

Luxottica eyes Mexico

Ray-Ban maker in first foray into Latin American retail market **Page 17**

Luxottica eyes up Latin America in Mexico deal

GENERAL RETAILERS

By Rachel Sanderson in Milan

Luxottica, the Italian eyewear maker behind brands Ray-Ban and Oakley and Sunglass Hut chain, will today announce its first step into the retail sunwear market in Latin America with the acquisition of 70 stores in Mexico.

The deal, which will involve stores that are part of the Stanza and High Tech chains rebranded as Sunglass Hut, will be followed by Luxottica opening stores in Brazil in the coming weeks.

Consumer goods companies are aggressively pushing into Latin America to offset slower growth in more mature markets in Europe. Luxottica, which was considered relatively slow moving into China compared with rivals, has ramped up its expansion into growth markets in the past year.

Group sales at Luxottica reached a record high of €5.8bn (\$7.8bn) in 2010 - an increase of 7.1 per cent at constant exchange rates - on growing confidence of US consumers and an acceleration in emerging markets.

Luxottica makes 60 per cent of its revenues in the US, and has 3,600 optical stores in North America, of which 1,800 are part of the Sunglass Hut chain.

In Latin America, one of the world's largest markets for sunglasses, it already has a significant wholesale business. The region accounts for more than half of the €280m of revenues, or 13 per cent of group sales, Luxottica Group makes

so-called sun belt is one of the key pillars for Sunglass Hut's development'

from its wholesale business in emerging markets.

Fabio d'Angelantonio, executive vice-president of the Sun & Luxury Retail, said the acquisitions would increase the visibility of Luxottica's brands in the region, which also include sunglasses for Chanel, Prada and Burberry.

"Growth in emerging countries and, more generally speaking, in the so-called sun belt, is one of the key pillars for Sunglass Hut's development," Mr d'Angelantonio said.

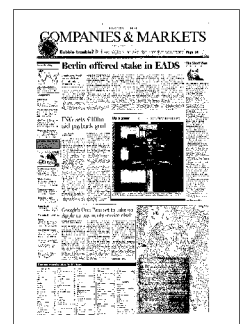
"This transaction demonstrates our commitment to making the best use of opportunities that arise across the globe."

The transaction, which is expected to close by the end of the second quarter of 2011, involves a purchase price of approximately €17m. It is expected that the combined net sales of the two chains for 2011 could reach €15m.

Luxottica said the geographic footprint of the two chains in Mexico is complementary. Stanza retail chain operates approximately 40 sunglass retail locations in select department stores and airports in most key Mexican cities, including Mexico City and Playa del Carmen.

High Tech retail chain operates approximately 30 sunglass retail locations in select department stores in Guadalajara, Monterrey and Merida under the High Tech, Euro Vision and Top Vision brands.

'Growth in the





Firm focus: **Luxottica's** brands include sunglasses for Prada

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