

LUXOTTICA GROUP SPA
Form 6-K
October 24, 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**

October 24, 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 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-

The following is the text of a press release issued on October 24, 2016.

Luxottica Group reports net sales increase of 3.2% in the third quarter of 2016

The Group enters the prescription lens market in Europe

Reported figures

- **Group's net sales +3.2% to Euro 2,225 million at current exchange rates (+3.5% at constant exchange rates²)**

Wholesale segment's net sales: -3.2% at current exchange rates to Euro 800 million (-3.6% at constant exchange rates²)

Retail segment's net sales: +7.2% at current exchange rates on a reported basis to Euro 1,425 million (+7.9% at constant exchange rates² on a reported basis)

Adjusted^{3,5} figures

- **Group's adjusted net sales +1.2% to Euro 2,225 million at current exchange rates (+1.4% at constant exchange rates²)**

Wholesale segment's net sales: -3.2% at current exchange rates to Euro 800 million (-3.6% at constant exchange rates²)

Retail segment's net sales: +3.8% at current exchange rates on an adjusted basis to Euro 1,425 million (+4.4% at constant exchange rates² on an adjusted basis)

- **Outlook confirmed for 2016**

Milan (Italy), October 24, 2016 The Board of Directors of Luxottica Group S.p.A. (MTA: LUX; NYSE: LUX), a leader in the design, manufacture, distribution and sale of fashion, luxury and sports eyewear, met today to review the consolidated net sales for the third quarter of 2016 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Reported net sales in the third quarter of 2016¹

<i>(Millions of Euro)</i>	3Q 2015	3Q 2016	Change at constant exchange rates ²	Change at current exchange rates
Group net sales	2,155	2,225	+3.5%	+3.2%
Wholesale division	826	800	-3.6%	-3.2%
Retail division	1,329	1,425	+7.9%	+7.2%

Adjusted^{3,5} net sales in the third quarter of 2016¹

<i>(Millions of Euro)</i>	3Q 2015	3Q 2016	Change at constant exchange rates ²	Change at current exchange rates
Group adjusted net sales	2,199	2,225	+1.4%	+1.2%

Wholesale division	826	800	-3.6%	-3.2%
Retail division(3,5)	1,373	1,425	+4.4%	+3.8%

Reported net sales in the first nine months of 2016¹

(Millions of Euro)	9M 2015	9M 2016	Change at constant exchange rates ²	Change at current exchange rates
Group net sales	6,822	6,944	+3.5%	+1.8%
Wholesale division	2,834	2,770	-0.3%	-2.3%
Retail division	3,988	4,174	+6.1%	+4.7%

Adjusted^{3,5} net sales in the first nine months of 2016¹

(Millions of Euro)	9M 2015	9M 2016	Change at constant exchange rates ²	Change at current exchange rates
Group adjusted net sales	6,952	6,944	+1.5%	-0.1%
Wholesale division	2,834	2,770	-0.3%	-2.3%
Retail division(3,5)	4,118	4,174	+2.8%	+1.4%

Luxottica closed the third quarter of 2016 with reported net sales up by 3.2%, driven by solid results in Europe and some emerging markets, the overall acceleration of retail and an extended summer season which favored the success of the Group's new collections.

The Group continues to grow due to its vertical integration and geographic diversification despite the temporary reduction of wholesale sales in the North American and Chinese markets in the third quarter of 2016 as a result of stricter trade policies. The enforcement of the MAP policy (Minimum Advertised Price) in North America, with zero discounts from July 1, was critical in allowing Luxottica to develop the equity of its brand portfolio, clean up its distribution channels and defend the business of its

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wholesale customers. While the initiative has resulted in a decrease in sales to online operators by more than 60%, on the upside, the number of discounted offers in the e-commerce channel has also seen a significant decrease.

In China, the reconfiguration of the Group's distribution network and termination of several relationships with independent dealers resulted, at this early stage, in the withdrawal of goods from the marketplace equaling more than 30% of third quarter net sales in the country.

In retail, Sunglass Hut once again confirmed its place as a leading global brand in the sun segment, with revenue growth of 14% at constant exchange rates².

In North America, a weak market environment, a reduction in price-based promotions at LensCrafters slowed the growth in comparable store sales⁴ for the optical retail business.

The Group's e-commerce platforms continued to grow, with revenue up by 18% at constant exchange rates² during the third quarter of 2016. The Group has targeted e-commerce as an area for accelerated growth in 2017.

Luxottica is continuing to invest in the second half of the year to support the simplification and further integration of the business along with projects designed to enhance the Group's

technological, manufacturing and logistics infrastructure. In Sedico, Italy, the Group recently opened the laboratory for the production of ophthalmic lenses which will serve Europe, creating an integrated logistics and production hub between lenses and frames. This laboratory is an addition to the existing six facilities that are already making Luxottica a major player in the high-end ophthalmic lens business. By early 2017, new central labs will follow to serve North America and Asia-Pacific. They will produce ophthalmic lenses perfectly adapted to each frame manufactured by Luxottica, with the goal of providing consumers with a complete pair of prescription frames of the highest quality and aesthetic. Luxottica will offer eyecare providers a new service model, unparalleled in the market, integrating lenses and frames while also leveraging the efficiency of the Group's global distribution network.

We are pleased with the quality of our growth in the quarter and the vitality of our business in markets such as Europe, Latin America and Southeast Asia. We managed to achieve these results during a period of major investment, integration and organizational simplification of the Group, and an uncertain macroeconomic setting. The solid growth of retail sales more than offset the reduction in wholesale volumes, which were affected by the decision to sharply reduce sales to online operators in North America and the withdrawal of goods from Chinese independent distributors who were not aligned with the Group's new distribution strategies. Ultimately, protecting the integrity and growth of our proprietary and licensed brands stands at the center of our strategy, commented Leonardo Del Vecchio, Executive Chairman, and Massimo Vian, CEO for Product and Operations.

By year's end we will have substantially completed the integration of our businesses and we are already seeing the results of the various initiatives undertaken over the last twelve months. We therefore believe we can accelerate the growth of the Group starting in 2017, and keep it healthy and sustainable in the long run.

Geographic segments: net sales and trends

	3Q 2015	%	3Q 2016	%	Change at constant exchange rates ²	Change at current exchange rates
<i>Net sales (millions of Euro)</i>						
North America adj.(3,5)	1,357	62%	1,347	61%	-0.3%	-0.7%
Wholesale	265	12%	234	11%	-11.2%	-11.6%
Retail adj.(3,5)	1,092	50%	1,113	50%	+2.4%	+1.9%
Europe	367	17%	386	17%	+8.3%	+5.2%
Asia-Pacific	271	12%	283	13%	-0.2%	+4.5%
Latin America	125	6%	134	6%	+6.8%	+6.9%

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Rest of the World	80	3%	75	3%	-5.0%	-5.9%
Group total adj.(3,5)	2,199	100%	2,225	100%	+1.4%	+1.2%
North America rep.	1,313		1,347		+3.1%	+2.6%
Retail rep.	1,048		1,113		+6.7%	+6.2%
Group total rep.	2,155		2,225		+3.5%	+3.2%

<i>Net sales (millions of Euro)</i>	9M 2015	%	9M 2016	%	Change at constant exchange rates ²	Change at current exchange rates
North America adj.(3,5)	4,097	59%	4,085	59%	+0.2%	-0.3%
Wholesale	833	12%	788	12%	-4.8%	-5.5%
Retail adj.(3,5)	3,264	47%	3,297	47%	+1.5%	+1.0%
Europe	1,323	19%	1,368	20%	+5.7%	+3.3%
Asia-Pacific	886	13%	873	13%	-0.6%	-1.5%
Latin America	387	6%	382	5%	+11.0%	-1.4%
Rest of the World	258	3%	237	3%	-6.0%	-8.1%
Group total adj.(3,5)	6,952	100%	6,944	100%	+1.5%	-0.1%
North America rep.	3,967		4,085		+3.5%	+3.0%
Retail rep.	3,134		3,297		+5.7%	+5.2%
Group total rep.	6,822		6,944		+3.5%	+1.8%

North America

In the third quarter of 2016, net sales at constant exchange rates² in North America remained largely unchanged compared to the corresponding period of 2015, showing growth in the Retail segment which increased net sales by 2.4% compared to adjusted^{3,5} net sales in the third quarter of 2015 at constant exchange rates². Additionally, net sales in North America accelerated compared to the first half of the year. Rising net sales for both Sunglass Hut and the optical retail brands, up by 8% and 1.8% respectively, drove the Retail segment's performance.

The Wholesale segment's net sales declined by approximately 11% in the third quarter which is primarily attributable to the enforcement of the Group's MAP policy and the integration of the Oakley sport channel, although sales for the first few weeks of October are already showing signs of a turnaround.

Europe

Europe continued to be an area of solid growth for the Group in the third quarter with a total increase of 8.3% in net sales at constant exchange rates² which is in addition to the strong top-line results reported in the same period of 2015. All markets in the

region contributed to these results, with the exception of Turkey, which recorded a decline in sales after years of strong growth.

The Retail segment also contributed to the third quarter's strong results, particularly in the UK, Iberia and in Germany, with a strong acceleration in net sales over the first half of the year. Results were supported by the success of the latest collections, in particular Ray-Ban and Oakley, by the excellent sun season and the rising number of Sunglass Hut stores in travel retail locations and in Galeries Lafayette.

Asia-Pacific

