



Designer glasses

Look east

An Italian success story

¹ Luxottica makes sunglasses. It is an Italian company and 85% of its factories are in Italy. But less than 5% of Luxottica's sales are in its home country. Most of Luxottica's shops are in the USA. The company produces glasses for Chanel, Prada, Bulgari and other companies selling luxury goods. It also owns Ray-Ban sunglasses, and about 15% of the group's sales are from Ray-Ban.

² Luxottica's main competitor is Safilo, another Italian glasses manufacturer. The

big difference between Luxottica and Safilo is that Safilo has 50 shops and Luxottica has nearly 5,500 shops.

³ Luxottica started as a manufacturing company. Today, they make more money from retail than from manufacturing. They specialise in glasses that cost £50 or more. This market is ten times more profitable than the market in cheap glasses.

⁴ The company has two big challenges in the future. The first challenge is

Glossary

luxury goods (n) expensive products

competitor (n) a company that produces or sells the same things

profitable (adj) a business or product that makes money

challenge (n) something new and difficult to do

founder (n) the person who starts a company

multinational (adj) a big company that has offices, shops or factories in several countries

China. At the moment, Luxottica has 250 shops there. But the company wants to double the number of shops to 500. The second challenge is the next chairperson. The company's founder is 70-year-old Mr Del Vecchio. At the moment, he is the chairperson and he owns 70% of the company. It is a family company, but Mr Del Vecchio's four children don't work for Luxottica. A new chairperson could make changes that turn Luxottica from a family company into a multinational. ■

1 Read the article on the opposite page. Which of the following best describes the subject of the article?

- a Designer glasses in China
- b The price of Italian sunglasses
- c A company that manufactures and retails glasses

2 Are these statements true or false?

- 1 Luxottica is a Chinese company. *false*
- 2 It doesn't sell products only in Italy.
- 3 Luxottica manufactures most of its glasses in the USA.
- 4 The company also produces glasses for other companies.
- 5 They make more profit from manufacturing than retail.
- 6 Luxottica doesn't have any competitors.
- 7 The company wants to open shops in China.
- 8 Mr Del Vecchio's children work for the company.

3 Match the numbers 1–6 with the information they describe a–f.

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|---|-----|---|---|
| 1 | 70 | a | the number of shops that the company wants in China |
| 2 | 5% | b | the minimum price of Luxottica's glasses |
| 3 | 15% | c | Mr Del Vecchio's age |
| 4 | £50 | d | group sales from Ray-Ban |
| 5 | 500 | e | Luxottica's manufacturing in its factories in Italy |
| 6 | 85% | f | Luxottica's sales in Italy |