LUXOTTICA GROUP SPA
Form 6-K
July 26, 2016

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 26, 2016

COMMISSION FILE NO. 1 - 10421

LUXOTTICA GROUP S.p.A.

Piazzale Cadorna 3, 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

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 x

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 25, 2016

Luxottica Group s net sales and adjusted[3,5] net income up in the first half along with record free cash flow generation

Organizational synergies and the quality of the new trade policies impact first half results

Adjusted[3,5] figures

- **Group s adjusted net sales +1.6% to approximately Euro 4,828 million at constant exchange rates[2] and -0.7% to Euro 4,719 million at current exchange rates**

- **Adjusted operating income +1.5% to approximately Euro 892 million at constant exchange rates[2] and -2.5% to Euro 857 million at current exchange rates**

- **Adjusted net income +5.6% to approximately Euro 554 million at constant exchange rates[2] and +1.3% to Euro 532 million at current exchange rates**

Reported figures

- **Group s net sales +3.5% to approximately Euro 4,828 million at constant exchange rates[2] and +1.1% to Euro 4,719 million at current exchange rates**

- **Operating income -4.1% to approximately Euro 823 million at constant exchange rates[2] and**

-8.2% to Euro 788 million at current exchange rates

- **Net income -1.4% to approximately Euro 498 million at constant exchange rates[2] and -5.8% to Euro 476 million at current exchange rates**

Record free cash flow[3] generation to Euro 403 million

Reviewing expectations for FY 2016 due to the increasing market uncertainty

Milan (Italy), July 25, 2016 The Board of Directors of Luxottica Group S.p.A. (MTA: LUX; NYSE: LUX), a leader in the design, manufacture and distribution of fashion, luxury and sports eyewear, met today to review the consolidated net sales for the second quarter and preliminary results for the six months ended June 30, 2016, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Preliminary adjusted[3,5] results of the first half of 2016[1]

(Millions of Euro)	1H 2015	1H 2016	Change at constant exchange rates[2]	Change at current exchange rates
Group adjusted net sales	**4,752**	**4,719**	**+1.6%**	**-0.7%**
Wholesale division	2,008	1,970	+1.1%	-1.9%
Retail division	2,745	2,749	+1.9%	+0.2%
Adjusted operating income	**879**	**857**		**-2.5%**
Adj. net income attributable to Luxottica Group stockholders	**525**	**532**		**+1.3%**
Adjusted earnings per share	**1.10**	**1.11**		**+1.0%**
Adj. earnings per share in US$	**1.22**	**1.23**		**+1.0%**

Preliminary reported results of the first half of 2016[1]

(Millions of Euro)	1H 2015	1H 2016	Change at constant exchange rates[2]	Change at current exchange rates
Group net sales	**4,667**	**4,719**	**+3.5%**	**+1.1%**
Wholesale division	2,008	1,970	+1.1%	-1.9%
Retail division	2,659	2,749	+5.2%	+3.4%
Operating income	**859**	**788**		**-8.2%**
Net income attributable to Luxottica Group stockholders	**505**	**476**		**-5.8%**
Earnings per share	**1.05**	**0.99**		**-6.1%**
Earnings per share in US$	**1.18**	**1.10**		**-6.1%**

Adjusted[3,5] net sales of the second quarter of 2016[1]

(Millions of Euro)	2Q 2015	2Q 2016	Change at constant exchange rates[2]	Change at current exchange rates
Group adjusted net sales	**2,501**	**2,454**	**+1.4%**	**-1.9%**
Wholesale division	1,068	1,036	+0.2%	-3.0%
Retail division	1,433	1,418	+2.3%	-1.0%

Reported net sales of the second quarter of 2016[1]

(Millions of Euro)	2Q 2015	2Q 2016	Change at constant exchange rates[2]	Change at current exchange rates
Group net sales	**2,457**	**2,454**	**+3.2%**	**-0.1%**
Wholesale division	1,068	1,036	+0.2%	-3.0%
Retail division	1,389	1,418	+5.5%	+2.1%

Luxottica closed the first half of 2016 with an increase in net sales at constant exchange rates[2] and adjusted[3,5] net income compared to the first half of 2015, as well as record free cash flow generation. Thanks to the vertically integrated business model, geographic diversification and a healthy balance between the optical and sun segments, the Group continues to grow even in the presence of stricter trade policies to protect the equity of the brand portfolio. In addition, Oakley s integration synergies, a spending review and efficient financial management are pushing profitability.

Over the past year, Luxottica entered a phase of deep change and organizational simplification to enhance flexibility and speed of execution in an increasingly global market. The Company s strategic priorities include strengthening its retail network, e-commerce platforms and the consumer omnichannel experience, as well as the Oakley brand, one of the Group s future growth pillars. After the successful integration of Oakley s wholesale optical channel, already effectively contributing to first half results, and a strategic review of the Sport channel, the Group has determined it will integrate the remaining Oakley retail and wholesale sport channel functions into existing Luxottica channels. This integration is expected to be completed by the end of the year.

The Group is investing heavily in its technological and logistical infrastructure which, in the medium term, will bring significant efficiencies and competitive advantages, as well as in new business opportunities in the world of lenses. The construction of three large laboratories in the Group s main distribution centers in Italy, US and China is in advanced stages. The new facilities will integrate lenses and frames in the right phase of the production cycle, optimizing the level of service for the Group s optical stores.

In the first six months of the year, we have continued to grow despite the increasingly volatile and uncertain macroeconomic environment, the undergoing simplification of the Group s organization, the implementation of stricter trade policies and major structural investments. These courageous decisions are not yet reflected in our short-term results. The quality of growth, which is visible in the exceptional cash generation and increasing earnings, remains the priority for all of us , commented Leonardo Del Vecchio, Executive Chairman, and Massimo Vian, CEO and Product Operations.

Our performance in the second quarter was affected by adverse weather conditions through late June and by paring down our distribution network, particularly in North America. However, we are very pleased with the growth in Europe and in emerging countries, as well as global sales at Sunglass Hut, which rose by 5%[2] *in the first half of the year. The resilience of the Group s operating margin and continued growth of the profitability of the Wholesale division demonstrate the effectiveness of Oakley integration activities and initiatives to improve business efficiency and push us to make, with calm determination, the decisions that we believe are right for the business .*

Group performance for the first half and the second quarter 2016[1]

In the first half of 2016, the Group delivered sales growth of 3.5% at constant exchange rates[2] (+1.1% at current exchange rates). It also delivered growth of +1.6% on an adjusted[3,5] basis at constant exchange rates[2] (-0.7% at current exchange rates). Both segments contributed to the positive performance despite the impact of bad weather on sunglass sales in key western markets in the second quarter and the adoption of the Gregorian calendar by the retail business. The Group s e-commerce contribution in the first half was strong with net sales up by 20% at constant exchange rates[2].

During the second quarter of the year, the Group s reported net sales rose by 3.2% and its adjusted[3,5] net sales by 1.4% at constant exchange rates[2] (-0.1% and -1.9% at current exchange rates, respectively), with the Wholesale division s net sales substantially unchanged at constant exchange rates[2] and the Retail division s net sales up by 5.5% (+2.3% on an adjusted[3,5] basis).

Group operating income decreased by 8.2% to Euro 788 million in the first half of the year (down by 2.5% to Euro 857 million on an adjusted[3,5] basis), with an operating margin of 16.7% down by 170 basis points (18.2% on an adjusted[3,5] basis, down by 30 basis points at current exchange rates while substantially unchanged at constant exchange rates[2]). Looking at the two divisions, the adjusted[3,5] operating income expanded by 100 basis points to 28.7% in the Wholesale segment and decreased by 150 basis points to 14.0% in the Retail division.

Organizational streamlining and the write-down of inventory due to obsolescence resulted in first half pre-tax extraordinary costs of around 69 million Euro[5].

Thanks to more efficient financial management, net income was Euro 476 million for the first half of 2016 with adjusted[3,5] net income amounting to Euro 532 million, with EPS (earnings per share) of Euro 0.99 and adjusted[3,5] EPS of Euro 1.11 (US$ 1.10 and 1.23 respectively at the exchange rate of /US$ of 1.1159).

In the first six months, free cash flow[3] generation set a new record at Euro 403 million. Net debt[3] as of June 30, 2016 was Euro 1,126.6 million, down by over 20% compared to the same period of last year, with a net debt/adjusted[3,5] EBITDA ratio of 0.6x.

Outlook review for FY 2016

The second quarter results, along with increasing uncertainty in many markets, lead management to assume a more cautious outlook for the second half of the year. The Group is therefore revising its expectations for the FY 2016:

- Sales growth: +2-3% at constant exchange rates[2]
- Adjusted[3,5] operating income and adjusted[3,5] net income aligned to net sales growth
- Net debt/adjusted[3,5] EBITDA ratio range: 0.5x-0.4x

Geographic segments: net sales and trends

Net Sales *(In millions of Euro)*	**1H 2015**	**%**	**1H 2016**	**%**	**Change at constant exchange rates2**	**Change at current exchange rates**

North America adj.(3,5)	2,740	58%	2,739	58%	+0.5%	0.0%
Wholesale	568	12%	554	12%	-1.6%	-2.5%
Retail adj.(3,5)	2,172	46%	2,184	46%	+1.0%	+0.6%
Europe	956	20%	981	21%	+4.6%	+2.6%
Asia-Pacific	616	13%	590	13%	-0.8%	-4.2%
Latin America	262	5%	247	5%	+13.0%	-5.4%
Rest of the World	178	4%	162	3%	-6.2%	-9.0%
Group total adj.(3,5)	**4,752**	**100%**	**4,719**	**100%**	**+1.6%**	**-0.7%**
North America rep.	2,654		2,739		+3.7%	+3.2%
Retail rep.	2,086		2,184		+5.2%	+4.7%
Group total rep.	**4,667**		**4,719**		**+3.5%**	**+1.1%**

Net Sales *(In millions of Euro)*	2Q 2015	%	2Q 2016	%	Change at constant exchange rates2	Change at current exchange rates
North America adj.(3,5)	1,425	57%	1,387	57%	-0.3%	-2.7%
Wholesale	293	12%	268	11%	-5.8%	-8.4%
Retail adj.(3,5)	1,132	45%	1,118	46%	+1.1%	-1.2%
Europe	531	21%	546	22%	+5.0%	+2.7%
Asia-Pacific	318	13%	308	13%	+0.5%	-3.0%
Latin America	131	5%	127	5%	+12.9%	-3.3%
Rest of the World	95	4%	86	3%	-7.0%	-9.6%
Group total adj.(3,5)	**2,501**	**100%**	**2,454**	**100%**	**+1.4%**	**-1.9%**
North America rep.	1,381		1,387		+2.9%	+0.4%
Retail rep.	1,088		1,118		+5.2%	+2.8%
Group total rep.	**2,457**		**2,454**		**+3.2%**	**-0.1%**

North America

North America closed the first half of the year with a slight increase in net sales at constant exchange rates2. The second quarter was virtually unchanged compared to the same period of 2015.

The introduction of the MAP (Minimum Advertised Price) policy , a necessary action to protect the equity of Luxottica s proprietary brands and the integrity of the distribution network, and the negative performance of the Oakley brand in the sports sector are the main contributors to the slight dip in sales (-1.6% at constant exchange rates2) in the Wholesale division.

The Retail Division s sales for the second quarter (+1.1% on an adjusted3,5 basis at constant exchange rates2) confirmed the slight but steady growth in the first three months of the year, despite the negative effect of the adoption of the Gregorian calendar. LensCrafters continues to grow, with comparable store sales4 up by 1.3% in the first half. Sunglass Hut is showing signs of improvement with comparable store sales4 that rebounded in the second quarter and have been rising sharply since June.

Europe

Europe continues to be an area of solid growth for the Group with a total increase of 4.6% in net sales at constant exchange rates[2] (+2.6% at current exchange rates) with particularly strong results in Italy, Spain, Turkey and Eastern Europe. On the other hand, results in France are slightly negative due to the decline of tourist traffic.

During the first half, the high level of service and wholesale distribution efficiency sustained demand for new collections by independent opticians and specialized optical chains. Customers are drawn to the Group s new collections, especially in the sun segment, where Sunglass Hut reported a significant growth in comparable store sales[4] in Continental Europe and opened its first 26 stores in Galeries Lafayette in France.

Asia-Pacific

The Asia-Pacific region closed the first half with net sales slightly down by 0.8% at constant exchange rates[2] (-4.2% at current exchange rates) an improvement compared to the first three months of the year.

At constant exchange rates[2] Mainland China, India and Japan confirmed their growth and Korea in the second quarter reported an expected rebound in sales, recovering from the negative impact of different shipment timing in the first three months of the year compared to 2015.

In a less favorable macroeconomic environment, particularly in terms of consumption, the Group s results in Mainland China in the second quarter showed a slowdown, mainly due to changes in the go-to-market approach of the Wholesale division. The Group is gradually migrating from relationships with independent distributors to expanding direct distribution in order to better serve the market. Ray-Ban remains the eyewear brand of choice for consumers in the region. In the first half of the year, the Group opened nine Ray-Ban stores to further increase the brand s visibility and strengthen its distribution, with very encouraging initial results.

On the other hand, Hong Kong is still struggling, confirming the double-digit decline of the first quarter. To counteract the drop in tourists, the Group is focusing on its optical business to better attract the local consumer.

Finally, in Australia, OPSM s in-store assortment revision made a positive impact on comparable store sales[4] in the first half of the year, a trend also experienced by Sunglass Hut.

Latin America

Latin America continues to generate excellent growth, where net sales rose by 13% at constant exchange rates[2] in the first half of 2016. The figure is negative at current exchange rates (-5.4%) due to the steep depreciation of the Brazilian real, the Mexican peso and other local currencies against the Euro.

The STARS program expanded from approximately 20 doors in June 2015 to over 270 today, and the opening of the first Sunglass Hut stores through a franchise agreement have also improved the distribution presence in Brazil.

In Mexico, the Group achieved another quarter of gradual strong growth both in Wholesale and in Retail.

GMO registered particularly significant results with comparable store sales4 showing double-digit growth in Peru and Colombia, as well as Sunglass Hut in Mexico and the Andean region.

§

Net sales results for the first half of 2016 will be discussed via audio webcast today at 12:30PM EDT (4:30PM GMT, 6:30PM CEST) available at Luxottica Group s corporate website at http://www.luxottica.com/en/investors/results-and-presentations/webcasts.

The officer responsible for preparing the Company s financial reports, Stefano Grassi, declares, pursuant to Article 154-bis, Section 2 of the Consolidated Law on Finance, that the accounting information contained in this press release is consistent with the data in the supporting documents, books of accounts and other accounting records.

6

Contacts:

Alessandra Senici

Group Investor Relations and Corporate Communications Director

Tel.: +39 (02) 8633 4870

Email: InvestorRelations@luxottica.com

http://www.luxottica.com/en/investors/contacts

Marco Catalani

Group Corporate Media Relations Senior Manager

Tel.: +39 (02) 8633 4470

Email: corporate.communication@luxottica.com

Notes on the press release

1 Comparisons, including percentage changes, are between the three-month and six-month periods ended June 30, 2015 and June 30, 2016, respectively.

2 Figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the previous year. The effect of exchange rate fluctuations resulted in an impact of Euro 109 million on net sales, Euro 35 million on Group operating income and Euro 22 million on Group net income for the six-month period ended 30, June 2016. For further information, please refer to the attached tables.

3 EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net sales, adjusted operating income/profit, adjusted operating margin, free cash flow, net debt, net debt/adjusted EBITDA ratio, adjusted net income and adjusted EPS are not measures in accordance with IFRS.

4 Comps or Comparable store sales reflect the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area.