



# First-Half 2008 Results

---

August 28, 2008



# First-Half 2008 Performance

- Sustained growth, with revenue up 9.6% at constant exchange rates
- Improved margins



# Financial Highlights as reported

<i>€ millions</i>	H1 2008	H1 2007 <sup>(2)</sup>	% Change
Revenue	1,520.2	1,476.9	2.9%
Contribution from operations <sup>(1)</sup>	276.3	267.3	3.4%
% Revenue	18.2%	18.1%	
Operating profit	261.7	253.2	3.4%
Attributable net profit	198.3	181.9	9%
% Revenue	13%	12.3%	
EPS (in €)	0.96	0.88	9.1%

(1) Operating profit before compensation costs of share-based payments, restructuring costs and other expenses, and goodwill impairment.

3 (2) Restated to reflect the Company's election to recognize actuarial gains and losses in equity.



# Financial Highlights at constant exchange rates

<i>€ millions</i>	H1 2008	% Change reported <sup>(2)</sup>	% Change at constant exchange rates
Revenue	1,520.2	2.9%	<b>9.6%</b>
Contribution from operations <sup>(1)</sup>	276.3	3.4%	<b>10.9%</b>
% Revenue	18.2%		
Operating profit	261.7	3.4%	<b>11.3%</b>
Attributable net profit	198.3	9%	<b>16.8%</b>
% Revenue	13%		
EPS (in €)	0.96	9.1%	<b>15.8%</b>

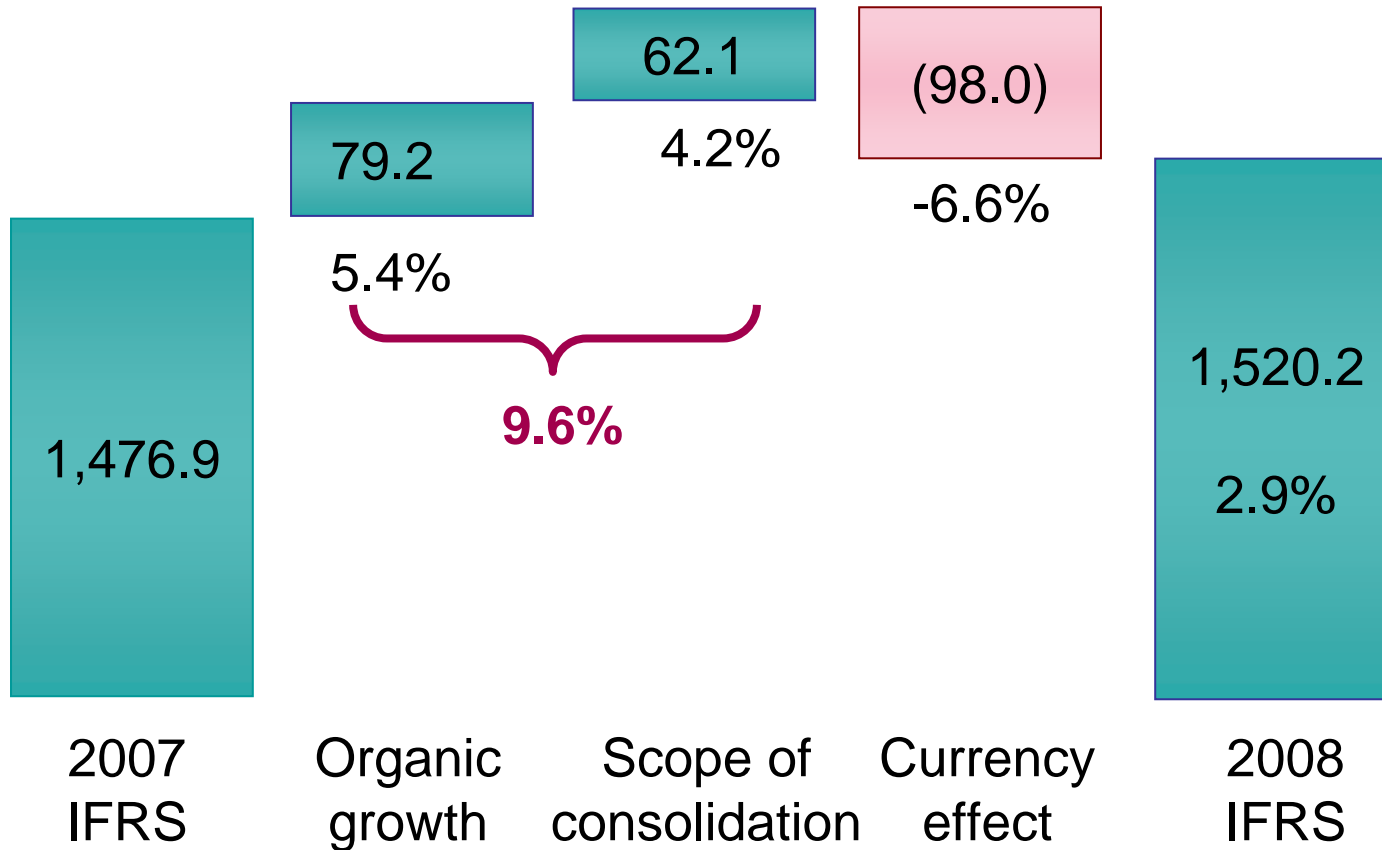
(1) Operating profit before compensation costs of share-based payments, restructuring costs and other expenses, and goodwill impairment.

(2) Based on H1 2007 figures restated to reflect the Company's election to recognize actuarial gains and losses in equity.



# Revenue Up 9.6% at constant exchange rates

€ millions

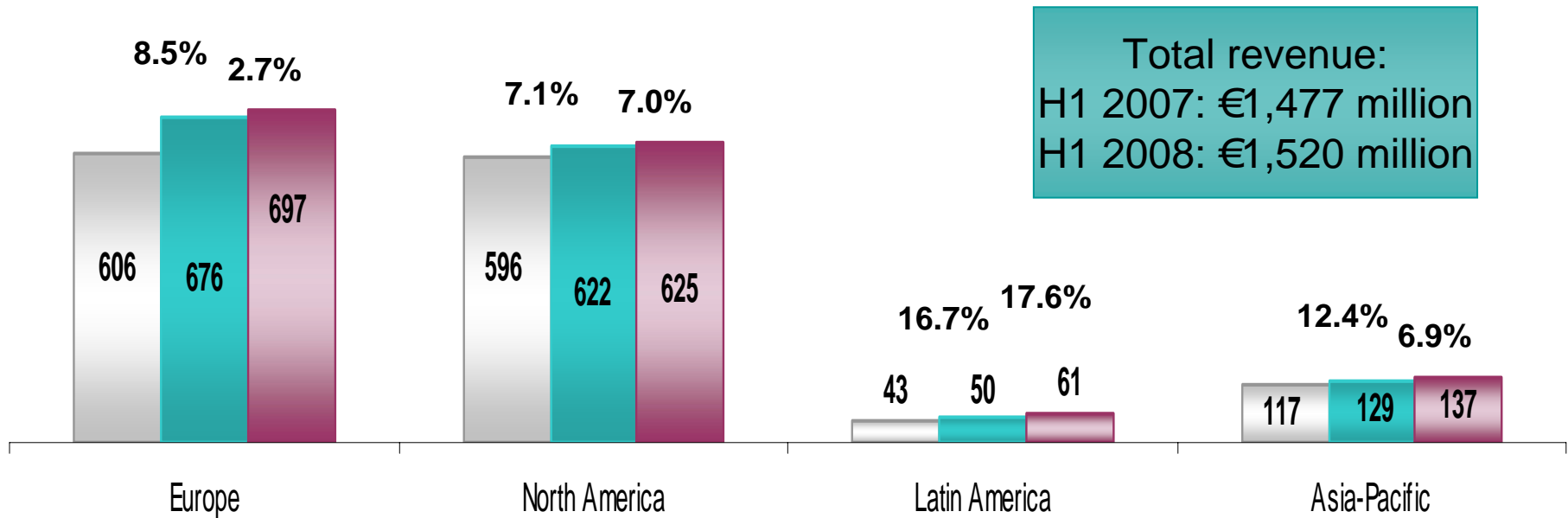




# Revenue by Region

% like-for-like growth – Total revenue

€ millions



■ H1 2006  
■ H1 2007  
■ H1 2008



# Extensive Acquisitions in the First Half

## ➤ 14 acquisitions

### **Europe**

Galileo (Italy)

O'Max (Netherlands)

Optymal (Bulgaria)

Nika (Germany – July 08)

### **India**

RX 20-20

### **Malaysia**

Frame N' Lenses

### **United States**

Interstate

Advance

Empire

Future TN

Deschutes

Rainbow (Puerto Rico)

Encore Optics (Nikon-Essilor)

### **Canada**

Westlab

➤ Incremental revenue on a full-year basis : €79 million

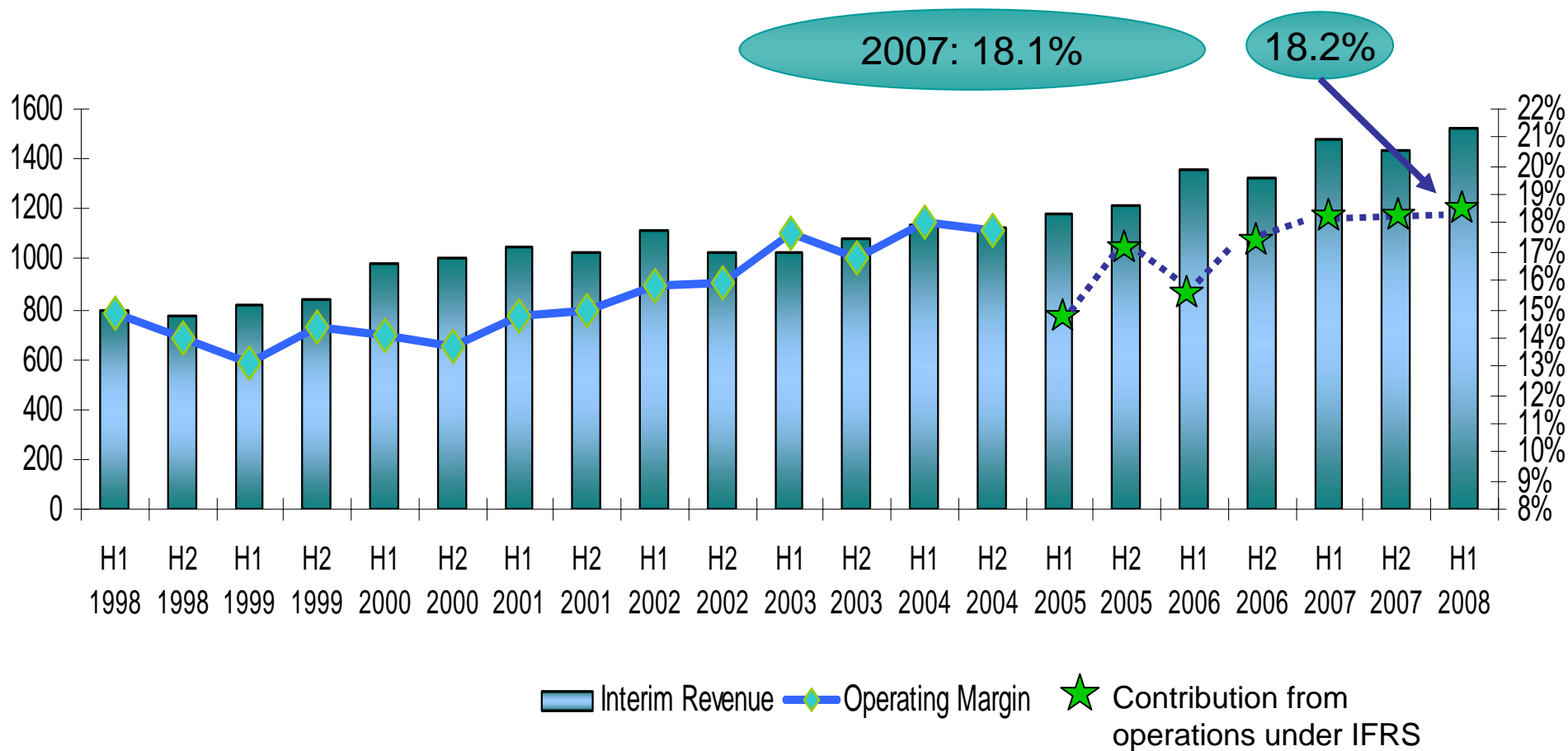
➤ Total investment : €76 million



# Contribution Margin<sup>(1)</sup> On Target

€ millions

% Revenue



(1) Based on operating profit before compensation costs of share-based payments, restructuring costs and other expenses, and goodwill impairment.



# Improved Contribution Margin

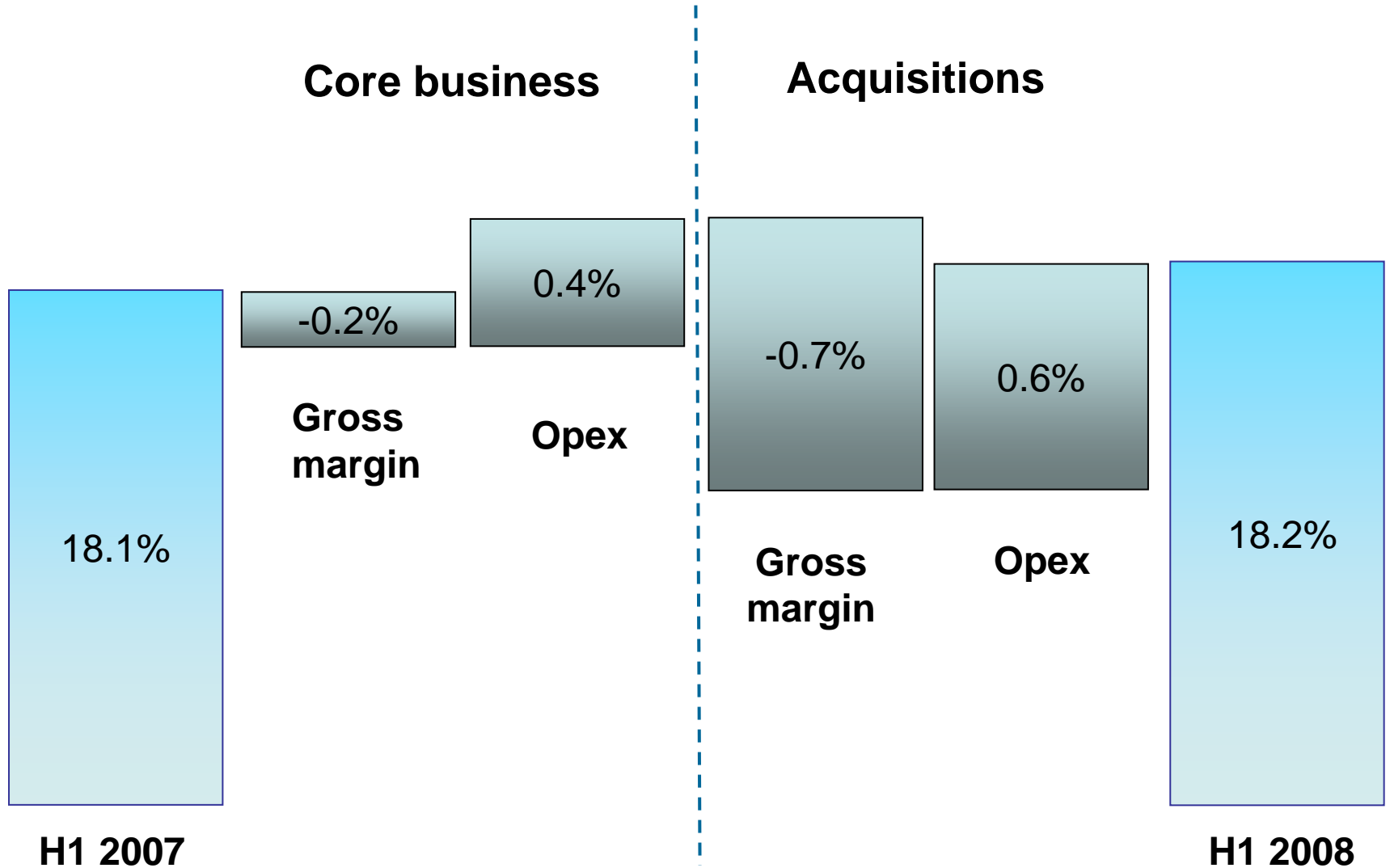
<i>€ millions</i>	H1 2008	H1 2007 <sup>(2)</sup>
Revenue	1,520.2	1,476.9
Gross margin	867.0	854.8
% of revenue	57.0%	57.9%
Operating expense	590.7	587.5
% of revenue	38.9%	39.8%
Contribution from operations <sup>(1)</sup>	276.3	267.3
% of revenue	18.2%	18.1%

(1) Operating profit before compensation costs of share-based payments, restructuring costs and other expenses, and goodwill impairment.

(2) Restated to reflect the Company's election to recognize actuarial gains and losses in equity.



# Analysis of contribution margin





# Strong Growth in Attributable Profit, up 9%

<i>€ millions</i>	H1 2008	H1 2007 <sup>(3)</sup>	% Change
Contribution from operations <sup>(1)</sup>	276.3	267.3	3.4%
Other income and expense <sup>(2)</sup>	(14.6)	(14.1)	
Operating profit	261.7	253.2	3.4%
Financial income/ (finance costs), net	2.9	(5.5)	
Income tax	(77.9)	(79.2)	
Share of profits of associates	14.7	15.3	
Profit attributable to equity holders	198.3	181.9	9.0%

(1) Operating profit before compensation costs of share-based payments, restructuring costs and other expenses, and goodwill impairment.

(2) Including gains on disposals of assets

(3) Restated to reflect the Company's election to recognize actuarial gains and losses in equity.



# Other Income and Expense

€ millions

	H1 2008	H1 2007
First-time consolidation	(2.0)	--
Litigation settlements and provisions	0.1	(0.7)
Compensation costs of share-based payments	(12.3)	(10.7)
Goodwill impairment	--	(2.3)
Losses on asset disposals and Other	(0.4)	(0.4)
<b>TOTAL</b>	<b>(14.6)</b>	<b>(14.1)</b>



# Finance Costs and Other Financial Income and Expense

€ millions

	H1 2008	H1 2007
Financial income/(finance costs), net	2.0	(2.9)
Impairment of securities	(1.8)	--
Exchange gains and losses and impairment of financial instruments	2.7	(2.8)
Other	--	0.2
<b>TOTAL</b>	<b>2.9</b>	<b>(5.5)</b>



# Share of Profits of Associates

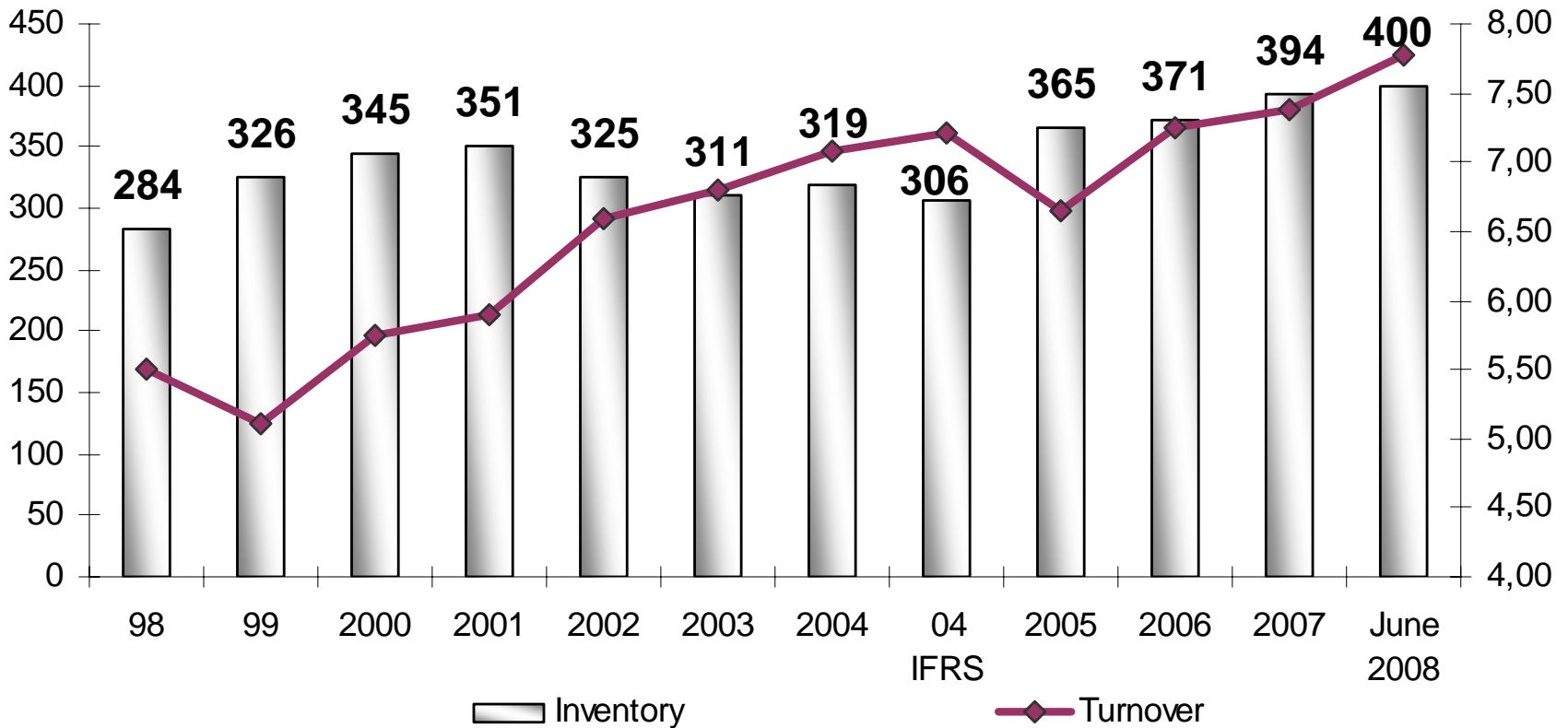
<i>€ millions</i>	<b>H1 2008</b>	<b>H1 2007</b>
Sperian	5.1	5.2
Transitions	9.6	10.1
<b>TOTAL</b>	<b>14.7</b>	<b>15.3</b>



# Inventory Under Control: Up 4.3% like-for-like

€ millions

Turnover rate

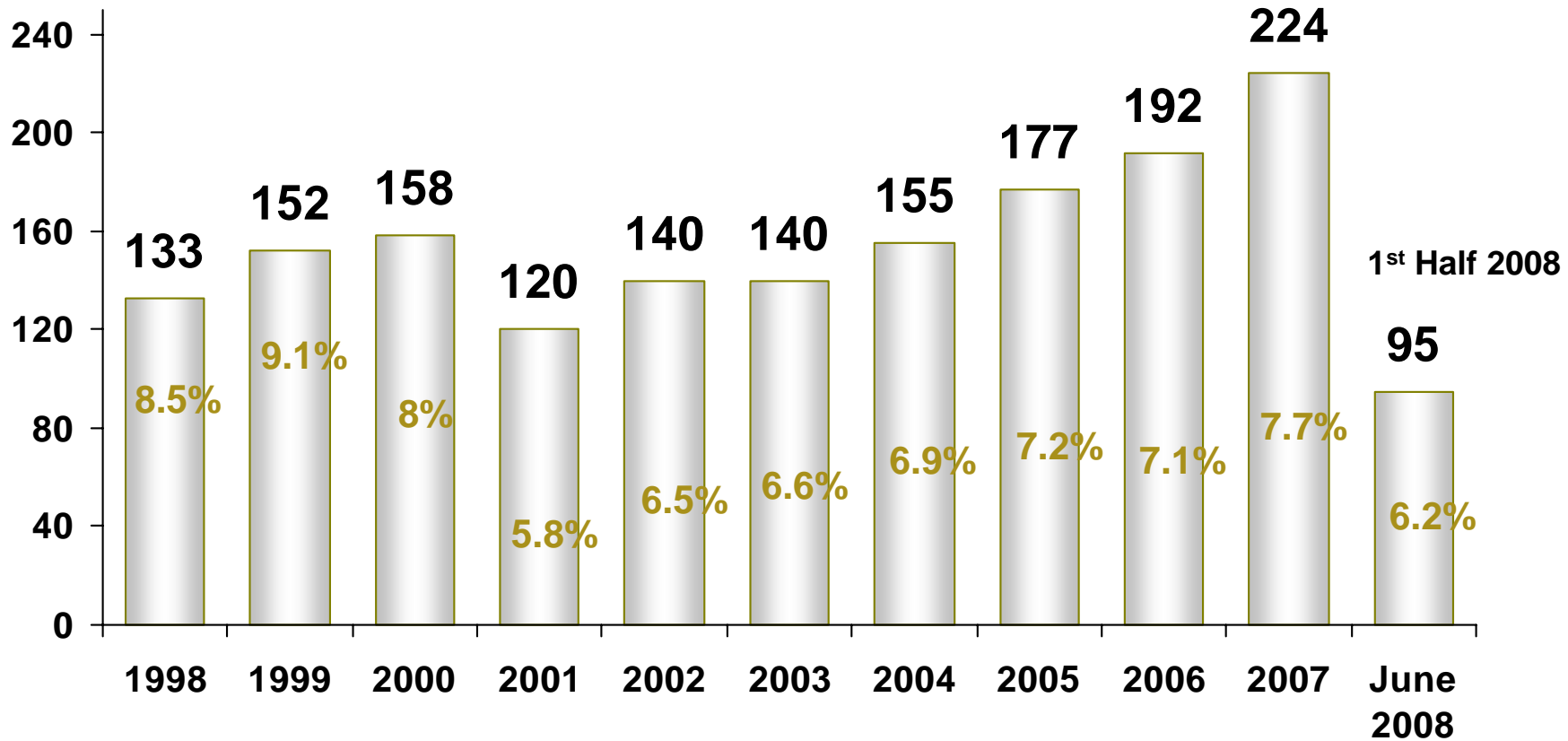




# Capital Expenditure

(net of disposals)

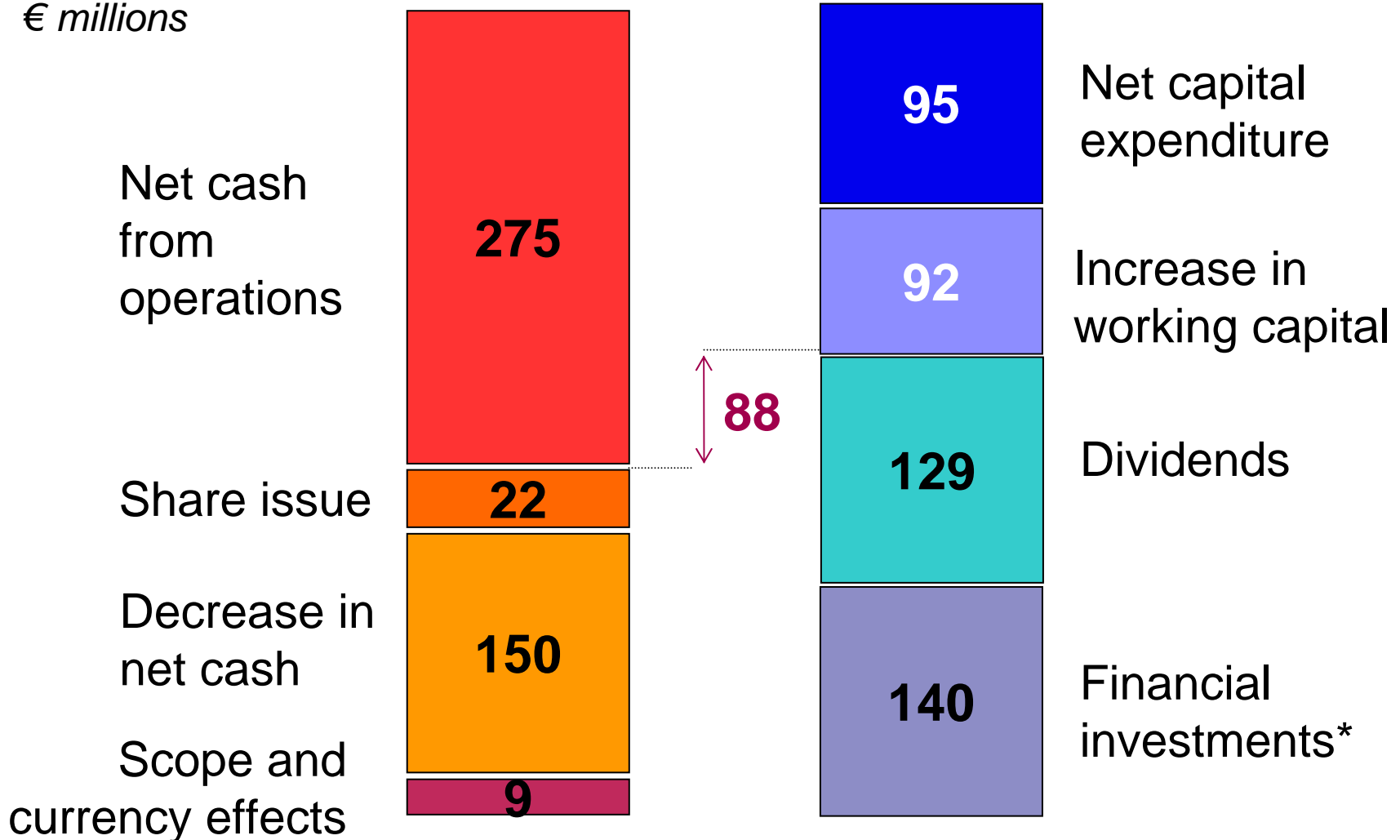
€ millions  
As a % of revenue





# Analysis of First-Half 2008 Cash Flow

€ millions

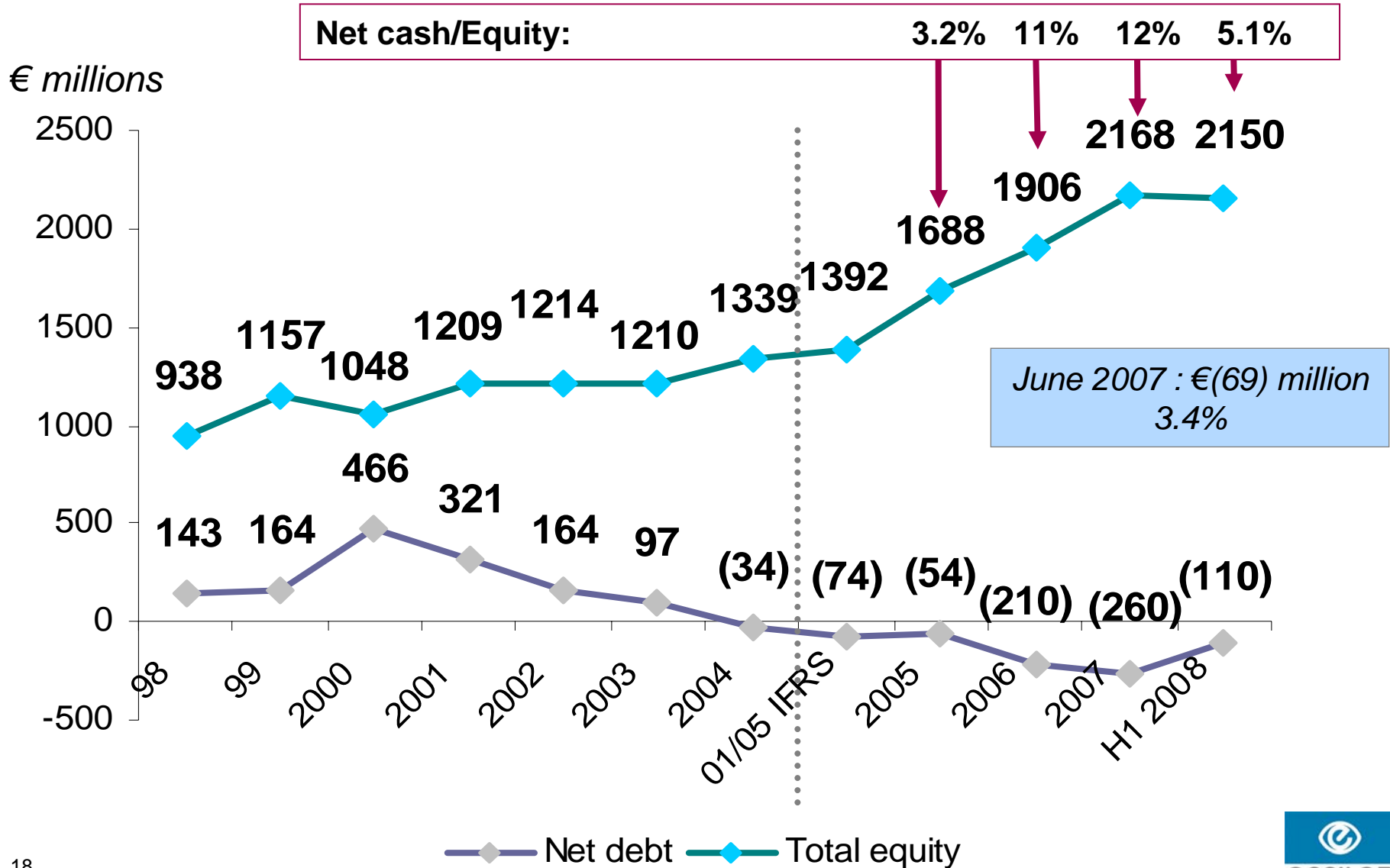


\* Acquisitions: €75.7 million; purchases of treasury stock: €64.5 million



# Balance Sheet Structure

at June 30, 2008





# Shares outstanding

➤ Shares outstanding, excluding treasury shares  
at December 31, 2007: **208,619,505**

## New shares created

➤ On investment in the ESOP	433,429
➤ On exercise of stock options in 2008	365,373
➤ On conversion of OCEANES	167,550
	<hr/>
	<b>966,352</b>

➤ Share buybacks: **(1,700,000)**

➤ Shares outstanding, excluding treasury shares  
at June 30, 2008: **207,885,857**



# Share buyback program

- Designed to offset future dilution from OCEANE conversions
- Number of shares: 6.9 million
- Scheduled for: 2008/2009



# H1 2008 Financial Highlights

- Revenue: up 9.6%
- Contribution from operations: 18.2%
- Profit attributable to equity holders: up 9.0%
- EPS: up 8.1%
- Net cash/Equity: 5.1%

