LUXOTTICA GROUP SPA
Form 6-K
August 01, 2013

Table of Contents

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, 2013
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 ý   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 ý

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

INDEX TO FORM 6-K

Corporate Management

Board of Directors

In office until the approval of the financial statements as of and for the year ending December 31, 2014.

Chairman	Leonardo Del Vecchio
Deputy Chairman	Luigi Francavilla
Chief Executive Officer	Andrea Guerra
Directors	Roger Abravanel*
	Mario Cattaneo*
	Enrico Cavatorta**
	Claudio Costamagna*
	Claudio Del Vecchio
	Sergio Erede
	Elisabetta Magistretti*
	Marco Mangiagalli*
	Anna Puccio*
	Marco Reboa* (Lead Independent Director)

---

* Independent director

** General Manager Central Corporate Functions

Human Resources Committee	Claudio Costamagna (Chairman)
	Roger Abravanel
	Anna Puccio
Internal Control Committee	Mario Cattaneo (Chairman)
	Elisabetta Magistretti
	Marco Mangiagalli
	Marco Reboa

Board of Statutory Auditors

In office until the approval of the financial statements as of and for the year ending December 31, 2014

Regular Auditors	Francesco Vella (Chairman)
	Alberto Giussani
	Barbara Tadolini
Alternate Auditors	Giorgio Silva
	Fabrizio Riccardo di Giusto
Officer Responsible for Preparing the Company's Financial Reports	Enrico Cavatorta

Auditing Firm

Until approval of the financial statements as of and for the year ending December 31, 2020.

PricewaterhouseCoopers SpA

Table of Contents

Luxottica Group S.p.A.

Headquarters and registered office Via C. Cantù 2, 20123 Milan, Italy

Capital Stock € 28,606,644.60

authorized and issued

ITEM 1. MANAGEMENT REPORT ON THE INTERIM
FINANCIAL RESULTS AS OF JUNE 30, 2013
(UNAUDITED)

The following should be read in connection with the disclosure contained in the consolidated financial statements as of December 31, 2012, which includes a discussion of risks and uncertainties that can influence the Group's operational results or financial position. During the first six months of 2013, there were no changes to the risks reported as of December 31, 2012.

1. OPERATING PERFORMANCE FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2013

The Group's solid growth continued throughout the first half of 2013 with a new record for net sales in second quarter of 2013 of Euro 2,017.6 million (+7.2 percent at current exchange rates and +9.4 percent at constant exchange rates[(1)]), an increase from the Euro 1,882.2 million in the same three-month period of 2012. Net sales in the first six months of 2013 were 3,881.7 million (+5.8 percent at current exchange rates and +7.6 percent at constant exchange rates[(1)]) an increase from the Euro 3,670.4 million in the same period of 2012.

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")[(2)] in the first six months of 2013 rose by 11.6 percent to Euro 819.1 million from Euro 733.9 in the same period of 2012. Additionally, adjusted EBITDA[(2)] increased by 9.6 percent to Euro 828.1 million from Euro 755.3 million in the first six months of 2012.

EBITDA[(2)] in the second quarter of 2013 rose by 9.9 percent to Euro 453.7 million from Euro 412.9 in the same period of 2012. Additionally, adjusted EBITDA[(2)] increased by 12.1 percent to Euro 462.7 million from Euro 412.9 million in the second quarter of 2012.

Operating income for the first six months of 2013 increased by 13.0 percent to Euro 636.5 million from Euro 563.2 million during the same period of the previous year. The Group's operating margin continued to grow rising from 15.3 percent in the first six months of 2012 to 16.4 percent in the current period. Additionally, adjusted operating income[(3)] in the first six months of 2013 increased by 10.4 percent to 645.5 million from Euro 584.7 million in the same period of 2012. Adjusted operating margin[(4)] in the first six months of 2013 increased to 16.6 percent from 15.9 percent in the same period of 2012.

Operating income for the second quarter of 2013 increased by 9.7 percent to Euro 361.7 million from Euro 329.7 million during the same period of the previous year. The Group's operating margin continued to grow rising from 17.5 percent in the second quarter of 2012 to 17.9 percent in the current period. Additionally, adjusted operating income[(3)] in the second quarter of 2013 increased by 12.4 percent to 370.7 million from Euro 329.7 million in the same period of 2012. Adjusted operating margin[(4)] increased to 18.4 percent, in the second quarter of 2013, from 17.5 percent in the same period of 2012.

In the first six-months of 2013 net income attributable to Luxottica Stockholders increased by 15.0 percent to Euro 371.2 million from Euro 322.7 million in the same period of 2012. Adjusted net

---

(1) We calculate constant exchange rates by applying to the current period the average exchange rates between the Euro and the relevant currencies of the various markets in which we operated during the three-month and the six-month periods ended June 30, 2012. Please refer to Attachment 1 for further details on exchange rates.

(2) For a further discussion of EBITDA and adjusted EBITDA, see page 17 "Non-IFRS Measures."

(3) For a further discussion of adjusted operating income, see page 17 "Non-IFRS Measures."

(4) For a further discussion of adjusted operating margin, see page 17 "Non-IFRS Measures."

1

Table of Contents

income attributable[5] to Luxottica stockholders increased by 11.7 percent to Euro 377.1 million in the first six months of 2013 from Euro 337.7 million in the same period of 2012. Earnings per share ("EPS") was Euro 0.79 and EPS expressed in USD was 1.03 (at an average rate of Euro/USD of 1.3129).

Net income attributable to Luxottica stockholders for the second quarter of 2013 increased by 9.4 percent from Euro 193.7 million in the second quarter of 2012 to Euro 212.0 million in the second quarter of 2013. Adjusted net income[5] attributable to Luxottica stockholders for the second quarter of 2013 increased by 12.5 percent to Euro 217.9 million from Euro 193.7 million for the same period of 2012. Earnings per share ("EPS") was Euro 0.45 in the second quarter of 2013 and EPS expressed in USD was 0.59 (at an average rate of Euro/USD of 1.3058).

By carefully controlling working capital, the Group generated positive free cash flow[6] in both the first six months of the year (Euro 204 million) and the second quarter (Euro 200 million). After the payment of dividends of approximately Euro 274 million, net debt as of June 30, 2013 was Euro 1,886.2 million (Euro 1,662.4 million at the end of 2012), with the ratio of net debt to adjusted EBITDA[7] of 1.3x (1.2x as of December 31, 2012).

2. SIGNIFICANT EVENTS DURING THE SIX MONTHS ENDED JUNE 30, 2013

January

On January 23, 2013, the Company closed the acquisition of Alain Mikli International, a French luxury and contemporary eyewear company. Net sales generated by Alain Mikli International in 2012 were approximately Euro 55.5 million. The purchase price paid in the first quarter of 2013, including the assumption of approximately Euro 15 million of Alain Mikli's debt, totaled Euro 91 million, excluding advance payments made in 2012 and receivables from Alain Mikli.

March

On November 27, 2012, the Company entered into an agreement with Salmoiraghi & Viganò S.p.A. and Salmoiraghi & Viganò Holding S.r.l. pursuant to which Luxottica subscribed to shares as part of a capital injection, corresponding to a 36.33% equity stake in the Italian optical retailer. The transaction is valued at Euro 45 million and was completed on March 25, 2013. As a result of this transaction, the Group became a financial partner of Salmoiraghi & Viganò S.p.A.

In March 2013, Standard & Poor's confirmed its long-term credit rating of BBB+ and revised its outlook on the Group from stable to positive.

April

On April 25, 2013, we acquired the sun business of Grupo Devlyn S.A.P.I. de C.V. through one of our wholly-owned subsidiaries. See "Note 4 Business Combinations" in the accompanying Notes to the Condensed Consolidated Financial Statements for additional information on this transaction.

At the Stockholders' Meeting on April 29, 2013, Group's stockholders approved the Statutory Financial Statements as of December 31, 2012, as proposed by the Board of Directors and the distribution of a cash dividend of Euro 0.58 per ordinary share. The aggregate dividend amount of Euro 274.0 million was fully paid in May 2013.

3. FINANCIAL RESULTS

We are a global leader in the design, manufacture and distribution of fashion, luxury and sport eyewear, with net sales reaching Euro 7.1 billion in 2012, over 70,000 employees and a strong global presence. We operate in two industry segments: (i) manufacturing and wholesale distribution; and

(5) For a further discussion of adjusted net income, see page 17 "Non-IFRS Measures."

(6) For a further discussion of free cash flow, see page 17 "Non-IFRS Measures."

(7)

For a further discussion of net debt and net debt to adjusted EBITDA, see page 17 "Non-IFRS Measures."

2

Table of Contents

(ii) retail distribution. See Note 5 to the Condensed Consolidated Financial Report as of June 30, 2013 (unaudited) for additional disclosures about our operating segments. Through our manufacturing and wholesale distribution segment, we are engaged in the design, manufacture, wholesale distribution and marketing of proprietary and designer lines of mid- to premium-priced prescription frames and sunglasses. We operate our retail distribution segment principally through our retail brands, which include, among others, LensCrafters, Sunglass Hut, OPSM, Laubman & Pank, Bright Eyes, Oakley "O" Stores and Vaults, David Clulow, GMO and our Licensed Brands (Sears Optical and Target Optical).

As a result of our numerous acquisitions and the subsequent expansion of our business activities in the United States through these acquisitions, our results of operations, which are reported in Euro, are susceptible to currency rate fluctuations between the Euro and the U.S. dollar. The Euro/U.S. dollar exchange rate has fluctuated to an average exchange rate of Euro 1.00 = U.S. $1.3129 in the first six months of 2013 from Euro 1.00 = U.S. $1.2965 in the same period of 2012. With the acquisition of OPSM, our results of operations have also been rendered susceptible to currency fluctuations between the Euro and the Australian dollar. Additionally, we incur part of our manufacturing costs in Chinese Yuan; therefore, the fluctuation of the Chinese Yuan relative to other currencies in which we receive revenues could impact the demand of our products or our consolidated profitability. Although we engage in certain foreign currency hedging activities to mitigate the impact of these fluctuations, they have impacted our reported revenues and expenses during the periods discussed herein. This discussion should be read in conjunction with the risk factor discussion in Section 8 of the Management Report included with the 2012 Consolidated Financial Statements.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012 (UNAUDITED)

	Six months ended June 30,			
(Amounts in thousands of Euro)	**2013**	**% of net sales**	**2012***	**% of net sales**
Net sales	**3,881,728**	**100.0%**	**3,670,358**	**100.0%**
Cost of sales	1,293,395	33.5%	1,229,042	33.5%
Gross profit	**2,588,333**	**66.7%**	**2,441,316**	**66.5%**
Selling	1,145,917	29.5%	1,134,419	30.9%
Royalties	76,333	2.0%	68,104	1.9%
Advertising	245,318	6.3%	225,407	6.1%
General and administrative	484,275	12.5%	450,140	12.3%
Total operating expenses	**1,951,842**	**50.3%**	**1,878,069**	**51.2%**
Income from operations	**636,491**	**16.4%**	**563,247**	**15.3%**
Other income/(expense)				
Interest income	5.037	0.1%	11,895	0.3%
Interest expense	(52.839)	(1.4)%	(72,988)	(2.0)%
Other net	(4,107)	(0.1)%	(489)	(0.0)%
Income before provision for income taxes	**584,582**	**15.1%**	**501,665**	**13.7%**
Provision for income taxes	(210,499)	(5.4)%	175,805	(4.8)%
Net income	**374,082**	**9.6%**	**325,860**	**8.9%**
Attributable to				
Luxottica Group stockholders	**371,197**	**9.6%**	**322,692**	**8.8%**
non-controlling interests	2,885	0.0%	3,168	0.1%
NET INCOME	**374,082**	**9.6%**	**325,860**	**8.9%**

3

Table of Contents

*

Starting from January 1, 2013 the Group adopted IAS 19 revised "Employee benefits", which requires retrospective application. Accordingly, the 2012 comparative information has been restated based on the new standard. As a result income from operations and net income attributable to Luxottica Stockholders decreased by Euro 5.9 million and Euro 3.6 million, respectively.

In the first six months of 2013, the Group incurred non-recurring expenses of Euro 9 million (Euro 5.9 million net of the tax effect) related to the reorganization of the newly acquired Alain Mikli business. In the same period of 2012, the Group recognized non-recurring expenses of Euro 21.4 million (Euro 15.0 million net of the tax effect) related to the restructuring of the Australian retail business.

Adjusted Measures[8]	**2013**	**% of net sales**	**2012**	**% of net sales**	**% change**
Adjusted income from Operations	645,491	16.6%	584,680	15.9%	10.4%
Adjusted EBITDA	828,059	21.3%	755,327	20.6%	9.6%
Adjusted Net Income attributable to Luxottica Group Stockholders	377,101	9.7%	337,695	9.2%	11.7%

Net Sales. Net sales increased by Euro 211.3 million, or 5.8 percent, to Euro 3,881.7 million in the first six months of 2013 from Euro 3,670.4 million in the same period of 2012. Euro 146.0 million of such increase was attributable to the increased sales in the manufacturing and wholesale distribution segment in the first six months of 2013 as compared to the same period in 2012 and to increased sales in the retail distribution segment of Euro 65.3 million for the same period.

Net sales for the retail distribution segment increased by Euro 65.3 million, or 3.0 percent, to Euro 2,220.7 million in the first six months of 2013 from Euro 2,155.4 million in the same period in 2012. The increase in net sales for the period was partially attributable to a 4.0 percent improvement in comparable store sales[9]. In particular, we saw a 3.1 percent increase in comparable store sales for the North American retail operations, and an increase for the Australian/New Zealand retail operations of 8.3 percent. The effects from currency fluctuations between the Euro (which is our reporting currency) and other currencies in which we conduct business, in particular the weakening of the U.S. dollar and Australian dollar compared to the Euro, decreased net sales in the retail distribution segment by Euro 35.7 million during the period.

Net sales to third parties in the manufacturing and wholesale distribution segment increased by Euro 146.0 million, or 9.6 percent, to Euro 1,661.0 million in the first six months of 2013 from Euro 1,515.0 million in the same period in 2012. This growth was mainly attributable to increased sales of most of our proprietary brands, in particular Ray-Ban and Oakley and of some licensed brands such as Miu Miu and Tiffany. Almost all of the primary geographic markets in which the Group operates recorded an increase in net sales. These positive effects were partially offset by negative currency fluctuations, in particular the weakening of the U.S. Dollar and other currencies including but not limited to the Australian Dollar, Japanese Yen and the Brazilian Real, despite the strengthening of the Chinese Renminbi and the Mexican Peso, the net effect of which was to decrease net sales to third parties in the manufacturing and wholesale distribution segment by Euro 30.8 million.

In the first six months of 2013, net sales in the retail distribution segment accounted for approximately 57.2 percent of total net sales, as compared to approximately 58.7 percent of total net sales for the same period in 2012.

In the first six months of 2013, net sales in our retail distribution segment in the United States and Canada comprised 78.4 percent of our total net sales in this segment as compared to 79.3 percent of our

(8) For a further discussion of Adjusted Measures, see page 17 "Non-IFRS Measures."

(9) 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 in the same geographic area, and applies to both periods the average exchange rate for the prior period.

Table of Contents

total net sales in the same period of 2012. In U.S. dollars, retail net sales in the United States and Canada increased by 3.2 percent to USD 2,286.8 million in the first six months of 2013 from USD 2,214.9 million for the same period in 2012. During the first six months of 2013, net sales in the retail distribution segment in the rest of the world (excluding the United States and Canada) comprised 21.6 percent of our total net sales in the retail distribution segment and increased by 7.1 percent to Euro 478.9 million in the first six months of 2013 from Euro 446.9 million, or 20.7 percent of our total net sales in the retail distribution segment for the same period in 2012. This increase was primarily due to sales from new stores which were acquired by the Company in the third quarter of 2012 and in the first quarter of 2013.

In the first six months of 2013, net sales to third parties in our manufacturing and wholesale distribution segment in Europe increased by Euro 44.2 million to Euro 735.7 million, comprising 44.3 percent of our total net sales in this segment, compared to Euro 691.5 million, or 45.6 percent of total net sales in the segment, for the same period in 2012. Net sales to third parties in our manufacturing and wholesale distribution segment in the United States and Canada were USD 555.7 million and comprised 25.5 percent of our total net sales in this segment for the first six months of 2013, compared to USD 511.0 million, or 26.0 percent of total net sales in the segment, for the same period of 2012. The increase in net sales in the United States and Canada was primarily due to a general increase in consumer demand. In the first six months of 2013, net sales to third parties in our manufacturing and wholesale distribution segment in the rest of the world were Euro 502.1 million, comprising 30.2 percent of our total net sales in this segment, compared to Euro 429.4 million, or 28.3 percent of our net sales in this segment, in the same period of 2012. The increase of Euro 72.7 million, or 16.9 percent, in the first six months of 2013 as compared to the same period of 2012, was due to an increase in consumer demand.

Cost of Sales. Cost of sales increased by Euro 64.4 million, or 5.2 percent, to Euro 1,293.4 million in the first six months of 2013 from Euro 1,229.0 million in the same period of 2012, including the non-recurring expense of Euro 1.3 million related to the reorganization of the retail business in Australia. As a percentage of net sales, cost of sales decreased to 33.3 percent in the first six months of 2013 as compared to 33.5 percent in the same period of 2012. In the first six months of 2013, the average number of frames produced daily in our facilities increased to approximately 305,100 as compared to approximately 283,400 in the same period of 2012, which was attributable to increased production in all manufacturing facilities in response to an overall increase in demand.

Gross Profit. Our gross profit increased by Euro 147.0 million, or 6.0 percent, to Euro 2,588.3 million in the first six months of 2013 from Euro 2,441.3 million for the same period of 2012. As a percentage of net sales, gross profit increased to 66.7 percent in the first six months of 2013 as compared to 66.5 percent for the same period of 2012, due to the factors noted above.

Operating Expenses. Total operating expenses increased by Euro 73.8 million, or 3.9 percent, to Euro 1,951.8 million in the first six months of 2013 from Euro 1,878.1 million in the same period of 2012. As a percentage of net sales, operating expenses decreased to 50.3 percent in the first six months of 2013, from 51.2 percent in the same period of 2012.

Adjusted operating expenses[(10)] in the first six months of 2013, excluding non-recurring expenses related to the reorganization of the newly acquired Alain Mikli business amounting to approximately Euro 9.0 million, were Euro 1,942.8 million. As a percentage of net sales, adjusted operating expenses[(10)] equaled 50.1 percent.

Adjusted operating expenses[(10)] in the first six months of 2012, excluding non-recurring expenses related to the reorganization of the retail business in Australia amounting to approximately Euro 20.1 million, were Euro 1,858.0 million. As a percentage of net sales, adjusted operating expenses equaled 50.6 percent.

---

(10) For a further discussion of adjusted operating expenses, see page 17 "Non-IFRS Measures."

Table of Contents

Please find the reconciliation between adjusted operating expenses and operating expenses in the following table:

(Amounts in millions of Euro)	2013	2012
Operating expenses	**1,951.8**	**1,878.1**
> Adjustment for Alain Mikli reorganization	(9.0)	
> Adjustment for OPSM reorganization		(20.1)
Adjusted operating expenses	**1,942.8**	**1,858.0**

Selling and advertising expenses (including royalty expenses) increased by Euro 39.6 million, or 2.8 percent, to Euro 1,467.6 million in the first six months of 2013 from Euro 1,427.9 million in the same period of 2012. Selling expenses increased by Euro 11.5 million, or 1.0 percent. Advertising expenses increased by Euro 19.9 million, or 8.8 percent. Royalties increased by Euro 8.2 million, or 12.1 percent. As a percentage of net sales, selling and advertising expenses were 37.8 percent in the first six months of 2013 and 38.9 percent in the first six months of 2012.

Adjusted selling expenses(11) in the first six months of 2012, excluding non-recurring expenses related to the reorganization of the Retail business in Australia amounting to approximately Euro 17.1 million, totaled Euro 1,117.3 million, or 30.4%, as a percentage of net sales.

Please find the reconciliation between adjusted selling expenses and selling expenses in the following table:

(Amounts in millions of Euro)	2013	2012
Selling expenses	**1,145.9**	**1,134.4**
> Adjustment for OPSM reorganization		(17.1)
Adjusted selling expenses	**1,145.9**	**1,117.3**

General and administrative expenses, including intangible asset amortization increased by Euro 34.1 million, or 7.6 percent, to Euro 484.3 million in the first six months of 2013 as compared to Euro 450.1 million in the same period of 2012.

Adjusted general and administrative expenses(12), including intangible asset amortization and excluding in the first six months of 2013 non-recurring expenses related to the reorganization of the newly acquired Alain Mikli business amounting to Euro 9.0 million, totaled Euro 475.3 million. As a percentage of net sales, adjusted general and administrative expenses(12) were 12.2 percent in the first six months of 2013.

Adjusted general and administrative expenses(12), including intangible asset amortization and excluding in the first six months of 2012 non-recurring expenses related to the reorganization of the retail business in Australia amounting to approximately Euro 3.0 million, totaled Euro 447.2 million. As a percentage of net sales, adjusted general and administrative expenses(12) were 12.2 percent in the first six months of 2012.

(11) For a further discussion of adjusted selling expenses, see page 17 "Non-IFRS Measures."

(12) For a further discussion of adjusted general and administrative expenses, see page 17 "Non-IFRS Measures."

Table of Contents

Please find the reconciliation between adjusted general and administrative expenses[11] and general and administrative expenses in the following table:

(Amounts in millions of Euro)	2013	2012
General and administrative expense	**484.3**	**450.1**
> Adjustment for Alain Mikli reorganization	(9.0)	
> Adjustment for OPSM reorganization		(3.0)
Adjusted general and administrative expense	**475.3**	**447.2**

Income from Operations. For the reasons described above, income from operations increased by Euro 73.2 million, or 13.0 percent, to Euro 636.5 million in the first six months of 2013 from Euro 563.2 million in the same period of 2012. As a percentage of net sales, income from operations increased to 16.4 percent in the first six months of 2013 from 15.3 percent in the same period of 2012.

Adjusted income from operations[13], excluding in the first six months of 2013, non-recurring expenses related to the reorganization of the newly acquired Alain Mikli business for Euro 9.0 million, amounted to Euro 645.5 million. As a percentage of net sales, adjusted income from operations[13] was at 16.6 percent in the first six months of 2013.

Adjusted income from operations[13], excluding, in the first six months of 2012 non-recurring expenses related to the reorganization of the retail business in Australia for Euro 21.4 million, amounted to Euro 584.6 million. As a percentage of net sales, adjusted income from operations[13] was at 15.9 percent in the first six months of 2012.

Please find the reconciliation between adjusted income from operations[13] and income from operations in the following table:

(Amounts in millions of Euro)	2013	2012
Income from operations	**636.5**	**563.2**
> Adjustment for Alain Mikli reorganization	9.0	
> Adjustment for OPSM reorganization		21.4
Adjusted income from operations	**645.5**	**584.6**

Other Income (Expense) Net. Other income (expense) net was Euro (51.9) million in the first six months of 2013 as compared to Euro (61.6) million in the same period of 2012. Net interest expense was Euro 47.8 million in the first six months of 2013 as compared to Euro 61.1 million in the same period of 2012.

Net Income. Income before taxes increased by Euro 82.9 million, or 16.5 percent, to Euro 584.6 million in the first six months of 2013 from Euro 501.7 million in the same period of 2012, for the reasons described above. As a percentage of net sales, income before taxes increased to 15.1 percent in the first six months of 2013 from 13.7 percent in the same period of 2012. Adjusted income before taxes[14] amounted to Euro 593.6 million in the first six months of 2013 as compared to Euro 523.1 million in the same period of 2012. As a percentage of net sales, adjusted income before taxes[14] increased to 15.3 percent in the first six months of 2013 from 14.3 percent in the same period of 2012.

---

(13) For a further discussion of adjusted income from operations, see page 17 "Non-IFRS Measures."

(14) For a further discussion of adjusted income before taxes, see page 17 "Non-IFRS Measures."

Table of Contents

Please find the reconciliation between adjusted income before taxes[14] and income before taxes in the following table:

(Amounts in millions of Euro)	2013	2012
Income before provision for taxes	**584.6**	**501.7**
> Adjustment for Alain Mikli reorganization	9.0	
> Adjustment for OPSM reorganization		21.4
Adjusted income before provision for taxes	**593.6**	**523.1**

Net income attributable to non-controlling interests in the first six months of 2013, decreased to Euro 2.9 million from Euro 3.2 million in the first six months of 2012. The expected tax rate amounted to 36.0 percent in the first six months of 2013 as compared to 35.0 percent for the same period of 2012.

Net income attributable to Luxottica Group stockholders increased by Euro 48.5 million, or 15.0 percent, to Euro 371.2 million in the first six months of 2013 from Euro 322.7 million in the same period of 2012. Net income attributable to Luxottica Group stockholders as a percentage of net sales increased to 9.6 percent in the first six months of 2013 from 8.8 percent in the same period of 2012. Adjusted net income attributable to Luxottica Group stockholders[15] also increased to Euro 377.1 million as compared to adjusted net income attributable to Luxottica Group[15] stockholders in the first six months of 2012, amounting to Euro 337.7 million. As a percentage of net sales, adjusted net income attributable to Luxottica Group stockholders[15] increased to 9.7 percent in the first six months of 2013 from 9.2 percent in the first six months of 2012.

Please find the reconciliation between adjusted net income attributable to Luxottica Group stockholders[15] in the following table:

(Amounts in millions of Euro)	2013	2012
Net income attributable to Group stockholders	**371.2**	**322.7**
> Adjustment for Alain Mikli reorganization	5.9	
> Adjustment for OPSM reorganization		15.0
Adjusted net income attributable to Group stockholders	**377.1**	**337.7**

Basic earnings per share were Euro 0.79 and diluted earnings per share were Euro 0.78 in the first six months of 2013 as compared to Euro 0.70 and Euro 0.69, respectively in the same period of 2012.

Adjusted basic earnings per share[16] were Euro 0.80 and adjusted diluted earnings per share[16] were Euro 0.79 in the first six months of 2013.

Adjusted basic and diluted earnings per share[16] were Euro 0.73 in the first six months of 2012.

---

(15) For a further discussion of adjusted net income attributable to Luxottica Group stockholders, see page 17 "Non-IFRS Measures."

(16) For a further discussion of adjusted basic and diluted earnings per share, see page 17 "Non-IFRS Measures."

Table of Contents

RESULTS OF OPERATIONS FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2013 AND 2012 (UNAUDITED)

In accordance with IFRS

	Three months ended June 30,			
(Amounts in thousands of Euro)	**2013**	**% of net sales**	**2012***	**% of net sales**
Net sales	**2,017,608**	**100.0 %**	**1,882,185**	**100.0 %**
Cost of sales	647,681	32.1 %	606,477	32.2 %
Gross profit	**1,369,927**	**67.9 %**	**1,275,707**	**67.8 %**
Selling	583,232	28.9 %	562,847	29.9 %
Royalties	40,163	2.0 %	35,586	1.9 %
Advertising	133,764	6.6 %	123,429	6.6 %
General and administrative	251,094	12.4 %	224,195	11.9 %
Total operating expenses	**1,008,253**	**50.0 %**	**946,056**	**50.3 %**
Income from operations	**361,674**	**17.9 %**	**329,651**	**17.5 %**
Other income/(expense)				
Interest income	2,490	0.1 %	6,478	0.3 %
Interest expense	(26,284)	(1.3)%	(36,004)	(1.9)%
Other net	(4,285)	(0.2)%	(421)	0.0 %
Income before provision for income taxes	**333,594**	**16.5 %**	**299,704**	**15.9 %**
Provision for income taxes	(120,133)	(6.0)%	(104,743)	(5.6)%
Net income	**213,461**	**10.6 %**	**194,961**	**10.4 %**
Attributable to				
Luxottica Group stockholders	**211,963**	**10.5 %**	**193,716**	**10.3 %**
non-controlling interests	1,498	0.1 %	1,245	0.1 %
NET INCOME	**213,461**	**10.6 %**	**196,961**	**10.4 %**

* Starting from January 1, 2013 the Group adopted IAS 19 revised "Employee benefits" which requires retrospective application. Accordingly, 2012 comparative information has been restated based on the new standard. As a result the income from operations and net income attributable to Luxottica Stockholders decreased by Euro 3.0 million and Euro 1.8 million, respectively.

In the three months ended June 30, 2013, the Group incurred non-recurring expenses of Euro 9.0 million (Euro 5.9 million net of the tax effect).

Adjusted Measures[17]	**Three months**	**% of net sales**	**Three months**	**% of net sales**	**% change**

	ended June 30, 2013		ended June 30, 2012		
Adjusted income from Operations	370,674	18.4%	329,653	17.5%	12.4%
Adjusted EBITDA	462,713	22.9%	412,909	21.9%	12.1%
Adjusted net Income attributable to Luxottica Group Stockholders	217,867	10.8%	193,713	10.3%	12.5%

Net Sales. Net sales increased by Euro 135.4 million, or 7.2 percent, to Euro 2,017.6 million in the three months ended June 30, 2013 from Euro 1,882.2 million in the same period of 2012. Euro 91.8 million of such increase was attributable to the increased sales in the manufacturing and wholesale distribution

(17) For a further discussion of Adjusted Measures, see page 17 "Non-IFRS Measures."

Table of Contents

segment in the three months ended June 30, 2013 as compared to the same period in 2012 and to increased sales in the retail distribution segment of Euro 43.6 million for the same period.

Net sales for the retail distribution segment increased by Euro 43.6 million, or 4.0 percent, to Euro 1,137.6 million in the three months ended June 30, 2013 from Euro 1,094.0 million in the same period in 2012. The increase in net sales for the period was partially attributable to a 4.4 percent improvement in comparable store sales[18]. In particular, we saw a 3.3 percent increase in comparable store sales for the North American retail operations, and an increase for the Australian/New Zealand retail operations of 6.9 percent. The effects from currency fluctuations between the Euro (which is our reporting currency) and other currencies in which we conduct business, in particular the weakening of the U.S. dollar and Australian dollar compared to the Euro, decreased net sales in the retail distribution segment by Euro 25.0 million during the period.

Net sales to third parties in the manufacturing and wholesale distribution segment increased by Euro 91.8 million, or 11.6 percent, to Euro 880.0 million in the three months ended June 30, 2013 from Euro 788.2 million in the same period in 2012. This growth was mainly attributable to increased sales of most of our proprietary brands, in particular Ray-Ban and Oakley and of some licensed brands such as Miu Miu and Tiffany. Almost all of the primary geographic markets in which the Group operates recorded an increase in net sales. These positive effects were partially offset by negative currency fluctuations, in particular the weakening of the U.S. Dollar and other currencies including but not limited to the Japanese Yen and the Australian Dollar, the effect of which was to decrease net sales to third parties in the manufacturing and wholesale distribution segment by Euro 17.4 million.

In the three months ended June 30, 2013, net sales in the retail distribution segment accounted for approximately 56.4 percent of total net sales, as compared to approximately 58.1 percent of total net sales for the same period in 2012.

In the three months ended June 30, 2013, net sales in our retail distribution segment in the United States and Canada comprised 78.7 percent of our total net sales in this segment as compared to 80.0 percent of our total net sales in the same period of 2012. In U.S. dollars, retail net sales in the United States and Canada increased by 4.2 percent to USD 1,169.9 million in the three months ended June 30, 2013 from USD 1,122.7 million for the same period in 2012. During the three months ended June 30, 2013, net sales in the retail distribution segment in the rest of the world (excluding the United States and Canada) comprised 21.3 percent of our total net sales in the retail distribution segment and increased by 10.6 percent to Euro 241.9 million in the three months ended June 30, 2013 from Euro 218.7 million, or 20.0 percent of our total net sales in the retail distribution segment for the same period in 2012.

In the three months ended June 30, 2013, net sales to third parties in our manufacturing and wholesale distribution segment in Europe increased by Euro 38.6 million to Euro 401.1 million, comprising 45.6 percent of our total net sales in this segment, compared to Euro 362.5 million of total net sales in the segment, for the same period in 2012. Net sales to third parties in our manufacturing and wholesale distribution segment in the United States and Canada were USD 285.5 million and comprised 24.8 percent of our total net sales in this segment for the three months ended June 30, 2013, compared to USD 263.8 million, or 26.1 percent of total net sales in the segment, for the same period of 2012. In the three months ended June 30, 2013, net sales to third parties in our manufacturing and wholesale distribution segment in the rest of the world increased by Euro 40.1 million, or 18.2 percent, in the three months ended June 30, 2013 as compared to the same period of 2012, to Euro 260.3 million, comprising 29.6 percent of our total net sales in this segment, compared to Euro 220.2 million, or 27.9 percent of our net sales in this segment, in the same period of 2012.

(18) 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 in the same geographic area, and applies to both periods the average exchange rate for the prior period.

Table of Contents

Cost of Sales. Cost of sales increased by Euro 41.2 million, or 6.8 percent, to Euro 647.7 million in the three months ended June 30, 2013 from Euro 606.5 million in the same period of 2012. As a percentage of net sales, cost of sales remained substantially flat to 32.1 percent in the three months ended June 30, 2013 as compared to 32.2 percent in the same period of 2012. In the three months ended June 30, 2013, the average number of frames produced daily in our facilities increased to approximately 307,100 as compared to approximately 290,800 in the same period of 2012, which was attributable to increased production in all manufacturing facilities in response to an overall increase in demand.

Gross Profit. Our gross profit increased by Euro 94.2 million, or 7.4 percent, to Euro 1,369.9 million in the three months ended June 30, 2013 from Euro 1,275.7 million for the same period of 2012. As a percentage of net sales, gross profit remained substantially flat at 67.9 percent in the three months ended June 30, 2013 as compared to 67.8 percent for the same period of 2012, due to the factors noted above.

Operating Expenses. Total operating expenses increased by Euro 62.2 million, or 6.6 percent, to Euro 1,008.3 million in the three months ended June 30, 2013 from Euro 946.1 million in the same period of 2012. As a percentage of net sales, operating expenses decreased to 50.0 percent in the three months ended June 30, 2013, from 50.3 percent in the same period of 2012.

Adjusted operating expenses(19) in the three months ended June 30, 2013, excluding non-recurring expenses related to the reorganization of the newly acquired Alain Mikli business amounting to approximately Euro 9.0 million, were Euro 999.3 million. As a percentage of net sales, adjusted operating expenses(19) equaled 49.5 percent.

Please find the reconciliation between adjusted operating expenses(19) and operating expenses in the following table:

(Amounts in millions of Euro)	2013	2012
Operating expenses	**1,008.3**	**946.1**
> Adjustment for Alain Mikli reorganization	(9.0)	
Adjusted operating expenses	**999.3**	**946.1**

Selling and advertising expenses (including royalty expenses) increased by Euro 35.3 million, or 4.9 percent, to Euro 757.2 million in the three months ended June 30, 2013 from Euro 721.9 million in the same period of 2012. Selling expenses increased by Euro 20.4 million, or 3.6 percent. Advertising expenses increased by Euro 10.3 million, or 8.4 percent. Royalties increased by Euro 4.6 million, or 12.9 percent. As a percentage of net sales, selling and advertising expenses were 37.5 percent in the three months ended June 30, 2013 and 38.4 percent in the same period of 2012.

General and administrative expenses, including intangible asset amortization increased by Euro 26.9 million, or 12.0 percent, to Euro 251.1 million in the three months ended June 30, 2013 as compared to Euro 224.2 million in the same period of 2012. As a percentage of net sales, general and administrative expenses were 12.4 percent in the three months ended June 30, 2013 as compared to 11.9 percent in the same period of 2012.

Adjusted general and administrative expenses(20), including intangible asset amortization and excluding, in the three months ended June 30, 2013, non-recurring expenses related to the reorganization of the newly acquired Alain Mikli business amounting to Euro 9.0 million, totaled Euro 242.1 million. As a percentage of net sales, adjusted general and administrative expenses(20) were 12.0 percent in the three months ended June 30, 2013.

(19) For a further discussion of adjusted operating expenses, see page 17 "Non-IFRS Measures."

(20) For a further discussion of adjusted general and administrative expenses, see page 17 "Non-IFRS Measures."

Table of Contents

Please find the reconciliation between adjusted general and administrative expenses[19] and general and administrative expenses in the following table:

(Amounts in millions of Euro)	2013	2012
General and administrative expense	**251.1**	**224.2**
> Adjustment for Alain Mikli reorganization	(9.0)	
Adjusted general and administrative expense	**242.1**	**224.2**

Income from Operations. For the reasons described above, income from operations increased by Euro 32.0 million, or 9.7 percent, to Euro 361.7 million in the three months ended June 30, 2013 from Euro 329.7 million in the same period of 2012. As a percentage of net sales, income from operations increased to 17.9 percent in the three months ended June 30, 2013 from 17.5 percent in the same period of 2012.

Adjusted income from operations[21], excluding, in the three months ended June 30, 2013, non-recurring expenses related to the reorganization of the newly acquired Alain Mikli business for Euro 9.0 million, amounted to Euro 370.7 million. As a percentage of net sales, adjusted income from operations[21] was at 18.4 percent in the three months ended June 30, 2013.

Please find the reconciliation between adjusted income from operations[21] and income from operations in the following table:

(Amounts in millions of Euro)	2013	2012
Income from operations	**361.7**	**329.7**
> Adjustment for Alain Mikli reorganization	9.0	
Adjusted income from operations	**370.7**	**329.7**

Other Income (Expense) Net. Other income (expense) net was Euro (28.1) million in the three months ended June 30, 2013 as compared to Euro (29.9) million in the same period of 2012. Net interest expense was Euro 23.8 million in the three months ended June 30, 2013 as compared to Euro 29.5 million in the same period of 2012.

Net Income. Income before taxes increased by Euro 33.9 million, or 11.3 percent, to Euro 333.6 million in the three months ended June 30, 2013 from Euro 299.7 million in the same period of 2012, for the reasons described above. As a percentage of net sales, income before taxes increased to 16.5 percent in the three months ended June 30, 2013 from 15.9 percent in the same period of 2012. Adjusted income before taxes[22] excluding, in the three months ended June 30, 2013, expenses related to the reorganization of the newly acquired Alain Mikli business for Euro 9.0 million, amounted to Euro 342.6 million in the three months ended June 30. As a percentage of net sales, adjusted income before taxes[22] was 17.0 percent in the three months ended June 30, 2013.

Please find the reconciliation between adjusted income before taxes[22] and income before taxes in the following table:

(Amounts in millions of Euro)	2013	2012
Income before provision for taxes	**333.6**	**299.7**
> Adjustment for Alain Mikli reorganization	9.0	
Adjusted income before provision for taxes	**342.6**	**299.7**

(21) For a further discussion of adjusted income from operations, see page 17 "Non-IFRS Measures."

(22) For a further discussion of adjusted income before taxes, see page 17 "Non-IFRS Measures."

Table of Contents

Net income attributable to non-controlling interests in the three months ended June 30, 2013, increased to Euro 1.5 million from Euro 1.2 million in the three months ended June 30, 2012. The expected tax rate amounted to 36.0 percent in the three months ended June 30, 2013 as compared to 34.9 percent for the same period of 2012.

Net income attributable to Luxottica Group stockholders increased by Euro 18.3 million, or 9.4 percent, to Euro 212.0 million in the three months ended June 30, 2013 from Euro 193.7 million in the same period of 2012. Net income attributable to Luxottica Group stockholders as a percentage of net sales increased to 10.5 percent in the three months ended June 30, 2013 from 10.3 percent in the same period of 2012. Adjusted net income attributable to Luxottica Group stockholders(23) excluding non-recurring expenses related to the reorganization of the newly acquired Alain Mikli business for Euro 5.9 million, increased to Euro 217.9. As a percentage of net sales, adjusted net income attributable to Luxottica Group stockholders(23) equaled 10.8 percent in the three months ended June 30, 2013.

Please find the reconciliation between adjusted net income attributable to Luxottica Group stockholders(23) in the following table:

(Amounts in millions of Euro)	**2013**	**2012**
Net income attributable to Group stockholders	**212.0**	**193.7**
> Adjustment for Alain Mikli reorganization	5.9	
Adjusted net income attributable to Group stockholders	**217.9**	**193.7**

Basic earnings per share were Euro 0.45 and diluted earnings per share were Euro 0.44 in the three months ended June 30, 2013. In the same period of 2012 basic and diluted earnings per share were Euro 0.42.

Adjusted basic and diluted earnings per share(24) in the three months ended June 30, 2013 were Euro 0.46.

OUR CASH FLOWS

The following table sets forth for the periods indicated certain items included in our statements of consolidated cash flows included in Item 2 of this report.

(Amounts in thousands of Euro)		**As of June 30, 2013 (unaudited)**	**As of June 30, 2012 (unaudited)**
A)	Cash and cash equivalents at the beginning of the period	790,093	905,100
B)	Net cash provided by operating activities	306,078	372,233
C)	Cash used in investing activities	(272,552)	(210,479)
D)	Cash (used in)/provided by financing activities	(439,268)	57,450
E)	Effect of exchange rate changes on cash and cash equivalents	(10,971)	13,205
F)	Net change in cash and cash equivalents	(416,715)	232,409
G)	**Cash and cash equivalents at the end of the period**	**373,378**	**1,137,510**

Operating activities. Cash provided by operating activities was Euro 306.1 million and Euro 372.2 million for the first six months of 2013 and 2012, respectively.

Depreciation and amortization were Euro 182.6 million in the first six months of 2013 as compared to Euro 170.6 million in the same period of 2012.

(23) For a further discussion of adjusted net income attributable to Luxottica Group stockholders, see page 17 "Non-IFRS Measures."

(24) For a further discussion of adjusted basic and diluted earnings per share, see page 17 "Non-IFRS Measures."

Table of Contents

Cash used in accounts receivable was Euro 269.1 million in the first six months of 2013, compared to Euro 229.2 million in the same period of 2012. This change was primarily due to an increase in sales volume in the first half of 2013 as compared to the same period of 2012. Cash used in inventory was Euro 6.9 million in the first six months of 2013 as compared to Euro 30.5 million in the same period of 2012. The change in inventory in the first six months of 2012 was mainly due to new acquisitions starting in the second half of 2011 and that accounted for an increase in inventory of approximately Euro 20.8 million. Cash used in accounts payable was Euro 4.4 million in the first six months of 2013 compared to Euro 0.5 million in the same period of 2012. Cash used in other assets and liabilities, risk funds and employee benefits was Euro 35.5 million and 6.7 million in the first six months of 2013 and 2012, respectively. This change is mainly due to advance payments made to certain designers for future contracted minimum royalties in the first quarter of 2013. Income taxes paid were Euro 167.2 million in the first six months of 2013 as compared to Euro 108.2 million in the same period of 2012. This change was mainly due to the timing of tax payments made by the Group in the different jurisdictions. Interest paid was Euro 50.9 million and Euro 57.3 million in the first six months of 2013 and 2012, respectively.

Investing activities. Our cash used in investing activities was Euro 272.6 million for the first six months of 2013 as compared to Euro 210.5 million for the same period in 2012. The cash used in investing activities in the first six months of 2013 primarily consisted of (i) Euro 102.2 million in capital expenditures, (ii) Euro 54.0 million for the acquisition of intangible assets related to the creation of a new IT platform, (iii) Euro 71.3 million (net of cash acquired), mainly related to the acquisition of Alain Mikli International, (iv) Euro 45.0 million for the acquisition of 36.33% of the share capital of Salmoiraghi & Vigano. Cash used in investing activities in the first six months of 2012 primarily consisted of (i) Euro 91.4 million in capital expenditures, (ii) Euro 63.1 million for the acquisition of intangible assets, (iii) Euro 56.1 million, mainly related to the acquisition of Tecnol.

Financing activities. Our cash provided by/(used) in financing activities for the first three months of 2013 and 2012 was Euro (439.3) million and Euro 57.5 million, respectively. Cash provided by/(used in) financing activities for the first three months of 2013 consisted primarily of (i) Euro (216.5) million used to repay short and long-term debt expiring during the first six months of 2013, (ii) Euro (276.7) used to pay dividends and (iii) Euro 61.8 million related to the exercise of stock options. Cash provided by/(used in) financing activities for the first three months of 2012 consisted primarily of (i) Euro 508.4 million related to the issuance of a new bond, (ii) Euro (176.7) million in cash used to repay short and long-term debt expiring during the first three months of 2012, and (iii) Euro (229.7) million to pay dividends.

Table of Contents

OUR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS **(Amounts in thousands of Euro)**	**June 30, 2013** **(unaudited)**	**December 31, 2012** **(audited)**
CURRENT ASSETS:		
Cash and cash equivalents	373,378	790,093
Accounts receivable net	962,703	698,755
Inventories net	745,950	728,767
Other assets	238,238	209,250
Total current assets	**2,320,269**	**2,426,866**
NON-CURRENT ASSETS:		
Property, plant and equipment net	1,176,559	1,192,394
Goodwill	3,187,390	3,148,770
Intangible assets net	1,361,095	1,345,688
Investments	55,982	11,745
Other assets	154,566	147,036
Deferred tax assets	176,014	169,662
Total non-current assets	**6,111,605**	**6,015,294**
TOTAL ASSETS	**8,431,874**	**8,442,160**

LIABILITIES AND STOCKHOLDERS' EQUITY	**June 30, 2013** **(unaudited)**	**December 31, 2012** **(audited)**
CURRENT LIABILITIES:		
Short term borrowings	82,689	90,284
Current portion of long-term debt	115,030	310,072
Accounts payable	685,164	682,588
Income taxes payable	93,268	66,350
Short term provisions for risks and other charges	88,965	66,032
Other liabilities	594,217	589,658
Total current liabilities	**1,659,332**	**1,804,984**
NON-CURRENT LIABILITIES:		
Long-term debt	2,061,879	2,052,107
Employee benefits	118,851	191,710
Deferred tax liabilities	257,846	227,806
Long term provisions for risks and other charges	116,066	119,612
Other liabilities	60,200	52,702
Total non-current liabilities	**2,614,842**	**2,643,936**
STOCKHOLDERS' EQUITY:		
Luxottica Group stockholders' equity	4,146,279	3,981,372
Non-controlling interests	11,422	11,868
Total stockholders' equity	**4,157,701**	**3,933,240**

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**8,431,874**	**8,442,160**

As of June 30, 2013, total assets decreased by Euro 10.3 million to Euro 8,431.9 million, compared to Euro 8,442.2 million as of December 31, 2012.

Table of Contents

In the first six months of 2013, non-current assets increased by Euro 96.3 million, due to increases in intangible assets (including goodwill) of Euro 54.0 million, investments of Euro 44.2 million, other assets of Euro 7.5 million, deferred tax assets of Euro 6.4 million and partially offset by decreases in property, plant and equipment of Euro 15.8 million.

The increase in intangible assets was due to capitalized software and other intangible asset additions of Euro 54.0 million and Euro 96.4 million related to the acquisitions that occurred in the first six months of 2013 and were partially offset by the amortization for the period of Euro 76.4 million and by the negative effects of foreign currency fluctuations from December 2012 to June 2013 of Euro 30.5 million.

The increase in investment is due to the acquisition on March 25, 2013 of 36.33% of the share capital of Salmoiraghi and Viganò for Euro 45.0 million.

The decrease in property, plant and equipment was due to the addition of Euro 102.3 million and Euro 4.5 million related to acquisitions made in the first six months of 2013 which were more than offset by depreciation and the disposals for the period of Euro 106.1 million and Euro 7.8 million, respectively, and by negative currency fluctuation effects of Euro 5.7 million,

As of June 30, 2013 as compared to December 31, 2012:

Accounts receivable increased by Euro 263.9 million, primarily due to (i) the increase in net sales during the first six months of 2013 and (ii) seasonality of the Group's business which is generally characterized by higher sales in the first half of the year and collection of the related receivables in the second half of the year;

Inventory increased by Euro 17.2 million of which approximately Euro 13.4 million was due to the acquisition of Alain Mikli International;

Other non-current assets increased by Euro 29.0 million which was mainly due to advance payments made in the first quarter of 2013 for future contracted royalties as well as to an increase in VAT receivables of the Group's Italian companies;

Current taxes payable increased by Euro 26.9 million primarily due to the timing of tax payments made by the Group in various jurisdictions;

Short-term provision for risks and other charges increased by Euro 22.9 million primarily due to provisions for licensing and advertising expenses required by existing license agreements and to the restructuring of the newly acquired Alain Mikli business;

Employee benefits decreased by Euro 72.9 million which was primarily due to an increase in the discount rate used to determine employee benefit liabilities.

Our net financial position as of June 30, 2013 and December 31, 2012 was as follows:

(Amounts in thousands of Euro)	**June 30, 2013 (unaudited)**	**December 31, 2012 (audited)**
Cash and cash equivalents	373,378	790,093
Bank overdrafts	(82,689)	(90,284)
Current portion of long-term debt	(115,030)	(310,072)
Long-term debt	(2,061,879)	(2,052,107)
Total	**(1,886,218)**	**(1,662,369)**

Bank overdrafts consist of the utilized portion of short-term uncommitted revolving credit lines borrowed by various subsidiaries of the Group.

16

Table of Contents

As of June 30, 2013, Luxottica together with our wholly-owned Italian subsidiaries, had credit lines aggregating Euro 350.8 million. The interest rate is a floating rate of EURIBOR plus a margin on average of approximately 1.00 percent. At June 30, 2013, Euro 36.9 million was utilized under these credit lines.

As of June 30, 2013, our wholly-owned subsidiary Luxottica U.S. Holdings Corp. maintained unsecured lines of credit with an aggregate maximum availability of Euro 99.4 million (USD 130.0 million converted at applicable exchange rate for the six-month period ended June 30, 2013). The interest is at a floating rate of approximately LIBOR plus 50 basis points. At June 30, 2013, Euro 6.0 million was utilized under these credit lines.

4. RELATED PARTY TRANSACTIONS

Our related party transactions are neither atypical nor unusual and occur in the ordinary course of our business. Management believes that these transactions are fair to the Company. For further details regarding related party transactions, please refer to Note 29 to the Condensed Consolidated Financial Statements as of June 30, 2013 (unaudited).

5. SUBSEQUENT EVENTS

For further details regarding subsequent events, please refer to Note 36 to the Condensed Consolidated Financial Statements as of June 30, 2013 (unaudited).

6. 2013 OUTLOOK

The financial results reported for the first six months of 2013 lead management to an optimistic outlook for the full fiscal year primarily driven by the strong performance of the Group's brand portfolio.

7. OTHER INFORMATION

On January 29, 2012 the Company elected to avail itself of the options provided by Article 70, Section 8, and Article 71, Section 1-bis, of CONSOB Issuers' Regulations and, consequently, will no longer comply with the obligation to make available to the public an information memorandum in connection with transactions involving significant mergers, spin-offs, increases in capital through contributions in kind, acquisitions and disposals.

NON-IFRS MEASURES

Adjusted measures

We use in this Management Report certain performance measures that are not in accordance with IFRS. Such non-IFRS measures are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IFRS. Rather, these non-IFRS measures should be used as a supplement to IFRS results to assist the reader in better understanding our operational performance.

Such measures are not defined terms under IFRS and their definitions should be carefully reviewed and understood by investors. Such non-IFRS measures are explained in detail and reconciled to their most comparable IFRS measures below.

In order to provide a supplemental comparison of current period results of operations to prior periods, we have adjusted for certain non-recurring transactions or events.

We have made such adjustments to the following measures: operating income and operating margin, EBITDA, EBITDA margin, net income and earnings per share by excluding in the three-month and six-month periods ended June 30, 2013 non-recurring costs related to the reorganization of the newly acquired Alain Mikli business of Euro 9.0 million (Euro 5.9 million net of tax) and in the first six months of

Table of Contents

2012 non-recurring costs related to the reorganization of the retail business in Australia of Euro 21.4 million (Euro 15.0 million net of taxes). We have also made adjustments to selling expenses and general and administrative expenses for these items in Item 3 of the Management Report for the six month period ended June 30, 2013. No adjustments were made to the above measures in first quarter of 2013.

The Group believes that these adjusted measures are useful to both management and investors in evaluating the Group's operating performance compared with that of other companies in its industry because they exclude the impact of non-recurring items that are not relevant to the Group's operating performance.

The adjusted measures referenced above are not measures of performance in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). We include these adjusted comparisons in this presentation in order to provide a supplemental view of operations that excludes items that are unusual, infrequent or unrelated to our ongoing core operations.

See the tables below for a reconciliation of the adjusted measures discussed above to their most directly comparable IFRS financial measures or, in the case of adjusted EBITDA, to EBITDA, which is also a non-IFRS measure. For a reconciliation of EBITDA to its most directly comparable IFRS measure, see the pages following the tables below:

Non-IAS/IFRS Measure: Reconciliation between reported and adjusted P&L items

Luxottica Group	6M13								
Millions of Euro	**Net sales**	**EBITDA**	**EBITDA Margin**	**Operating Income**	**Operating Margin**	**Income before provision for income taxes**	**Net Income**	**Base EPS**	**Diluted EPS**
Reported	**3,881.7**	**819.1**	**21.1%**	**636.5**	**16.4%**	**584.6**	**371.2**	**0.79**	**0.78**
> Adjustment for Mikli restructuring		9.0	0.2%	9.0	0.2%	9.0	5.9	0.01	0.01
Adjusted	**3,881.7**	**828.1**	**21.3%**	**645.5**	**16.6%**	**593.6**	**377.1**	**0.80**	**0.79**

	6M12								
	Net sales	**EBITDA**	**EBITDA Margin**	**Operating Income**	**Operating Margin**	**Income before provision for income taxes**	**Net Income**	**Base EPS**	**Diluted EPS**
Reported	**3,670.4**	**733.9**	**20.0%**	**563.2**	**15.3%**	**501.7**	**322.7**	**0.70**	**0.70**
> Adjustment for OPSM reorganization		21.4	0.6%	21.4	0.6%	21.4	15.0	0.03	0.03
Adjusted	**3,670.4**	**755.3**	**20.6%**	**584.7**	**15.9%**	**523.1**	**337.7**	**0.73**	**0.73**

Table of Contents

Non-IAS/IFRS Measure: Reconciliation between reported and adjusted P&L items

Luxottica Group Millions of Euro	2Q13 Net sales	EBITDA	EBITDA Margin	Operating Income	Operating Margin	Income before provision for income taxes	Net Income	Base EPS	Diluted EPS
Reported	**2,017.6**	**453.7**	**22.5%**	**361.7**	**17.9%**	**333.6**	**212.0**	**0.45**	**0.44**
> Adjustment for OPSM reorganization		9.0	0.4%	9.0	0.4%	9.0	5.9	0.01	0.01
Adjusted	**2,017.6**	**462.7**	**22.9%**	**370.7**	**18.4%**	**342.6**	**217.9**	**0.46**	**0.45**

	2Q12 Net sales	EBITDA	EBITDA Margin	Operating Income	Operating Margin	Income before provision for income taxes	Net Income	Base EPS	Diluted EPS
Reported	**1,882.2**	**412.9**	**21.9%**	**329.7**	**17.5%**	**299.7**	**193.7**	**0.42**	**0.42**
> Adjustment for OPSM reorganization									
Adjusted	**1,882.2**	**412.9**	**21.9%**	**329.7**	**17.5%**	**299.7**	**193.7**	**0.42**	**0.42**

EBITDA and EBITDA margin

EBITDA represents net income attributable to Luxottica Group stockholders, before non-controlling interest, provision for income taxes, other income/expense, depreciation and amortization. EBITDA margin means EBITDA divided by net sales. We believe that EBITDA is useful to both management and investors in evaluating our operating performance compared with that of other companies in our industry. Our calculation of EBITDA allows us to compare our operating results with those of other companies without giving effect to financing, income taxes and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to the overall operating performance of a company's business.

EBITDA and EBITDA margin are not measures of performance under IFRS. We include them in this Management Report in order to:

- improve transparency for investors;
- assist investors in their assessment of the Group's operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- assist investors in their assessment of the Group's cost of debt;
- ensure that these measures are fully understood in light of how the Group evaluates its operating results and leverage;
- properly define the metrics used and confirm their calculation; and

share these measures with all investors at the same time.

EBITDA and EBITDA margin are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IFRS. Rather, these non-IFRS measures should be used as a supplement to IFRS results to assist the reader in better understanding the operational performance of the Group.

The Group cautions that these measures are not defined terms under IFRS and their definitions should be carefully reviewed and understood by investors.

Table of Contents

Investors should be aware that our method of calculating EBITDA may differ from methods used by other companies. We recognize that the usefulness of EBITDA has certain limitations, including:

- EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;

- EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and amortization expense may have material limitations;

- EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;

- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;

- EBITDA does not reflect changes in, or cash requirements for, working capital needs;

- EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss.

We compensate for the foregoing limitations by using EBITDA as a comparative tool, together with IFRS measurements, to assist in the evaluation of our operating performance and leverage. The following table provides a reconciliation of EBITDA to net income, which is the most directly comparable IFRS financial measure, as well as the calculation of EBITDA margin on net sales:

Non-IAS/IFRS Measure: EBITDA and EBITDA margin

Millions of Euro	**2Q 2012**	**2Q 2013**	**6M 2012**	**6M 2013**	**FY 2012**	**LTM June 30, 2013**
Net income/(loss)	193.7	212.0	322.7	371.2	534.4	582.9
(+) Net income attributable to non-controlling interest	1.2	1.5	3.2	2.9	4.2	3.9
(+) Provision for income taxes	104.7	120.1	175.8	210.5	305.9	340.6
(+) Other (income)/expense	29.9	28.1	61.6	51.9	125.7	116.0
(+) Depreciation and amortization	83.3	92.0	170.6	182.6	358.3	370.2
(=) EBITDA	412.9	453.7	733.9	819.1	1,328.4	1,413.6
Net sales						

(/)	1,882.2	2,017.6	3,670.4	3,881.7	7,086.1	7,297.4
EBITDA margin (=)	21.9%	22.5%	20.0%	21.1%	18.7%	19.4%

20

Table of Contents

Non-IAS/IFRS Measure: *Adjusted* EBITDA and *Adjusted* EBITDA margin

Millions of Euro	2Q 2012	2Q 2013[(1)]	6M 2012[(2)]	6M 2013[(1)]	FY 2012[(3)]	LTM June 30, 2013[(1)(2)(3)]
Adjusted net income/(loss) (+)	193.7	217.9	337.7	377.1	559.6	599.0
Net income attributable to non-controlling interest (+)	1.2	1.5	3.2	2.9	4.2	3.9
Adjusted provision for income taxes (+)	104.7	123.2	182.2	213.6	302.4	333.8
Other (income)/expense (+)	29.9	28.1	61.6	51.9	125.7	116.0
Adjusted depreciation and amortization (+)	83.3	92.0	170.6	182.6	358.3	370.2
Adjusted EBITDA (=)	412.9	462.7	755.3	828.1	1,350.1	1,422.9
Net sales (/)	1,882.2	2,017.6	3,670.4	3,881.7	7,086.1	7,297.4
Adjusted EBITDA margin (=)	21.9%	22.9%	20.6%	21.3%	19.1%	19.5%

The adjusted figures exclude the following:

(1) non-recurring Mikli restructuring costs with an approximately Euro 9 million impact on operating income and an approximately Euro 6 million adjustment to net income.

(2) non-recurring OPSM reorganization costs with an approximately Euro 21 million impact on operating income and an approximately Euro 15 million adjustment to net income.

(3)

(a) non-recurring OPSM reorganization costs with an approximately Euro 22 million impact on operating income and an approximately Euro 15 milion adjustment to net income; and

(b) non-recurring accrual for the tax audit relating to Luxottica S.r.l. (fiscal year 2007) of approximately Euro 10 million.

Free Cash Flow

Free cash flow represents net income before non controlling interests, taxes, other income/expense, depreciation and amortization (i.e., EBITDA) plus or minus the decrease/(increase) in working capital over the period, less capital expenditures, plus or minus interest income/(expense) and extraordinary items, minus taxes paid. We believe that free cash flow is useful to both management and investors in evaluating our operating performance compared with other companies in our industry. In particular, our calculation of free cash flow provides a clearer picture of our ability to generate net cash from operations, which is used for mandatory debt service requirements, to fund discretionary investments, pay dividends or pursue other strategic opportunities.

Free cash flow is not a measure of performance under IFRS. We include it in this Management Report in order to:

- Improve transparency for investors;
- Assist investors in their assessment of our operating performance and our ability to generate cash from operations in excess of our cash expenses;
- Ensure that this measure is fully understood in light of how we evaluate our operating results;
- Properly define the metrics used and confirm their calculation; and
- Share this measure with all investors at the same time.

Table of Contents

Free cash flow is not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IFRS. Rather, this non-IFRS measure should be used as a supplement to IFRS results to assist the reader in better understanding the operational performance of the Group.

The Group cautions that this measure is not a defined term under IFRS and its definition should be carefully reviewed and understood by investors.

Investors should be aware that our method of calculation of free cash flow may differ from methods used by other companies. We recognize that the usefulness of free cash flow as an evaluative tool may have certain limitations, including:

The manner in which we calculate free cash flow may differ from that of other companies, which limits its usefulness as a comparative measure;

Free cash flow does not represent the total increase or decrease in the net debt balance for the period since it excludes, among other things, cash used for funding discretionary investments and to pursue strategic opportunities during the period and any impact of the exchange rate changes; and

Free cash flow can be subject to adjustment at our discretion if we take steps or adopt policies that increase or diminish our current liabilities and/or changes to working capital.

We compensate for the foregoing limitations by using free cash flow as one of several comparative tools, together with IFRS measurements, to assist in the evaluation of our operating performance.

The following table provides a reconciliation of free cash flow to EBITDA and the table above provides a reconciliation of EBITDA to net income, which is the most directly comparable IFRS financial measure:

Non-IFRS Measure: Free cash flow

(Amounts in millions of Euro)	**6M 2013**
EBITDA[1]	**819**
Δ working capital	(243)
Capex	(154)
Operating cash flow	**422**
Financial charges[2]	(48)
Taxes	(167)
Other – net[3]	(3)
Free cash flow	**204**

(Amounts in millions of Euro)	**2Q 2013**
EBITDA[1]	**454**
Δ working capital	12
Capex	(85)
Operating cash flow	**381**

Financial charges[2]	(24)
Taxes	(153)
Other net[3]	(4)
Free cash flow	**200**

(1) EBITDA is not an IFRS measure; please see table on the earlier page for a reconciliation of EBITDA to net income.

(2) Equals interest income minus interest expense.

(3) Equals extraordinary income minus extraordinary expense.

Table of Contents

Net debt to EBITDA ratio

Net debt represents the sum of bank overdrafts, the current portion of long-term debt and long-term debt, less cash. EBITDA represents net income before non-controlling interest, taxes, other income/expense, depreciation and amortization. The Group believes that EBITDA is useful to both management and investors in evaluating the Group's operating performance compared with that of other companies in its industry. Our calculation of EBITDA allows us to compare our operating results with those of other companies without giving effect to financing, income taxes and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to the overall operating performance of a company's business. The ratio of net debt to EBITDA is a measure used by management to assess the Group's level of leverage, which affects our ability to refinance our debt as it matures and incur additional indebtedness to invest in new business opportunities. The ratio also allows management to assess the cost of existing debt since it affects the interest rates charged by the Company's lenders.

EBITDA and the ratio of net debt to EBITDA are not measures of performance under International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

We include them in this Management Report in order to:

- improve transparency for investors;
- assist investors in their assessment of the Group's operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- assist investors in their assessment of the Group's cost of debt;
- ensure that these measures are fully understood in light of how the Group evaluates its operating results and leverage;
- properly define the metrics used and confirm their calculation; and
- share these measures with all investors at the same time.

EBITDA and the ratio of net debt to EBITDA are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IFRS. Rather, these non-IFRS measures should be used as a supplement to IFRS results to assist the reader in better understanding the operational performance of the Group.

The Group cautions that these measures are not defined terms under IFRS and their definitions should be carefully reviewed and understood by investors.

Investors should be aware that Luxottica Group's method of calculating EBITDA and the ratio of net debt to EBITDA may differ from methods used by other companies.

The Group recognizes that the usefulness of EBITDA and the ratio of net debt to EBITDA as evaluative tools may have certain limitations, including:

- EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;
- EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and amortization expense may have material limitations;

EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;

EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, working capital needs;

Table of Contents

EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss; and

The ratio of net debt to EBITDA is net of cash and cash equivalents, restricted cash and short-term investments, thereby reducing our debt position.

Because we may not be able to use our cash to reduce our debt on a dollar-for-dollar basis, this measure may have material limitations. We compensate for the foregoing limitations by using EBITDA and the ratio of net debt to EBITDA as two of several comparative tools, together with IFRS measurements, to assist in the evaluation of our operating performance and leverage.

See the table below for a reconciliation of net debt to long-term debt, which is the most directly comparable IFRS financial measure, as well as the calculation of the ratio of net debt to EBITDA. For a reconciliation of EBITDA to its most directly comparable IFRS measure, see the table on the earlier page.

Non-IFRS Measure: Net debt and Net debt/EBITDA

(Amounts in millions of Euro)	**6M 2013**