

LUXOTTICA GROUP SPA
Form 6-K
July 30, 2009

**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**

July 30, 2009

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 x 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

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Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

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

Set forth below is the text of a press release issued on July 28, 2009.

Luxottica returns to growth, with 2Q09 sales up by 3.5 percent

Record cash generation of Euro 260 million for the quarter

Milan, Italy, July 28, 2009 - The Board of Directors of **Luxottica Group S.p.A.** (MTA: LUX; NYSE: LUX), a global leader in the design, manufacturing and distribution of fashion, luxury and sports eyewear, approved today its consolidated financial results for the second quarter and six-month period ended June 30, 2009, in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) and with International Financial Reporting Standards (IFRS).

Second quarter 2009(1) - U.S. GAAP

(in millions of Euro)	2Q09	2Q08	Change
Net sales	1,401.6	1,354.4	+3.5% (-3.3% at constant exch. rates)
EBITDA(2)	277.3	294.7	-5.9%
Operating income	206.0	230.2	-10.5%
Net income	115.7	132.6	-12.7%
Earnings per share (in Euro)	0.25	0.29	-12.9%
- Before trademark amortization(2)	0.28	0.32	-11.4%

First half 2009(1) U.S. GAAP

(in millions of Euro)	1H09	1H08	Change
Net sales	2,714.0	2,753.1	-1.4 % (-7.5% at constant exch. rates)
EBITDA(2)	506.9	570.0	-11.1 %
Operating income	362.7	437.2	-17.1 %
Net income	196.1	236.3	-17.0 %
Earnings per share (in Euro)	0.43	0.52	-17.1 %
- Before trademark amortization(2)	0.49	0.57	-15.3 %

Performance overview for the second quarter of 2009

The performance of the Group for the second quarter confirmed that the current fiscal year saw an extremely difficult January and February, with a stabilization of the market in the following months. The most acute phase of global economic restructuring probably took place between September 2008 and March 2009, while today the environment is less uncertain albeit certainly still challenging.

There are considerable differences between geographic regions: North America is still negative but now more stable than during the first few months of the year; Europe is improving, thanks above all to good weather; and key emerging markets continue to be positive overall.

Andrea Guerra, Chief Executive Officer of Luxottica Group, commented: We outlined our priorities for 2009 from the very beginning: a solid financial position and an immediate search for a new equilibrium and efficiencies in manufacturing and distribution, while maintaining our commitment to growth and the search for new solutions that would support the long-term growth of Luxottica. For the quarter, two results deserve to be mentioned above all: the improvement in sales and the Euro 260 million in free cash flow(2). The very positive results achieved to-date allow us to be more confident going into the second half of the year, thanks to a less challenging scenario overall.

These results were made possible by Luxottica's well-balanced brand portfolio and especially by the performance of Ray-Ban and Oakley. The two brands posted growth in sales in both the sun and optical businesses for the quarter but also for the trailing twelve months, which was the most difficult portion of the global economic downturn.

Consolidated results

In the second quarter of 2009, Group sales grew to Euro 1,401.6 million from Euro 1,354.4 million (up by 3.5% at current exchange rates, down by 3.3% at constant exchange rates).

In terms of operating performance, EBITDA(2) for the quarter was down year-over-year by 5.9%, to Euro 277.3 million, from Euro 294.7 million in 2008. EBITDA margin(2) was 19.8% compared with 21.8% for second quarter of 2008.

Operating income for the quarter was Euro 206.0 million, reflecting a decline by 10.5% from Euro 230.2 million for the same period in the previous year. Operating margin for the same period declined to 14.7%, from 17.0% for the second quarter of 2008, during which the Wholesale Division posted particularly strong results.

Net income for the second quarter of 2009 was Euro 115.7 million, reflecting a decline by 12.7% from Euro 132.6 million last year. Earnings per Share (EPS) were Euro 0.25 (at an average Euro/US Dollar exchange rate of approximately 1.36), which declined 12.9% over the second quarter of 2008. In Euro, the decline in EPS before trademark amortization(2) would have been limited to 11.4%.

Thanks to tight controls over working capital, the Group enjoyed strong cash flow generation for the quarter with free cash flow⁽²⁾ reaching Euro 260 million, an all-time high for the Group. This result, together with favorable exchange rate fluctuations, contributed to an appreciable reduction in the Group's Net Debt⁽²⁾ position at June 30, 2009, which was Euro 2,627.3 million compared with Euro 2,963.4 million at March 31, 2009, and Euro 2,949.5 million at the end of 2008, thus bringing the Net Debt/EBITDA⁽²⁾ ratio down to 2.76X, from 3.1X at March 31, 2009 (2.9X at the end of 2008).

Wholesale Division

Speed and flexibility in new product launches, together with the success of the STARS program, the market's positive reception of the new collections and a substantial decline in inventory reductions by clients in many markets, enabled the Group to keep net sales at the Wholesale Division generally in line with the previous year. Net sales for the Division during the quarter were Euro 576.3 million from Euro 583.4 million for the second quarter of 2008 (down by 1.2% at current exchange rates and by 3% at constant exchange rates).

Looking at the sales performance of the Division by geography, Luxottica did well in Europe and key emerging markets, while in the United States results were positive in June. Japan, on the other hand, was negative and so were results in emerging markets affected by the decline in the tourism industry.

Operating income for the quarter was Euro 129.8 million (down by 12.1%, from Euro 147.7 million for the second quarter of 2008). Operating margin for the quarter was 22.5%, compared with 25.3% for the same quarter last year.

Luxottica also secured a ten-year extension to the license agreement with Gianni Versace SpA for the design, manufacturing and worldwide distribution of optical frames and sunglasses under the Versace and Versus eyewear brands.

Retail Division

Net sales for the quarter at the Retail Division rose to Euro 825.3 million, from Euro 771.1 million in the second quarter of 2008 (up by 7.0% at current exchange rates, down by 3.4% at constant exchange rates). The Division's operating income for the quarter, on the other hand, was Euro 115.9 million, compared with Euro 119.6 million for last year's second quarter (down by 3.0%). Operating margin declined to 14.0% for the quarter, from 15.5% in the same period last year.

In terms of comparable store sales⁽³⁾, for the second quarter the optical business in North America declined by 8.5%, notwithstanding good results at Sears Optical and Target Optical (up by 2.2%). It should be noted that EyeMed's Managed Vision Care business posted excellent results, with sales up by 18.5% during the quarter. Comparable store sales⁽³⁾ in Asia-Pacific for the quarter were down by 3.4%.

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Sunglass Hut, the Group's sun specialty chain that operates globally, reported overall comparable store sales(3) for the quarter down by 9%, with performance very positive in Australia, New Zealand, South Africa and the UK but still negative in North America.

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In conclusion, the Board of Directors authorized, as proposed by the Chairman of the Internal Control Committee, an increase in the number of members of said Committee to four, from three. Ivanhoe Lo Bello, currently a non-executive and independent Luxottica Group Board member, has been appointed to this additional seat.

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The second quarter and first half results for 2009 will be presented today in a conference call with the financial community starting at 6:30 PM CET. The audio portion and related slide presentation will be available to all via live webcast at www.luxottica.com.

The officer responsible for preparing the company's financial reports, Enrico Cavatorta, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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Notes to the press release

- (1) All comparisons, including percentage changes, are between the three or six-month periods ended June 30, 2009 and 2008, as indicated, in accordance with U.S. GAAP.
- (2) EBITDA, EBITDA margin, free cash flow, net debt, the ratio of net debt to EBITDA and EPS before trademark amortization are all non-U.S. GAAP measures. For additional disclosure regarding such measures, please refer to the tables attached.
- (3) Comparable store sales reflects the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area.

Luxottica Group S.p.A.

Luxottica Group is a leader in premium fashion, luxury and sports eyewear, with over 6,150 optical and sun retail stores in North America, Asia-Pacific, China, South Africa and Europe and a strong and well balanced brand portfolio. Luxottica's key house brands include Ray-Ban, the best known sun eyewear brand in the world, Oakley, Vogue, Persol, Oliver Peoples, Arnette and REVO, while license brands include Bvlgari, Burberry, Chanel, Dolce & Gabbana, Donna Karan, Polo Ralph Lauren, Prada, Salvatore Ferragamo, Tiffany and Versace. In addition to a global wholesale network covering 130 countries, the Group manages leading retail brands such as LensCrafters and Pearle Vision in North America, OPSM and Laubman & Pank in Australasia, LensCrafters in Greater China and Sunglass Hut globally. The Group's products are designed and manufactured in six Italy-based manufacturing plants, two wholly-owned plants in China and a sports sunglass production facility in the U.S. In 2008, Luxottica Group posted consolidated net sales of \$5.2 billion. Additional information on the Group is available at www.luxottica.com.

Safe Harbor Statement

Certain statements in this press release may constitute forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, the ability to manage the effect of the poor current global economic conditions on our business, the ability to successfully acquire new businesses and integrate their operations, the ability to predict future economic conditions and changes in consumer preferences, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to achieve and manage growth, the ability to negotiate and maintain favorable license arrangements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, as well as other political, economic 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.

- FINANCIAL TABLES TO FOLLOW -

LUXOTTICA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS

FOR THE THREE-MONTHS PERIOD ENDED

JUNE 30, 2009 AND JUNE 30, 2008

KEY FIGURES IN THOUSANDS OF EURO (3)

	2009	2008	% Change
NET SALES	1,401,626	1,354,442	3.5%
NET INCOME	115,683	132,580	-12.7%
BASIC EARNINGS PER SHARE (ADS)(2):	0.25	0.29	-12.9%
EPS PRE-TRADEMARK AMORTIZATION (2) (4):	0.28	0.32	-11.4%

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

	2009	2008	% Change
NET SALES	1,909,295	2,115,909	-9.8%
NET INCOME	157,583	207,116	-23.9%
BASIC EARNINGS PER SHARE (ADS) (2):	0.34	0.45	-24.0%
EPS PRE-TRADEMARK AMORTIZATION (2) (4):			