

PERSONAL GOODS

LatAm vision achieved

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Luxottica expands in Latin America

PERSONAL GOODS

By Vincent Boland in Milan

Luxottica, the Italian eyewear group, is to gain a long-sought foothold in the Latin American market with the acquisition of a 40 per cent stake in one of the region's largest retail chains.

Luxottica, which owns Ray-Ban and Sunglass Hut among other brands, is paying €40m (\$56m) for the stake in MultiÓpticas Internacional, a Spanish-owned eyewear retailer with 393 stores in Chile, Ecuador, Peru and Colombia.

It is also acquiring an option to buy the remaining 60 per cent between 2012 and 2014 at a price to be determined by sales and profit performance.

The purchase of MultiÓpticas offers a route into one of the two key markets – the other is continental Europe – where the Italian group does not have a retail network for its Ray-Ban, Oakley and Persol brands.

The deal offers potential to expand into Brazil and

Argentina, the region's two largest markets.

MultiÓpticas has 193 stores in Chile, 100 in Peru, 39 in Ecuador and 61 in Colombia and it expects to open another 90 across the region this year. It had revenues of €60m in 2008.

The sellers of the stake to Luxottica are a group of Spanish investors who founded the chain in 1987.

MultiÓpticas also has operations in Europe that are not affected by the sale of the business in Latin America.

Luxottica, Italy's most globalised group, is seeking to build a retail presence in markets where it sees growth potential.

The company has invariably expanded through deals – especially the purchases in the 1990s of Ray-Ban and LensCrafters, which gave Luxottica a big slice of the North American eyewear market, and of the Sunglass Hut retail network in 2001.

Before the latest acquisition it had 6,150 retail outlets and earned revenues of €5.2bn in 2008.

