

DIMENSIONS

A Letter From Our CEO
Me, worry about Warby Parker? Why?

Warby Parker, the online seller of their own brand of eyewear, is the company that is usually mentioned whenever I tell someone I'm in the optical business. If not that one, then it's still the "60 Minutes" story about how that big Italian company controls the entire eyewear world.



"The likes of Warby Parker, bringing energy and enhancing the experience for the consumer is likely bringing more new business to our category than it is taking away business from its traditional roots."

The creation of a new channel of distribution, via the internet, began in the 1990's. What others were not able to leverage, such as Essilor's stab at it with FramesDirect.com, Warby Parker has figured out a way to do. Their proposition is fundamentally convenience, price and experience.

Their latest valuation, \$1.2 billion is not a typo. The "b" is intentional. Reports on the street, however, continue to say that Warby has yet to make a profit. At the same time, they are pouring millions of dollars into marketing, encouraging consumers that buying eyewear is fun and easy, can enhance your look and not cost you an arm and a leg.

This is all good. What did you say? It's good?

Continued on page 4...



REM Hires New VP of Sales



Keith Kamalich
Vice President of Sales

Keith Kamalich recently joined the REM executive team as vice president of sales. Keith's primary role is to oversee all of our sales efforts, with a focus on strengthening and growing our partnerships, ultimately re-enforcing our business goals. With more than 26 years of

experience in the optical and manufacturing industry, Keith brings invaluable expertise to REM as a leader in driving revenue, strategic planning and operations and organizational management. Best of all, Keith is an example of someone who lives and breathes REM's values.

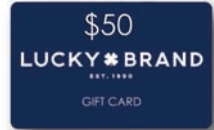
Start the year with an A+ in Style

REM's Back-to-School Promotion

LEVEL 1 BUY 12 FRAMES:
Purchase 6 Converse All Star Kids and 6 Lucky Kids frames and receive a \$25 Amex gift card



LEVEL 2 BUY 18 FRAMES:
Purchase 6 Converse All Star Kids, 6 Lucky Kids and 6 additional frames (Lucky Adult Optical, Lucky Kids, Converse All Star Optical or All Star Kids) and receive a \$50 Lucky Brand gift card



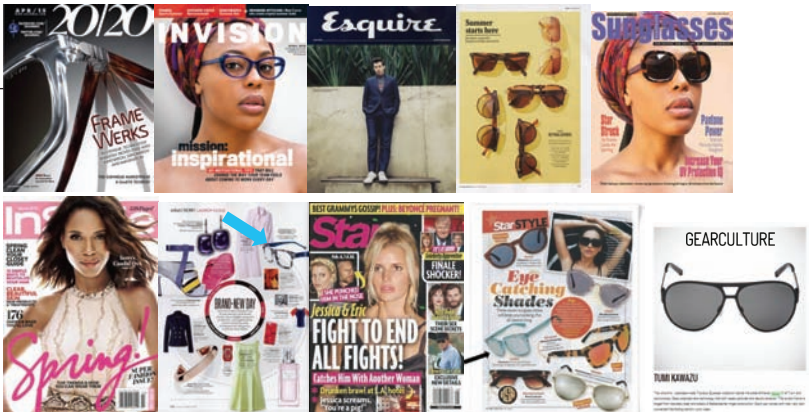
LEVEL 3 BUY 30 FRAMES:
Purchase 6 Converse All Star Kids, 6 Lucky Kids and 18 additional frames (Converse All Star Optical, Converse All Star Kids, Lucky Adult Optical or Lucky Kids) and receive a \$100 Amex gift card



While supplies last. No substitutions. For U.S. independent customers only. Items may vary based on availability.



Media Highlights



REM Cares

LA Family Housing Hygiene Drive & Volunteer Day

In April, REM hosted a month-long hygiene drive for the Los Angeles Family Housing, the largest provider of affordable housing in the San Fernando Valley and a best practices provider of basic needs and homeless services throughout Greater Los Angeles. Located just three miles from REM's Sun Valley, CA headquarters, LA Family Housing's mission is to help families transition out of homelessness and poverty through a continuum of housing enriched with supportive services. With employee donation efforts REM was able to provide hundreds of hygiene products valued at approximately \$500 to families in need.



The REM staff along with their families came together again on Saturday, June 27th to be of service and prepare, cook and serve 250 meals to the LA Family Housing guests.



Children's Hunger Fund Volunteer Event

On Saturday, May 9th, REM employees and their families volunteered at the Children's Hunger Fund to package food to send to people in underprivileged areas. Well-known for its invaluable service, the Children's Hunger Fund executes projects all over the world to fill food packs to be sent to families, school groups, churches and other partner organizations.



Tree People Volunteer Event

Once again, REM Employees gathered to plant trees in urban Los Angeles areas for the Tree People organization on Saturday, May 30th. Tree People inspires and supports the people of Los Angeles to come together to plant and care for trees, harvest the rain and renew depleted landscapes. In addition to the event serving as a way for employees to do beneficial for the environment, it was also a valuable team building opportunity.



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Continued from front

First of all, the model itself is not an easy one to make work. So, don't expect hundreds of these types of companies to last. Customer acquisition cost is simply too high for our product category, especially with a narrowly focused demographic for a mono-brand offering (one single brand available to purchase). When a consumer buys new eyewear annually at best, and two years more commonly, it is difficult to get repeat business to amortize the cost of acquiring that customer in the first place.

Even Warby's executives admit that the original premise of cutting overhead and selling exclusively online just doesn't pencil-out. Their expressed answer to profit today is the addition of brick and mortar stores to complement their online presence.

Their ability to elevate this channel of distribution to become a more viable one

is a result of relentless public relations investment. That effort has enlightened consumers and drawn their attention to the idea of buying new eyewear. They are bringing new consumers into the category and showing them how eyewear can be fun and accessible, selling the idea that eyewear should be repurchased more often.

I've been in this business for more than three decades, constantly striving to shrink the repurchase cycle, to no avail. It remains close to 2.2 years between purchases. The likes of Warby Parker, bringing energy and enhancing the experience for the consumer is likely bringing more new business to our category than it is taking away business from its traditional roots.

Worry about Warby? I say, keep fueling the marketing of eyewear, thank you very much.

12th Annual Stuart House Charity Event

In April, REM served as a sponsor for our brand partner John Varvatos at his 12th Annual Stuart House Benefit. Attendees were entertained by a performance from Ziggy and Stephen Marley for the event and as a sponsor, REM had the opportunity to gift a variety of A-list celebrities, such as LL Cool J, Ray Romano, David Schwimmer and Kate Walsh, with some of John Varvatos' best-selling eyewear. With more than 1,500 guests in attendance, the event helped raise \$957,000 for the Stuart House, which focuses on helping sexually abused children.



Converse Eyewear Social Media Takeover

Followers of REM's social media channels may have noticed bloggers 'taking over' recently. Since June, bloggers Tommy Lei of MyBelonging and Katie Arnold of The Style Riot have invited their fans into REM's world by sharing photos of them wearing their stylish Converse sunglasses on REM's Facebook, Twitter and Instagram pages. In case you missed it, check out the photos below and be sure to follow REM on social media to learn about product releases, REM brands in the news and your favorite celebrities spotted in our eyewear.

[Facebook.com/remeyewear](https://www.facebook.com/remeyewear)



[Instagram.com/remeyewear](https://www.instagram.com/remeyewear)



[Twitter.com/remeyewear](https://twitter.com/remeyewear)



Tommy Lei, MyBelonging

Showing off his Converse Jack Purcell Y002 and Y003 frames, as well as his Converse All Star B006, B011 and B012 frames at the Firefly Music Festival.



Katie Arnold, The Style Riot

Wearing the Converse All Star B009 and B005 frames and the Converse Jack Purcell Y001 frame on vacation in Palm Springs.



Top Ten by Collection:

Converse All Star: Q039, Q019, Q024,

Q040, Q046, Q004, Q043, Q032, Q041, Q025

All Star Sun: B006, B004, B002, B013, B009,
All Access, B005, Plugged In, Master Track , Lead
Guitar

Jack Purcell: P006, P010, P014, P003, P008,
P011, P012, P005, P015, P013

Jack Purcell Sun: Y008, Y003, Y007, Y009,
Y002, Y005

Converse Kids: K020, K017, K022, K018,
K012, K004, K025, K023, K019, K009

Converse Cons: R009, Shot Clock, R006,
R001, The Post, R002, R010, R005, R004, On
Deck

Jones New York: J476, J477, J480, J756,
J754, J730, J473, J732, J755, J457

Jones New York Petite: J211, J138, J225,
J134, J141, J128, J223, J127, J214, J224

Jones New York Men's: J522, J344, J516,
J334, J519, J348, J320, J343, J517, J346

John Varvatos: V364, V361, V151, V348,
V202, V200, V145, V336, V147, V365

John Varvatos Sun: V602, V774, V600,
V601, V603, V798, V796, V797, V788, V779

Tumi Optical: T112, T313, T314, T113, T105,
T114, T319, T100, T315, T318

Tumi Sun: Helix, Dawson, Bowen, Wakato,
Dumbarton, Tatara, Talmadge, Barrow,
Bassano

Lucky Brand Spectacles: D102, D301,
Seascape, D201, D101, Emery, Horizon, D202,
D200, D100

Lucky Brand Kids: D700, D701, D800,
D702, D801, D703, Wonder, Wiggle, D802,
Pretend

Lipstick: Seduce, Flatter, Go Green,
Manicure, Tempt, Priceless , Hypnotize, Spot
Light, Sprinkles, Dress Up

Surface: S311, S114, S313, S113, S110, S115,
S300, S314, S108, S312

Indie: Oliver, Moscow, Frank, Martin, William,
Theresa, Madison , Shanghai , Jessica, Sheila

Visualites: Vis1, Vis5, Vis7

Discontinued Frames:

Converse: Free To Go, MC, Mojave,
New Crayons

Jones New York: J130, J212, J509

Surface: S305

Indie: Scott, Stephanie

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