BARRETT BUSINESS SERVICES INC
Form 8-K
April 15, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8 K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

April 11, 2011

BARRETT BUSINESS SERVICES, INC.

(Exact name of registrant as specified in charter)

Maryland

(State or other jurisdiction of incorporation)

0-21886

(SEC File Number)

52-0812977

(IRS Employer Identification No.)

8100 N.E. Parkway Drive, Suite 200 Vancouver, Washington	98662
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code:

(360) 828-0700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Barrett Business Services, Inc. (the "Company"), has entered into Change in Control Employment Agreements with its three executive officers, Michael L. Elich, James D. Miller and Gregory R. Vaughn, effective April 12, 2011 (the "Agreements"). Under the Agreements, if the employment of the executive is terminated by the Company (other than for cause, death or disability), or by the executive for good reason, within 12 months following a change in control, the executive will be entitled to receive an amount equal to three times the sum of (x) his annual base salary plus (y) his target annual cash bonus, in a lump sum within 30 days after his termination. The amounts payable will be reduced to the extent necessary to cause them not to be subject to excise taxes applicable to excess parachute payments under Section 280G of the Internal Revenue Code.

"Change in control" means:

- The acquisition by a person or group of beneficial ownership of 30% or more of the combined voting power of the Company's outstanding voting securities;

- A change in the composition of the Board of Directors during any 12 month period such that the incumbent directors cease to constitute at least a majority of the Board, with certain exceptions;

- Completion of a consolidation, merger, or sale, lease, exchange, or other transfer of substantially all the assets of the Company, with certain exceptions; or

- Approval by the Company s stockholders of a liquidation or dissolution of the Company.

"Cause" means:

- The willful failure to comply with any of the Company s material and lawful policies or standards, subject to certain notice requirements;

- The material breach of the confidentiality provisions of the agreement;

- The willful and material failure to perform the duties of the officer's position, subject to certain notice requirements;

- Embezzlement, theft, larceny, fraud, or other material acts of dishonesty; or

- Conviction of or entry of a plea of guilty or nolo contendere to a felony.

"Good reason," for purposes of an executive's termination of his employment with the Company following a change in control, means:

- The executive experiences a material adverse change in his authority, duties, or responsibilities;

- A material change in the executive's supervisor occurs, including reporting to a successor board of directors of which fewer than half of the members were directors of the Company immediately prior to the change in control or, for Messrs. Miller and Vaughn, if Mr. Elich ceases to be Chief Executive Officer for reasons other than cause, death or disability;

- The executive’s base compensation (salary or target annual cash bonus) is reduced;

- The executive is transferred to a location more than 50 miles from the present location;

- The successor company does not agree to perform under the agreement; or

- The Company does not comply with the material terms of the agreement.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On April 11, 2011, the Board of Directors of the Company approved amendments to the Company's bylaws, effective May 19, 2011. The amendments: (i) change the location for annual and special stockholder meetings in the absence of board determination from Oregon to Washington; and (ii) add requirements related to advance notice by stockholders of nominations and proposals of business.

The advance notice bylaw provision:

- Creates procedures by which a stockholder may make nominations for election of directors or propose business (other than matters included in the Company's proxy materials pursuant to Rule 14a-8 or Rule 14a-11 under the Securities Exchange Act of 1934 (the "Exchange Act")) at an annual meeting of stockholders.

- Requires notice of stockholder nominations of individuals for election as directors and other stockholder proposals to be brought before an annual meeting of stockholders, other than pursuant to Rules 14a-8 and 14a-11 under the Exchange Act, to be submitted not later than 90 days and not earlier than 120 days prior to the one-year anniversary of the mailing date of the Company's proxy materials for the preceding year's annual meeting, with alternative requirements in the event the date of the annual meeting is changed by more than 30 days.

- Requires the submission of specific information about proposed nominee(s).

- Requires stockholder proposals to include a brief description of the proposal, the reasons for conducting such business at the meeting, and any material interest of the stockholder in such business.

- Requires the stockholder giving notice and each beneficial owner of shares of the Company on whose behalf the nomination or proposal is made, to provide specified information regarding each person and their share ownership.

The amendments to the Company's bylaws are attached as Exhibit 3.1 to this report and are incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is filed with this Form 8-K:

3.1 Amendment to the Bylaws of Barrett Business Services, Inc. effective May 19, 2011.

SIGNATURES

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

BARRETT BUSINESS SERVICES, INC.

Dated: April 15, 2011	By:	/s/ James D. Miller James D. Miller Vice President-Finance, Treasurer and Secretary

0pt;font-weight:bold;">% Change

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

NET SALES

6,629,471

5,851,552

13.3

%

NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP STOCKHOLDERS

545,669

456,233

19.6

%

BASIC EARNINGS PER SHARE (ADS)(2)

1.19

0.99

19.2

%

	2011	2010
Notes :		
(1) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively		
(2) Weighted average number of outstanding shares	**460,249,023**	**458,544,153**
(3) Average exchange rate (in U.S. Dollars per Euro)	**1.4065**	**1.3145**

LUXOTTICA GROUP

CONSOLIDATED INCOME STATEMENT

FOR THE THREE-MONTH PERIODS ENDED

SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010

In accordance with IAS/IFRS

	2011	% of sales	2010	% of sales	% Change
KEY FIGURES IN THOUSANDS OF EURO (1)					
NET SALES	**1,523,807**	**100.0%**	**1,464,732**	**100.0%**	**4.0%**
COST OF SALES	(524,657)		(499,849)		
GROSS PROFIT	**999,151**	**65.6%**	**964,883**	**65.9%**	**3.6%**
OPERATING EXPENSES:					
SELLING EXPENSES	(505,421)		(490,264)		
ROYALTIES	(23,070)		(22,012)		
ADVERTISING EXPENSES	(103,098)		(89,967)		
GENERAL AND ADMINISTRATIVE EXPENSES	(152,936)		(154,907)		
TRADEMARK AMORTIZATION AND OTHER	(20,090)		(21,297)		
TOTAL	**(804,614)**		**(778,447)**		
OPERATING INCOME	**194,537**	**12.8%**	**186,436**	**12.7%**	**4.3%**
OTHER INCOME (EXPENSE):					
INTEREST EXPENSES	(29,375)		(26,929)		
INTEREST INCOME	3,158		2,543		
OTHER - NET	(3,051)		(1,120)		
OTHER INCOME (EXPENSES)-NET	**(29,268)**		**(25,507)**		
INCOME BEFORE PROVISION FOR INCOME TAXES	**165,268**	**10.8%**	**160,929**	**11.0%**	**2.7%**
PROVISION FOR INCOME TAXES	(52,990)		(58,229)		
NET INCOME	**112,278**	**7.4%**	**102,700**	**7.0%**	**9.3%**
OF WHICH ATTRIBUTABLE TO:					
- LUXOTTICA GROUP STOCKHOLDERS	111,181	**7.3%**	101,934	**7.0%**	**9.1%**
- NON-CONTROLLING INTERESTS	1,097	**0.1%**	766	**0.1%**	
NET INCOME	**112,278**	**7.4%**	**102,700**	**7.0%**	**9.3%**
BASIC EARINGS PER SHARE (ADS):	0.24		0.22		
FULLY DILUTED EARNINGS PER SHARE (ADS):	0.24		0.22		
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES	**460,505,512**		**458,527,966**		
FULLY DILUTED AVERAGE NUMBER OF SHARES	**462,079,618**		**460,152,396**		

Notes :

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

Adjusted Measures1:

	2011	% of sales	2010	% of sales	% Change
Adjusted Operating Income	197,371	13.0%	186,436	12.7%	5.9%
Adjusted EBITDA	275,965	18.1%	263,457	18.0%	4.7%
Adjusted Net income	106,131	7.0%	101,934	7.0%	4.1%

1 Adjusted measures are not measures in accordance with IAS/IFRS. For additional information on non-IAS/IFRS measures, please see accompanying pages.

LUXOTTICA GROUP

CONSOLIDATED INCOME STATEMENT

FOR THE NINE-MONTH PERIODS ENDED

SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010

In accordance with IAS/IFRS

	2011	% of sales	2010	% of sales	% Change
KEY FIGURES IN THOUSANDS OF EURO (1)					
NET SALES	**4,713,454**	**100.0%**	**4,451,542**	**100.0%**	**5.9%**
COST OF SALES	(1,621,783)		(1,529,395)		
GROSS PROFIT	**3,091,670**	**65.6%**	**2,922,148**	**65.6%**	**5.8%**
OPERATING EXPENSES:					
SELLING EXPENSES	(1,485,787)		(1,427,794)		
ROYALTIES	(80,122)		(74,512)		
ADVERTISING EXPENSES	(306,771)		(286,455)		
GENERAL AND ADMINISTRATIVE EXPENSES	(480,061)		(454,547)		
TRADEMARK AMORTIZATION AND OTHER	(60,159)		(62,829)		
TOTAL	**(2,412,900)**		**(2,306,136)**		
OPERATING INCOME	**678,771**	**14.4%**	**616,012**	**13.8%**	**10.2%**
OTHER INCOME (EXPENSE):					
INTEREST EXPENSES	(89,809)		(78,500)		
INTEREST INCOME	10,393		5,824		
OTHER - NET	(5,947)		(5,872)		
OTHER INCOME (EXPENSES)-NET	**(85,363)**		**(78,548)**		
INCOME BEFORE PROVISION FOR INCOME TAXES	**593,408**	**12.6%**	**537,464**	**12.1%**	**10.4%**
PROVISION FOR INCOME TAXES	(200,211)		(186,202)		
NET INCOME	**393,198**	**8.3%**	**351,262**	**7.9%**	**11.9%**
OF WHICH ATTRIBUTABLE TO:					
- LUXOTTICA GROUP STOCKHOLDERS	387,963	**8.2%**	347,077	**7.8%**	**11.8%**
- NONCONTROLLING INTERESTS	5,235	**0.1%**	4,185	**0.1%**	
NET INCOME	**393,198**	**8.3%**	**351,262**	**7.9%**	**11.9%**
BASIC EARINGS PER SHARE (ADS):	0.84		0.76		
FULLY DILUTED EARNINGS PER SHARE (ADS):	0.84		0.75		
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES	**460,249,023**		**458,544,153**		
FULLY DILUTED AVERAGE NUMBER OF SHARES	**462,121,938**		**460,249,173**		

Notes :

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

Adjusted Measures1:

	2011	% of sales	2010	% of sales	% Change
Adjusted Operating Income	681,605	14.5%	616,012	13.8%	10.6%
Adjusted EBITDA	911,105	19.3%	841,454	18.9%	8.3%
Adjusted Net income	382,912	8.1%	347,077	7.8%	10.3%

1 Adjusted measures are not measures in accordance with IAS/IFRS. For additional information on non-IAS/IFRS measures, please see accompanying pages.

LUXOTTICA GROUP

CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

In accordance with IAS/IFRS

	September 30, 2011	December 31, 2010
KEY FIGURES IN THOUSANDS OF EURO		
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	**8,010,861**	**7,993,579**
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 INDEMNITIES	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 INTEREST	13,201	13,029
TOTAL STOCKHOLDERS EQUITY	**3,440,737**	**3,269,404**
TOTAL	**8,010,861**	**7,993,579**

LUXOTTICA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS

FOR THE NINE-MONTH PERIODS ENDED

SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010

- SEGMENTAL INFORMATION -

In accordance with IAS/IFRS

In thousands of Euro	Manufacturing and Wholesale	Retail	Inter-Segment Transactions and Corporate Adj.	Consolidated
2011				
Net Sales	1,900,165	2,813,288		4,713,453
Operating Income	441,246	342,133	(104,609)	678,771
% of Sales	*23.2%*	*12.2%*		*14.4%*
Capital Expenditures	71,014	126,545		197,560
Depreciation & Amortization	62,205	107,136	60,159	229,500
2010				
Net Sales	1,722,947	2,728,595		4,451,542
Operating Income	372,235	353,877	(110,101)	616,012
% of Sales	*21.6%*	*13.0%*		*13.8%*
Capital Expenditure	59,556	79,709		139,264
Depreciation & Amortization	58,297	104,317	62,829	225,442

Adjusted Measures1

In thousands of Euro	Manufacturing and Wholesale	Retail	Inter-Segment Transactions and Corporate Adj.	Consolidated
2011				
Net Sales	1,900,165	2,813,288		4,713,453
Operating Income	441,246	353,953	(113,595)	681,605
% of Sales	*23.2%*	*12.6%*		*14.5%*
Capital Expenditures	71,014	126,545		197,560
Depreciation & Amortization	62,205	107,136	60,159	229,500

1 Adjusted measures are not measures in accordance with IAS/IFRS. For additional information on non-IAS/IFRS measures, please see accompanying pages.

Non-IAS/IFRS Measures: Adjusted measures

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

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

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

(a) an extraordinary gain of approximately 21 million related to the acquisition of the 40% stake in Multiopticas Internacional;

(b) non-recurring costs related to Luxottica s 50th anniversary celebrations for approximately 12 million; and

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

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

The adjusted measures referenced above are not measures of performance in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS). We include these adjusted comparisons in this presentation in order to provide a supplemental view of operations that excludes items that are unusual, infrequent or unrelated to our ongoing core operations.

These adjusted measures are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IAS/IFRS. Rather, these non-IAS/IFRS measures should be used as a supplement to IAS/IFRS results to assist the reader in better understanding the operational performance of the Company. The Company cautions that these adjusted measures are not defined terms under IAS/IFRS and their definitions should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group s method of calculating these adjusted measures may differ from methods used by other companies.

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

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

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

Millions of Euro

	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**

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

Millions of Euro

	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**

Non-IAS/IFRS Measure: EBITDA and EBITDA margin

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

The Company believes that EBITDA is useful to both management and investors in evaluating the Company s operating performance compared with that of other companies in its industry. Our calculation of EBITDA allows us to compare our operating results with those of other companies without giving effect to financing, income taxes and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to the overall operating performance of a company s business.

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

We include them in this presentation in order to:

- improve transparency for investors;
- assist investors in their assessment of the Company s operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- 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 Luxottica Group s method of calculating EBITDA may differ from methods used by other companies. The Company recognizes that the usefulness of EBITDA has certain limitations, including:

- EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;

- EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and expense may have material limitations;

- EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;

- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;

- EBITDA does not reflect changes in, or cash requirements for, working capital needs; and

- EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss.

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

See the table on the following page for 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.

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 Measure: Net Debt to EBITDA ratio

Net debt to EBITDA ratio: Net debt means the sum of bank overdrafts, current portion of long-term debt and long-term debt, less cash. EBITDA represents net income before non-controlling 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 presentation in order to:

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

EBITDA and ratio of net debt to EBITDA are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with 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 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 on the following page 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 net income, which is the most directly comparable IAS/IFRS financial measure, see the table on the preceding pages.

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.

Non-IAS/IFRS Measures: Free Cash Flow

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

Free cash flow is not a measure of performance under International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS).

We include it in this presentation in order to:

• Improve transparency for investors;

• Assist investors in their assessment of the Company s operating performance and its ability to generate cash from operations in excess of its cash expenses;

• Ensure that this measure is fully understood in light of how the Company evaluates its operating results;

• Properly define the metrics used and confirm their calculation; and

• Share this measure with all investors at the same time.

Free cash flow is not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with 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 Luxottica Group s method of calculation of free cash flow may differ from methods used by other companies. The Company recognizes that the usefulness of free cash flow as an evaluative tool may have certain limitations, including:

• The manner in which the Company calculates free cash flow may differ from that of other companies, which limits its usefulness as a comparative measure;

• Free cash flow does not represent the total increase or decrease in the net debt balance for the period since it excludes, among other things, cash used for funding discretionary investments and to pursue strategic opportunities during the period and any impact of the exchange rate changes; and

• Free cash flow can be subject to adjustment at the Company s discretion if the Company takes steps or adopts policies that increase or diminish its current liabilities and/or changes to working capital.

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

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

Non-IAS/IFRS Measure: Free cash flow

Millions of Euro

	9M 2011
EBITDA (1)	**908**
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

Non-IAS/IFRS Measure: Free cash flow

Millions of Euro

	3Q 2011
EBITDA (1)	**273**
working capital	56
Capex	(66)
Operating cash flow	**263**
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

Major currencies

	Three months ended September 30, 2010	Nine months ended September 30, 2010	Twelve months ended December 31, 2010	Three months ended September 30, 2011	Nine months ended September 30, 2011
Average exchange rates per 1					
US$	1.29104	1.31453	1.32572	1.41270	1.40648
AUD	1.42885	1.46555	1.44231	1.34585	1.35398
GBP	0.83305	0.85730	0.85784	0.87760	0.87140
CNY	8.73875	8.94742	8.97123	9.06533	9.13784
JPY	110.67500	117.66057	116.23857	109.77212	113.19244

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

	LUXOTTICA GROUP S.p.A.	
	By:	/s/ ENRICO CAVATORTA
Date: October 25, 2011		ENRICO CAVATORTA
		CHIEF FINANCIAL OFFICER

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