LUXOTTICA GROUP SPA
Form 6-K
August 01, 2008

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**

August 1, 2008

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

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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 31, 2008.

Luxottica sees strong growth in net sales for 2Q08: +12.6% at constant exchange rates, +2.1% at current exchange rates

Milan and Agordo, Italy - July 31, 2008 - The Board of Directors of **Luxottica Group S.p.A. (NYSE: LUX; MTA: LUX),** a global leader in the design, manufacturing and distribution of premium fashion and luxury eyewear, convened today in Agordo by chairman Leonardo Del Vecchio, approved financial results for the three- and six-month periods ended June 30, 2008(1). Financial highlights for the periods in accordance with U.S. GAAP are set forth below. A detailed balance sheet, income statements and other financial tables are attached to this press release.

Second quarter of 2008(1)

In millions of Euro	**2Q08**	**Change at current exchange rates**	**Change at constant exchange rates**
Consolidated sales			
Group	1,354.4	+2.1%	+12.6%
Wholesale third parties	583.4	+21.9%	+28.3%
Retail	771.1	-9.1%	+3.8%
Comp. Sales Retail(2)			-2.8%
Operating margin		Change vs. pro forma(4),(5)	
Group	17.0%	-60 bps	
Wholesale	25.1%	-20 bps	
Retail	11.2%	-120 bps	
EBITDA margin(3)	21.8%	-70 bps	
		Change at current exchange rates(5)	Change in U.S.$(5)
EPS (in Euro)	0.29	-6.8%	+8.0%
- Before trademark amortization(3)	0.32	-4.5%	+10.7%

First half of 2008(1)

In millions of Euro	**1H08**	**Change at current exchange rates**	**Change at constant exchange rates**
Consolidated sales			
Group	2,753.1	+4.8%	+14.6%
Wholesale third parties	1,202.9	+27.3%	+32.9%
Retail	1,550.2	-7.8%	+4.3%
Comp. Sales Retail(2)			-2.9%
Operating margin		Change vs. pro forma(4), (5)	
Group	15.9%	-70 bps	
Wholesale	24.7%	+40 bps	
Retail	9.9%	-220 bps	
EBITDA margin(3)	20.7%	-80 bps	
		Change at current exchange rates(5)	Change in U.S.$(5)
EPS (in Euro)	0.52	-12.9%	+0.4%
- Before trademark amortization(3)	0.57	-9.6%	+4.1%

Andrea Guerra, chief executive officer of Luxottica Group, commented: This year our Group is facing two significant challenges: the further significant devaluation in the U.S. currency against the Euro, which has reached approximately 13% year-to-date, and a slowdown in the global economy, particularly in North America. We have been taking steps to proactively tackle the second challenge, including significant transactions such as the merger with Oakley. In fact, we are already seeing the benefits of these actions: for the quarter, consolidated sales at constant exchange rates rose by 12.6%, while net income(5) in U.S. dollars rose by 8%. This resulted in an outstanding net income margin for the quarter of nearly 10%.

Final results for the second quarter confirmed that we are on track to meet the previously announced financial outlook for the full year. For this, I am especially proud of our entire organization because, while the first half of this year was clearly challenging, the true strength and resilience of our business model was reflected in our ability to withstand and to quickly and efficiently react to the difficult market conditions that we faced in the period. Additionally, phase one of the Oakley integration is now nearly complete within only seven months of the merger and the business is already positively contributing to overall results.

I am very pleased with our underlying performance for the quarter in North America, where pro forma sales were flat. Our results were well above those of the overall market and key peers. The initiatives taken to bring costs in line with the current environment have made our overall business model in the North American market more sound for the longer term. And, profitability has already improved significantly from the first quarter of this year.

Total wholesale sales for the quarter, including Oakley, rose year-over-year by 21.2%, reflecting the 13th consecutive quarter of double-digit growth. Within this business, we continued to see positive performances, especially in North America, and achieved overall satisfactory results in continental Europe and emerging markets, while seeing a slowdown in southern Europe and Japan. At the same time, we believe we are extremely well-positioned to tackle the challenges ahead due to: a truly global presence; the ability to forge even closer relationships with key clients; the investments made over the past few years in an ever-stronger and increasingly effective organization; and, the strongest and most well-balanced brand portfolio in the industry. Additionally, following several years of continued strong growth in manufacturing capacity to manage demand, today we are able to realize efficiencies and increasing quality levels within our manufacturing operations.

In terms of brands, both Ray-Ban and Oakley posted another strong quarter, while luxury brands showed some signs of weakness as a result of the overall challenging environment. In particular, Ray-Ban continued to grow due, in part, to the strength of the Wayfarer, which is now the second best-selling model worldwide. Oakley, on the other hand, was outstanding across all regions, due, in part, to strong performances by its athletes and anticipation of the brand s expected strong visibility at the upcoming Olympics in Beijing.

The merger with Oakley is one of the most important developments in our business of recent years. Only twelve months after the announcement of the transaction, the new journey on which the Group has embarked continues to make significant progress: the integration of the European portion of the Oakley business was completed as of the end of the second quarter; the new teams are already on the ground and making a difference; the sports channel is ready; the new emerging markets structure is up and running; the focus within retail has been on cross-selling opportunities at LensCrafters and Sunglass Hut and the integration of Oakley s retail chains Sunglass Icon and Bright Eyes into Luxottica s existing retail structure. Finally, most other phase one projects, including sourcing and sun lens strategy, have either been completed or are nearing completion.

Management now expects that one-time charges in connection with the merger with Oakley will be a total of 20 million, compared with the previously expected 25 million, resulting in a slightly lower impact of these charges on the second half of this year.

Luxottica Group s consolidated net debt(3) on June 30, 2008, was 2,839.7 million, reflecting a consolidated net debt to pro forma EBITDA ratio(3) of 2.6x. Free cash flow generation for the quarter was again particularly positive, further underlining the strength of our business model.

Today the Group s Board of Directors also approved the Company s financial results for the six-month period ended June 30, 2008 in accordance with International Financial Reporting Standards (IFRS).

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

Notes to the release

1. All comparisons, including percentage changes, are between the three- and six-month periods ended June 30, 2008 and 2007.

2. 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.

3. EBITDA, pro forma EBITDA, EBITDA margin, net debt, the ratio of net debt to pro forma EBITDA and EPS before trademark amortization are non-U.S. GAAP measures. For additional disclosure regarding such measures, please refer to the tables attached.

4. Pro forma data reflects the inclusion of consolidated results for Oakley, Inc., a subsidiary that was acquired in November 2007, as if it was acquired on January 1, 2007.

5. Excluding a non-recurring gain related to the sale of a real estate property in the second quarter of 2007. The impact of the sale was a gain of approximately 20 million before taxes.

Luxottica Group S.p.A.

Luxottica Group is a global leader in eyewear, with over 6,200 optical and sun retail stores in North America, Asia-Pacific, China, South Africa and Europe and a strong brand portfolio that includes our key house brand, Ray-Ban, the best selling sun and prescription eyewear brand in the world, as well as, among others, license brands Bvlgari, Burberry, Chanel, Dolce & Gabbana, Donna Karan, Polo Ralph Lauren, Prada, Salvatore Ferragamo, Tiffany and Versace, and other key house brands Oakley, Oliver Peoples, Vogue, Persol, Arnette and REVO. In addition to a global wholesale network that touches over 130 countries, the Group manages leading retail brands such as LensCrafters, Pearle Vision and Sunglass Icon in North America, OPSM and Laubman & Pank in Asia-Pacific, and Sunglass Hut globally. The Group s products are designed and manufactured in six Italy-based high-quality manufacturing plants, in the only two China-based plants wholly-owned by a premium eyewear manufacturer, and in manufacturing facilities in the United States acquired as part of the Oakley acquisition. For fiscal year 2007, Luxottica Group (NYSE: LUX; MTA: LUX) posted consolidated net sales of 5 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 successfully integrate Oakley s operations, the ability to realize expected synergies from the merger with Oakley, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to predict future economic conditions and changes in consumer preferences, 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, the ability to effectively integrate other recently acquired businesses, 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.

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- APPENDIX AND TABLES TO FOLLOW -

NON-U.S. GAAP MEASURES:

Earnings per share before trademark amortization:

Earnings per share (EPS) before trademark amortization means earnings per share before trademark and other similar intangible asset amortization expense, net of taxes, per share. The Company believes that EPS before trademark amortization is useful to both management and investors in evaluating the Company s operating performance and prospects compared to that of other companies in its industry. Our calculation of EPS before trademark amortization allows us to compare our earnings per share with those of other companies without giving effect to the accounting effects of the amortization of the Company s trademarks and other similar intangible assets, which may vary for different companies for reasons unrelated to the overall operating performance of a company s business.

EPS before trademark amortization is not a measure of performance under accounting principles generally accepted in the United States (U.S. GAAP). We include it in this presentation in order to:

- improve transparency for investors;
- assist investors in their assessment of the Company s operating performance;
- ensure that these measures are fully understood in light of how the Company evaluates its operating results;
- properly define the metrics used and confirm their calculation; and,
- share these measures with all investors at the same time.

EPS before trademark amortization is not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with U.S. GAAP. Rather, these non-GAAP measures should be used as a supplement to U.S. GAAP results to assist the reader in better understanding operational performance of the Company. The Company cautions that these measures are not defined terms under U.S. GAAP and their definitions should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group s method of calculating EPS before trademark amortization may differ from methods used by other companies. The Company recognizes that the usefulness of EPS before trademark amortization as an evaluative tool may have certain limitations, including:

- EPS before trademark amortization does not include the effects of amortization of the Company s trademarks and other intangible assets. Because trademarks and other intangible assets are important to our business and to our ability to generate sales, we consider trademark amortization expense as an element of our costs. Therefore, any measure that excludes trademark amortization expense may have material limitations.

We compensate for these limitations by using EPS before trademark amortization as one of several comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of our operating performance.

See the table on the following page for a reconciliation of EPS before trademark amortization to EPS for the three and six months ending June 30, 2007 and 2008, respectively, which is the most directly comparable U.S.GAAP financial measure.

Non-U.S. GAAP Measures: EPS before Trademark Amortization

(In millions of Euro, unless otherwise noted)

	2Q07	2Q08
Trademark amortization and other similar intangible assets	15	19