



First-Quarter 2011 Report

First Quarter Consolidated Revenue Up 13.4%

- Strong momentum in fast growing markets
- Healthy recovery in developed markets
- Sharply higher Equipment sales

Charenton-le-Pont, France (April 19, 2011, 6:30 a.m.) – Essilor International, the world leader in ophthalmic optics, today announced that consolidated revenue for the three months ended March 31, 2011 totaled €1,027.6 million, an increase of 13.4% over the year-earlier period.

Together, organic growth (4.5%) and bolt-on acquisitions (2.8%) represented 7.3% growth, in line with the objective announced by the Company. This performance reflects strong momentum in fast growing markets, strengthened demand in developed markets and sharply higher Equipment division sales.

Strategic acquisitions –FGX International and Signet Armorlite– accounted for a further 4.4% of growth. The 1.7% positive currency effect resulted mainly from the appreciation against the euro of the Brazilian real and the Canadian and Australian dollars.

Consolidated revenue

€ millions	Q1 2011	Q1 2010	% Change (reported)	% Change (like-for-like)	Contribution from acquisitions
TOTAL	1,027.6	905.8	+ 13.4%	+ 4.5%	+ 7.2%
Lenses and optical instruments	943.7	860.4	+ 9.7%	+ 3.7%	+ 4.1%
<i>Europe</i>	365.3	345.3	+ 5.8%	+ 1.9%	+ 3.2%
<i>North America</i>	394.6	372.2 ^(a)	+ 6.0%	+ 2.8%	+ 2.6%
<i>Asia-Pacific & Africa</i>	131.0	103.1	+ 27.1%	+ 10.6%	+ 9.0%
<i>Latin America</i>	52.8	39.9	+ 32.5%	+ 10.3%	+ 12.6%
Equipment	40.4	27.1 ^(a)	+ 49.2%	+ 26.2%	+ 23.0%
Readers	43.5	18.3	+ 137.5%	+ 6.6% ^(b)	+ 131.0%

(a) Following an operational reorganization, National Optronics' revenue has been reclassified from the North America region to the Equipment Division. The amount reclassified in first-quarter 2010 was €3.5 million

(b) FGX International has been consolidated since March 12, 2010. This company's business volumes can vary considerably from one month to the next depending on the quantity of products placed in inventory with customers. For this reason, the 6.6% growth in first-quarter 2011 revenues is presented in full under like-for-like growth in the above table.



Commenting on this performance, Hubert Sagnières, Chief Executive Officer of Essilor said: *“This very good first quarter, ongoing implementation of initiatives undertaken on all continents as well as the growth of our markets make us confident in realizing our objectives for the full year.”*

Performance by Region and By Division

Lenses and Optical Instruments division revenue increased by 3.7% like-for-like, representing a tangible improvement on previous quarters.

In **Europe**, the Lens business continued to improve, helped by a better product mix in the independent eyecare professionals segment led by the success of Crizal[®] lenses. Revenues in France, the Netherlands and Portugal continued to benefit from highly effective sales strategies. Revenues in the United Kingdom and Southern Europe stabilized and there were encouraging signs of improvement in Italy, while Eastern Europe saw a return to sustained growth. Instrument sales held up well.

In **North America**, demand continued to firm up. In the United States, sales to independent eyecare professionals were boosted by revitalization of the Varilux[®] lens line-up and increased demand for anti-reflective lenses, led by Crizal[®]. High penetration rates for Varilux[®] lenses also helped to sustain sales to independent laboratories. Sales to optical chains stabilized, while Nassau and OOGP delivered strong performances. In Canada, business volumes are not yet back to normal.

In the **Asia-Pacific-Africa** region, demand remained strong in fast-growing markets such as China, where Essilor's progressive lenses and anti-fatigue lenses have been an outstanding success. Trends in all Asean countries were very favorable, with growth in Singapore reflecting the success of the Crizal[®] marketing campaign. India and the Middle East also continued to perform very well.

In **Latin America**, sustained unit sales growth was accompanied by a further improvement in the product mix. Argentina posted a record increase, led by sharply higher sales of Varilux[®] lenses. In Colombia, Essilor raised its market share.

The **Equipment** division had a very good quarter, with billings and the order intake both at high levels. Sales of digital surfacing machines increased significantly, attesting to the excellent performance of the Satisloh range. The switch to this new technology boosted consumables revenues by helping to move these products upmarket.

The **Readers** division also performed well, reporting higher sales in all segments (Readers, Sunglasses, International). In the United States, sales were boosted by the success of Microvision[®] and



LightSpecs[®], and extensive deployment in the sunglass segment, while in the United Kingdom, FGX opened additional points of sale with new and existing customers.

Significant first-quarter events and other transactions

During the quarter, seven acquisitions or other transactions were signed:

In the Readers division, FGX Europe acquired the entire capital of **Polinelli**, Italy's leading distributor of non-prescription eyewear with annual revenues of €10 million. Polinelli's products are sold primarily in supermarkets and hypermarkets, motorway service areas and specialized chains.

FGX International increased its stake in **AAiJoske's**, a distributor of non-prescription eyewear in Mexico and certain other Latin American countries, from 50% to 100%. **AAiJoske's**, whose brands include Foster Grant[®], has been renamed **FGX Latin America** and will spearhead FGX International's development in this region.

Five other transactions announced during the quarter concerned **Unilab** (Brazil), **Enterprise Ophthalmics Private Ltd** (India), **L'N Optic** (Morocco), **Bazell Technologies** (Equipment, United States), and **Framed Vision** (Readers, United Kingdom).

Since April 1, Essilor has expanded its market coverage in Brazil by acquiring a majority stake in **Repro**, a prescription laboratory located in Florianópolis, in the State of Santa Catarina where the Company was not previously present. Repro has annual sales of €11.9 million.

Share buybacks – Cash position

During the first quarter, Essilor purchased three million of its own shares on the market, for a total of nearly €148 million. These share buybacks are intended to offset the dilution arising from the issuance of shares linked to share-based performance incentives and stock options granted to employees.

This investment, added to the customary seasonal fluctuations, led to a moderate rise in consolidated net debt which stood at €416 million at March 31.

Outlook

In view of this strong first quarter, the Group confirms its objectives for the full year of revenue growth of 6% to 8%, excluding the currency effect and strategic acquisitions, with margins maintained at the current high levels excluding strategic acquisitions.



A conference call in French will be held today at 9:00 a.m. CEST

The dial-in number is: + 33 (0) 1 70 99 42 80

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20110419-E444CCA1/fr/>

A conference call in English will follow at 10:00 a.m. CEST

The dial-in number is: + 44 (0) 20 7136 6285

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20110419-E444CCA1/en/>

Forthcoming investor events

The Annual Shareholders' Meeting will be held on May 5, 2011 at 10:30 a.m. CEST at Palais des Congrès in Paris.

First-half earnings will be released on August 26, 2011.

The world's leading ophthalmic opticals company, Essilor designs, manufactures and markets a wide range of lenses to improve and protect eyesight. Its corporate mission is to enable everyone around the world to access lenses that meet his or her unique vision requirements. To support this mission, the Company allocates around 4% of annual revenue to research and development, in a commitment to continuously bringing new, more effective products to market. Essilor's flagship brands are Varilux[®], Crizal[®], Definity[®], Xperio[®], Kodak[®] and Foster Grant[®]. It also develops and markets equipment, instruments and services for eyecare professionals.

Essilor reported consolidated revenue of more than €3.9 billion in 2010 and employs 42,700 people in around 100 countries. It operates 14 plants, 332 prescription laboratories and several research and development centers around the world.

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: FR0000121667; Reuters: ESSI.PA; Bloomberg: EI:FP.

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