

20.4.1.4 Special report of the Statutory Auditors on related party agreements and commitments for the year ended December 31, 2010

Free translation of the original French language report.

To the shareholders

In our capacity as Statutory Auditors of your company, we present below our report on related party agreements and commitments.

Our responsibility is to report to shareholders, based on the information provided to us, about the main terms and conditions of agreements and commitments that have been disclosed to us or of which we have become aware in the performance of our audit, without commenting on their relevance or substance or inquiring about the existence of other agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether such agreements and commitments are appropriate and should be approved.

Our responsibility is also, as applicable, to report to shareholders as stipulated in Article R. 225-31 of the Commercial Code regarding the performance, during the year ended, of any agreements and commitments already approved by the Shareholders' Meeting.

We performed our procedures in accordance with professional guidelines issued by the Compagnie Nationale des Commissaires aux Comptes for this type of engagement. Those guidelines require us to perform procedures to check the consistency of the information given to us with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Under the provisions of Article L.225-40 of the French Commercial Code, we have been informed of the following agreements and commitments approved in advance by the Board of Directors:

Purpose: Addendum to the employment contract of Hubert Sagnières, authorized by the Board of Directors on March 3, 2010.

Person concerned: Hubert Sagnières, Chief Operating Officer.

This addendum, drawn up in application of France's "TEPA" Act of August 21, 2007, confirms the termination benefits that would be payable to Hubert Sagnières in the event that his employment contract is terminated by the Company (other than for gross negligence or misconduct or when he reaches normal retirement age) – representing the equivalent of two years' salary – and submits the payment to performance conditions, as follows:

The performance benchmark will be the average performance by Hubert Sagnières over his last three years with the Company, measured as the ratio of actual results to the annual targets assigned to Hubert Sagnières by the Board of Directors and used for the calculation of his variable bonus.

Performance conditions: if actual results average between 100% (and over) and 50% of the target, the termination benefit will be determined on a strictly proportionate basis (for example, if actual results represent 90% of the target, Hubert Sagnières will receive 90% of the termination benefit). If actual results average less than 50% of the target, he will not be paid any termination benefit.

This commitment, approved by the Shareholders' Meeting of May 11, 2010, is subject to the approval of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2010, as part of the renewal of Hubert Sagnières' term in office.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved during the year ended

We have also been informed of the performance, during the year ended, of the following agreements and commitments, already approved by the Shareholders' Meeting of May 11, 2010, based on the Statutory Auditors' special report of March 11, 2010.

Purpose: Financial advisory agreement, authorized by the Board of Directors on November 26, 2009.

Person concerned: Olivier Pécoux, Managing Partner of Rothschild & Cie, Director of Essilor International.

At its meeting on November 26, 2009, the Board of Directors authorized the signing of an exclusive financial advisory agreement with Rothschild & Cie. The agreement provided for the payment to Rothschild & Cie of a success fee of €2.5 million and, at Essilor International's discretion, an additional success fee of €500,000.

This agreement resulted in the payment of €2,500,000 in 2010, rebilled in full by Essilor International to its subsidiary, Essilor of America.

Agreements and commitments approved during previous years

a) Whose performance continued during the year ended

Under the provisions of Article L.225-30 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments that had already been approved by the Shareholders' Meeting in previous years continued during the year ended.

Purpose: Liquidity contract signed on November 18, 2004, renewed on September 28, 2005 and amended on January 27, 2006, March 21, 2007 and November 27, 2008 and matured on March 4, 2010.

Person concerned: Olivier Pécoux, Managing Partner of Rothschild & Cie Banque, Director of Essilor International

Under the terms of this contract, Essilor International had retained the services of Rothschild & Cie Banque to trade in Essilor International shares on an independent basis on the Essilor International's behalf, in order to promote a liquid market for the shares and stabilize the share price.

Capital assigned to this contract was as of the maturity date approximately €44 million. A payment of €77,411 was made in relation to this agreement in 2010.

b) Not performed during the year ended

We have also been informed of the continuation of the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, which were not performed during the year ended.

Purpose: Suspension of Hubert Sagnières' employment contract, authorized by the Board of Directors on November 26, 2009.

Person concerned: M. Hubert Sagnières, Chief Operating Officer.

At its meeting on November 26, 2009, the Board authorized the suspension of Hubert Sagnières' employment contract effective January 1, 2010, in consideration of the latter's years of service with the Company at the time of his appointment as Chief Executive Officer (more than 20 years) and in line with the Board's decision of November 27, 2008.

If the contract subsequently comes back into effect, Hubert Sagnières' compensation will be based on his 2008 compensation as President, Essilor Europe and North America, plus an amount corresponding to the annual average compensation increases awarded to category IIIC executives in the period to the date when the contract is reactivated. His gross compensation for 2008 amounted to €932,000 based on an average euro/Canadian dollar exchange rate of CAD 1.4861.

Purpose: Continuation of the supplementary pension plan for Hubert Sagnières, authorized by the Board of Directors on November 26, 2009.

Person concerned: Hubert Sagnières, Chief Operating Officer.

At its meeting on November 26, 2008, the Board had authorized maintaining the "Article 39" supplementary pension plan for Hubert Sagnières, then Chief Operating Officer, both for his expatriation contract and as corporate officer. The Board of Directors, at its meeting of November 26, 2009, authorized Hubert Sagnières, to continue to be entitled after January 1, 2010 to the supplementary retirement plan in his capacity as Chief Executive Officer, in line with the agreement incorporated in addendum No.5 of contract RK120438983 regarding "Article 39" supplementary pension plans.

Neuilly-sur-Seine and Courbevoie – March 17, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit

Christine Bouvry

Mazars

Pierre Sardet