

Luxottica gets lift from sales at Oakley

BY CHRISTOPHER EMSDEN

ROME—Sports-eyewear company Oakley turned in a star performance as parent Luxottica SpA posted a 21% increase in first-quarter profit.

At Oakley, an American brand that Luxottica bought for \$2.1 billion in 2007, revenue rose 20%, with its European sales rising 30% despite a flat retail environment.

“Greece’s travails may be setting the tone but it’s not reflected in our sales,” Oakley Chief Executive Colin Baden said during an interview.

Luxottica’s net profit rose to €95.1 million (\$125.5 million) from €78.8 million a year earlier, as sales increased 6% to €1.39 billion.

In a prepared statement, Luxottica Chief Executive Andrea Guerra called the results, buoyed by a rebound in U.S. consumer spending, a “solid and promising start to the year,” although growth was uneven geographically.

At Sunglass Hut, the company’s main retail-store chain for fashion eyewear, first-quarter U.S. sales in-

creased 11%, while emerging-markets posted 30% growth. The company’s LensCrafters business also showed solid growth.

Luxottica is giving Oakley significant funds to invest in Europe.

Much of the marketing is aimed at triggering enthusiasm among professional athletes and performance enthusiasts, hoping they will spread the word on offers such as high-tech digital surfacing of prescription lenses fitted in wrap-around frames.

The company will send specialized optical-laboratory vans to key sporting events such as the Tour de France, where racers favor wrap-around shades.

Oakley’s Web site also allows consumers to place custom orders, an option that nets the company an extra \$15 a frame.

In addition, Oakley, whose products include ski goggles, is pushing into European mountain resorts.

At the Vancouver Winter Olympics in February, 362 athletes from 62 countries wore the company’s equipment said Mr. Baden, the Oakley CEO.

Seeing his company’s logo now on huge billboards across Milan, Europe’s fashion capital, was “earthshaking for me,” he added.

Mr. Baden is optimistic about Oakley’s European campaign. The brand has “single-digit brand recognition in some countries, and there’s no reason not to have much higher levels,” he said.

