



News Release

A Solid First Quarter, with Revenue Up 7.8%

Charenton-le-Pont, France (April 23, 2010, 6:30 a.m. CEST) – Essilor International, the world leader in ophthalmic optics, today announced that consolidated revenue for the three months ended March 31, 2010 rose by 7.8% to €905.8 million, in line with stated objectives.

Revenue was up 2.5% like-for-like, led by sharply higher sales in emerging markets and a gradual upturn in business in mature markets. Eyecare professionals responded favorably to the launch of new products like the Varilux Physio[®] 2.0 lens, personalized lenses integrating Eyecode[™] technology in Europe and Crizal Forte lenses worldwide. Unit sales rose, led by the implementation of the mid-range product strategy.

Changes in the scope of consolidation accounted for 5.1% of reported growth, of which 2.9% for so-called “organic” acquisitions of prescription laboratories and distributors and 2.2% for the acquisition of FGX International.

The currency effect was almost neutral, at 0.2%. The decline in the US dollar against the euro was offset by a rise in other currencies, in particular the Brazilian real, the Canadian dollar and the Australian dollar.

Consolidated revenue

€ millions	Q1 2010	Q1 2009	% Change (reported*)	% Change (like-for-like)	Contribution from acquisitions
TOTAL	905.8	840.3	+7.8%	+2.5%	+5.1%
Optical lenses and instruments	863.9	815.9	+5.9%	+2.7%	+4.0%
<i>Europe</i>	345.3	330.0	+4.6%	+0.7%	+3.2%
<i>North America</i>	375.6	372.5	+0.9%	+2.1%	+2.6%
<i>Asia-Pacific & Africa</i>	103.1	85.6	+20.4%	+8.5%	+3.3%
<i>Latin America</i>	39.9	27.8	+43.6%	+15.3%	+5.9%
Laboratory equipment	23.6	24.4	-3.4%	-3.4%	0%
FGX International	18.3	-	-	-	-

*Currency effect: +0.2%



Business by region

In **Europe**, business overall continues to improve each quarter, although performance and trends vary from one country to another. Sales increased in France thanks to a solid improvement in the lens business and strong demand for instruments. Belgium saw a return to growth, as did Eastern Europe, led by Poland. Demand was stable in the United Kingdom, while conditions remained difficult in certain Scandinavian countries, the Netherlands and Spain.

In **North America**, business was sustained by a sharp increase in unit sales, especially in the United States where all distribution networks contributed to growth.

In **Asia**, growth was very strong in emerging markets, particularly India, the ASEAN countries and China. In Australia, sales to independent eyecare professionals trended upwards, while in Japan demand remained sluggish.

In **Latin America**, business improved in all countries. In Brazil, sales of premium and mid-range products continued to rise.

Equipment sales to prescription lens laboratories started to pick up during the quarter with order intake rising substantially, especially in emerging markets.

Significant first-quarter events and other transactions

Acquisitions

Essilor pursued its strategy of organic acquisitions, carrying out seven new transactions.

→ **During the quarter**, majority interests were acquired in **ILT Danyang** in China, **Ghanada Opticals** in the United Arab Emirates and **Eyebiz** in Australia. All of these transactions had been previously announced. Following the successful launch in the United States of an online sales service for eyecare professionals, Essilor of America announced the acquisition of a majority stake in **Frames for America**, which operates the FramesDirect.com website and generates annual revenue of approximately \$10 million.

→ **Since April 1**, three new transactions have been carried out:

- In the United States, Essilor acquired **Hawkins**, a Kansas-based prescription laboratory with \$4.5 million in revenue.



- In Taiwan, a majority stake was acquired in **SMJ**, a prescription laboratory and distributor with €1.6 million in revenue, which will extend Essilor's local offering.
- In the Equipment Division, the Company acquired a 60% interest in **DAC Vision**, one of the world's leading manufacturers of consumable supplies for surfacing, coating and mounting lenses. With operations in Europe and the United States, 65 employees and annual revenue of around €30 million, DAC Vision will continue to be led by its current management team. This partnership should enable Essilor to extend the product offerings delivered by the Satisloh and Delamare networks, for the benefit of customers.

Since the beginning of the year, Essilor has also made two strategic acquisitions: **FGX International**, the North American leader in non-prescription reading glasses with \$259 million in 2009 revenue, and California-based **Signet Armorlite**, one of the largest independent manufacturers of ophthalmic lenses and the exclusive producer of Kodak-brand lenses, with 2009 revenue of approximately \$115 million.

Other transactions

Essilor also announced its support for Cinven Investment Fund's tender offer for **Sperian Protection**, in which Essilor holds a 15.05% stake. A long-time shareholder in Sperian Protection, Essilor has pledged to support the company in this new phase of its development, alongside a recognized financial partner.

Share buybacks – Cash position

Since January, Essilor has purchased 1.76 million of its own shares on the market, for a total of about €79 million. These share buybacks are intended to offset potential dilution from the conversion of outstanding OCEANE bonds and from shares issued as part of employee share-based payment plans. Due to the FGX acquisition, share buybacks and seasonal fluctuations in business, net debt amounted to €360 million at March 31, implying gearing of some 12%.

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A conference call in French will be held today at 10:00 a.m. CEST.

The number to dial is: + 33 (0)1 70 99 42 98

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20100423-AD08FC3E/fr/>

A conference call in English will follow at 11:00 a.m. CEST.

The number to dial is: + 44 (0)20 7138 0825

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20100423-AD08FC3E/en/>

Forthcoming investor events

The Annual Shareholders' Meeting will be held on May 11, 2010.

First-half earnings will be released on August 27, 2010.

The world leader in ophthalmic optical products, Essilor International researches, develops, manufactures and markets around the world a wide range of corrective lenses to improve and protect eyesight. Its flagship brands are **Varilux[®]**, **Crizal[®]**, **Essilor[®]**, **Definity[®]** and **Xperio[™]**.

Based in France, the company reported consolidated revenue of more than €3.2 billion in 2009, with nearly 35,000 employees and operations in 100 countries.

For more information, please visit www.essilor.com.

The Essilor share trades on the NYSE Euronext Paris market and is included in the CAC 40 index.

Codes and symbols: ISIN: FR FR0000121667; Reuters: ESSI.PA; Bloomberg: EI:FP.