



MEDIA RELEASE

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ACCC WON'T OPPOSE PROPOSED ESSILOR AND LUXOTTICA MERGER

The ACCC has decided to not oppose the proposed merger between Essilor International (Essilor) and Luxottica Group S.p.A. (Luxottica).

In Australia, Essilor mainly sells wholesale finished ophthalmic lenses, used to correct visual impairments. Luxottica largely supplies wholesale prescription frames and sunglasses, including such brands as Ray-Ban, Oakley and Prada. Luxottica also has retail outlets, such as OPSM and Laubman & Pank.

“As Essilor and Luxottica mostly supply products at different stages of the supply chain, there is minimal direct competitive overlap between the two parties,” ACCC Commissioner Roger Featherston said.

“The ACCC focussed on the increased vertical integration, and whether the combined company having operations in all parts of the optical supply chain would give rise to a substantial lessening of competition.”

“While Luxottica does supply market leading branded frames and sunglasses, retailers have generally indicated that there are alternative suppliers of frames and sunglasses that they could switch to if they did not wish to purchase from the combined Essilor-Luxottica. There are also other options for lenses.”

“The ACCC spoke to a range of interested parties including customers, competitors, buying groups and industry associations. The feedback from market participants was mixed, with some expressing concern while others expressed no concerns about the proposed merger,” Mr Featherston said.

The ACCC also considered whether the combined Essilor-Luxottica could tie or bundle its supply of frames and lenses to independent retailers to the detriment of competition. The ACCC concluded that any attempt to bundle the supply of these brands with the supply of lenses would be unlikely to substantially lessen competition.

“The ACCC’s investigation found that a merged Essilor-Luxottica would likely continue to face competition at every level of the supply chain, including from other vertically integrated suppliers,” Mr Featherston said.

Notes to editors

Essilor is listed on the Euronext Paris stock exchange and is a global company primarily active in the manufacture and wholesale supply of ophthalmic lenses. In Australia, Essilor provides a range of finished ophthalmic lenses through brands including Transitions, Crizal, Varilux, Eyezen and Xperio.

Luxottica is listed on the Italian Stock Exchange and is a global manufacturer and wholesaler of prescription frames and sunglasses, and a retailer of optical products and services. In Australia, Luxottica is a wholesale supplier of prescription frames and sunglasses, with notable brands including Ray-Ban and Oakley. Luxottica also owns the following retail chains: OPSM, Laubman & Pank and Sunglass Hut.

Media enquiries: 1300 138 917

Email: media@acc.gov.au

www.acc.gov.au/media