



## Essilor pursues growth strategy, confirms 2013 objectives

- A quarter impacted by calendar effects and high comparatives
- Strengthening presence in fast-growing countries
- Deploying innovations in every market

Charenton-le-Pont, France (April 25, 2013, 6:30 a.m.) – Essilor International, the world leader in ophthalmic optics, today announced consolidated revenue of €1,276.3 million for the three months ended March 31, 2013. **Compared with first-quarter 2012, this represented an increase of 2.1%, excluding the currency effect.**

### Consolidated revenue

In € millions	Q1 2013	Change (reported)	Change (like-for-like)	Change (scope of consolidation)	Change (currency effect)
<b>Lenses and Optical Instruments</b>	<b>1,148.7</b>	<b>+0.9%</b>	+0.2%	+2.4%	-1.7%
North America <sup>(a)</sup>	<b>452.9</b>	<b>+0.6%</b>	-0.4%	+1.8%	-0.8%
Europe	<b>400.2</b>	<b>-1.3%</b>	-1.2%	+0.0%	-0.1%
Asia-Pacific & Africa <sup>(b)</sup>	<b>216.8</b>	<b>+5.5%</b>	+1.1 %	+7.7%	-3.3%
Latin America <sup>(a)</sup>	<b>78.8</b>	<b>+1.7%</b>	+8.2 %	+4.1%	-10.6%
<b>Equipment</b>	<b>42.5</b>	<b>-7.1%</b>	-4.5%	-1.5%	-1.1%
<b>Readers</b>	<b>85.1</b>	<b>-0.1%</b>	+0.6%	+0.0%	-0.7%
<b>TOTAL</b>	<b>1,276.3</b>	<b>+0.5%</b>	<b>+0.0%</b>	<b>+2.1%</b>	<b>-1.6%</b>

(a) Previously reported in the North America region, Mexico is now included in the Latin America region. It represented revenue of €5.5 million in first-quarter 2012.

(b) The change in the method of consolidation for Essilor Korea, fully consolidated as from February 1, 2012, added €2.9 million to revenue in first-quarter 2013, representing a 1.5% impact reported under "Changes in the scope of consolidation" in the Asia-Pacific & Africa region.

Commenting on these figures, Hubert Sagnières, Chairman and Chief Executive Officer, said: "The Company's first-quarter performance is in line with our expectations. Growth in the ophthalmic optics market remains driven by demand for improved visual health and Essilor pursues its value-creation strategy based on innovation, partnerships, and a highly efficient production base.

In the coming quarters, we will leverage our networks to accelerate and expand the distribution of value-added products, such as Crizal<sup>®</sup> UV and Varilux<sup>®</sup> S series. New partnerships will also strengthen our positions in fast-growing countries. Despite the economic uncertainties weighing on consumer spending in certain regions of the world, we remain confident that we will achieve our objectives for 2013."

## First quarter impacted by calendar and other effects

First-quarter revenue was stable on a like-for-like basis, reflecting several unfavorable effects:

- The fewer number of billing days around the world, especially in Europe and Latin America. Overall, the negative impact on revenue growth is estimated at 1.9%.
- A highly unfavorable comparison with first quarter 2012, when the 8.5% like-for-like growth was lifted by contributions from several sales contracts in the United States and Europe and from exceptional sales volumes in Europe and Asia-Pacific.
- Unfavorable weather conditions, especially during March in the United States and Europe, which impacted optical store traffic and significantly weakened sales of sunglasses.

Changes in the scope of consolidation increased revenue for the period by 2.1%. This included bolt-on acquisitions<sup>1</sup>, which added 1.9%, and additional revenue resulting from the change in the method of consolidation for Essilor Korea, which added 0.2%.

Lastly, the 1.6% negative currency effect mainly reflected the rise in the euro against the Brazilian real, the US dollar, the Japanese yen and the Indian rupee.

## Revenue by region and by division

### North America

- Ongoing dynamic demand from independent eyecare professionals thanks to value-added products (Crizal<sup>®</sup> UV, Xperio<sup>®</sup>).
- Business with optical chains impacted by high prior-year comparatives.

### Europe

- Success of the new Varilux<sup>®</sup> S series progressive lens, especially in France.
- Very challenging market conditions in the Southern countries.

### Asia-Pacific-Africa

- Continued strong growth in domestic markets in India and China.
- Slowdown in exports reflecting high prior-year comparatives.
- Decline in Japan following an exceptional first quarter in 2012.

### Latin America

- Solid performance in Brazil and Mexico.
- Very difficult political and economic situation in Argentina.

### Equipment

- Consolidation of demand for surfacing machines.
- One-off sales in first-quarter 2012.

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<sup>1</sup> Acquisitions or local partnerships

## Readers

- Unfavorable weather conditions.
- Postponement of certain contracts.

## Significant first-quarter events and other transactions

### Partnerships and acquisitions

During the first quarter, Essilor has pursued its bolt-on acquisition strategy, aimed at extending local coverage and bringing innovations to market more quickly, with seven new transactions representing €61 million in combined full-year revenue.

In **Turkey**, Essilor signed an agreement to acquire a majority stake in **Isbir Optik**, the country's leading distributor with revenue of €15 million. The transaction has been approved by the Turkish competition authorities and sales should be consolidated during the second quarter.

In **Russia**, the Company acquired a majority share in **MOC-BBGR**, a joint venture that owns Marketing Optical Company, the long-standing distributor of BBGR lenses in the Russian market with €4 million in revenue.

In **Israel**, Essilor acquired the production and sales assets of **Optiplas**, its long-standing distributor, which generates revenue of €5 million.

In **Morocco**, Essilor completed the acquisition of **Movisia**, a distributor of Nikon® and Kodak® brand lenses with revenue of around €1 million.

In **Chile**, the Company completed its acquisition of a majority interest in **Megalux**, the country's leading distributor with revenue of €7 million.

In **Colombia**, Essilor signed an agreement to acquire a majority stake in **Servi Optica**, the leading local distributor, which generates revenue of €29 million. The transaction is expected to be finalized in the near future.

Essilor launched operations in **Nepal** by acquiring a majority share in **Nemkul**, a distributor with revenue of approximately €500,000.

In the second quarter, the Company acquired a minority stake in **Advanced Optical Supplies**, a prescription laboratory in the state of Victoria, **Australia**, which generates approximately €800,000 in revenue.

### Transitions Optical Inc.

In January, Essilor announced that it was in discussions with PPG Industries concerning the future of their joint venture, Transitions Optical, Inc., which is 49%-owned by Essilor.

## Cash position

During the first quarter, the Company undertook share buybacks to offset dilution from share-based payment plans. These buybacks amounted to €22.5 million and totaled 309,097 shares. Combined with



normal seasonal fluctuations in the business, the buyback program led to a moderate increase in net debt, which stood at €322 million at March 31, 2013.

## Outlook

Essilor confirms its objectives of a more than 7% increase in revenue (like-for-like growth plus bolt-on acquisitions) and a sustained high level of profitability.

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

The number to dial is +33 (0)1 70 99 42 86

The call will be available for later listening at: <http://hosting.3sens.com/Essilor/20130425-13831C03/fr/>

### **Another conference call in English will follow at 10:00 a.m. CEST**

The number to dial is +44(0)20 3140 8286

The call will be available for later listening at: <http://hosting.3sens.com/Essilor/20130425-13831C03/en/>

## Forthcoming events

The Annual General Meeting of shareholders will be held in Paris on May 16, 2013.

The Company's 2013 first-half results will be released on August 29, 2013.

### **About Essilor**

*The world's leading ophthalmic optics 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 more than €150 million to research and innovation every year, in a commitment to continuously bring new, more effective products to market. Essilor's flagship brands are Varilux®, Crizal®, Definity®, Xperio®, Optifog™ and Foster Grant®. It also develops and markets equipment, instruments and services for eyecare professionals.*

*Essilor reported consolidated revenue of nearly €5 billion in 2012 and employs around 50,700 people in some 100 countries. It operates 22 plants, more than 400 prescription laboratories and edging facilities, as well as several research and development centers around the world.*

*For more information, please visit [www.essilor.com](http://www.essilor.com).*

*The Essilor share trades on the NYSE Euronext Paris market and is included in the EuroStoxx 50 and CAC 40 indices.*

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

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## Appendix

### Essilor International's consolidated revenue (€ millions)

	2013	2012
<b>First Quarter</b>		
<b>Lenses and Optical Instruments</b>	1,149	1,139
> North America	453	450
> Europe	400	406
> Asia-Pacific & Africa	217	206
> Latin America	79	77
<b>Equipment</b>	42	46
<b>Readers</b>	85	85
<b>TOTAL First Quarter</b>	<b>1,276</b>	<b>1,270</b>
<b>Second Quarter</b>		
<b>Lenses and Optical Instruments</b>		1,110
> North America		436
> Europe		392
> Asia-Pacific & Africa		203
> Latin America		79
<b>Equipment</b>		50
<b>Readers</b>		101
<b>TOTAL Second Quarter</b>		<b>1,261</b>
<b>Third Quarter</b>		
<b>Lenses and Optical Instruments</b>		1,105
> North America		439
> Europe		371
> Asia-Pacific & Africa		211
> Latin America		84
<b>Equipment</b>		48
<b>Readers</b>		76
<b>TOTAL Third Quarter</b>		<b>1,229</b>
<b>Fourth Quarter</b>		
<b>Lenses and Optical Instruments</b>		1,091
> North America		410
> Europe		390
> Asia-Pacific & Africa		210
> Latin America		81
<b>Equipment</b>		56
<b>Readers</b>		83
<b>TOTAL Fourth Quarter</b>		<b>1,230</b>

Note that since fourth-quarter 2012, Mexico has been included in the Latin America region. As a result, the 2012 revenues presented above for North America and Latin America have been restated accordingly.