



ANNUAL REVIEW 2014 - 2015

Specsavers®



Introduction

This year saw group revenue exceed £2bn for the first time.

While it is not our style to sit back and celebrate for too long, this is a phenomenal landmark in Specsavers' history and a ringing endorsement of the partnership model. And in getting here, one thing is absolutely clear – this is all down to the hard work and talent of our partners, store teams and support office colleagues who work passionately, day in, day out, to deliver fantastic service to our customers.

But Specsavers has never been about financial targets. These are just the outcomes of doing the right things in the right way. For us, this means working towards our vision of passionately providing best value eyecare and hearing care to everyone, simply, clearly and consistently, exceeding customer expectations every time. It also means remaining true to our values of treating people as we would like to be treated ourselves and being passionate about our customers, our people, the partnership, our communities and, ultimately, our delivery of results. Our vision and values have guided us since day one, influencing every decision we have made, and every action, turn and development within the business.

Today we have more than 31 million customers, in excess of 2,300 partners worldwide and more than 30,000 people working across our stores, support offices and the supply chain. And by working closely with our partners to make the right decisions for the business, the Specsavers growth story is set to continue.

We hope you enjoy the review.



Doug Perkins

Joint Group CEO and Co-founder

Dame Mary Perkins

Co-founder



Our Vision To passionately provide best value eyecare and hearing care to everyone, simply, clearly and consistently, exceeding customer expectations every time.

Our Values Treat people as we would like to be treated ourselves.
Passionate about:

- Our customers - the lifeblood of our business
- Our people - supporting our staff to be the best they can be
- Partnership - at the heart of everything we do
- Communities - giving back to and working with our local communities
- Results - keep it simple, get it done, deliver on our promises

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The year in numbers

Figures as at the end of February 2015

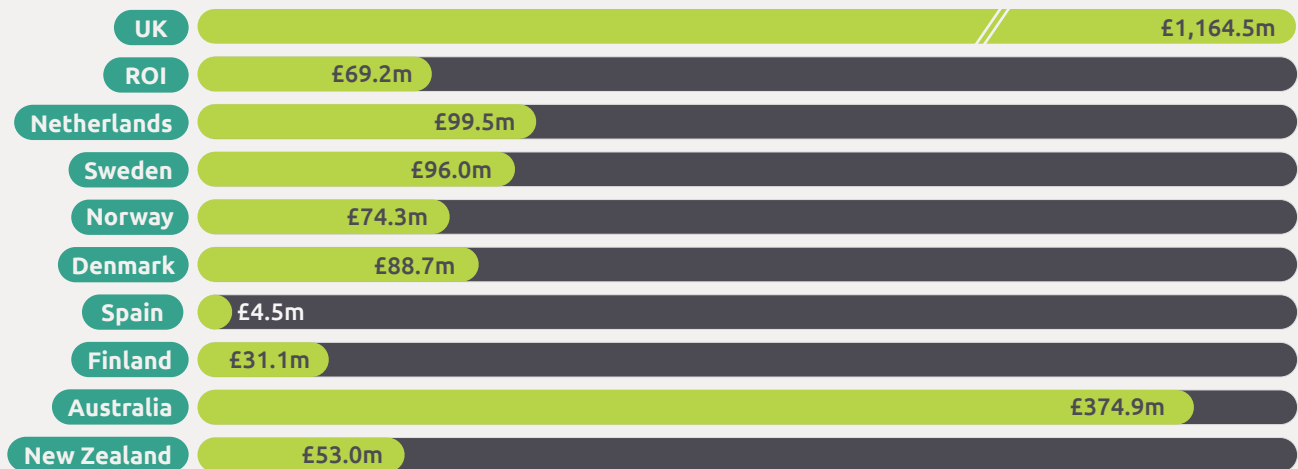
£2.06 billion
Group revenue 2014/15



9.1% Increase on
2013/14 revenue



REVENUE BY MARKET



221,000 +
hearing aids sold



374 million
contact lenses sold

17.3 million +
frames sold





< **30,000 +**
employees

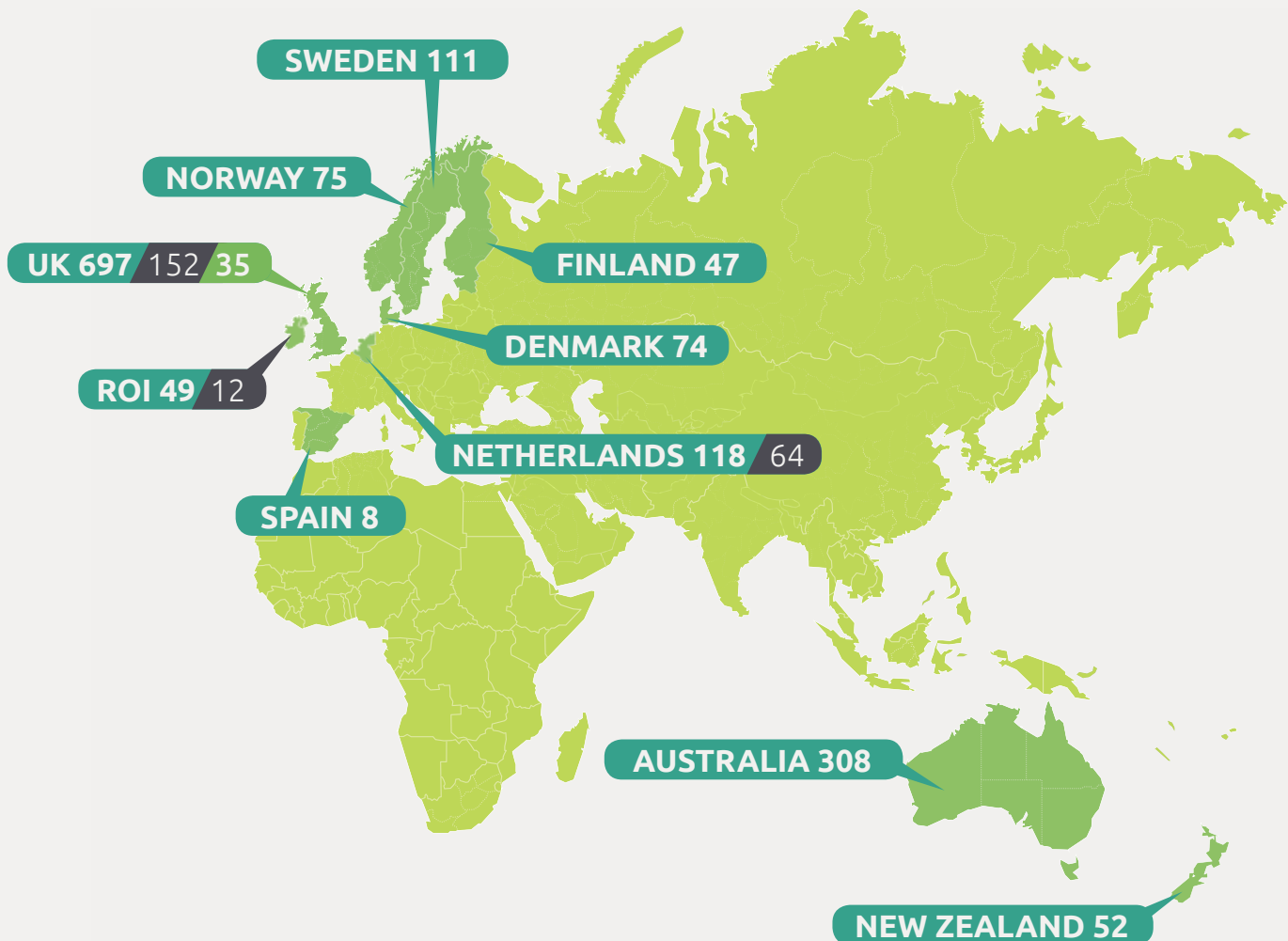


< **2,300 +**
partners



< **1,767**
optical stores and
hearing centres

OPTICAL STORES / HEARING CENTRES* / DOMICILIARY PARTNERSHIPS PER COUNTRY



* Hearing care services are also available in 601 optical stores in the UK, 40 optical stores in the Republic of Ireland and 111 optical stores in the Netherlands.

Passionate about our customers

The lifeblood of our business

We continually seek ways to deliver the best experience, value and choice to customers. This ongoing focus is reflected in our numbers – today we have more than 31 million customers worldwide (an increase of about 7%, year-on-year), and are selling more glasses, contact lenses and hearing aids than ever before.

Improving our offer

Speed, interactivity, convenience, customisation – these are all expectations in today's fast-paced, digital world. And whether browsing online or visiting the high street, customers are rightly demanding these things of retailers. Over the past year, we have significantly upped our game on technology to offer a better online experience and a more engaging customer journey in store.

Improvements to our websites have included a fresher layout, the introduction of CGI photography and dedicated store pages containing local news and offers. These developments have clearly had a positive impact with more than 24 million people visiting our sites last year – a third more than the previous year – and the vast majority of visitors spending time browsing frames and local store information.

We are rolling out major changes to our store design in all territories. Our stores are taking on a less cluttered layout with mobile service-points replacing reception desks. They will also see improved lighting and in-store graphics, enhanced merchandising and product displays, and standing collection points for faster service. The use of tablets to greet, register and advise customers is transforming the way we engage with customers and making for a more mobile service, with systems such as pagers, buddies and a queue control log in place to ensure customers are served quickly and efficiently.

'Originally we had seven desks for dispensing and collections. Now we have 14 terminals where we can see people, which has reduced the amount of time customers are waiting and has streamlined the overall customer service experience. And the iPads and new apps really involve the customer – they are as excited by the new tech as we are.'

Andrew Wallbank
Retail partner at our Brighton store, UK

Our new Virtual Dispensing Toolbox Measuring (VDTM) technology has already gone live in our UK and Republic of Ireland stores and will be rolled out globally during 2015. VDTM uses tablets to ensure that every measurement – pupillary distance and heights, pantoscopic tilt and back vertex distance – is accurate and instantly personalised to the customer and their frame choice. To advise and remind customers of their options, staff can easily switch between VDTM and other apps like the Magic Mirror, which allows customers to 'try on' frames virtually. A wide range of training and support accompanied the launch of the toolbox, to ensure that staff were confident with the new technology from day one, and to give our customers fantastic service and a great, well-fitted product. Customers have said they love the interactivity of the toolbox and feel more confident with the final product.

We have also completed the roll-out of fundus camera technology across all our Nordic stores. Customers can now benefit from digital retinal photography at no extra charge, emphasising our continued commitment to professionalism and clinical care.

Reaching more customers

It has been a successful year for strategic corporate partnerships across our markets. In Finland we have teamed up with the country's largest healthcare provider, Terveystalo, to offer their members a number of great deals, including free sight tests and discounts on glasses. We have entered into an agreement with health insurance company Medibank to be the provider of optical services to the Australian Defence Force and have partnered with the New Zealand Automobile Association to offer all Smartfuel cardholders the chance to earn fuel discounts when paying for a sight test. Our new contract with the DVLA (Driver and Vehicle Licensing Agency) in the UK will see around 60,000 people come to us each year for visual field screening and acuity testing, to help assess fitness to drive.

Over the last year, we have been introducing the joint venture partnership model to our UK domiciliary eyecare business, Healthcall. We now have total partnership coverage across England and Wales. This means we can be more responsive to our domiciliary customers and bring our best value eyecare offer to more of the estimated 1.2 million housebound people nationwide, who are unable to get to a store.



The Virtual Dispensing Toolbox Measuring app is now live in all our UK and Republic of Ireland stores, enabling dispensers to take accurate measurements to assist with lens selection and fitting. The launch of the app has led to record Maze (customer feedback) results relating to a number of criteria, such as placing orders and meeting needs and preferences.

Focus on frames

We continue to invest heavily in frame design and development to ensure great prices and choice for customers across all age groups, no matter what their taste, lifestyle and budget. Last year, we launched around 800 new styles globally.

The BOSS Orange brand is now offered in stores worldwide, following its launch in the Nordics and the Netherlands last year. We introduced the Karl Lagerfeld brand into stores in the UK and the Republic of Ireland, following its success in the Netherlands and the Nordics. Women's luxury brand MAX&Co. was also introduced in the UK and the Republic of Ireland, while sports lifestyle brand Puma was brought into the UK, the Republic of Ireland and the Nordics. We also launched a range of men's frames by designer Alex Perry in Australia and New Zealand, following the success of his range for women.

In addition to new brands, we continue to refresh and expand existing ranges – most recently, Osiris and women's youth brand, Roxy. The Roxy update contributed to a 58% year-on-year increase in sales volume and led to more than 4,500 frames being sold worldwide in just one week. The brand also hit Dutch stores for the first time, quickly becoming the best-selling single-gender brand in the market.

As well as bringing new styles to our own range, we introduced two new technologies – Turboflex (a patented design that allows hinges to pivot through 180 degrees) and Beta Plastic (ideal for frames, with its flexible and lightweight properties). This all means more choice at fantastic prices for customers, and has contributed to double-digit growth in the volume of sales of the Specsavers range.

Prescription sunglasses were a big hit this year, with 25% more frames on offer and the high-impact Wall of Sun frame display rolling out across all our markets, following its success in Australia and New Zealand. This has led to a 36% increase in sales volume.





Our new store in Aarhus, Denmark's second largest city, features the latest store layout, lighting and in-store graphics.

The kids' market has been a key area of focus for us, worldwide. Last year, we introduced our 'Kids' two free pairs' offer in the UK, which gives children a second pair of glasses for free, on top of the pair they are entitled to under the National Health Service (NHS). In New Zealand, our new 'Kids go free' offer means free sight tests for children under 16 and 50% off a sight test for any accompanying parent who holds a Community Services Card. As well as offers such as these, we have expanded our kids' frame portfolio.

The Gruffalo range launched in the UK and the Republic of Ireland in April and has attracted great feedback from parents and children alike, already becoming our second biggest seller in the children's market behind Moshi Monsters. Gruffalo is now live in our Nordic markets too. Our new flexi frames have proved another great addition to our kids' range, delivering outstanding flexibility and durability for active little ones. And the launch of Firetrap, comprising 12 styles and two sunglasses styles, has brought even more designer choice to our teen customers.



Advancements in lenses

Last year saw a bumper crop of new contact lens products introduced to the market. We launched three new daily disposables and an exciting range of coloured lenses with an ultra-smooth plasma surface for added comfort. We have also been working with suppliers on our contact lens packaging, which is now 100% sustainable.

We now have more than one million customers on our contact lens direct debit scheme in the UK and we have increased contact lens sales in store through new customer information materials and a focus on staff training. In Australia and New Zealand, we installed a self-service contact lens ordering system in stores, making it much easier for customers to order new supplies. And Sweden in particular has seen incredible growth in our online ordering system with 55,000 customers now registered, leading to a 5% increase in our share of the contact lens market.

Reactions, our own brand of photochromic lenses, which was first brought to market 10 years ago, is now in its sixth generation, with even faster reaction to light and a significant improvement in depths of colour. Reactions remains a popular choice for customers, with sales of the lens continuing to grow.

Through our global supply chain, we continue to offer rigorous quality and service-level guarantees to ensure high standards are maintained. Currently, less than 0.2% of glasses are returned to our manufacturing and distribution sites due to error or substandard quality.

Progress in hearing care

Hearing aid sales are up across the UK, the Republic of Ireland and the Netherlands, as we continue to raise awareness of our fantastic hearing care offer.

We promoted our hearing aids for the first time in August, allowing us to reinforce the fact that we offer all the leading brands, including Siemens, Widex and Phonak, at incredibly competitive prices. Eighty-two per cent of eligible GPs have referred patients to us, following the launch of our award-winning direct booking system, which allows them to book appointments directly into store diaries. As well as more than 170,000 NHS referrals, we saw record numbers of private hearing care customers across the UK and the Republic of Ireland. Through this growth, we have increased customer satisfaction to 97%, which is a phenomenal result and testament to the calibre of our store teams and clinicians.

Our share of the hearing care market in the Netherlands continues to grow. We are the preferred supplier to all health insurance companies in the country and, to meet increasing demand, hearing services are now available in every store. To continue to grow the hearing care business, we have launched our 'Two free hearing aids' offer, special discounts for members of ANBO (the Netherlands' largest

membership group for senior citizens), and a 'Tell a friend' incentive which rewards customers with a year's supply of hearing aid batteries when they refer their friends to Specsavers.

Customer feedback

Last year, our Maze customer feedback survey provided almost two million pieces of customer feedback from around the world. Maze feedback is a daily priority for stores across all our markets, with a focus on ensuring a quick and satisfactory resolution to any issues a customer has faced. It also helps us to track strengths and weaknesses at a macro level and has therefore led to a number of wider initiatives to improve customer service.

Our stores receive a huge number of letters and emails from customers, thanking staff who have gone the extra mile to deliver outstanding service and care. It is when we receive customer messages like this one, to our Ipswich store in Australia, that we know we are doing right by them: 'I would like to comment on the amazing service we received in store. All staff members were unbelievable and helpful not only to myself but all others in the store. In particular, I would like to mention your floor staff - their customer service surpassed my expectations. Well done and thank you for the wonderful service.'



Passionate about our people

Supporting our staff to be the best they can be

We firmly believe in supporting and developing our staff so they can shine in their roles. Whether working with customers or supporting partners, our people are our ambassadors. It is, therefore, crucial that they are engaged and motivated in their work, skilled and competent in their field and supported to deliver their best to customers every time.

Developing talent in our stores

We want Specsavers to be a career choice, not just a place to work. To help store staff make their way up the ladder, we offer a vast range of learning and development at all stages, with the potential to take them on a full career journey from entry level to partner. Our learning and development portfolio covers all aspects of the Specsavers business, whether staff want to improve their customer service skills, brush up on their product knowledge or study for an accredited, professional qualification.

Our optical apprenticeship scheme in the UK has placed around 200 apprentices across our stores, from a standing start in 2013. The scheme - which involves the completion of the Level 2 Diploma in Optics, monthly assessor visits, and online and on-the-job learning - has had fantastic feedback, with many partners saying their apprentices have become their star optical assistants.

Across our markets, recruitment fairs, school talks and university visits all ensure that Specsavers remains front of mind when students are considering their next steps. In Australia, we have forged links with Deakin University, holding lectures for optometry students and arranging visits to the Melbourne office to give them an insight into our business. Last year, in the UK and the Republic of Ireland, we welcomed hundreds of second-year optometry students on summer placements within our stores, with a view to their returning in the following academic year as pre-registration students.

Career Ladder, an interactive tool that gives store staff a clear understanding of their development opportunities at Specsavers, is now live in all our markets. Offering a clear line of sight from current to next role and beyond, the tool provides a description of each position in store and offers advice on relevant training and development, to help staff progress through the ranks.

Alongside the Level 3 Certificate in Optical Dispensing for ophthalmic dispensing assistants, we have just launched a Level 3 Certificate for Optometric Clinical Assistants in the UK and the Republic of Ireland, aimed at non-dispensing

store staff. And we offer a Level 4 (or equivalent) Certificate in Optical Dispensing across all our markets, having launched the programme in the Netherlands and all Nordic countries last year. The certificate, generally referred to as a 'Cert IV', provides a solid foundation in optical theory, as well as practical guidance on dispensing. Several hundred people are currently on the course worldwide and it has delivered all-important dispensing expertise to stores across our network.

In the Netherlands, following the success of our Superclass Optics course, we have now introduced Superclass Hearing, a fast-track, one-year route to qualifying as an audiologist. Last September saw the first intake of students begin the intermediate vocational course, which is run in association with the Dutch HealthTec Academy (DHTA). The course involves working in store, studying at college and training within Specsavers and, once qualified, students work under a mentor for six months before taking on a full audiologist role.

We developed a new programme for supervisors in Australia and New Zealand last year, which received an overwhelming level of interest when it was made available to stores. The six-month, self-paced course is designed for store team members who are ready to move into a supervisor role and is a great opportunity for career progression at Specsavers. Managers with ambitions of becoming a store partner can complete Institute of Leadership & Management (ILM) 3 and 5 programmes, which combine classroom training, written assignments and application on the job. These accredited programmes are now run across all our markets and are a fantastic foundation in leadership and motivation.

When my Cert IV certificate came to the store, I had the biggest smile on my face. I've worked at Specsavers for two years and completing Cert IV was an important step in my career progression. It has given me a wider understanding of optics, and more tools to use, in store, when providing eyecare to our customers. As a manager, it's also made it easier to support my team and share my knowledge, helping all of us to provide better service and care to our customers.'

Daniel Goodwin
Store manager at our Upper Mt Gravatt store in Queensland, Australia



Delegates were able to find out more about the Virtual Dispensing Toolbox Measuring app at the UK Managers Seminar.

Getting people together

The Specsavers year is packed with conferences, seminars and events for store staff, ranging from big set-pieces to smaller networking opportunities, all designed to inform, inspire and engage.

More than 2,000 delegates enjoyed a busy programme of clinical development at our annual Professional Advancement Conference (PAC) in the UK. We had our best turnout yet of audiology delegates and this year was a great opportunity for our domiciliary practitioners to experience the event for the first time. We also held spin-off 'Mini PAC' roadshows throughout the year, offering many of the advantages of the main event but on a smaller scale and in more convenient, regional locations. They have proved to be a popular addition to the calendar, with 1,500 people attending - the vast majority of whom were not delegates at 'big brother' event, PAC 2013.

A seminar for in-store trainers also ran in the Nordics for the first time, providing useful tools and information to help them fulfil their role in store. Delegates loved the chance to get together and discuss common ground, with one attendee saying: 'I'm completely new to this role, so it was really great to share the experience and get tips from one another.'

And more than 800 store managers, lab managers and in-store trainers from our UK and Republic Of Ireland stores packed the International Convention Centre in Birmingham for the Leadership and Development Seminar, which covered a range of people matters, including recruitment, apprenticeships and technology.

Our third annual ANZ Clinical Conference was held in September, welcoming 400 delegates for a day devoted to the optometry profession. The conference included presentations from seven industry experts, a range of exhibition kiosks and the opportunity for attendees to network. Joining us on the day were key figures from the Optometry Board of Australia and The Australian College of Optometry, as well as representatives from optical industry publications.

'The guest speaker was fantastic. Fab to hear all the updates too! The seminar remains the highlight of the year and never fails to motivate me for the year ahead.'

Feedback from the UK Managers Seminar



From the top: speakers at the ANZ Clinical Conference addressed 400 delegates; the latest clinical equipment was demonstrated at the UK Professional Advancement Conference; the success of the Superclass Optics course in the Netherlands has given rise to an equivalent course in audiology.

Store communication and engagement

Effective two-way communication is vital in any fast-paced retail business. As well as the face-to-face events, we inform and engage with our people with a range of printed and digital communications.

Our printed publications cover the full gamut of life in store – magazines that celebrate good news and share inspirational customer stories with our staff, journals that update our registered practitioners on clinical developments and brochures that showcase and create a buzz around new products and offers.

Staff have daily updates at their fingertips with Connect, our intranet for support offices and stores globally. Connect has become our main news channel across all markets, as well as housing important information for reference and acting as a gateway to other systems, such as our online learning portal, iLearn. Last year, Connect had 24 million hits worldwide – around two every three seconds.

Store Insight, our annual staff survey, which has run in UK and Republic of Ireland stores for two years, helps us track employee engagement and asks staff to rate their store in a number of key areas such as customer focus, work processes, and training and development. Eighty-three per cent of staff responded to the 2014 survey and the results were fantastic, showing a 3% rise in engagement overall, from 66% to 69%. Store Insight has led to some great initiatives and developments, particularly at store level, and has become a key measure of our success. We will be launching the survey to our store staff in the Netherlands and Denmark in 2015.

Helping our support teams succeed

The Specsavers formula works because roles on each side of the partnership are clearly defined – our support teams provide exceptional business support services to store partners so they can focus on providing the very best care and service to their customers. We introduced a number of things last year, to ensure our support teams are set up for success.

Over the past year, we have delivered more learning and development opportunities to our support teams than ever before. The face of training has changed, with courses, workshops and funding for professional qualifications now accounting for a smaller percentage of what we offer. Supported by the launch of iLearn in our support offices worldwide, our learning and development portfolio is undergoing continual

improvement, now spanning e-learning, mentoring, job shadowing, secondments and coaching, alongside more traditional classroom training. This is very much in line with our 20-60-20 learning model, which endorses a mix of formal training, on-the job learning and learning from others.

Support for managers remained high on the agenda last year. In the UK, we launched a second series of workshops designed to help managers have stretching conversations that encourage accountability for delivering results and growing the business. The workshops will be run internationally in the year ahead. Our global leadership conference, Future Focus, was a forward-thinking event which took leaders out of the here-and-now and helped identify potential priorities for the business over the next three to five years, based on predicted trends. A number of these have been incorporated into our medium-term plans.

Our leadership development programme, Connected leader, was rolled out across the global leadership group last year and is now being offered to all senior managers to help our teams develop the mindset and behaviours that will encourage greater collaboration across the business. This complements our latest, blended learning programme, High-performing teams, which is open to everyone and supports a culture of high performance and cross-functional working at Specsavers.

The Insight survey runs for support office staff globally, as well as for store teams in the UK and the Republic of Ireland. Since it launched in 2009, Insight has become a key measure of our success, providing invaluable input into our plans for the year ahead. Response rates to the survey have been consistently high – around 90% – which indicates a strong belief in its value. Last year's global results showed improvements across 86% of our scores, which is reflective of all the hard work that goes on around the business to act on employee feedback. Insight remains a key driver of change.

For more on our people activities and plans, read our corporate responsibility report for 2014-2015, which is available on our website.

Passionate about partnership

At the heart of everything we do

Without partnership, there is no Specsavers. Everything we do is ultimately about supporting our partners, so they can run successful businesses with motivated teams and happy customers.

Supporting partners and maintaining dialogue

Our retail support teams are central to the partner relationship across all markets and provide partners with a network of expertise, whatever their needs. The teams provide a complete service, from the development of business plans to advice on operational issues like driving efficiencies in store, improving customer service and developing effective people plans. We continue to invest in the development of our retail support teams to ensure they are set up to succeed and, ultimately, to ensure partners can benefit from the very best level of support.

We bring together partners within all our markets to discuss and consult on plans, developments and initiatives. Our programme of partner events includes regional meetings, user groups, leading partner forums, annual conferences, seminars and partner surveys.

The regular regional meetings and user groups provide a forum for gauging partners' thoughts on business issues and challenges. This collaborative approach allows us to evolve plans in light of operational realities, to respond quickly to changing customer needs and to deliver better solutions as a result.

The Specsavers year culminates in an annual Partners Seminar in all our markets to celebrate achievements and galvanise partners and support teams for the year ahead. By stepping out of their own business for a day, partners can focus on the big picture and what it means for them. They can examine plans for the coming year, involve themselves in interactive sessions that help bring our products and technology to life and take the opportunity to discuss business with their peers.

Following the success of last year's event, our seminar for Dutch partners again took the form of a road trip, with partners visiting some of our UK stores to experience, first-hand, a vision of their own future: market leadership, higher customer volumes, greater staff numbers, larger retail environments and, through all this, higher professional standards and fantastic customer service. The trip - which involved 180 store partners, 30 support office colleagues and almost 50 UK Specsavers stores - gave the partners the opportunity to speak directly with UK partners who are running very successful, high-volume store businesses today.

Run globally, Profit through your leadership (PTYL) is a partner-led initiative, which brings partners together to share ideas and best practice on operational issues with a view to improving the profitability of their stores. PTYL combines face-to-face discussions with a regular publication full of store case-studies and partner perspectives. This is all about partners advancing their own businesses by learning from each other.

In the year ahead, we will be launching an annual, global partnership survey to replace all local partner surveys. The survey - branded Insight - will provide partners with a confidential feedback channel to air their views. It will help us check the temperature of the partnership: how engaged are partners, how well supported do they feel, to what extent are support teams living up to expectations and what can they do to improve service? And it will help us develop a consistent way of measuring and talking about partner engagement and satisfaction across territories, so that we can identify, share and learn from best practice.

Developing and recruiting partners

Over the last year, we have continued to focus on cultivating leadership capabilities in store and developing the partner pipeline to safeguard our future.

Pathway, our programme that develops future store partners from within the business, has rocketed since it launched in the UK in 2012. Now run in all our markets, it has fast become our primary source of candidates for partnership and offers those with ambitions of owning their own store a platform from which to do so. More than 230 people have successfully graduated from the programme in the last year alone and are either running their own store already or are working with us to find the right opportunity. In the Netherlands, we have also designed a new programme to develop our hearing care partners of the future. Run in partnership with the DHTA in Utrecht, the programme takes 18 months and has welcomed an initial intake of 15 delegates.



Dutch store partners visited our store in Oxford's Westgate Shopping Centre, as part of their tour of the UK.



This year's Partners Seminar for the Norwegian market, held in Ståmstad, Sweden, celebrated 10 years of business in the country.

Our 'Partner in development' programme continues to develop retail partners for new and existing stores across our markets. The programme has particularly contributed to the transition to our joint venture partnership model in Northern Europe, which, in turn, is really helping to drive growth across the region. And Spectrum, a blog for prospective partners - which first launched in Australia and New Zealand and has now gone live in Europe - is helping to attract and engage high-potential candidates and promote partnership opportunities across our store network. Around 4,000 people visit the blog worldwide each week, many of whom receive a weekly, customised e-alert of news and information.

Spotlight, our leadership development programme for existing partners, welcomed more than 1,200 partners last year, including some from Australia and New Zealand and, for the first time, Hearing Centre partners from the UK and the Republic of Ireland.

'My journey on Pathway has been the most challenging, yet the most exciting path that I have taken with Specsavers. I joined knowing little to nothing regarding the financial part of the business. Now I am going to walk out well prepared to take on a new role but well aware that I will learn along this new journey as I go. Pathway modules allowed me the opportunity to be prepared, mentally, to take on any challenges thrown my way.'

Defini Tau'alupe Tai
Optometrist at our Wellington CBD store,
New Zealand

Increasing our marketing reach

We continue to seek creative ways to promote our retail offer and our brand. Last year, we introduced a host of initiatives with and for our partners to improve the customer experience and keep Specsavers front of mind.

Sponsorship has become a key part of our marketing strategy, with a particular emphasis on sport. In line with our commitment to professionalism and playing on the 'Should've gone to Specsavers' strapline, we sponsor referees and umpires across a number of sports and tournaments worldwide. These include rugby league's World Club Series and Super League competitions, English and Welsh county cricket, and hurling and Gaelic football in the Republic of Ireland, with the sponsoring of Hawkeye detection technology with the Gaelic Athletic Association. We were also official eyecare partner of the 2014 Australian Open tennis tournament.



Our three-year sponsorship deal with the England and Wales Cricket Board, which began in May 2014, means Specsavers branding is appearing on umpires' clothing in all first-class county cricket.



Fashion designer Jørgen Simonsen (left) was involved in the design of our latest Osiris collection, which he discussed at a Specsavers-hosted fashion event in London.

We have also boosted our style credentials through increased fashion PR, high profile media events and our new fashion app #loveglasses, which allows customers to keep up with the latest trend advice, watch exclusive videos with celebrities and go behind the scenes on photo shoots. As well as significantly increasing our use of digital media in local marketing plans, we have posted more viral campaigns on social media than ever before, largely in response to topical sporting decisions. And we have aired a series of idents as part of our sponsorship of films on the Channel 4, Film4, More4 and E4 channels - which are viewable in the UK and the Republic of Ireland - and have partnered with cinemas nationally to promote our Kids' offer on the big screen.

New customer relationship management (CRM) systems in the UK, the Republic of Ireland, Australia and New Zealand are allowing us to improve customer communication, optimise our recall process and reduce costs. The new systems have allowed us to remove duplicate customer records, giving us a single view of the customer across our store network and improving the experience for customers when they visit a different store. This also puts us one step closer to being able to deliver integrated direct marketing to customers across post, email and SMS. In Australia and New Zealand, we have launched 'customer on a page' which allows key information to be viewed in a much simpler format.

Creating stores of the future

To ensure we can continue to offer great service to our customers as volumes rise, we have worked closely with store partners to open 27 new stores and to expand, relocate or rebrand hundreds more across our existing network.

In the UK and the Republic of Ireland we have worked with our partners in around 150 stores to make improvements to their existing facilities and layout. We also piloted a new layout to maximise space within our smaller stores, increasing the number of frames on display by 40%. We are currently working on a plan to implement this more widely. And to set us up for future growth in the hearing care market, we have opened 35 new hearing centres and created more than 150 new, dedicated test rooms designed to provide a more comfortable test environment, both for customers and audiologists.

Expansion plans are going incredibly well across the Nordics. We have fitted out more than 230 of our stores across the region with new lighting, an updated layout and more dispensing areas. Other Nordic successes have included: the consolidation of two stores into one flagship store in Aarhus, Denmark, which has more than doubled the sales of the two former stores; our new store in Uppsala, Sweden, trading 55% beyond expectations in its first quarter; and the relocation of our Oslo city centre store, making it the biggest in Norway and leading to a 40% increase in the number of frames sold.

'Our store has been brought right up to date and when you enter it, you really get that 'wow' experience. The support team deserves a lot of praise - they always listened to my views and they were very focused on solving any issues that arose during the process.'

Brian Towt
Partner at our Taastrup store in Denmark

In Australia and New Zealand, where we relocated and refitted 58 stores last year, we have developed a very successful 'pop-up' store concept, which minimises disruption to customers and allows partners to continue to trade while their store is closed for refurbishment.

In the Netherlands, we are working on a project that will see all our Dutch stores replace their in-store lab with the services of our partnership manufacturing and distribution site in Hungary. The transition to Szatmár will mean quicker turnarounds on customer orders, greater frame choice and more space in store for other services, such as hearing care or frame dispensing.

Improving systems and support

We need to make store administration and data management as easy as possible for partners and their teams. The more straightforward we make tasks like booking an appointment, processing a transaction and ordering new stock, the better the customer service will be and the more time we can free up for store teams to focus on other aspects of the store visit.

We are investing in a new global retail system – one that is truly geared up to handle the high volumes of customers that we are seeing across our stores. The new system will allow our store teams to serve customers anywhere in the store. This fits with our sleeker store layout, and will provide a more seamless experience by automatically passing information from pre-test, to test, to dispense. The arrival of the new retail system is an incredibly exciting time for Specsavers. It represents a big step towards becoming a truly global business, allowing us to make global changes and updates, and transfer best practice across our store network.

In response to partner and business feedback, our 24/7 IT service desk went live in January, providing round-the-clock IT support across the business. Currently, the desk supports offices, stores and manufacturing and distribution sites in the UK, the Republic of Ireland, the Netherlands, Spain, Australia and New Zealand, and there are plans to roll out to the Nordics in the coming months.

Evolving the supply chain

Last year the Specsavers supply chain achieved record levels of production, supplying 37 million lenses, coating 15.4 million lenses and glazing 6.2 million pairs of glasses. As our business continues to grow, it is critical that the supply chain evolves to meet ever-increasing partner and customer demands.

Our new product data system has now been rolled out globally, with all data for frames, ophthalmic lenses and contact lenses now sitting in one, central place. A huge amount of work has gone in to creating a clean set of data and migrating it across to the data hub and we are already seeing significant efficiencies with the new system. Data entry into one system provides one version of the truth, rather than many, and the ability to get new products to market much faster.

In our UK manufacturing and distribution sites, we have modified nine of our coating machines to speed up lead times and increase capacity by 20% (the equivalent of two new machines), which has prepared us for future growth. At one of our largest UK sites, we have introduced three surfacing cells – smaller work stations that use conveyors to link taping, blocking, surfacing and washing – which means we can increase surfacing productivity to a third more lenses per man-hour. All this means we can get more glasses to our stores more quickly.

We build strong, long-lasting strategic relationships with all our suppliers to deliver a service that partners can rely on, as well as to safeguard future growth. All our manufacturing and distribution sites are joint venture partnerships, which means we have tighter control over quality assurance and can respond more quickly to changing market conditions. It also means that we are able to purchase products and equipment at very competitive prices, leading to cost savings for partners and ultimately the assurance of value for money for our customers.

Over the past few years, we have developed our global supply chain to meet ever-increasing demands (for example, through larger facilities, new equipment and smarter processes) without compromising service and quality.



Passionate about our communities

Giving back to and working with our local communities

Community involvement is part of the fabric of Specsavers. As a partner-led business, we recognise the unique opportunity we have to change lives for the better in all of the markets and local communities in which we operate.

Our stores, support offices and manufacturing and distribution sites support numerous charities and good causes throughout the year, ranging from very local initiatives to national charities and eyecare and hearing care projects in developing countries.

In the past 12 months, Specsavers has raised more than £2.2m worth of funds across the world. Here are just a few highlights:

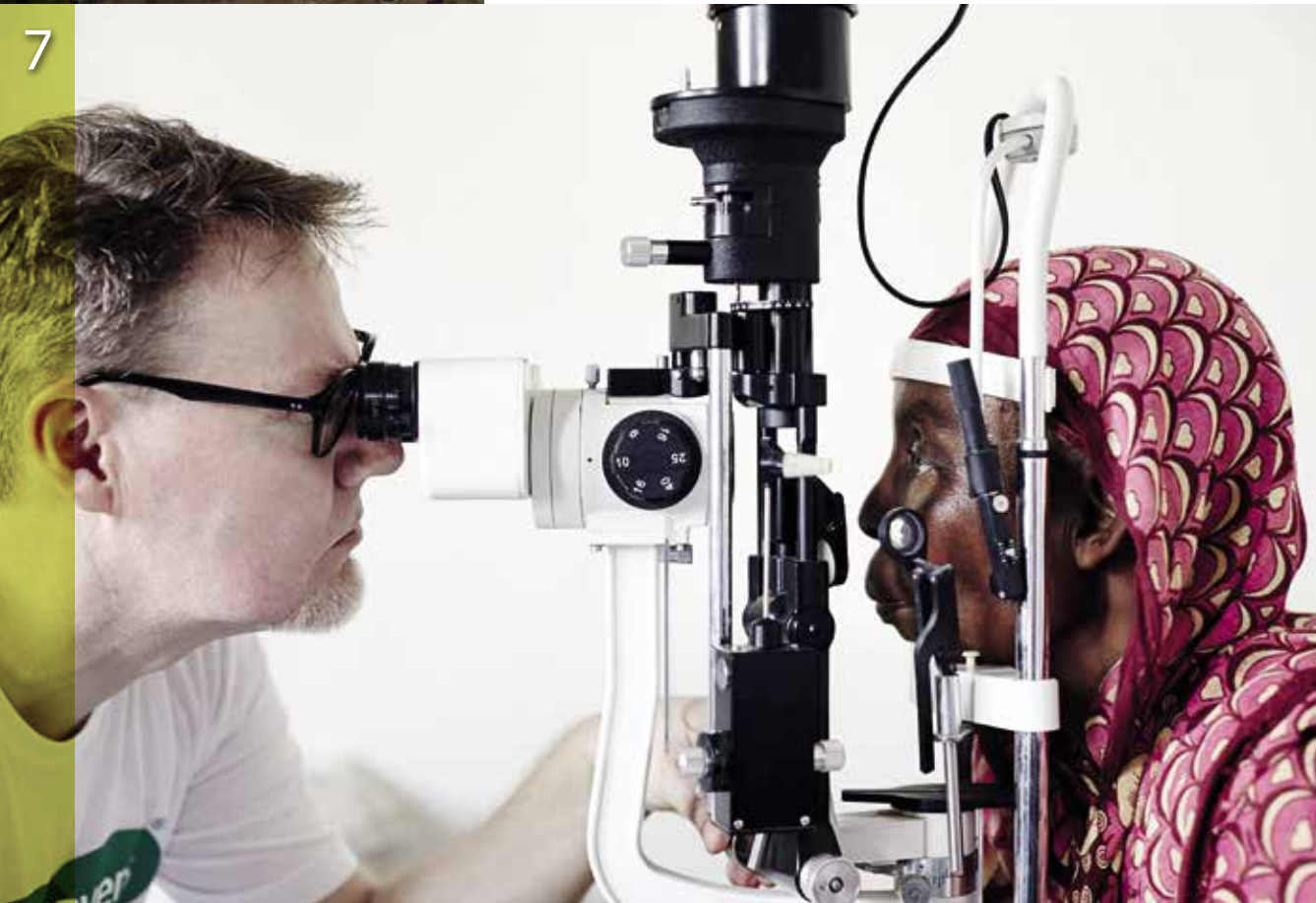
- 1** Our stores in the UK and the Republic of Ireland raised £665,545 for hundreds of charities, including £43,500 for Guide Dogs for the Blind and Hearing Dogs for Deaf People, and £16,000 for Blind Veterans UK. Our UK support offices raised £188,869 for various good causes, including the Lincolnshire and Nottinghamshire Air Ambulance, Naomi House Children's Hospice and Countess Mountbatten Hospice - both in Hampshire - and Hope for a Child and the Women's Refuge in Guernsey
- 2** As an official partner to Red Nose Day, our stores, offices and manufacturing and distribution sites across the UK and the Republic of Ireland raised £373,590 for Comic Relief, which aims to tackle poverty and social injustice



FareShare
rescuing food. fighting hunger.



- 3** Dutch stores raised more than €400,000 for Stichting Specsavers Steunt, which was donated to 118 local charities (one per store) including the Drijvende Ambachtsschool in Zeewolde, which provides special training to early school-leavers and an Aikido sports club in Rotterdam
- 4** Through our Community Programme, our stores across Australia and New Zealand raised AUD 700,000 for charities, including the Royal Children's Hospital Foundation in Melbourne, the Queensland State Emergency Service, the Women's and Children's Hospital Foundation in Adelaide and the Grandparents Raising Grandchildren Trust in New Zealand
- 5** Our Louis Nielsen stores in Denmark continue to support the running of eye camps in remote parts of Tanzania, conducting sight tests and providing recycled glasses to thousands of people in need. Volunteers from our Finnish stores spent time at the camps this year and tens of thousands of glasses have been donated from across the Nordics to ensure the camps remain well stocked. We have helped more than 24,000 people since the project began
- 6** Specsavers was the main sponsor of the Helsinki City Run, which raised €10,000 for local diabetic clubs that help children diagnosed with type 1 diabetes
- 7** Our Swedish stores raised nearly SEK 200,000 for a day care centre in Chimoio, Mozambique and a team of opticians and optical assistants from our stores visited the SOS Children's Village in Dar es Salaam and the Bagamoyo District Hospital to the north-west of the city



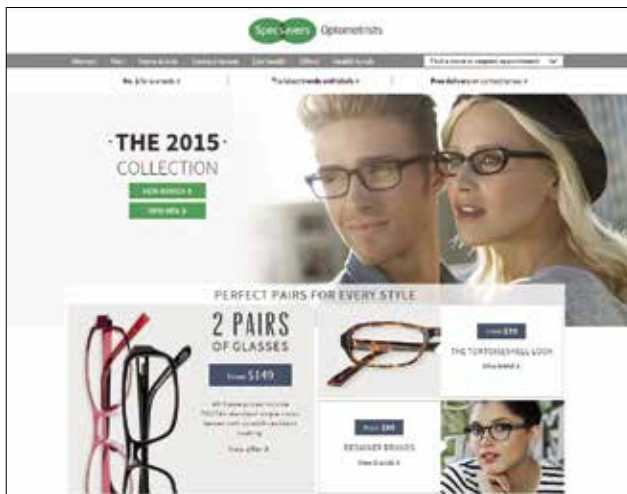
- 8 In Norway, we provided free eye tests and glasses to homeless people, gave high-visibility vests to schoolchildren and raised NOK 100,000 towards the training of a new guide dog
- 9 Our stores in Spain donated almost 4,500 glasses to the Lions Club charity, which specialises in local volunteering
- 10 Our manufacturing and distribution sites collectively raised more than £25,000 for charitable initiatives and local good causes, including providing £2,000 worth of toys to a local radio station's children's Christmas appeal and helping sort more than 52,000 toys for needy families from one of our distribution warehouses. They also raised almost £7,500 from cake sales, sponsored bike rides and head shaves for the Brain Research Trust, in memory of a former employee

Find out more about Specsavers' community involvement, as well as our commitments to trading ethically, protecting the environment and valuing our people, in our corporate responsibility report for 2014-2015, which is available on our website.



Passionate about results

Keep it simple, get it done, deliver on our promises



The partnership has achieved some great results this year. Here are some highlights:

Worldwide

- We surpassed £2bn in group revenue, an increase of 9.1% on 2013/14
- We sold more than 17 million frames, 374 million contact lenses and more than 221,000 hearing aids
- The number of customers registered with us worldwide surpassed 31 million
- More than 24 million people visited our websites - about 29% more than in 2013/14
- We launched around 800 new frames worldwide
- We implemented a new global supply chain system to manage product data more effectively, leading to faster launches





UK, Republic of Ireland and Spain

- We carried out 9 million eye tests and increased our customer base by 7.5%
- Optics sales went up by 6% and contact lens sales were up 8.5%
- We broke the record for UK optics sales in a single week, with almost £24m going through the tills
- Sales volumes in our Kids' range went up by 9% in one year and by 27% in three years
- The number of contact lens customers on our direct debit scheme went past 1 million
- We became the number one provider of private and NHS hearing care
- A recent YouGov poll put us ahead of our main high street hearing care competitors for customer service, value and choice
- The joint venture partnership (JVP) model was rolled out within the Healthcall business, with 35 domiciliary JVP territories now live
- We have delivered 100 million door drops and more than 31 million recall letters and have sent 3 million SMS reminders to hearing care and optics customers
- We brought our TV ads to around 54 million viewers, more than ever before
- At the Institute of Practitioners in Advertising Effectiveness Awards, we were awarded gold in recognition of our advertising over the last 30 years
- The Reputation Institute ranked us in their top 10 UK companies for performance and governance
- We ranked seventh out of almost 200 big businesses for customer service in the UK Customer Satisfaction Index
- We brought more Spanish and English customers into our stores in Spain



Netherlands

- We became the second biggest operator in the optics market
- We achieved a number of record sales weeks throughout the last two quarters of the year
- Hearing care sales volumes went up by 24% year-on-year
- We extended our trading hours, with all stores now open on Monday mornings to deliver more convenience to customers
- We lowered our prices to give customers even better value, reducing entry point frames to €59 and designer frames to €99 and introducing the 'Two free hearing aids' offer
- We introduced a new glazing service from Szatmár in Hungary



Sweden, Norway, Denmark and Finland

- In our tenth year of business in the Nordics, we grew customer volumes by 12.5% across the region
- Free digital retinal photography was made available in stores across the Nordics
- Our online appointment system was launched across all four markets
- Around 230 stores were revamped across the Nordics as part of our 'Store of the future' programme, with tablets introduced to enhance the customer experience
- Our relocated and expanded stores delivered more than 10% growth on average, year-on-year
- Contact lens market share went up by 5% in Sweden, with more than 55,000 customers benefitting from our online ordering system
- All Louis Nielsen stores now operate as joint venture partnerships
- We delivered hundreds of new customers to our Finnish stores by forming a strategic alliance with Terveystalo, the largest private healthcare provider in the country



Australia and New Zealand

- We increased our market share in Australia and New Zealand, further cementing our leadership position in both markets
- We launched 450 new styles
- We opened our 300th store, in Brighton, Victoria
- Around 11% more customers bought frames from our stores and we welcomed an additional 50,000 contact lens customers over the year
- Sight test numbers increased by 10% in Australia and by 14.5% in New Zealand
- We despatched a record 3.7 million orders from our Melbourne Glazing Services lab in the 2014 calendar year - and only 0.2% of jobs were returned due to error
- We despatched our 15 millionth job for the Australia and New Zealand business since first entering the markets
- We introduced our single designer pair value offer at AUD 99 and NZD 119
- We won a number of industry awards, including Australian Retail Innovator of the Year and Australian Multi-channel Retailer of the Year from the Australian Retailers Association, and Established Franchisor of the Year and the Excellence in Marketing award from the Franchise Council of Australia

The Specsavers Partnership is the world's largest privately owned optical group, with more than 1,750 optical stores and hearing centres operating across 10 countries.



The road ahead

‘The best way to predict the future is to create it.’ Abraham Lincoln

Most businesses would give their collective right arm for a crystal ball that helps guarantee them future success.

But, in reality, we don’t need to see the future to shape it. Our success is very much in our hands and we can safeguard it through the discussions, decisions and actions we choose to make today.

At Specsavers, we are working with our partners towards a future that focuses on:

- An incredible customer experience, online and in our stores, through innovative use of technology and unrivalled products
- Brilliant people in our stores and offices who are supported to provide the very best customer service
- World-class support for partners - the partnership is our differentiator and all roads must lead back to it

Our ability to achieve all this is down to the strength of the partnership. Year in, year out, the partnership powers us to deliver millions of tiny things exceptionally well - the new ideas our partners try out in store each day, the conversations they have with their teams, the training interventions they run, the recruitments they make, and all that they do to exceed customer expectations and to keep driving their businesses forward.

It is the power of the Specsavers partnership - the unique combination of motivated, professional, local store leaders, supported by world-class technical experts in every field - that brings us success and helps us create the best of all possible futures for Specsavers. A huge thank you to all who continue to make this possible.



A handwritten signature in black ink, appearing to read 'John Perkins', with a stylized, flowing script.

John Perkins

Joint Group CEO and Joint Managing Director - UK

Specsavers Executive Committee



Doug Perkins
Joint Group CEO and
Co-founder

A qualified and registered optometrist for more than 45 years, Doug is accountable for the overall success of the partnership. Doug also has specific responsibilities for driving professional standards within Specsavers and supporting the regulatory agenda across our markets. He and his wife Mary established Specsavers' joint venture partnership model in 1984, with the vision of making eyecare more affordable.



Dame Mary Perkins
Co-founder

A qualified and registered optometrist for more than 45 years, Mary plays an active role in the business in a number of areas, including driving customer service standards, championing our values and shaping our Corporate Responsibility (CR) commitments, as a member of the CR steering group. Mary plays an active role on a number of national and local charities and was made a Dame Commander of the Order of the British Empire in 2007. She was appointed ambassador for Vision Aid Overseas in 2009.



John Perkins
Joint Group CEO and Joint
Managing Director - UK

John is responsible for the overall success of the partnership and is accountable for the strategic direction of the group and of our UK and Republic of Ireland operations. John joined Specsavers in 1998 and worked in UK stores and operations as well as a number of international teams, before joining the board in 2003. A qualified chartered accountant with an MBA in retailing, John spent five years with Deloitte before joining Specsavers.



Richard Holmes
Group Marketing Director and
Joint Managing Director - UK

Richard joined the Board in 2007 as Marketing Director, responsible for brand development and marketing and PR activities in all countries, including our in-house creative agency. He is also responsible for the legal function in the UK. Before joining Specsavers, Richard worked for Boots for 10 years in a number of marketing roles. Prior to this, he worked for 13 years for Unilever, based in London, Paris and Milan.



Pauline Best
Global People and
Organisation Director

Pauline joined Specsavers in 2008 and is responsible for all elements of people and organisation strategy and activity across the group. She is also responsible for group services, including insurance and business continuity, office facilities, travel and aviation. Before joining Specsavers, Pauline spent 20 years working in mobile communications, including 12 years with Vodafone, where she most recently held the position of Global Leadership, Talent and People Capability Director.



Nigel Parker
Chief Commercial Officer
and Managing Director –
Northern Europe

Nigel joined the Board in 2006 and has overall accountability for the group's commercial activity, including new market expansion. He is also responsible for the Northern Europe region, which comprises operations in the four Nordic markets as well as the Netherlands. Nigel joined Specsavers in 1997 from Essilor, the world's largest manufacturer of ophthalmic lenses, becoming Product Director and then Commercial Director.



Paul Fussey
Chief Financial Officer
and Managing Director –
Australia and New Zealand

Paul joined Specsavers in 2009 and has overall accountability for the finance and tax functions of the business. Paul assumed the role of Managing Director in Australia and New Zealand in January 2015 and is currently based in Melbourne, leading the ANZ business in its next phase of development. He joined from Boots UK where he was Finance Director and, prior to this, held positions of Divisional Finance Director for Supply Chain and Shared Services, and Managing Director for Boots' manufacturing division, with operations in the UK, France, Germany, Poland and the Far East.



Phil Pavitt
Chief Information Officer

Phil joined Specsavers in July 2014 and is responsible for overall leadership of IT, including the direction and execution of our major global IT programmes and information governance within the business. He previously worked for Aviva, as Global Transformation and Operations Director, responsible for major IT change programmes and global IT operations. Before this, he was Director General and main board member for HM Revenue & Customs, responsible for all technology and estate.



Sean Lawe
Group Supply Chain Director

Sean joined Specsavers in 2002, initially working in the product team, then on the group manufacturing and distribution strategy. Sean became Supply Chain Director in 2012 and is responsible for purchasing and supplying frames, lens manufacturing and distribution, contact lens and lens product development, equipment procurement, planning and data management. Before joining Specsavers, Sean worked for 10 years at Vision Express as Technical Services Director.



Frederic Trotignot
Group Finance Director

Frederic joined Specsavers in 2009 as Director of Commercial Development - responsible for international development and strategic projects - and has been Group Finance Director since 2012 with responsibility for financial reporting and management information across the group. Frederic has worked in retail for the past 15 years for companies such as Kingfisher, Dixons and Javelin Group in roles covering strategy, finance and mergers and acquisitions.

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