

LUXOTTICA GROUP SPA
Form 6-K
March 01, 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**

March 1, 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 Form 40-F

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):

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):

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 February 28, 2011

Press Release

Luxottica raises cash dividend for FY2010 by 25.7% to Euro 0.44 per share

The main 2011 growth drivers will be the emerging markets, the United States, Oakley and Sunglass Hut

Very positive results in first two months of 2011: net sales of Wholesale division worldwide up by more than 15%, comparable store sales(5) of Retail division in North America up by approximately 6%

Milan, Italy, February 28, 2011 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 approve the draft Statutory Financial Statements for 2010 and the Consolidated Financial Statements in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

Fiscal Year 2010(1)

(in millions of Euro)	FY10	FY09	Change
Net sales	5,798.0	5,094.3	+13.8% (+7.1% at constant exchange rates(2))
Operating income	712.2	571.1	+24.7%
Adjusted(3),(4)	732.6	571.1	+28.3%
Net income attributable to Luxottica Group stockholders	402.2	299.1	+34.5%
Adjusted(3),(4)	402.7	299.1	+34.6%
Earnings per share	0.88	0.65	+34.0%
Adjusted(3),(4)	0.88	0.65	+34.2%
<i>In US\$ adjusted(3),(4)</i>	<i>1.16</i>	<i>0.91</i>	<i>+27.6%</i>

Fourth quarter 2010(1)

(in millions of Euro)	Q410	Q409	Change
Net sales	1,346.5	1,157.1	+16.4% (+6.5% at constant exchange rates(2))
Operating income	96.1	74.0	+29.9%
Adjusted(3),(4)	116.6	74.0	+57.5%
Net income attributable to Luxottica Group stockholders	55.1	29.3	+88.4%
Adjusted(3),(4)	55.6	29.3	+90.1%
Earnings per share	0.12	0.06	+87.8%
Adjusted(3),(4)	0.12	0.06	+89.5%
<i>In US\$ adjusted(3),(4)</i>	<i>0.16</i>	<i>0.09</i>	<i>+74.1%</i>

(3) The adjusted data exclude the effect of: a) the impairment charge recorded in the fourth quarter of 2010 of approximately Euro 20 million related to certain of Luxottica's assets in the Australian region, where the retail environment continues to be particularly challenging; and b) the release in 2010 of a provision for taxes of approximately USD 27 million (approximately Euro 20 million at December 31, 2010) related to the sale of the Things Remembered retail chain in September 2006.

Fiscal year 2010 was once again a normal year for Luxottica, with strong growth of net sales and a more than proportionate increase in profitability relative to sales growth, as well as a significant improvement in financial leverage. Both Divisions made a major contribution to the results, thanks to their exceptional work carried out in all the geographic areas in which the Group operates.

We are particularly satisfied with these results, obtained in a context in which only truly extraordinary companies and brands enjoy success, commented Andrea Guerra, Chief Executive Officer of Luxottica. *2011 is a particularly important year for Luxottica, as it is the 50th anniversary since our founding. Celebrating 50 years of Luxottica is an extraordinary event since we are enjoying enormous success after only one generation and, above all, we have shown that at the heart of our DNA are growth and innovation.*

In the last four years alone, Luxottica has invested approximately Euro 3 billion in its growth, continuing to build upon an exceptional brand portfolio and a network of retail stores that is unparalleled worldwide.

I believe that 2011 will prove to be the natural evolution of 2010 and a year filled with great success for the Group. There are many great opportunities to ensure solid growth for Luxottica, both in emerging and more mature markets. In order to enjoy success in 2011, it will be important to maintain the same passion, the same attention to planning on the one hand and to impeccable execution on the other, as well as making the most of opportunities wherever they may arise, simply and quickly.

The first two months of the year were particularly positive. In January and February, net sales of the Wholesale division worldwide grew by more than 15% as compared with the same period of the previous year, and the Retail division in North America recorded comparable store sales(5) up by approximately 6%.

Action plans for 2011

The results achieved in 2010 and the strength of Luxottica's business model and of its brands put the Group in an ideal position to continue throughout 2011 with solid, stable growth in net sales and a more than proportionate increase in profitability.

In addition to the growth trends enjoyed worldwide by the premium and luxury brands, which are expected to continue in 2011 at double-digit rates, there will be four main engines behind Luxottica's growth for this year: further development in emerging markets, the global expansion of Sunglass Hut, growth in the United States and the potential of Oakley.

Development in emerging markets

In 2011, emerging markets will represent a formidable driving force for both Luxottica Divisions. These countries, which already today account for approximately 15% of the net sales of the Wholesale Division and 7% of the Group's consolidated sales, have recorded excellent results over the last 6 years, with a 220% increase in sales.

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It is expected that in 2011 Luxottica will continue this trend of sustained development: net sales of the Wholesale division in these countries are expected to increase by about 20%. Luxottica has highlighted three geographic areas within emerging markets: the Big markets (including China, India, Brazil and Mexico), the Mature markets (including Singapore, Hong Kong, Taiwan

and Chile) and the New markets (including Thailand, Vietnam, Indonesia, Colombia and Peru). For each area, a specific strategy has been developed over time, with the aim of stimulating demand and increasing penetration of Luxottica's brands, thanks to special initiatives and collections. In Asia in particular, volumes sold in the Big emerging markets should grow by 120% over the next three years, in the Mature emerging markets by approximately 30% and in the New emerging markets by 60%. The volumes sold in the New emerging markets in Latin America over the next three years are expected to increase by approximately 60%.

Net sales of the Retail division are also expected to enjoy strong growth (about +20%) in 2011 in Emerging markets, thanks to the Sunglass Hut development plan and the excellent performance in China. After two years of challenges, the last 15 months have shown a continuous trend of increasing sales in China, thanks to the efforts made by the new management and the dynamism of the entire organization: for 2011, comparable store sales(5) are expected to increase significantly (+20%), thanks to the expected success of the optical and sunglass collections and the opening of 50 new optical stores. The number of Luxottica stores in China is expected to grow to 500 by 2013.

Thanks to the development plans underway, the total number of Luxottica stores in emerging markets is expected to grow from the current 6% of the total to 12% in 2012.

The global expansion of Sunglass Hut

In 2010, Sunglass Hut recorded excellent results, with 8.4% growth in comparable sales(5) recorded worldwide and 11.1% in North America, helping it increasingly to enjoy a worldwide leadership position as the global sun specialty chain.

The key factors in these results, the best in the history of the brand, were the exceptional relationships that Sunglass Hut has successfully created with its current and potential consumers, creativity and speed in developing new initiatives focused on these customers and an ability to tell a compelling story of the brand and products, thereby ensuring the customer an unparalleled buying experience. This recipe for success will also be applied in 2011, a year during which Sunglass Hut is expected to pursue a path of solid development by significantly increasing net sales, which will be accomplished in part through small and medium investments in new opportunities worldwide, particularly in the sun belt countries and in the travel retail and department stores businesses.

Following the recent acquisitions in Mexico, it is expected that Sunglass Hut will open its first store in Brazil during the first half of 2011, with 15 stores expected by the end of the year.

Thanks to the expansion plans in India, where Sunglass Hut aims to have 40 stores by the end of the year, it is expected that in 2011 the number of Sunglass Hut stores worldwide will grow by approximately 270, an increase of more than 12%. The number of Sunglass Hut stores is expected to reach the 4,000 mark by 2015.

The U.S. market

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The U.S. is a key market for the Group. 2010 saw Luxottica record strong growth, thanks above all to LensCrafters, which, with the best results since 2006, further strengthened its leadership position in optical retail in North America, to the excellent performance of Sunglass Hut and to the positive trend of the Wholesale division.

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In 2011, LensCrafters looks to benefit from the innovations that the Group is introducing both in terms of products and services. A major focus will be on laboratories, which today are technologically cutting edge in lens manufacturing and finishing and able to offer an excellent level of service. The results of the first two months of 2011 confirm the validity of the initiatives implemented during the last few quarters and the targets for 2011. Net sales for the Retail division in North America are expected to grow by 4-7%.

Thanks to a renewed attention to customers and greater synergies between Group activities, the Wholesale division is expected to achieve double-digit growth in net sales in 2011 in the North American market.

Oakley

After the fifth consecutive year of double-digit growth, during which the net sales of the brand exceeded the threshold of USD 1.1 billion, in 2011 Oakley will continue to play a key role in Luxottica's development, thanks to the opportunities available for this brand, with net sales expected to grow by more than 10%.

Further benefits will be gained from the expansion of activities in India, China, Brazil and Europe, regions that are expected to grow significantly. The success of an extraordinary brand such as Oakley is based on the ability to successfully combine the approach and global visibility of the brand with an exceptional interpretation of local demands comprising dedicated approaches and styles.

Investments in commercial policy, style and technology for the optical business whose 2010 net sales were up by 15% - will also increase. More specifically, in 2011 the innovative technology TrueDigital for prescription lenses, which significantly improves vision quality for athletes and sport enthusiasts, will be launched in Europe and Asia-Pacific.

Investments in style and an even more efficient management of the product portfolio will result in double-digit growth in the sun segment, both for men and women.

Group trend in 2010

Thanks to the strong growth enjoyed throughout all quarters of the year, total net sales for 2010 reached the unprecedented figure of Euro 5.8 billion - never before seen in the history of Luxottica - as compared with Euro 5.1 billion for 2009 (+13.8% at current exchange rates and 7.1% at constant exchange rates).

The year's operating performances once again confirmed the success of Luxottica's strategy to increase profitability. More specifically, adjusted EBITDA(3),(4) for 2010 recorded significant growth (+20.7% on 2009), at Euro 1,034.2 million. The adjusted EBITDA(3),(4) margin increased from the 16.8% recorded for 2009 to 17.8% in 2010. In the fourth quarter of 2010, adjusted EBITDA(3),(4) showed a 32.7% increase from the same period of the previous year, to Euro 192.8 million, with an adjusted EBITDA(3),(4) margin of 14.3% (12.6% in the fourth quarter of 2009).

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Growth in adjusted operating income^{(3),(4)} for 2010, amounting to Euro 732.6 million, was even more marked, +28.3% from the figure recorded at the end of 2009. The Group's adjusted operating margin^{(3),(5)} increased from 11.2% for 2009 to 12.6% for 2010. In the fourth quarter of the year, adjusted operating income^{(3),(4)} was Euro 116.6 million as compared with Euro 74.0 million recorded for the same period of the previous year (+57.5%), with an adjusted operating margin^{(3),(4)} up from 6.4% to 8.7%.

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The operating income of the Wholesale Division in 2010 amounted to Euro 461.9 million (+29.7% on 2009), with an operating margin of 20.7% (+250 bps as compared with the previous year). In the fourth quarter of 2010, the Division recorded operating income of Euro 89.6 million, +49.5% as compared with the same period of 2009, with an operating margin of 17.5% (13.4% in the fourth quarter of 2009).

In 2010 the Retail Division recorded operating income of Euro 424.4 million, up by 17.6% on 2009, with an operating margin of 11.9% (+40 bps). In the fourth quarter of 2010, operating income was Euro 70.5 million, +40.8% from the same period of the previous year, with an operating margin of 8.5%, +140 bps.

Adjusted net income(3),(4) for 2010 amounted to Euro 402.7 million, up 34.6% from Euro 299.1 million for last year, corresponding to an adjusted Earnings per Share (EPS)(3),(4) of Euro 0.88. In the fourth quarter of 2010, adjusted net income(3),(4) almost doubled, going from Euro 29.3 million to Euro 55.6 million (+90.1%).

By carefully controlling working capital, the Group generated strong free cash flow(4), reaching more than Euro 610 million in 2010; free cash flow(4) generated in the last two years therefore reached Euro 1.3 billion. As a result, net debt(4) as of December 31, 2010 decreased further, falling to Euro 2,111 million (Euro 2,337 million at the end of 2009), and the ratio of net debt to adjusted EBITDA(3),(4) was 2.0x, as compared with 2.7x at end of 2009. For 2011, a further decrease in financial leverage is expected.

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The Board of Directors will submit a motion to the General Meeting of Shareholders recommending the distribution of a cash dividend of Euro 0.44 per ordinary share. The total dividend amount will therefore be approximately Euro 200 million, equal to a payout of approximately 50% of the net income of the Group.

The Board of Directors has agreed to convene the General Meeting of Shareholders on April 28, 2011 on first call and April 29, 2011 on second call to approve the 2010 Statutory Financial Statements. The cash dividend will be payable on May 26, 2011 (with an ex dividend date of May 23, 2011). Regarding the American Depositary Shares (ADS) listed on the New York Stock Exchange, the ex dividend date will be May 23, 2011 and, according to Deutsche Bank Trust Company Americas, the depositary bank for the ADSs, the payment date for the dividend in U.S. dollars will be June 2, 2011. The dividend amount in U.S. dollars will be determined based on the Euro/U.S. dollar exchange rate as of May 26, 2011.

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As the mandate of the independent auditors, Deloitte & Touche S.p.A., expires upon issue of their report on the 2011 Financial Statements (and, by law, is not renewable), Shareholders will be asked to appoint a new audit firm, on the basis of the recommendation from the Board of Statutory Auditors. The Statutory Auditors have presented a proposal to the Board of Directors, which it will propose to Shareholders, to appoint PricewaterhouseCoopers S.p.A..

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The Board of Directors has also resolved to amend the Shareholders Meeting Regulations in order to meet the provisions of Italian Legislative Decree no. 27 of January 27, 2010 and the consequent amendments of the Company's articles of association introduced by the Board during

the meeting held on October 25, 2010. The Regulation text, which is available from www.luxottica.com, includes changes made to shareholders rights.

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In connection with the share buyback program approved at the Shareholders Meeting on October 29, 2009, and launched on November 16, 2009, Luxottica Group S.p.A. announced today that during the month of February 2011 it purchased under that buyback program an aggregate amount of 178,630 shares on the Milan Stock Exchange s Mercato Telematico Azionario (MTA) at an average unit price of Euro 22.09 per share, for an aggregate amount of Euro 3,946,313.

Since the launch of the program, Luxottica Group purchased an aggregate amount of 5,174,084 of its shares, at an average unit price of Euro 19.37 per share, for an aggregate price of Euro 100,225,536.

Since 2009, Luxottica Group purchased on the Milan Stock Exchange s Mercato Telematico Azionario (MTA) an aggregate amount of 6,500,000 of its shares, at an average unit price of Euro 18.91 per share, for an aggregate price of Euro 122,939,787.

In parallel, Luxottica Group s subsidiary Arnette Optic Illusions, Inc. sold on the MTA an aggregate total amount of 6,434,786 treasury shares, at an average unit price of Euro 18.88 per share, for an aggregate price of Euro 121,506,814.

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Results for fiscal year 2010 will be reviewed tomorrow, March 1, 2011, starting at 10:00 AM GMT, during a presentation to the financial community in London. The 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 Article 154-bis, Section 4, 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.

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Notes on the press release

(1) All comparisons, including percentage changes, refer to the three and twelve months ended as of December 31, 2010 and December 31, 2009, respectively.

(2) Figures given at constant exchange rates have been calculated using the average exchange rate of the respective comparative period in the previous year. For further information, please refer to the attached tables.

(3) The adjusted data exclude the effect of: a) the impairment charge recorded in the fourth quarter of 2010 of approximately Euro 20 million related to certain of Luxottica's assets in the Australian region, where the retail environment continues to be particularly challenging; and b) the release in 2010 of a provision for taxes of approximately USD 27 million (approximately Euro 20 million at December 31, 2010) related to the sale of the Things Remembered retail chain in September 2006.

(4) Adjusted operating income, adjusted operating margin, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, adjusted net income, adjusted EPS, free cash flow, net debt and the ratio of net debt to adjusted EBITDA are not measures in accordance with IAS/IFRS. For further information on such non-IAS/IFRS measures, please see the attached tables.

(5) 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.

Luxottica Group S.p.A.

Luxottica Group is a global leader in premium, luxury and sports eyewear with more than 6,350 optical and sun retail stores in North America, Asia-Pacific, China, South Africa and Europe, and a strong, well-balanced brand portfolio. House brands include Ray-Ban, the world's most famous sun eyewear brand, Oakley, Vogue, Persol, Oliver Peoples, Arnette and REVO, while licensed 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 involving 130 different countries, the Group manages leading retail chains in major markets, including LensCrafters, Pearle Vision and ILORI in North America, OPSM and Laubman & Pank in Asia-Pacific, LensCrafters in China and Sunglass Hut worldwide. The Group's products are designed and manufactured at its six manufacturing plants in Italy, two wholly-owned plants in the People's Republic of China and one plant in the United States devoted to the production of sports eyewear. In 2010, Luxottica Group posted net sales of almost 5.8 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 effects of the current uncertain international economic outlook, the ability to successfully acquire and integrate new businesses, the ability to predict future economic conditions and changes to consumer preferences, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution system, the ability to achieve and manage growth, the ability to negotiate and maintain favourable license agreements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, the ability to protect intellectual property, the ability to maintain relations with those hosting our stores, computer system problems, inventory-related risks, credit and insurance risks, changes to tax regimes as well as other political, economic and technological factors and other risks and uncertainties referred to in Luxottica Group's filings with the U.S. Securities and Exchange Commission. These forward looking statements are made as of the date hereof and Luxottica Group does not assume any obligation to update them.

- APPENDIX FOLLOWS -

LUXOTTICA GROUP

**CONSOLIDATED FINANCIAL HIGHLIGHTS
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2010 AND DECEMBER 31, 2009**

In accordance with IAS/IFRS

KEY FIGURES IN THOUSANDS OF EURO (1)

	2010	2009	% Change
NET SALES	1,346,492	1,157,085	16.4%
NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP STOCKHOLDERS	55,110	29,254	88.4%
BASIC EARNINGS PER SHARE (ADS)(2):	0.12	0.06	87.8%

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

2010