 11.8 million.

Income from operations and net income attributable to Luxottica Group stockholders adjusted to exclude the above non-recurring items would be as follows:

Adjusted Measures				
In thousands of Euro	2011	% of net sales	2010	% of net sales

Adjusted income from operations	681,605	14.5%	616,012	13.8%
Adjusted net income attributable to Luxottica stockholders	382,912	8.1%	347,077	7.8%

Net Sales. Net sales increased by Euro 262.0 million, or 5.9 percent, to Euro 4,713.5 million in the first nine months of 2011 from Euro 4,451.5 million in the same period of 2010. Euro 177.3 million of such increase was attributable to the increased sales in the manufacturing and wholesale distribution

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segment in the first nine months of 2011 as compared to the same period in 2010 and to increased sales in the retail distribution segment of Euro 84.7 million for the same period.

[9] 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 in the same geographic area, and applies to both periods the average exchange rate for the prior period.

Net sales for the retail distribution segment increased by Euro 84.7 million, or 3.1 percent, to Euro 2,813.3 million in the first nine months of 2011 from Euro 2,728.6 million in the same period in 2010. The increase in net sales for the period was partially attributable to a 5.1 percent improvement in comparable store sales[(9)] mainly due to a 5.3 percent increase in comparable store sales for the North American retail operations. The effects from currency fluctuations between the Euro (which is the Group's reporting currency) and other currencies in which the Group conducts business, in particular the weakening of the U.S. dollar, despite the strengthening of the Australian dollar compared to the Euro, decreased net sales in the retail distribution segment by Euro 134.8 million during the period.

Net sales to third parties in the manufacturing and wholesale distribution segment increased by Euro 177.3 million, or 10.3 percent, to Euro 1,900.2 million in the first nine months of 2011 from Euro 1,722.9 million in the same period in 2010. This increase was mainly attributable to increased sales of most of the Group's house brands, in particular Ray-Ban and Oakley, and of some designer brands such as Prada, Polo, Burberry and Tiffany. These sales volume increases occurred in most of the geographic markets in which the Group operates. These positive effects were partially offset by negative currency fluctuations, in particular the weakening of the U.S. dollar, despite the strengthening of the Australian dollar and other minor currencies, including but not limited to the Brazilian Real and the Japanese Yen, the total effect of which was to decrease net sales to third parties in the manufacturing and wholesale distribution segment by Euro 28.4 million.

In the first nine months of 2011, net sales in the retail distribution segment accounted for approximately 59.7 percent of total net sales, as compared to approximately 61.3 percent of total net sales for the same period in 2010. This decrease in sales for the retail distribution segment as a percentage of total net sales was primarily attributable to a 10.3 percent increase in net sales to third parties in our manufacturing and wholesale distribution segment for the first nine months of 2011 as compared to the same period of 2010, which exceeded a 3.1 percent increase in net sales in the retail distribution segment for the first nine months of 2011 as compared to the same period of 2010.

In the first nine months of 2011, net sales in our retail distribution segment in the United States and Canada comprised 81.0 percent of our total net sales in this segment as compared to 83.3 percent of our total net sales in the same period of 2010. In U.S. dollars, retail net sales in the United States and Canada increased by 7.3 percent to U.S. $3,205.2 million in the first nine months of 2011 from U.S. $2,987.5 million for the same period in 2010, due to sales volume increases. During the first nine months of 2011, net sales in the retail distribution segment in the rest of the world (excluding the United States and Canada) comprised 19.0 percent of our total net sales in the retail distribution segment and increased by 17.2 percent to Euro 534.4 million in the first nine months of 2011 from Euro 455.9 million, or 16.7 percent of our total net sales in the retail distribution segment for the same period in 2010, mainly due to an increase in consumer demand.

In the first nine months of 2011, net sales to third parties in our manufacturing and wholesale distribution segment in Europe were Euro 901.0 million, comprising 47.4 percent of our total net sales in this segment, compared to Euro 838.2 million, or 48.7 percent of total net sales in the segment, for the same period in 2010. The increase in net sales in Europe of Euro 62.8 million in the first nine months of 2011 as compared to the same period of 2010 constituted a 7.5 percent increase in net sales to third parties, due to a general increase in consumer demand. Net sales to third parties in the manufacturing

and wholesale distribution segment in the United States and Canada were U.S. $646.9 million and comprised 24.2 percent of total net sales in this segment for the first nine months of 2011, compared to U.S. $558.7 million, or 24.7 percent of total net sales in the segment, for the same period of 2010. The increase in net sales in the United States and Canada was primarily due to a general increase in consumer demand. In the first nine months of 2011, net sales to third parties in the manufacturing and wholesale distribution segment in the rest of the world were Euro 539.2 million, comprising 28.4 percent of our total net sales in this segment, compared to Euro 459.7 million, or 26.7 percent of our net sales in this segment, in the same period of 2010. The increase of Euro 79.5 million, or 17.3 percent, in the first nine months of 2011 as compared to the same period of 2010, was due to the positive effect of currency fluctuations as well as an increase in consumer demand.

Cost of Sales. Cost of sales increased by Euro 92.4 million, or 6.0 percent, to Euro 1,621.8 million in the first nine months of 2011 from Euro 1,529.4 million in the same period of 2010, essentially in line with the increase of net sales in the period. As a percentage of net sales, cost of sales was 34.4 percent in the first nine months of 2011 and 2010. In the first nine months of 2011, the average number of frames produced daily in our facilities increased to approximately 268,700 as compared to approximately 237,200 in the same period of 2010, which was attributable to increased production in all manufacturing facilities in response to an overall increase in demand.

Gross Profit. Our gross profit increased by Euro 169.6 million, or 5.8 percent, to Euro 3,091.7 million in the first nine months of 2011 from Euro 2,922.1 million for the same period of 2010. As a percentage of net sales, gross profit increased to 65.6 percent in the first nine months of 2011 and 2010.

Operating Expenses. Total operating expenses increased by Euro 106.8 million, or 4.6 percent, to Euro 2,412.9 million in the first nine months of 2011 from Euro 2,306.1 million in the same period of 2010. As a percentage of net sales, operating expenses decreased to 51.2 percent in the first nine months of 2011, from 51.8 percent in the same period of 2010. Total operating expenses, excluding the above mentioned non-recurring items, increased by Euro 103.9 million, or 4.5 percent, to Euro 2,410.1 million in the first nine months of 2011 from Euro 2,306.1 million in the same period of 2010. As a percentage of net sales, operating expenses decreased to 51.1 percent in the first nine months of 2011, from 51.8 percent in the same period of 2010.

Selling and advertising expenses (including royalty expenses) increased by Euro 83.9 million, or 4.7 percent, to Euro 1,872.7 million in the first nine months of 2011 from Euro 1,788.8 million in the same period of 2010. Selling expenses increased by Euro 58.0 million, or 4.1 percent. Advertising expenses increased by Euro 20.3 million, or 7.1 percent. Royalties increased by Euro 5.6 million, or 7.5 percent. As a percentage of net sales, selling and advertising expenses decreased to 39.7 percent in the first nine months of 2011, compared to 40.2 percent for the same period of 2010, mainly due to efficiencies reached in managing the Group's sales force.

Selling and advertising expenses (including royalty expenses), excluding the above mentioned non-recurring costs, increased by Euro 71.2 million, or 4.0 percent, to Euro 1,860.0 million in the first nine months of 2011 from Euro 1,788.8 million in the same period of 2010. Selling expenses increased by Euro 51.0 million, or 3.6 percent. Advertising expenses increased by Euro 14.6 million, or 5.1 percent. Royalties increased by Euro 5.6 million, or 7.5 percent. As a percentage of net sales, selling and advertising expenses decreased to 39.5 percent in the first nine months of 2011, compared to 40.2 percent for the same period of 2010, mainly due to efficiencies reached in managing our sales force.

General and administrative expenses, including intangible asset amortization increased by Euro 22.8 million, or 4.4 percent, to Euro 540.2 million in the first nine months of 2011 as compared to Euro 517.4 million in the same period of 2010. As a percentage of net sales, general and administrative

expenses were 11.5 percent in the first nine months of 2011 as compared to 11.6 percent in the same period of 2010.

General and administrative expenses, including intangible asset amortization, and excluding the above mentioned non-recurring items, increased by Euro 32.7 million, or 6.3 percent, to Euro 550.1 million in the first nine months of 2011 as compared to Euro 517.4 million in the same period of 2010. As a percentage of net sales, general and administrative expenses were 11.7 percent in the first nine months of 2011 as compared to 11.6 percent in the same period of 2010.

Income from Operations. For the reasons described above, income from operations increased by Euro 62.8 million, or 10.2 percent, to Euro 678.8 million in the first nine months of 2011 from Euro 616.0 million in the same period of 2010. As a percentage of net sales, income from operations increased to 14.4 percent in the first nine months of 2011 from 13.8 percent in the same period of 2010. For the reasons described above, adjusted income from operations increased by Euro 65.4 million, or 10.6 percent, to Euro 681.6 million in the first nine months of 2011 from Euro 616.0 million in the same period of 2010. As a percentage of net sales, income from operations increased to 14.5 percent in the first nine months of 2011 from 13.8 percent in the same period of 2010.

Other Income (Expense) Net. Other income (expense) net was Euro (85.4) million in the first nine months of 2011 as compared to Euro (78.5) million in the same period of 2010. Net interest expense was Euro 79.4 million in the first nine months of 2011 as compared to Euro 72.7 million in the same period of 2010. The increase in net interest expense is attributable to an increase in the cost of debt, mainly due to (i) the arrangement of new long-term debt, which has extended the average maturity of the Group's debt and (ii) a higher debt exposure in certain emerging markets where the Group now operates, where the cost of indebtedness is significantly higher as compared to the cost of indebtedness in markets where the Group historically has obtained financing.

Net Income. Income before taxes increased by Euro 55.9 million, or 10.4 percent, to Euro 593.4 million in the first nine months of 2011 from Euro 537.5 million in the same period of 2010, for the reasons described above. As a percentage of net sales, income before taxes increased to 12.6 percent in the first nine months of 2011 from 12.1 percent in the same period of 2010. Net income attributable to non-controlling interests increased to Euro 5.2 million in the first nine months of 2011 as compared to Euro 4.2 million in the same period of 2010. Our effective tax rate was 33.7 percent in the first nine months of 2011 as compared to 34.6 percent for the same period of 2010.

Net income attributable to Luxottica Group stockholders increased by Euro 40.9 million, or 11.8 percent, to Euro 388.0 million in the first nine months of 2011 from Euro 347.1 million in the same period of 2010. Net income attributable to Luxottica Group stockholders as a percentage of net sales increased to 8.2 percent in the first nine months of 2011 from 7.8 percent in the same period of 2010. Adjusted net income attributable to Luxottica Group stockholders increased by Euro 35.8 million, or 10.3 percent, to Euro 382.9 million in the first nine months of 2011 from Euro 347.1 million in the same period of 2010. Adjusted net income attributable to Luxottica Group stockholders as a percentage of net sales increased to 8.1 percent in the first nine months of 2011 from 7.8 percent in the same period of 2010.

Basic earnings per share were Euro 0.84 in the first nine months of 2011 as compared to Euro 0.76 in the same period of 2010. Diluted earnings per share were Euro 0.84 in the first nine months of 2011 as compared to Euro 0.75 in the same period of 2010.

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RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (UNAUDITED)

In accordance with IAS/IFRS

	Three months ended September 30,			
In thousands of Euro	2011	% of net sales	2010	% of net sales
Net sales	**1,523,807**	**100.0%**	**1,464,732**	**100.0%**
Cost of sales	524,656	34.4%	499,849	34.1%
Gross profit	**999,151**	**65.6%**	**964,883**	**65.9%**
Selling	505,420	33.2%	490,264	33.5%
Royalties	23,070	1.5%	22,012	1.5%
Advertising	103,098	6.8%	89,967	6.1%
General and administrative	152,936	10.0%	154,907	10.6%
Intangibles amortization	20,090	1.3%	21,297	1.5%
Total operating expenses	**804,614**	**52.9%**	**778,447**	**53.1%**
Income from operations	**194,537**	**12.8%**	**186,436**	**12.7%**
Other income/(expense)				
Interest income	3,158	0.2%	2,543	0.2%
Interest expense	(29,376)	(1.9)%	(26,929)	(1.8)%
Other net	(3,051)	(0.2)%	(1,120)	(0.1)%
Income before provision for income taxes	**165,268**	**10.8%**	**160,930**	**11%**
Provision for income taxes	(52,990)	(3.5)%	(58,229)	(4.0)%
Net income	**112,278**	**7.4%**	**102,701**	**7.0%**
Attributable to				
Luxottica Group stockholders	**111,181**	**7.3%**	**101,935**	**6.9%**
non-controlling interests	1,097	0.1%	766	0.1%
Net income	**112,278**	**7.4%**	**102,701**	**7.0%**

During third quarter ended September 30, 2011, the Group recorded the following items characterized as extraordinary or non-recurring in its financial results: (1) an extraordinary gain of approximately Euro 21.0 million related to the acquisition of the 40% stake in Multiopticas Internacional; (2) non-recurring costs related to Luxottica's 50th anniversary celebrations of approximately Euro 12.0 million; and (3) non-recurring restructuring and start-up costs in the Retail Division of approximately Euro 11.8 million.

The income from operations and net income attributable to Luxottica Group stockholders adjusted to exclude the above non-recurring items would be as follows:

Adjusted Measures *In thousands of Euro*	Q3 2011	% of net sales	Q3 2010	% of net sales
Adjusted income from operations	197,371	13.0%	186,436	12.7%

Adjusted net income attributable to Luxottica stockholders	106,131	7.0%	101,934	7.0%

Net Sales. Net sales increased by Euro 59.1 million, or 4.0 percent, to Euro 1,523.8 million in the three-month period ended September 30, 2011 from Euro 1,464.7 million in the same period of 2010. Euro 36.8 million of such increase was attributable to the increased sales in the manufacturing and

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wholesale distribution segment in the three-month period ended September 30, 2011 as compared to the same period in 2010, and increased sales in the retail distribution segment of Euro 22.2 million for the same period.

Net sales for the retail distribution segment increased by Euro 22.2 million, or 2.4 percent, to Euro 968.7 million in the three-month period ended September 30, 2011 from Euro 946.5 million in the same period in 2010. The increase is attributable to a 4.3 percent improvement in comparable store sales, in particular, there was a 3.7 percent increase in comparable store sales for the North American retail operations. The effects from currency fluctuations between the Euro (which is the Group's reporting currency) and other currencies in which the Group conducts business, in particular the weakening of the U.S. dollar, despite the strengthening of the Australian dollar compared to the Euro, decreased net sales in the retail distribution segment by Euro 68.2 million during the period.

Net sales to third parties in the manufacturing and wholesale distribution segment increased by Euro 36.8 million, or 7.1 percent, to Euro 555.1 million in the three-month period ended September 30, 2011 from Euro 518.3 million in the same period in 2010. This increase was mainly attributable to increased sales of most of the Group's house brands, in particular Ray-Ban and Oakley, and of some designer brands such as Polo, Burberry and Tiffany. These sales volume increases occurred in most of the geographic markets in which the Group operates. These positive effects were partially offset by negative currency fluctuations, in particular a weakening of the U.S. dollar and other minor currencies, including but not limited to the Brazilian Real and the Canadian dollar, which decreased net sales to third parties in the manufacturing and wholesale distribution segment by Euro 18.8 million, notwithstanding the strengthening of the Australian dollar.

During the three-month period ended September 30, 2011, net sales in the retail distribution segment accounted for approximately 63.6 percent of total net sales, as compared to approximately 64.6 percent of total net sales for the same period in 2010. This decrease in sales for the retail distribution segment as a percentage of total net sales was primarily attributable to a 7.1 percent increase in net sales to third parties in our manufacturing and wholesale distribution segment for the three-month period ended September 30, 2011 from the same period of 2010, as compared to a 2.4 percent increased in net sales in the retail distribution segment for the three-month period ended September 30, 2011 from the same period of 2010.

During the three-month period ended September 30, 2011, net sales in the Group's retail distribution segment in the United States and Canada comprised 79.6 percent of total net sales in this segment as compared to 83.7 percent of the Group's total net sales in the same period of 2010. In U.S. dollars, retail net sales in the United States and Canada increased by 6.4 percent to U.S. $1,089.0 million in the three-month period ended September 30, 2011 from U.S. $1,023.5 million for the same period in 2010, due to sales volume increases. During the three-month period ended September 30, 2011, net sales in the retail distribution segment in the rest of the world (excluding the United States and Canada) comprised 20.4 percent of total net sales in the retail distribution segment and increased by 28.5 percent to Euro 197.9 million in the three-month period ended September 30, 2011 from Euro 154.0 million, or 16.3 percent of total net sales in the retail distribution segment for the same period in 2010, mainly due to an increase in consumer demand.

During the three-month period ended September 30, 2011, net sales to third parties in the Group's manufacturing and wholesale distribution segment in Europe were Euro 219.0 million, comprising 39.5 percent of our total net sales in this segment, compared to Euro 216.2 million, or 41.7 percent of total net sales in the segment, for the same period in 2010. The increase in net sales in Europe of Euro 2.8 million in the three-month period ended September 30, 2011 as compared to the same period of 2010 constituted a 1.3 percent increase in net sales to third parties. Net sales to third parties in the manufacturing and wholesale distribution segment in the United States and Canada were U.S. $224.4 million and comprised 28.6 percent of total net sales in this segment for the three-month period

ended September 30, 2011, compared to U.S. $192.5 million, or 28.7 percent of total net sales in the segment, for the same period of 2010. In the three-month period ended September 30, 2011, net sales to third parties in the manufacturing and wholesale distribution segment in the rest of the world were Euro 177.2 million, comprising 31.9 percent of our total net sales in this segment, compared to Euro 153.0 million, or 29.5 percent of our net sales in this segment, in the same period of 2010. The increase of Euro 24.2 million, or 15.8 percent, in the three-month period ended September 30, 2011 as compared to the same period of 2010, was due to an increase in consumer demand.

Cost of Sales. Cost of sales increased by Euro 24.8 million, or 5.0 percent, to Euro 524.7 million in the three-month period ended September 30, 2011 from Euro 499.8 million in the same period of 2010, essentially in line with the increase of net sales in the period. As a percentage of net sales, cost of sales was 34.4 percent in the three-month period ended September 30, 2011 as compared to 34.1 percent in the same period of 2010. The average number of frames produced daily in the Group's facilities increased to approximately 280,900 in the three-month period ended September 30, 2011, as compared to approximately 246,000 in the same period of 2010, which was attributable to increased production in all manufacturing facilities in response to an overall increase in demand.

Gross Profit. Gross profit increased by Euro 34.3 million, or 3.6 percent, to Euro 999.2 million in the three-month period ended September 30, 2011 from Euro 964.9 million for the same period of 2010. As a percentage of net sales, gross profit was 65.6 percent in the three-month period ended September 30, 2011 as compared to 65.9 percent in the same period in 2010, due to the factors noted above.

Operating Expenses. Total operating expenses increased by Euro 26.2 million, or 3.4 percent, to Euro 804.6 million in the three-month period ended September 30, 2011 from Euro 778.4 million in the same period of 2010. As a percentage of net sales, operating expenses decreased to 52.8 percent in the three-month period ended September 30, 2011, from 53.1 percent in the same period of 2010. Total operating expenses, excluding the above mentioned non-recurring items, increased by Euro 23.3 million, or 3.0 percent, to Euro 801.8 million in the three-month period ended September 30, 2011 from Euro 778.4 million in the same period of 2010. As a percentage of net sales, operating expenses decreased to 52.6 percent in the three-month period ended September 30, 2011, from 53.1 percent in the same period of 2010.

Selling and advertising expenses (including royalty expenses) increased by Euro 29.4 million, or 4.9 percent, to Euro 631.6 million in the three-month period ended September 30, 2011 from Euro 602.2 million in the same period of 2010. Selling expenses increased by Euro 15.2 million, or 3.1 percent. Advertising expenses increased by Euro 13.1 million, or 14.6 percent. Royalties increased by Euro 1.1 million, or 4.8 percent. As a percentage of net sales, selling and advertising expenses slightly increased to 41.4 percent in the three-month period ended September 30, 2011, compared to 41.1 percent for the same period of 2010.

Selling and advertising expenses (including royalty expenses), excluding the above mentioned non-recurring expenses, increased by Euro 16.7 million, or 2.8 percent, to Euro 618.9 million in the three-month period ended September 30, 2011 from Euro 602.2 million in the same period of 2010. Selling expenses increased by Euro 8.2 million, or 1.7 percent. Advertising expenses increased by Euro 7.4 million, or 8.3 percent. Royalties increased by Euro 1.1 million, or 4.8 percent. As a percentage of net sales, selling and advertising expenses slightly decreased to 40.6 percent in the three-month period ended September 30, 2011, compared to 41.1 percent for the same period of 2010.

General and administrative expenses, including intangible asset amortization decreased by Euro 3.2 million, or 1.8 percent, to Euro 173.0 million in the three-month period ended September 30, 2011 as compared to Euro 176.2 million in the same period of 2010. As a percentage of net sales,

general and administrative expenses were 11.4 percent in the three-month period ended September 30, 2011 as compared to 12.0 percent in the same period of 2010. General and administrative expenses, including intangible asset amortization and excluding the above mentioned non-recurring items, increased by Euro 6.7 million, or 3.8 percent, to Euro 182.9 million in the three-month period ended September 30, 2011 as compared to Euro 176.2 million in the same period of 2010. As a percentage of net sales, general and administrative expenses were 12.0 percent in the three-month periods ended September 30, 2011 and 2010.

Income from Operations. For the reasons described above, income from operations increased by Euro 8.1 million, or 4.3 percent, to Euro 194.5 million in the three-month period ended September 30, 2011 from Euro 186.4 million in the same period of 2010. As a percentage of net sales, income from operations increased to 12.8 percent in the three-month period ended September 30, 2011 from 12.7 percent in the same period of 2010. For the reasons described above, adjusted income from operations increased by Euro 10.9 million, or 5.9 percent, to Euro 197.4 million in the three-month period ended September 30, 2011 from Euro 186.4 million in the same period of 2010. As a percentage of net sales, income from operations increased to 13.0 percent in the three-month period ended September 30, 2011 from 12.7 percent in the same period of 2010.

Other Income (Expense) Net. Other income (expense) net was Euro (29.3) million in the three-month period ended September 30, 2011 as compared to Euro (25.5) million in the same period of 2010. Net interest expense was Euro 26.2 million in the three-month period ended September 30, 2011 as compared to Euro 24.4 million in the same period of 2010. Net interest expense remained substantially unchanged in the three-month period ended September 30, 2011 as compared to the same period of 2010, although the arrangement of new long-term debt has extended the average maturity of the Group's debt, resulting in a higher debt exposure in certain emerging markets where the Group now operates.

Net Income. Income before taxes increased by Euro 4.3 million, or 2.7 percent, to Euro 165.3 million in the three-month period ended September 30, 2011 from Euro 160.9 million in the same period of 2010, for the reasons described above. As a percentage of net sales, income before taxes increased to 10.8 percent in the three-month period ended September 30, 2011 from 11.0 percent in the same period of 2010. Net income attributable to non-controlling interests increased to Euro 1.1 million in the three-month period ended September 30, 2011 as compared to Euro 0.8 million in the same period of 2010. Our effective tax rate was 32.1 percent in the three-month period ended September 30, 2011 as compared to 36.2 percent for the same period of 2010.

Net income attributable to Luxottica Group stockholders increased by Euro 9.2 million, or 9.1 percent, to Euro 111.2 million in the three-month period ended September 30, 2011 from Euro 101.9 million in the same period of 2010. Net income attributable to Luxottica Group stockholders as a percentage of net sales increased to 7.3 percent in the three-month period ended September 30, 2011 from 7.0 percent in the same period of 2010. Adjusted net income attributable to Luxottica Group stockholders increased by Euro 4.2 million, or 4.1 percent, to Euro 106.1 million in the three-month period ended September 30, 2011 from Euro 101.9 million in the same period of 2010. Net income attributable to Luxottica Group stockholders as a percentage of net sales was 7.0 percent in the three month periods ended September 30, 2011 and 2010.

Basic and diluted earnings per share were Euro 0.24 in the three-month period ended September 30, 2011 as compared to Euro 0.22 in the same period of 2010.

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OUR CASH FLOWS

The following table sets forth for the periods indicated certain items included in our statements of consolidated cash flows included in Item 2 of this report.

(Thousands of Euro)		As of September 30, 2011	As of September 30, 2010
A)	Cash and cash equivalents at the beginning of the period	679,852	380,081
B)	Cash provided by operating activities	546,969	589,717
C)	Cash used in investing activities	(282,807)	(261,620)
D)	Cash used in financing activities	(343,497)	(310,816)
	Change in bank overdrafts	15,675	71,321
	Effect of exchange rate changes on cash and cash equivalents	(9,838)	14,260
E)	Net change in cash and cash equivalents	(73,498)	102,862
F)	**Cash and cash equivalents at the end of the period**	**606,355**	**482,943**

Operating activities. Our cash provided by operating activities was Euro 547.0 million and Euro 589.7 million for the first nine months of 2011 and 2010, respectively.

Depreciation and amortization were Euro 229.5 million in the first nine months of 2011 as compared to Euro 225.4 million in the same period of 2010.

Cash used in accounts receivable was Euro (40.8) million in the first nine months of 2011, compared to Euro (20.7) million in the same period of 2010. This change was primarily due to an increase in sales volume in the first nine months of 2011 as compared to the same period of 2010. Cash (used in)/generated by inventory was Euro (23.7) million in the first nine months of 2011 as compared to Euro (16.1) million in the same period of 2010. The increase in inventory in the first nine months of 2011 is mainly attributable to currency fluctuation effects. Cash (used in)/generated by accounts payable was Euro (78.1) million in the first nine months of 2011 compared to Euro (29.0) million in the same period of 2010. This change is mainly due to increased purchases at our manufacturing facilities in the first nine months of 2011. Cash generated by income taxes payable was Euro 43.7 million in the first nine months of 2011 as compared to Euro 65.3 million in the same period of 2010. This change was mainly due to the timing of tax payments made by the Group in the different jurisdictions. Cash generated by/(used in) other assets/liabilities was Euro 27.6 million in the first nine months of 2011 as compared to Euro (15.7) million in the same period of 2010. This change, was mainly due to the Euro 52.7 million reduction of tax receivables that occurred in the first nine months of 2011 primarily in the North American subsidiaries and was partially offset by an increase in other assets of certain Italian subsidiaries of the Group. In the first nine months of 2010 the change related to other assets/liabilities was mainly due to the investment of Euro (25.9) million in the security portfolio that was previously maintained by Group.

Investing activities. Our cash used in investing activities was Euro (282.8) million for the first nine months of 2011 as compared to Euro (261.6) million for the same period in 2010. The cash used in investing activities primarily consisted of (i) Euro (197.6) million in capital expenditures in the first nine months of 2011 as compared to Euro (139.3) million in the same period of 2010, (ii) the acquisition of 57 percent in Multiopticas Internacional for Euro (54.2) million, the acquisition of two retail chains in Mexico for Euro (19.4) million, the acquisition of a retail chain in Australia for Euro (6.3) million and other minor acquisitions for Euro (5.3) million in the first nine months of 2011 as compared to the purchase of the remaining minority interest in Luxottica Turkey for a total amount of Euro (61.8) million and other minor acquisitions for a total amount of Euro (12.5), which occurred in the first nine months of 2010, and (iii) Euro (20.7) million for the payment of the second installment of the purchase price for the acquisition of a 40 percent investment in Multiopticas Internacional, which occurred in the first three months of 2010.

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Financing activities. Our cash used in financing activities for the first nine months of 2011 and 2010 was Euro (343.5) million and Euro (285.5) million, respectively. Cash used in financing activities for the first nine months of 2011 consisted primarily of Euro (160.1) million used to repay long-term debt expiring during the first nine months of 2011 and Euro (206.4) million in cash used to pay dividends. Cash (used in)/provided by financing activities for the first nine months of 2010 consisted primarily of the proceeds of Euro 383.0 million from long-term debt borrowings, Euro (506.1) million in cash used to repay long-term debt expiring during the first nine months of 2010 and Euro (169.6) million in cash used to pay dividends.

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OUR CONSOLIDATED BALANCE SHEET

In accordance with IAS/IFRS

In thousands of Euro

ASSETS	**September 30, 2011 (unaudited)**	**December 31, 2010 (audited)**
CURRENT ASSETS:		
Cash and cash equivalents	606,355	679,852
Accounts receivable net	685,434	655,892
Inventories net	626,723	590,036
Other assets	225,203	226,759
Total current assets	**2,143,714**	**2,152,539**
NON CURRENT ASSETS:		
Property, plant and equipment net	1,263,386	1,229,130
Goodwill	2,980,342	2,890,397
Intangible assets net	1,100,419	1,155,007
Investments	9,399	54,083
Other assets	142,336	148,125
Deferred tax assets	371,266	364,299
Total non-current assets	**5,867,146**	**5,841,040**
TOTAL ASSETS	**8,010,861**	**7,993,579**

LIABILITIES AND STOCKHOLDERS' EQUITY	**September 30, 2011 (unaudited)**	**December 31, 2010 (audited)**
CURRENT LIABILITIES:		
Bank overdrafts	206,531	158,648
Current portion of long-term debt	239,788	197,566
Accounts payable	459,450	537,742
Income taxes payable	103,318	60,067
Other liabilities	604,435	549,280
Total current liabilities	**1,613,522**	**1,503,303**
NON-CURRENT LIABILITIES:		
Long-term debt	2,238,561	2,435,071
Liability for termination indemnity	45,109	45,363
Deferred tax liabilities	426,131	429,848
Other liabilities	246,802	310,590
Total non-current liabilities	**2,956,603**	**3,220,872**
STOCKHOLDERS' EQUITY:		
Luxottica Group stockholders' equity	3,427,537	3,256,375
Non-controlling interests	13,201	13,029

Total stockholders' equity	**3,440,737**	**3,269,404**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**8,010,861**	**7,993,579**

As of September 30, 2011, total assets increased by Euro 17.3 million to Euro 8,010.9 million, compared to Euro 7,993.6 million as of December 31, 2010.

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In the first nine months of 2011, non current assets increased by Euro 26.1 million, due to increases in net intangible assets (including goodwill) of Euro 35.4 million, property, plant and equipment net of Euro 34.3 million and deferred tax assets of Euro 7.0 million, offset by the decrease in investments of Euro 44.7 million and other assets of Euro 5.8 million.

The growth in net intangible assets was primarily due to a Euro 169.1 million increase, mainly related to the acquisition of Multiopticas Internacional, which was offset by the negative effects of foreign currency fluctuations of Euro 69.8 million and to the amortization for the period of Euro 63.9 million.

The increase in property, plant and equipment was primarily due to additions during the period of Euro 197.6 million partially offset by negative currency fluctuation effects of Euro 11.8 million and depreciation of Euro 165.6 for the period.

As of September 30, 2011, as compared to December 31, 2010:

Accounts receivable increased by Euro 29.5 million, mainly due to the increase in net sales during the first nine months of 2011;

Non-current liabilities decreased by Euro 264.3 million due to (i) the decrease of long-term debt by Euro 196.5 million, due to the reclassification of the short-term portion of Euro 172.5 million, (ii) the decrease in pension liability of Euro 26.7 million, (iii) the positive effect of currency fluctuations which decreased non-current liabilities by Euro 23.9 million and (iv) the decrease of Euro 25.1 million of interest rate derivatives liability as a result of an increase in interest rates, compared to December 31, 2010.

Our net financial position as of September 30, 2011 and December 31, 2010 was as follows:

(Thousands of Euro)	**September 30, 2011 (unaudited)**	**December 31, 2010 (audited)**
Cash and cash equivalents	606,355	679,852
Bank overdrafts	(206,531)	(158,648)
Current portion of long-term debt	(239,788)	(197,566)
Long-term debt	(2,238,561)	(2,435,071)
Total	**(2,078,525)**	**(2,111,433)**

Bank overdrafts consist of the utilized portion of short-term uncommitted revolving credit lines borrowed by various subsidiaries of the Group.

As of September 30, 2011, we, together with our wholly-owned Italian subsidiary Luxottica S.r.l., had credit lines aggregating Euro 366.8 million. The interest rate is a floating rate of EURIBOR plus a margin on average of approximately 0.45 percent. At September 30, 2011, these credit lines were not utilized.

As of September 30, 2011, our wholly-owned subsidiary Luxottica U.S. Holdings maintained unsecured lines of credit with an aggregate maximum availability of Euro 99.3 million (U.S. $134.1 million). The interest rate is a floating rate and is approximately USD LIBOR plus 80 basis points. At September 30, 2011, there were no outstanding borrowings on these credit lines (related to guarantees of letters of credit).

4. RELATED PARTY TRANSACTIONS

Our related party transactions are neither atypical nor unusual and occur in the ordinary course of our business. Management believes that these transactions are fair to the Company. For further details regarding related party transactions, please refer to Note 28 to the Interim Consolidated Financial Statements as of September 30, 2011 (unaudited).

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5. ADAPTATION TO THE ARTICLES 36-39 OF THE REGULATED MARKETS

On July 13, 2011, Luxottica acquired control of the capital stock of the Spanish company Multiopticas Internacional S.L. That company controls the following entities based in countries outside of the European Union:

- OPTICAS GMO CHILE SAS, based in Chile;
- OPTICAS GMO COLOMBIA SAS, based in Colombia;
- OPTICAS GMO PERÚ SAC, based in Peru;
- OPTICAS GMO ECUADOR SA, based in Ecuador.

The companies OPTICAS GMO CHILE SAS, OPTICAS GMO COLOMBIA SAS and OPTICAS GMO PERÚ SAC are within the scope of the provisions of articles 36-39 of the CONSOB Market Regulation. With reference to the above subsidiaries outside the European Community, as of September 30, 2011 the Group completed the compliance plan pursuant to the provisions of art. 36-39 of the CONSOB Market Regulation.

6. SUBSEQUENT EVENTS

There were no significant events subsequent to close of the third quarter.

7. 2011 OUTLOOK

Management believes that the results obtained in the first nine months of 2011 provide an excellent basis to look with confidence to the final quarter of 2011.

NON-IAS/IFRS MEASURES

Adjusted measures

We use in this Management Report certain performance measures that are not in accordance with IAS/IFRS. Such non-IAS/IFRS 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 our operational performance.

Such measures are not defined terms under IAS/IFRS and their definitions should be carefully reviewed and understood by investors. Such non-IAS/IFRS measures are explained in detail and reconciled to their most comparable IAS/IFRS measures below.

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. These adjustments impact: EBITDA, EBITDA margin, operating income, operating margins, net income and earnings per share as follows:

a) an extraordinary gain of approximately Euro 21.0 million related to the acquisition of the 40 percent stake in Multiopticas Internacional;

b) non-recurring costs related to Luxottica's 50th anniversary celebrations of approximately Euro 12.0 million; and

c) non-recurring restructuring and start-up costs in the Retail Division of approximately Euro 11.8 million.

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The Group believes that these adjusted measures are useful to both management and investors in evaluating the Group'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 Group'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). These adjusted comparisons are included 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. See the tables below for a reconciliation of the adjusted measures discussed above to their most directly comparable IAS/IFRS financial measure or, in the case of adjusted EBITDA and adjusted EBITDA margin, to EBITDA and EBITDA margin, which is also a non-IAS/IFRS measure. For reconciliation of EBITDA and EBITDA margin to its most directly comparable IAS/IFRS measure, see the pages following the tables below:

	9M 2011					9M 2010				
	Net sales	EBITDA	Operating Income	Net Income	EPS	Net sales	EBITDA	Operating Income	Net Income	EPS
Reported	**4,713.5**	**908.3**	**678.8**	**388.0**	**0.84**	**4,451.5**	**841.5**	**616.0**	**347.1**	**0.76**
> Adjustment for Multiopticas Internacional extraordinary gain		(21.0)	(21.0)	(21.0)						
> Adjustment for 50th anniversary celebrations		12.0	12.0	8.5						
> Adjustment for restructuring costs in Retail Division		11.8	11.8	7.5						
Adjusted	**4,713.5**	**911.1**	**681.6**	**382.9**	**0.83**	**4,451.5**	**841.5**	**616.0**	**347.1**	**0.76**

	3Q2011					3Q2010				
	Net sales	EBITDA	Operating Income	Net Income	EPS	Net sales	EBITDA	Operating Income	Net Income	EPS
Reported	**1,523.8**	**273.1**	**194.5**	**111.2**	**0.24**	**1,464.7**	**263.5**	**186.4**	**101.9**	**0.22**
> Adjustment for Multiopticas Internacional extraordinary gain		(21.0)	(21.0)	(21.0)						
> Adjustment for 50th anniversary celebrations		12.0	12.0	8.5						
> Adjustment for restructuring costs in the Retail Division		11.8	11.8	7.5						
Adjusted	**1,523.8**	**276.0**	**197.4**	**106.1**	**0.23**	**1,464.7**	**263.5**	**186.4**	**101.9**	**0.22**

EBITDA and EBITDA margin

EBITDA represents net income attributable to Luxottica Group stockholders, before non-controlling interest, provision for income taxes, other income/expense, depreciation and amortization. EBITDA margin means EBITDA divided by net sales. We believe that EBITDA is useful to both management and investors in evaluating our operating performance compared with that of other companies in our 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

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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 IAS/IFRS. We include them in this Management Report in order to:

- improve transparency for investors;
- assist investors in their assessment of the Company's operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- assist investors in their assessment of the Company's cost of debt;
- ensure that these measures are fully understood in light of how the Company evaluates its operating results and leverage;
- properly define the metrics used and confirm their calculation; and
- share these measures with all investors at the same time.

EBITDA and EBITDA margin are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with 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 measures are not defined terms under IAS/IFRS and their definitions should be carefully reviewed and understood by investors.

Investors should be aware that our method of calculating EBITDA may differ from methods used by other companies. We recognize that the usefulness of EBITDA has certain limitations, including:

- EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;
- EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and expense may have material limitations;
- EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;
- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;

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 IAS/IFRS measurements, to assist in the evaluation of our operating performance and leverage.

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The following table provides a reconciliation of EBITDA to net income, which is the most directly comparable IAS/IFRS financial measure, as well as the calculation of EBITDA margin on net sales:

Non-IAS/IFRS Measure: EBITDA and EBITDA margin

Millions of Euro

	3Q 2010	3Q 2011	9M 2010	9M 2011	FY10[1]	LTM September 30, 2011
Net income/(loss) (+)	101.9	111.2	347.1	388.0	402.7	443.6
Net income attributable to non-controlling interest (+)	0.8	1.1	4.2	5.2	5.1	6.1
Provision for income taxes (+)	58.2	53.0	186.2	200.2	218.2	232.2
Other (income)/expense (+)	25.5	29.3	78.5	85.4	106.6	113.4
Depreciation & amortization (+)	77.0	78.6	225.4	229.5	301.6	305.7
EBITDA (=)	263.5	273.1	841.5	908.3	1,034.2	1,101.0
Net sales (/)	1,464.7	1,523.8	4,451.5	4,713.5	5,798.0	6,059.9
EBITDA margin (=)	18.0%	17.9%	18.9%	19.3%	17.8%	18.2%

(1) Net income as of Dec. 31, 2010 excluding impairment and discontinued operations. EBITDA as of Dec. 31, 2010 excluding impairment.

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Non-IAS/IFRS Measure: Adjusted EBITDA and Adjusted EBITDA margin

Millions of Euro

	3Q 2010	3Q 2011	9M 2010	9M 2011	FY10[1]	LTM September 30, 2011
Net income/(loss) (+)	101.9	106.1	347.1	382.9	402.7	438.5
Net income attributable to non-controlling interest (+)	0.8	1.1	4.2	5.2	5.1	6.1
Provision for income taxes (+)	58.2	60.9	186.2	208.1	218.2	240.1
Other (income)/expense (+)	25.5	29.3	78.5	85.4	106.6	113.4
Depreciation & amortization (+)	77.0	78.6	225.4	229.5	301.6	305.7
EBITDA (=)	263.5	276.0	841.5	911.1	1,034.2	1,103.9
Net sales (/)	1,464.7	1,523.8	4,451.5	4,713.5	5,798.0	6,059.9
EBITDA margin (=)	18.0%	18.1%	18.9%	19.3%	17.8%	18.2%

(1) Net income as of Dec. 31, 2010 excluding impairment and discontinued operations. EBITDA as of Dec. 31, 2010 excluding impairment.

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

Millions of Euro

	FY10	
	EBITDA	Net Income
Reported	**1,013.8**	**402.2**
> Adjustment for goodwill impairment charge	20.4	20.4
> Adjustment for discontinued operations		(19.9)
Adjusted	**1,034.2**	**402.7**

Free Cash Flow

Free cash flow represents net income before noncontrolling interests, taxes, other income/expense, depreciation and amortization (i.e., EBITDA) 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. We believe that free cash flow is useful to both management and investors in evaluating our operating performance compared with other companies in our industry. In particular, our calculation of free cash flow provides a clearer picture of our ability to generate net cash from operations, which is used for mandatory debt service requirements, to fund discretionary investments, pay dividends or pursue other strategic opportunities.

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Free cash flow is not a measure of performance under IAS/IFRS. We include it in this Management Report in order to:

- Improve transparency for investors;
- Assist investors in their assessment of our operating performance and our ability to generate cash from operations in excess of our cash expenses;
- Ensure that this measure is fully understood in light of how we evaluate our 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 IAS/IFRS. Rather, this non-IAS/IFRS measure 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 this measure is not a defined term under IAS/IFRS and its definition should be carefully reviewed and understood by investors.

Investors should be aware that our method of calculation of free cash flow may differ from methods used by other companies. We recognize that the usefulness of free cash flow as an evaluative tool may have certain limitations, including:

- The manner in which we calculate 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 our discretion if we take steps or adopt policies that increase or diminish our 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 IAS/IFRS measurements, to assist in the evaluation of our operating performance.

The following table provides a reconciliation of free cash flow to EBITDA and the table above provides a reconciliation of EBITDA to net income, which is the most directly comparable IAS/IFRS financial measure:

Non-IAS/IFRS Measure: Free cash flow
Millions of Euro

	9M 2011
EBITDA[(1)]	**908**
Δ working capital	(157)

Capex	(198)
Operating cash flow	**553**
Financial charges[2]	(79)
Taxes	(130)
Extraordinary charges[3]	(6)
Free cash flow	**338**

(1) EBITDA is not an IAS/IFRS measure; please see table on the earlier page for a reconciliation of EBITDA to net income

(2) Equals interest income minus interest expense

(3) Equals extraordinary income minus extraordinary expense

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Non-IAS/IFRS Measure: Free cash flow

Millions of Euro

	3Q 2011
EBITDA[(1)]	**273**
Δ working capital	56
Capex	(66)
Operating cash flow	**264**
Financial charges[(2)]	(26)
Taxes	(34)
Extraordinary charges[(3)]	(3)
Free cash flow	**200**

(1) EBITDA is not an IAS/IFRS measure; please see table on the earlier page for a reconciliation of EBITDA to net income

(2) Equals interest income minus interest expense

(3) Equals extraordinary income minus extraordinary expense

Net debt to EBITDA ratio

Net debt means the sum of bank overdrafts, current portion of long-term debt and long-term debt, less cash. EBITDA represents net income before non-controlling interest, taxes, other income/expense, depreciation and amortization. The Company believes that EBITDA is useful to both management and investors in evaluating the Company's operating performance compared with that of other companies in its industry. Our calculation of EBITDA allows us to compare our operating results with those of other companies without giving effect to financing, income taxes and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to the overall operating performance of a company's business. The ratio of net debt to EBITDA is a measure used by management to assess the Company's level of leverage, which affects our ability to refinance our debt as it matures and incur additional indebtedness to invest in new business opportunities. The ratio also allows management to assess the cost of existing debt since it affects the interest rates charged by the Company's lenders.

EBITDA and ratio of net debt to EBITDA are not measures of performance under International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS).

We include them in this Management Report 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 IAS/IFRS. Rather, these

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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 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 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 IAS/IFRS measurements, to assist in the evaluation of our operating performance and leverage.

See the table below for a reconciliation of net debt to long-term debt, which is the most directly comparable IAS/IFRS financial measure, as well as the calculation of the ratio of net debt to EBITDA. For a reconciliation of EBITDA to its most directly comparable IAS/IFRS measure, see the table on the earlier page.

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Non-IAS/IFRS Measure: Net debt and Net debt / EBITDA

Millions of Euro

	Sep. 30, 2011	Dec. 31, 2010
Long-term debt (+)	2,238.6	2,435.1
Current portion of long-term debt (+)	239.8	197.6
Bank overdrafts (+)	206.5	158.6
Cash (-)	(606.4)	(679.9)
Net debt (=)	2,078.5	2,111.4
LTM EBITDA	1,101.0	1,034.2
Net debt/LTM EBITDA	1.9x	2.0x
Net debt @ avg. exchange rates[1]	2,035.1	2,116.2
Net debt @ avg. exchange rates[1]/LTM EBITDA	1.8x	2.0x

(1) Net debt figures are calculated using the average exchange rates used to calculate the EBITDA figures.

Non-IAS/IFRS Measure: Net debt and Net debt / *Adjusted* EBITDA

Millions of Euro

	Sep. 30, 2011	Dec. 31, 2010
Long-term debt (+)	2,238.6	2,435.1
Current portion of long-term debt (+)	239.8	197.6
Bank overdrafts (+)	206.5	158.6
Cash (-)	(606.4)	(679.9)
Net debt (=)	2,078.5	2,111.4
LTM EBITDA ADJ	1,103.9	1,034.2
Net debt/LTM EBITDA		

	1.9x	2.0x
Net debt @ avg. exchange rates[1]	2,035.1	2,116.2
Net debt @ avg. exchange rates[1]/LTM EBITDA	1.8x	2.0x

(1) Net debt figures are calculated using the average exchange rates used to calculate the EBITDA figures.

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FORWARD-LOOKING INFORMATION

Throughout this report, management has made certain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 which are considered prospective. These statements are made based on management's current expectations and beliefs and are identified by the use of forward-looking words and phrases such as "plans," "estimates," "believes" or "belief," "expects" or other similar words or phrases.

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, our ability to manage the effect of the uncertain current global economic conditions on our business, our ability to successfully acquire new businesses and integrate their operations, our ability to predict future economic conditions and changes in consumer preferences, our ability to successfully introduce and market new products, our ability to maintain an efficient distribution network, our ability to achieve and manage growth, our ability to negotiate and maintain favorable license arrangements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, our ability to protect our proprietary rights, our ability to maintain our relationships with host stores, any failure of our information technology, inventory and other asset risk, credit risk on our accounts, insurance risks, changes in tax laws, as well as other political, economic, legal and technological factors and other risks and uncertainties described in our filings with the U.S. 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.

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ITEM 2. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2011

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION IAS/IFRS
FOR THE PERIOD ENDED SEPTEMBER 30, 2011 AND DECEMBER 31, 2010(*)

(Thousands of Euro)

	Note Reference	September 30, 2011 (unaudited)	December 31, 2010 (audited)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6	606,355	679,852
Accounts receivable net	7	685,434	655,892
Inventories net	8	626,723	590,036
Other assets	9	225,203	226,759
Total current assets		**2,143,714**	**2,152,539**
NON-CURRENT ASSETS:			
Property, plant and equipment net	10	1,263,386	1,229,130
Goodwill	11	2,980,342	2,890,397
Intangible assets net	11	1,100,419	1,155,007
Investments	12	9,399	54,083
Other assets	13	142,336	148,125
Deferred tax assets	14	371,266	364,299
Total non-current assets		**5,867,146**	**5,841,040**
TOTAL ASSETS		**8,010,861**	**7,993,579**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short term borrowings	15	206,531	158,648
Current portion of long-term debt	16	239,788	197,566
Accounts payable	17	459,450	537,742
Income taxes payable	18	103,318	60,067
Other liabilities	19	604,435	549,280
Total current liabilities		**1,613,522**	**1,503,303**
NON-CURRENT LIABILITIES:			
Long-term debt	20	2,238,561	2,435,071
Liability for termination indemnities	21	45,109	45,363
Deferred tax liabilities	22	426,131	429,848
Other liabilities	23	246,802	310,590
Total non-current liabilities		**2,956,603**	**3,220,872**
STOCKHOLDERS' EQUITY:			
Luxottica Group stockholders' equity	24	3,427,537	3,256,375
Non-controlling interests	25	13,201	13,029

Total stockholders' equity	**3,440,737**	**3,269,404**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**8,010,861**	**7,993,579**

(*) In accordance with IAS/IFRS

See notes to the consolidated financial statements

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CONSOLIDATED STATEMENTS OF INCOME IAS/IFRS
FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010 (UNAUDITED)[(*)]
(Thousands of Euro)[(1)]

	Note Reference	2011	2010
Net sales	26	**4,713,453**	**4,451,542**
Cost of sales		1,621,782	1,529,395
Gross profit		**3,091,671**	**2,922,148**
Selling	26	1,485,787	1,427,794
Royalties	26	80,122	74,512
Advertising	26	306,771	286,455
General and administrative	26	480,061	454,547
	26	60,159	62,829
Total operating expenses		**2,412,900**	**2,306,136**
Income from operations		**678,771**	**616,012**
Other income/(expense)			
Interest income	26	10,393	5,824
Interest expense	26	(89,809)	(78,500)
Other net	26	(5,947)	(5,872)
Income before provision for income taxes		**593,408**	**537,464**
Provision for income taxes	26	(200,211)	(186,202)
Net income from continuing operations		**393,198**	**351,262**
Net Income		**393,198**	**351,262**
Of which attributable to:			
Luxottica Group stockholders		**387,963**	**347,077**
Non-controlling interests		5,235	4,185
NET INCOME		**393,198**	**351,262**
Weighted average number of shares outstanding:			
Basic		460,249,023	458,544,153
Diluted		462,121,938	460,249,173
EPS:			
Basic		0.84	0.76
Diluted		0.84	0.75

(1)

Amounts in thousands except per share data

(*) In accordance with IAS/IFRS

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME IAS/IFRS
FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010[(*)]

(Thousands of Euro)

	September 30, 2011 (unaudited)	September 30, 2010 (unaudited)
Net income	**393,198**	**351,262**
Other comprehensive income:		
Cash flow hedge net of tax	15,725	(9,032)
Currency translation differences	(67,071)	161,675
Actuarial gain/(loss) on defined benefit plans net of tax	(74)	(92)
Total other comprehensive income net of tax	(51,420)	152,551
Total comprehensive income for the period	341,777	503,813
Attributable to:		
Luxottica Group stockholders' equity	336,460	499,101
Non-controlling interests	5,317	4,712
Total comprehensive income for the period	341,777	503,813

(*) In accordance with IAS/IFRS

See notes to the consolidated financial statements

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2011 AND 2010(*)
(Thousands of Euro)

	Capital stock						Translation			
				Additional			of foreign			Non
	Number		Legal	paid-in	Retained	Stock-Options	operations	Treasury	Stockholders'	controlling
	of shares	Amount	reserve	capital	earnings	reserve	and other	Shares	equity	interests
Balance as of January 1, 2010	**464,386,383**	**27,863**	**5,561**	**166,912**	**2,900,213**	**124,563**	**(405,160)**	**(82,713)**	**2,737,239**	**16,376**
Net Income					347,077				347,077	4,185
Other Comprehensive Income:										
Translation Difference							161,148		161,148	527
Cash Flow Hedge net of taxes of Euro 4.1 million					(9,032)				(9,032)	
Actuarial gains/(losses)					(92)				(92)	
Total Comprehensive Income as of September 30, 2010					**337,953**		**161,148**		**499,101**	**4,712**
Exercise of Stock Options	836,100	50		11,012					11,062	
Non-cash Stock-based compensation net of taxes of Euro 1.1 million						22,671			22,671	
Investments in treasury shares				17,794				(25,955)	(8,161)	
Dividends (Euro 0.35 per share)					(160,630)				(160,630)	(8,997)
Allocation of Legal Reserve			17		(17)					
Balance as of September 30, 2010	**465,222,483**	**27,913**	**5,578**	**195,718**	**3,077,519**	**147,234**	**(244,012)**	**(108,668)**	**3,101,282**	**12,091**

	Capital stock						Translation			
				Additional			of foreign			Non
	Number		Legal	paid-in	Retained	Stock-Options	operations	Treasury	Stockholders'	controlling
	of shares	Amount	reserve	capital	earnings	reserve	and other	Shares	equity	interests
Balance as of January 1, 2011	**466,077,210**	**27,964**	**5,578**	**218,823**	**3,129,786**	**159,184**	**(172,431)**	**(112,529)**	**3,356,375**	**13,029**
Net Income					387,962				387,962	5,235
Other Comprehensive Income:										
Translation Difference							(67,153)		(67,153)	82
Cash Flow Hedge net of taxes of Euro 8.2 million					15,725				15,725	
Actuarial gains/(losses)					(74)				(74)	
Total Comprehensive Income as of September 30, 2011					**403,613**		**(67,153)**		**336,460**	**5,317**
Exercise of Stock options	971,823	58		14,147					14,205	
Non-cash Stock-based compensation net of taxes of Euro 2.4 million						33,986			33,986	
Investments in treasury shares								(10,473)	(10,473)	
Change in the consolidation perimeter					(492)				(492)	(1,243)

Dividends (Euro 0.44 per share)					(202,524)				(202,524)	(3,902)
Allocation of Legal Reserve			22		(22)					
Balance as of September 30, 2011	**467,049,033**	**28,022**	**5,600**	**232,970**	**3,330,361**	**193,170**	**(239,584)**	**(123,002)**	**3,427,537**	**13,201**

(*) In accordance with IAS/IFRS

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CONSOLIDATED STATEMENTS OF CASH FLOWS IAS/IFRS
FOR THE PERIODS ENDED SEPTEMBER 30, 2011 and 2010 (UNAUDITED)(*)

(Thousands of Euro)

	2011	2010
Net income	**393,197**	**351,262**
Stock-based compensation	36,383	21,603
Depreciation and amortization	229,501	225,443
Net loss on disposals of fixed assets and other	6,169	7,682
Other non-cash items(**)	(46,933)	(25,271)
Changes in accounts receivable	(40,841)	(20,711)
Changes in inventories	(23,698)	(16,121)
Changes in accounts payable	(78,134)	(28,975)
Changes in other assets/liabilities	27,644	(15,742)
Changes in income taxes payable	43,681	65,275
Total adjustments	**153,772**	**213,183**
Cash provided by operating activities	**546,969**	**564,445**
Property, plant and equipment:		
Additions	(197,559)	(139,264)
Disposals		
Purchases of businesses net of cash acquired(***)	(85,248)	(107,104)
Sales of businesses net of cash disposed		5,432
Investments in equity investees		(20,684)
Additions to intangible assets		
Cash used in investing activities	**(282,807)**	**(261,620)**

(*) In accordance with IAS/IFRS

(**) Other non-cash items include deferred taxes for Euro (25.9) million (Euro (14.3) million in 2010), gain on sale of business for Euro 0.0 million (Euro (8.2) million in 2010), gain from the acquisition of new businesses for Euro (21.0) million (Euro 0.0 million in 2010), and other non-cash items for Euro 0.0 million (Euro 2.8 million in 2010).

(***) Purchases of businesses net of cash acquired include (i) the purchase of the 57 percent interest in Multiopticas Internacional for Euro 54.2 million (Euro 0.0 million in 2010), (ii) the purchase of two retail chains in Mexico for Euro 19.4 million (Euro 0.0 million in 2010), (iii) the purchase of the non-controlling interest in the Turkey subsidiary Luxottica Gözlük Endüstri ve Ticaret Anonim Sirketi for Euro 61.8 million (Euro 0.0 million in 2010), (iv) the purchase of the non-controlling interest in the English subsidiary Sunglass Hut UK for Euro 32.3 million (Euro 0.0 million in 2010), and (v) other acquisitions for Euro 11.6 million (Euro 12.9 million in 2010).

See notes to the consolidated financial statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS IAS/IFRS
FOR THE PERIODS ENDED SEPTEMBER 30, 2011 and 2010 (UNAUDITED)(*)
(Thousands of Euro)

	2011	2010
Long-term debt:		
Proceeds		383,011
Repayments	(160,112)	(506,091)
Increase (decrease) in short-term lines of credit	19,310	(6,598)
Exercise of stock options	14,205	11,063
Sale of treasury shares	(10,473)	2,698
Dividends	(206,427)	(169,627)
Cash used in financing activities	**(343,497)**	**(285,544)**
Increase in cash and cash equivalents	(79,335)	17,281
Cash and cash equivalents, beginning of the period	**664,957**	**346,624**
Effect of exchange rate changes on cash and cash equivalents	(9,838)	14,260
Cash and cash equivalents, end of the period	**575,784**	**378,165**

Supplemental disclosure of cash flows information:

(Thousands of Euro)	**2011**	**2010**
Cash paid during the period for interest	100,607	86,928
Cash paid during the period for income taxes	129,894	113,171

The following is a reconciliation between the balance of cash and cash equivalents according to the consolidated statement of cash flows and the balance of cash and cash equivalents according to the consolidated statements of financial position:

(Thousands of Euro)	**2011**	**2010**

Cash and cash equivalents according to the consolidated statement of cash flows (net of bank overdrafts)	575,784	378,165
Bank overdrafts	30,570	104,778
Cash and cash equivalents according to the consolidated statements of financial position	**606,355**	**482,943**

(*) In accordance with IAS/IFRS

See notes to the consolidated financial statements

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Luxottica Group S.p.A.

Headquarters and registered office Via C. Cantù 2 20123 Milan, Italy
Capital Stock: € 28,022,941.98
authorized and issued

Notes to the
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2011
(UNAUDITED)

1. BACKGROUND

Luxottica Group S.p.A. (hereinafter the "Company" or together with its consolidated subsidiaries, the "Group") is a company listed on Borsa Italiana and the New York Stock Exchange with its registered office located at Via C. Cantù 2, 20123 Milan (Italy).

The Company is controlled by Delfin S.à r.l., based in Luxembourg. The chairman of the Board of Directors of the Company, Leonardo Del Vecchio, controls Delfin S.à r.l.

The Company's Board of Directors, at its meeting on October 24, 2011, approved for publication the Interim Consolidated Financial Statements as of September 30, 2011 (the "Third Quarter Financial Report").

The financial statements included in this Third Quarter Financial Report are unaudited.

2. BASIS OF PREPARATION

This Third Quarter Financial Report as of September 30, 2011 has been prepared in accordance with article 154-ter of the Legislative Decree No. 58 dated February 24, 1998.

The financial statements included in the Third Quarter Financial Report as of September 30, 2011 have been prepared in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("IAS/IFRS"), and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The principles and standards used in the preparation of this unaudited Third Quarter Financial Report are consistent with those used in preparing the audited consolidated financial statements as of December 31, 2010, except as described in Note 3 "New Accounting Standards".

In particular, this financial report has been prepared on a going concern basis. Management believes that there are no material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The consolidated financial statements in this Third Quarter Financial Report are composed of the consolidated statements of financial position, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of stockholders' equity, the consolidated statements of cash flows and these Notes to the Interim Consolidated Financial Statements as of September 30, 2011.

The preparation of an interim report requires management to use estimates and assumptions that affect the reported amounts of revenue, costs, assets and liabilities, as well as disclosures relating to contingent assets and liabilities at the reporting date. Results published on the basis of such estimates and assumptions could vary from actual results that may be realized in the future.

These measurement processes and, in particular, those that are more complex, such as the calculation of impairment losses on non-current assets, are generally carried out only when the audited

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2. BASIS OF PREPARATION (Continued)

consolidated financial statements for the fiscal year are prepared, when all the necessary information is available, unless there are indicators requiring immediate impairment testing. Similarly, the actuarial calculations necessary to calculate certain employee benefit liabilities, the changes to most deferred tax assets and liabilities and the impact of share-based payments are normally carried out when the audited consolidated financial statements for the fiscal year are prepared.

Lastly, with reference to Consob resolution no. 15519 of July 27, 2006, which addresses the format of the financial statements, the Company has not included any specific supplements to the statement of income, statement of financial position or statement of cash flows showing related party transactions, as these are immaterial. Please see Note 28 "Related Party Transactions" for additional details regarding transactions with related parties.

CONSOLIDATION AREA

Please refer to Note 4 "Business Combinations" for a discussion of changes affecting the consolidation area that occurred in the first nine months of 2011.

3. NEW ACCOUNTING STANDARDS

Beginning in 2011, the Group applied the following new accounting standards, amendments and interpretations, as revised by the IASB:

IFRS 3 *Business Combinations*: The amendment, applicable for annual periods beginning on or after July 1, 2010, clarifies that contingent consideration balances arising from business combinations whose acquisition date preceded the date when an entity first applied IFRS 3 as issued in 2008, do not have to be adjusted upon application of this IFRS. The amendment also clarifies that for each business combination, the acquirer shall measure at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle the holder to a proportionate share of the entity's net assets in the event of liquidation. The amendment also specifies that an acquirer must measure a liability or an equity instrument related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the acquirer in accordance with the method set forth in IFRS 2 at the acquisition date. The amendment had no significant effects on the Group consolidated financial statements as of September 30, 2011.

IAS 24 (revised) *Related party disclosures,* issued in November 2009. It supersedes IAS 24 *Related party disclosures*, issued in 2003. The revised standard, mandatory for periods beginning on or after January 1, 2011, clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The amendment had no significant effects on the Group consolidated financial statements as of September 30, 2011.

IFRIC 14 amendments *Prepayments of a minimum funding requirement*, issued in November 2009. The amendments, effective for annual periods beginning January 1, 2011, correct an unintended consequence of IFRIC 14, IAS 19 *The limit on a defined benefit asset, minimum*

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3. NEW ACCOUNTING STANDARDS (Continued)

funding requirements and their interactions. Without the amendments, entities are not permitted to recognize as an asset certain voluntary prepayments for minimum funding contributions. The amendments had no significant effects on the Group consolidated financial statements as of September 30, 2011.

IFRIC 19 *Extinguishing financial liabilities with equity instruments*, issued in November 2009, is effective for annual periods beginning on or after July 1, 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It requires a gain or loss to be recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

IAS 32 amendment *Classification of rights issues,* issued in October 2009. The amendment, applicable to annual periods beginning on or after February 1, 2010, addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. The amendment applies retrospectively in accordance with IAS 8 *Accounting policies, changes in accounting estimates and errors*. The amendment had no significant effects on the Group consolidated financial statements as of September 30, 2011.

IFRS 7 *Financial Instruments: Disclosures*. The amendment, applicable to annual periods beginning on or after July 1, 2010, emphasizes the interaction between qualitative and quantitative disclosures about the nature and extent of risks arising from financial liabilities. The amendment eliminates the requirement to disclose the carrying amount of financial assets that would otherwise be past due or impaired where their terms were renegotiated. The amendment also eliminates the requirement to disclose the fair value of collateral and other credit enhancements, which can be potentially misleading, although an entity is still required to disclose a description of the collateral and its financial effects. The amendment had no significant effects on the Group consolidated financial statements as of September 30, 2011.

IAS 1 *Presentation of Financial Statements*. The amendment, applicable to annual periods beginning on or after January 1, 2011, requires, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item. The amendment had no significant effects on the Group consolidated financial statements as of September 30, 2011.

IAS 27 *Consolidated and separate financial statements*. The amendment clarifies the transition requirements for amendments arising as a result of IAS 27. The amendment had no significant effects on the Group consolidated financial statements as of September 30, 2011.

IAS 34 *Interim Financial Reporting*. The amendment clarifies that the information included in the interim financial reporting on significant transactions and events should update the relevant

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3. NEW ACCOUNTING STANDARDS (Continued)

information presented in the most recent annual report. The amendment had no significant effects on the Group consolidated financial statements as of September 30, 2011.

Amendments and interpretations of existing principles which are effective for reporting periods beginning after January 1, 2011, and not early adopted

IFRS 9 *Financial instruments*, issued in November 2009. This standard is the first step in the process to replace IAS 39 *Financial instruments: recognition and measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets. The new standard reduces the number of categories of financial assets pursuant to IAS 39 and requires that all financial assets be: (i) classified on the basis of the model which a company has adopted in order to manage its financial activities and on the basis of the cash flows from financing activities; (ii) initially measured at fair value plus any transaction costs in the case of financial assets not measured at fair value through profit and loss; and (iii) subsequently measured at their fair value or at the amortized cost. IFRS 9 also provides that embedded derivatives which fall within the scope of IFRS 9 must no longer be separated from the primary contract which contains them and states that a company may decide to directly record within the consolidated statement of comprehensive income any changes in the fair value of investments which fall within the scope of IFRS 9. The standard is not applicable until January 1, 2013, but is available for early adoption. The Group has not early adopted and has not yet assessed the full impact of adopting IFRS 9.

IFRS 10 *Consolidated Financial Statements*, issued on May 2011. The new model replaces the current duality of IAS 27 and SIC12. The standard states that an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee if and only if the investor has (i) the power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 10 defines relevant activities as activities of the investee that significantly affect the investee's returns. Based on the new standard (i) power arises from rights (for the purpose of assessing power, only substantive rights are considered), (ii) there are possibilities of having power with less than 50% of voting rights, and (iii) potential voting rights are considered only if they are substantive, differently from IAS 27, under which only potential voting rights that are currently exercisable or convertible were relevant to determining control. The new standard introduces some factors to identifying whether a party is acting as an agent or a principal.

Concurrently with IFRS 10 the IASB issued in May 2011 IAS 27 "Separate Financial Statements", which prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IFRS 10 and IAS 27 supersede IAS 27 "Consolidated and separate financial statements" (as amended in 2008),

IFRS 10 and IAS 27 are effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted so long as IFRS 10, IFRS 11, IFRS 12 and IAS 28 (2011) are adopted at the same

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3. NEW ACCOUNTING STANDARDS (Continued)

time. The standard has not been endorsed at the date the present financial statements were authorized for issue. The Group has not early adopted and has not yet assessed the full impact of adopting IFRS 10.

IFRS 12 *Disclosure of Interests in Other Entities*, issued in May 2011. IFRS 12 provides expanded disclosures about entity's interests in subsidiaries, associates and joint arrangements. IFRS 12 moves away from requiring a 'boiler-plate' list of disclosures to a more principles based approach. IFRS 12 applies only to the consolidated accounts. Disclosures relating to separate accounts are addressed in the revised IAS 27 Separate Financial Statements. IFRS 12 also provides a new set of disclosures related to unconsolidated structured entities. The new disclosures should enable users to understand the nature and extent of the entity's interests in unconsolidated structured entities and to evaluate the nature of risks associated with the structured entity. IFRS 12 provides a definition of a structured entity. IFRS 12 does not require disclosures for the interests in the other unconsolidated entities, which are outside of the definition of a structured entity. The standard is effective for annual periods beginning on or after January, 1 2013. Earlier application is encouraged. An entity can choose to provide any of the disclosures in IFRS 12 without being forced to adopt IFRS 10, IFRS 11, IFRS 12, IAS 27 (revised) or IAS 28 (revised). The standard has not been endorsed at the date the present financial statements were authorized for issue. The Group has not early adopted and has not yet assessed the full impact of adopting IFRS 12.

IFRS 11 *Joint Arrangements*, issued in May 2011. IFRS 11 supersedes IAS 31 and SIC-13 Jointly Controlled Entities Non-Monetary Contributions by Venturers. IFRS 11 mainly addresses two aspects of IAS 31: a) the structure of the arrangement was the only determinant of the accounting and b) that an entity had a choice of accounting treatment for interests in jointly controlled entities. Based on the new standard the 'types' of joint arrangements are reduced to two: joint operations and joint ventures. In a joint operation the parties that have joint control have rights to the assets and obligations for the liabilities. In a joint venture the parties that have joint control have rights to the net assets of the arrangements. The policy choice in IAS 31 of proportionate consolidation for jointly controlled entities has been eliminated while equity accounting has been made mandatory for participants in joint ventures. Entities that participate in joint operations are required to recognise their share of the assets, liabilities, revenues and expenses in accordance with applicable IFRS. The new standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted so long as IFRS 10, IFRS 12, IAS 27(2011) and IAS 28 (2011) are adopted at the same time. The standard has not been endorsed at the date the present financial statements were authorized for issue. The Group believes that IFRS 11 will not have a material impact on the Group consolidated financial statements.

IFRS 13 Fair value measurement, issued in May 2011. IFRS 13 sets out a single IFRS framework for measuring fair value and provides comprehensive guidance on how to measure the fair value of both financial and non-financial assets and liabilities. IFRS 13 applies when another IFRS requires or permits fair value measurement or disclosures about fair value measurements, thus it does not set out requirements on "when to" apply fair value measurement. IFRS 13 becomes effective on 1 January 2013. The standard has not been

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3. NEW ACCOUNTING STANDARDS (Continued)

endorsed at the date the present financial statements were authorized for issue. The Group has not early adopted and has not yet assessed the full impact of adopting IFRS 13.

Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income*, issued in June 2011. The Amendments require separate presentation of items of other comprehensive income that are reclassified subsequently to profit or loss (recyclable) and those that are not reclassified to profit or loss (non-recyclable). If items of other comprehensive income are presented before tax, then income tax is allocated to each respective group. The Amendments do not change the existing option to present an entity's performance in two statements; and do not address the content of performance statements (i.e., what is recognised in profit or loss and what is recognised in other comprehensive income) or recycling issues (i.e., what can be reclassified (recycled) subsequently to profit or loss and what cannot). The amendments are effective from July 1, 2012. The standard has not been endorsed at the date the present financial statements were authorized for issue. The Group has not early adopted and has not yet assessed the full impact of adopting the Amendments to IAS 1.

Amendments to IAS 19 *Employee benefits*, issued in June 2011. The standards make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI) and will never be recycled to profit and loss in subsequent periods. Past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. A curtailment now occurs only when an entity reduces significantly the number of employees. Curtailment gains/losses are accounted for as past-service costs. Annual expense for a funded benefit plan will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. There will be less flexibility in income statement presentation. Benefit cost will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service cost, settlements and curtailments) and (ii) finance expense or income. This analysis can appear in the income statement or in the notes. The standard is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted. The standard has not been endorsed at the date the present financial statements were authorized for issue. The Group has not early adopted and has not yet assessed the full impact of adopting IFRS 19.

Amendments to IAS 12 *Recovery of underlying assets*, issued in December 2010. The amendments provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 Investment Property. Under IAS 12, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The standard is effective for annual periods beginning on or after January,1 2012. Earlier application is permitted. The standard has not been endorsed at the date the present financial statements were authorized for issue. The new standard will not have any impact on the Group consolidated financial statements.

IAS 28 *Investments in associates and Joint ventures*, issued in May 2011. The standard supersedes IAS 28 *Investments in associates* as amended in 2003. The standard incorporates the accounting for joint ventures and certain amendments discussed by the standard setting board during its redeliberations on the exposure draft ED 9. The standard is effective for annual periods beginning on or

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3. NEW ACCOUNTING STANDARDS (Continued)

after January, 1 2013. Earlier application is permitted so long as IFRS 10, IFRS 11, IFRS 12 and IAS 27(2011) are adopted at the same time. The standard has not been endorsed at the date the present financial statements were authorized for issue. The Group has not early adopted and has not yet assessed the full impact of adopting IAS 28.

4. BUSINESS COMBINATIONS

On June 16, 2009, the Company closed an agreement with Multiopticas Internacional S.L. (MOI), a company operating under the GMO, Econoptics and SunPlanet retail brands in Chile, Peru, Ecuador and Colombia, pursuant to which Luxottica acquired a 40 percent participation in MOI. The total consideration paid for the acquisition of these stakes in MOI was Euro 41.4 million. Under the terms of the governing agreement, the Company has a call option for the remaining 60 percent of MOI, starting from the second half of 2012.

In May 2011 the Company entered into an agreement pursuant to which it has exercised in advance, on July 13, 2011, its call option on 57.28 percent of MOI share capital. Following the exercise of the call option the Company has increased its shareholdings in Multiopticas Internacional and as of the date of this interim financial report, the Company has purchased an additional 46.04 percent participation in MOI. The acquisition of the remaining 11.24 percent participation in MOI is expected to occur by the end of 2011.

As of September 30, 2011, the total consideration for the acquisition of the additional 46.04 percent participation in MOI totals Euro 65.8 million of which Euro 60.0 million has been paid as of September 30, 2011 and was determined on the basis of MOI's sales and EBITDA values at the acquisition date. The acquisition furthers the Company's strategy of continued expansion of its retail business in Latin America.

The Company uses various methods to calculate the fair value of the assets acquired and the liabilities assumed. The purchase price allocation was not completed at the date these interim Consolidated Financial Statements were authorized for issue. The Group has provisionally recognized goodwill and intangible assets for a total amount of approximately Euro 144.7 million.

The Group recognized a gain of Euro 21.0 million as a result of measuring at fair value its 40 percent equity interest in MOI held before the business combination. The gain is included within General & Administrative expenses in the Interim Consolidated Statement of Income for the period ended September 30, 2011.

5. SEGMENT REPORTING

In accordance with IFRS 8 *Operating segments* the segment reporting schedules are provided below using a reporting format which includes two market segments: the first relates to Manufacturing and Wholesale Distribution ("Wholesale"), and the second relates to Retail Distribution ("Retail").

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5. SEGMENT REPORTING (Continued)

The following table provides information by business segment, which management considers necessary to assess the Group's performance and to make future determinations relating to the allocation of resources.

(Thousands of Euro)	Manufacturing and wholesale distribution	Retail distribution	Inter-segment transactions and corporate adjustments	Consolidated
Nine months ended September 30, 2011 (unaudited)				
Net sales	1,900,165	2,813,288		4,713,453
Income from operations	441,246	342,133	(104,609)	678,771
Capital expenditures	71,014	126,545		197,560
Depreciation and amortization	62,205	107,136	60,159	229,500
Nine months ended September 30, 2010 (unaudited)				
Net sales	1,722,947	2,728,595		4,451,542
Income from operations	372,235	353,877	(110,101)	616,012
Capital expenditures	59,556	79,709		139,264
Depreciation and amortization	58,297	104,317	62,829	225,442

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

6. CASH AND CASH EQUIVALENTS

(Thousands of Euro)	As of September 30, 2011 (unaudited)	As of December 31, 2010 (audited)
Cash at bank and post office	592,103	667,790
Checks	8,734	6,916
Cash and cash equivalents on hand	5,518	5,146
Total	**606,355**	**679,852**