

LUXOTTICA GROUP SPA
Form 6-K
October 01, 2007

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**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**

**For the quarter ended June 30, 2007
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 //

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 /X/

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

F O R M 6-K

**for the quarter
ended June 30 of
Fiscal Year 2007**

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LUXOTTICA GROUP S.p.A.

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CONSOLIDATED BALANCE SHEETS U.S. GAAP

DECEMBER 31, 2006 AND JUNE 30, 2007

	December 31, 2006 (Audited)	June 30, 2007 (Unaudited)	June 30, 2007 (Unaudited)
	(Thousands of Euro)		(Thousands of US dollars)(1)
ASSETS			
<i>CURRENT ASSETS</i>			
Cash and cash equivalents	EURO 339,122	EURO 321,254	\$ 434,335
Accounts receivable net	533,772	730,433	987,546
Sales and income taxes receivable	24,924	18,888	25,536
Inventories net	400,895	398,524	538,804
Prepaid expenses and other	98,156	143,328	193,779
Net deferred tax assets current	87,947	129,317	174,837
Total current assets	1,484,816	1,741,743	2,354,837
PROPERTY, PLANT AND EQUIPMENT net	787,201	827,552	1,118,851
<i>OTHER ASSETS</i>			
Goodwill	1,694,614	1,785,074	2,413,420
Intangible assets net	830,362	802,059	1,084,383
Investments	23,531	17,378	23,495
Other assets	94,501	206,684	279,437
Total other assets	2,643,008	2,811,194	3,800,735
TOTAL	EURO 4,915,025	EURO 5,380,490	\$ 7,274,423
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>CURRENT LIABILITIES</i>			
Bank overdrafts	EURO 168,358	EURO 438,686	\$ 593,104
Current portion of long-term debt	359,527	302,528	409,018
Accounts payable	349,598	362,547	490,164
Accrued expenses:			
payroll and related	145,005	147,757	199,767
customers' right of return	17,881	21,452	29,003
other	229,713	258,813	349,915
Income taxes payable	155,195	66,175	89,469
Total current liabilities	1,425,277	1,597,958	2,160,440
Long-term debt	959,735	1,071,625	1,448,837
Liability for termination indemnities	60,635	60,088	81,239
Deferred tax liabilities net	41,270	30,655	41,446
Other long-term liabilities	181,888	232,835	314,793
Commitments and contingencies			
MINORITY INTERESTS IN CONSOLIDATED	30,371	42,933	58,046

SUBSIDIARIES

SHAREHOLDERS' EQUITY

Capital stock par value Euro 0.06 460,216,248 and 461,778,585 ordinary shares authorized and issued at December 31, 2006 and June 30, 2007, respectively; 453,781,462 and 455,343,799 shares outstanding at December 31, 2006 and June 30, 2007, respectively

	27,613	27,707	37,459
Additional paid-in capital	203,016	244,421	330,457
Retained earnings	2,343,800	2,427,398	3,281,843
Accumulated other comprehensive loss	(288,593)	(285,143)	(385,513)

Total	2,285,836	2,414,383	3,264,246
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Less Treasury shares at cost; 6,434,786 shares at December 31, 2006 and June 30, 2007

	69,987	69,987	94,623
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Shareholders' equity	2,215,849	2,344,396	3,169,623
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TOTAL	EURO 4,915,025	EURO 5,380,490	\$ 7,274,423
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(1) Translated at the Noon Buying Rate of Euro 1.00 = U.S. \$1.3520 on June 30, 2007 (see Note 6).

See Condensed Notes to Consolidated Financial Statements

STATEMENTS OF CONSOLIDATED INCOME U.S. GAAP

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2007 (UNAUDITED)

	2006		2007		2007
	(Thousands of Euro)(2)				(Thousands of US dollars)(1)(2)
NET SALES	EURO	2,445,223	EURO	2,626,602	\$ 3,551,166
COST OF SALES		760,319		815,874	1,103,062
GROSS PROFIT		1,684,904		1,810,728	2,448,104
OPERATING EXPENSES:					
Selling and advertising		1,017,731		1,065,610	1,440,705
General and administrative		262,591		258,507	349,502
Total		1,280,321		1,324,117	1,790,206
INCOME FROM OPERATIONS		404,583		486,611	657,898
OTHER INCOME (EXPENSE):					
Interest income		3,599		6,834	9,240
Interest expense		(35,381)		(38,956)	(52,669)
Other net		(10,104)		2,382	3,220
Other income (expense) net		(41,886)		(29,740)	(40,208)
INCOME BEFORE PROVISION FOR INCOME TAXES		362,696		456,871	617,689
PROVISION FOR INCOME TAXES		134,198		164,473	222,368
INCOME BEFORE MINORITY INTERESTS IN INCOME OF CONSOLIDATED SUBSIDIARIES		228,499		292,397	395,321
MINORITY INTERESTS IN INCOME OF CONSOLIDATED SUBSIDIARIES		5,578		9,560	12,925
NET INCOME FROM CONTINUING OPERATIONS (3)		222,921		282,837	382,396
DISCONTINUED OPERATIONS		1,550			
NET INCOME	EURO	224,471	EURO	282,837	\$ 382,396
BASIC EARNINGS PER SHARE (ADS):					
Continuing operations(3)	EURO	0.49	EURO	0.62	\$ 0.84
Discontinued operations		0.01			
Net Income	EURO	0.50	EURO	0.62	\$ 0.84
FULLY DILUTED EARNINGS PER SHARE (ADS):					
Continuing operations(3)	EURO	0.49	EURO	0.62	\$ 0.83
Discontinued operations					
Net Income	EURO	0.49	EURO	0.62	\$ 0.83

WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (thousands):

Basic	452,433.8	454,498.3
Diluted	455,655.1	457,970.0

- (1) Translated at the Noon Buying Rate of Euro 1.00 = U.S. \$1.3520 on June 30, 2007 (see Note 6).
- (2) Amounts in thousands except per share data.
- (3) Results of Things Remembered, a former specialty gift business that was sold in September 2006, are reclassified as discontinued operations and are not included in results from continuing operations for 2006.

See Condensed Notes to Consolidated Financial Statements

STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY U.S. GAAP

FOR THE SIX MONTHS ENDED JUNE 30, 2007 (UNAUDITED)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Comprehensive Income	Accumulated Other Comprehensive Loss	Treasury Shares	Consolidated Shareholders' Equity
	Number of Shares	Amount						
(Thousands of Euro)								
BALANCES, January 1, 2007	460,216,248	27,613	203,016	2,343,800		(288,593)	(69,987)	2,215,849
Effect of adoption of FIN 48				(8,164)				(8,164)
Exercise of stockoptions	1,562,337	94	17,347					17,441
Translation adjustment					5,072	5,072		5,072
Non-cash stock-based compensation			24,058					24,058
Change in fair value of derivative instruments, net of taxes					(743)	(743)		(743)
Unrealized gain on available-for-sale securities, net of taxes					(878)	(878)		(878)
Dividends declared				(191,075)				(191,075)
Net income				282,837	282,837			282,837
Comprehensive income					286,287			
BALANCES, June 30, 2007	461,778,585	27,707	244,421	2,427,398		(285,143)	(69,987)	2,344,396
Comprehensive income (Thousands of US dollars)(1)					\$ 387,060			
BALANCES, June 30, 2007 (Thousands of US dollars)(1)	461,778,585	\$ 37,459	\$ 330,457	\$ 3,281,843		\$ (385,513)	\$ (94,623)	\$ 3,169,623

(1) Translated at the Noon Buying Rate of Euro 1.00 = U.S. \$1.3520 on June 30, 2007 (see Note 6).

See Condensed Notes to Consolidated Financial Statements

STATEMENTS OF CONSOLIDATED CASH FLOWS U.S. GAAP

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2007 (UNAUDITED)

	2006(2)		2007		2007
	(Thousands of Euro)				(Thousands of US dollars)(1)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS:					
Net income from continuing operations	EURO	222,920	EURO	282,837	\$ 382,396
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:					
Minority interests in income of consolidated subsidiaries		5,578		9,560	12,925
Non-cash stock-based compensation		21,834		24,058	32,527
Depreciation and amortization		99,084		112,941	152,696
Benefit from deferred income taxes		(51,376)		(40,146)	(54,277)
Loss/(Gain) on disposal of fixed assets net		5,075		(15,215)	(20,571)
Termination indemnities matured during the period net		3,363		(540)	(730)
Changes in operating assets and liabilities, net of acquisitions of businesses:					
Accounts receivable		(188,478)		(206,111)	(278,662)
Prepaid expenses and other		(20,882)		(137,876)	(186,408)
Inventories		(1,213)		11,925	16,122
Accounts payable		56,476		12,727	17,207
Accrued expenses and other		(4,085)		27,981	37,830
Accrual for customers' right of return		2,430		3,734	5,048
Income taxes payable		33,783		(62,780)	(84,879)
Total adjustments		(38,411)		(259,743)	(351,172)
Cash provided by operating activities of continuing operations	EURO	184,510	EURO	23,095	\$ 31,224
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS:					
Property, plant and equipment:					
Additions	EURO	(98,360)	EURO	(124,012)	\$ (167,665)
Disposals		1,112		25,000	33,800
Purchases of businesses, net of cash acquired		(83,738)		(108,623)	(146,858)
Increase in intangible assets		(2,164)		(1,050)	(1,420)
Cash used in investing activities of continuing operations		(183,150)		(208,686)	(282,144)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS:					
Long-term debt:					
Proceeds		84,100		375,277	507,374
Repayments		(25,606)		(302,721)	(409,278)
Increase in overdraft balances		9,726		266,774	360,678
Exercise of stock options		16,500		17,441	23,580
Dividends		(131,369)		(191,077)	(258,336)
Net cash (used in)/ provided by financing activities of continuing operations		(46,649)		165,693	224,017
CHANGE IN CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS		(45,289)		(19,898)	(26,902)

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CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	367,461	339,122	458,493
Effect of exchange rate changes on cash and cash equivalents	(10,124)	2,030	2,744
	<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, END OF PERIOD	EURO 312,048	EURO 321,254	\$ 434,335
	<hr/>	<hr/>	<hr/>
Cash provided by/(used in) operating activities of discontinued operations	EURO (279)	EURO	\$
Cash provided by/(used in) investing activities of discontinued operations	(6,884)		
Cash provided by/(used in) financing activities of discontinued operations	6,139		
	<hr/>	<hr/>	<hr/>
DECREASE IN CASH AND CASH EQUIVALENTS OF DISCONTINUED OPERATIONS	(1,024)		
CASH RECLASSIFIED AS ASSETS OF DISCONTINUED OPERATIONS AT BEGINNING OF YEAR	4,795		
EFFECT OF TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS OF DISCONTINUED OPERATIONS	(313)		