

Revenue up very sharply by 25.4%

Annual targets confirmed

- Good momentum in the United States and in Europe
- Success of the Crizal[®], Varilux[®] and Transitions[®] consumer brands
- Continuation of synergy plan with Transitions Optical and Coastal.com
- Strengthening in Latin America and in the Sun segment

Charenton-le-Pont, France (April 21, 2015 – 6.30 a.m.) – Essilor International, the world leader in ophthalmic optics, today announced that consolidated revenue for the first quarter of 2015 totaled €1,659 million, representing an increase of 12.7% excluding the currency effect.

Consolidated revenue – first-quarter 2015

€ millions	Q1 2015	Change (reported)	Change (like-for-like)	Changes in the scope of consolidation	Currency effect
Lenses and Optical Instruments	1,454	+25.3%	+4.4%	+9.0%	+12.0%
<i>North America</i>	650	+39.2%	+4.5%	+13.4%	+21.3%
<i>Europe</i>	441	+10.4%	+2.5%	+7.0%	+1.0%
<i>Asia/Pacific/Middle East/Africa</i>	267	+26.4%	+5.6%	+4.9%	+15.9%
<i>Latin America</i>	96	+16.3%	+10.0%	+4.3%	+2.0%
Sunglasses & Readers	163	+31.4%	+1.8%	+9.6%	+20.0%
Equipment	42	+9.3%	-2.1%	-2.4%	+13.7%
TOTAL	1,659	+25.4%	+4.0%	+8.7%	+12.8%

Commenting on these figures, Hubert Sagnières, Chairman and Chief Executive Officer of Essilor, said: "This first-quarter 2015 performance confirms our strong growth potential, which is benefiting from the broadening of our playing field and the extension of our geographical reach to meet the multiple eyesight correction and visual protection needs around the world. Excluding Japan, mature markets picked up pace while fast-growing markets remained vibrant despite the lackluster economic environment in certain countries. Business momentum should continue to accelerate throughout the year on the back of the ramp-up of the media campaigns and recent contract wins for our different businesses, as well as the contribution of new local partnerships. That is why we are confident that our full-year 2015 targets will be met."

Revenue trends

Like-for-like growth of 4.0% in the first quarter was driven by:

- Like-for-like revenue growth of 4.4% for the Lenses and Optical Instruments division, driven by dynamic performances in the United States and in Europe, and the strong increase in sales of high value-added lenses Crizal[®], Varilux[®] and Transitions[®].
- Domestic growth of almost 12% in fast-growing countries (all businesses combined).
- Strong sales growth for Bolon[®] and Costa[®] sunglasses in China and the United States, respectively.
- An anticipated decline in FGX sales in North America, which are expected to rebound as from the second quarter of the year.

The 8.7% positive impact from changes in the scope of consolidation mainly reflects the 6.8% positive impact of strategic acquisitions, comprising Transitions Optical and Coastal.com, whose synergy plans remain well on track, as well as the 1.9% positive impact of bolt-on acquisitions¹.

The sharp increase against the euro of the main billing currencies in the first quarter, notably the US and Canadian dollars, the Chinese yuan, the British pound and the Indian rupee, had a significant 12.8% positive currency effect on consolidated revenue. The strength of the US dollar, a solid operating performance as well as contributions from recent acquisitions raised the proportion of revenue generated in North America (all divisions combined) to more than 47% in the first quarter of the year.

Revenue by region and division

Lenses and Optical Instruments

Sales in **North America** continued to advance rapidly in a dynamic market, despite the highly adverse weather conditions. In the United States in particular, business with independent eyecare professionals was up sharply. The Crizal[®] and Xperio[®] brands posted double-digit growth, while sales of Varilux[®] lenses also rose strongly and online sales registered yet another quarter of very strong organic growth. These trends are expected to carry over into the coming quarters, powered by the ramp-up of consumer marketing campaigns.

Like-for-like growth in **Europe** came out at its highest level in three years, driven by good performances under integrated supply-chain contracts with key accounts, the positive impact on Varilux[®] sales of the advertising campaign promoting a quality second pair in France, as well as momentum in Spain, Italy, the United Kingdom, Eastern European countries and Russia. Sales of instruments to eyecare professionals also trended upward during the period.

¹ Local acquisitions or partnerships

Asia/Pacific/Middle East/Africa operations enjoyed double-digit domestic growth in the region's fast-growing countries, although this was partly offset by a softer performance in export revenue (due mainly to currency fluctuations) and in Japan. India's very strong growth trend continued thanks to the success of its consumer brands and growing presence in an environment where demand is shifting from glass to plastic lenses. Sales in China were driven by the strong success of the Essilor network brands, especially Crizal®. The Gulf countries, South Africa and Southeast Asia all recorded double-digit advances. In Southeast Asia, the success of Energieyes (www.energieyes-eyewear.com), a range of non-prescription eyewear designed to fight eye fatigue and protect against harmful blue light, attests to the exciting potential of the non-prescription visual protection segment. Among the region's developed countries, Japan was affected by a particularly tough comparison base while Australia enjoyed strong sales impetus.

Sales growth was satisfactory across the **Latin America** region. Despite a flat Brazilian economy, Essilor consolidated its position through the successful roll-out of Kodak® lenses, solid results from its high value-added products and a competitive cost base thanks to its local manufacturing facilities. Colombia went from strength to strength, helped by the development of Servi Optica. The initial benefits of the consumer advertising campaigns launched in late February in these two countries began to feed through right at the end of the quarter. Meanwhile, performances improved in Mexico and Argentina.

In the **Sunglasses & Readers** division, growth was driven by the vigorous expansion of Essilor brands in China – Bolon®, Molsion® and Prosun®. Bolon® was especially buoyed by the very promising launch of its communications campaign featuring new brand ambassador Sophie Marceau, as well as the extension of its distribution network to the duty free channel. In the United States, Costa® sunglasses benefited from the expansion of their geographical coverage. FGX continued to be held back by inventory drawdowns and shrinkage in retail space among certain major accounts in North America, and is expected to perform significantly better as from the second quarter thanks to major distribution contract wins in the United States and the ramp-up of Multifocus™ reading glasses, which enjoyed a very encouraging launch.

Revenue growth for the **Equipment** division tailed off slightly following a dynamic final quarter of 2014. As in the preceding quarters, the division's performance continued to be penalized by the recognition of sales to recently-acquired companies as intra-group revenue. However, business momentum was strong in Asia, while revenue in Europe advanced modestly owing to the delivery of several medium-sized generators. In North America, flat demand for digital surfacing and coating machines was partially offset by the continued success of the green alternative to the traditional alloy ophthalmic blocking process.

Acquisitions and partnerships

Since the beginning of the year, Essilor has pursued its strategy of forging local partnerships, with five additional transactions representing combined revenue in the region of around €90 million on a full-year basis.

During the first quarter of the year, FGX International acquired the entire share capital of **Fabris Lane**, a leading mid-tier eyewear designer and marketer in the **United Kingdom** that generates full-year revenue of around GBP 14 million. Fabris Lane markets sunglasses either under proprietary brands, including Freedom Polarised® and Suuna®, or under license, including French Connection® and Karen Millen®. This acquisition successfully rounds out the FGX offering in the United Kingdom, and strengthens Essilor's offering aimed at department stores, drugstores, pharmacies and eyecare professionals, as well as travel retail.

In **Brazil**, Essilor acquired a majority interest in **Segment**, an ophthalmic lens manufacturer and distributor based in São Paulo state with revenue of around €4 million. Segment is a major player in the manufacture and distribution of consumables, and is the leading maker of medium and high-index ophthalmic lenses in Brazil. It also has expertise in low-vision equipment as well as instruments for laboratories and eyecare professionals, including for lens tinting and specialty coatings such as the mirror effect.

Since April 1st, Essilor has acquired a majority stake in **Grupo Vision**, an integrated laboratory and distributor based in **Costa Rica** and **Nicaragua**. Grupo Vision is a long-standing Essilor client with a headcount of 865 and revenue of approximately US\$40 million in 2014. This partnership will allow Essilor to significantly strengthen its presence in Central America, a region of 44 million inhabitants with significant growth potential in terms of both volume and value.

In **Turkey**, Essilor has entered into an agreement to acquire a majority stake in optical product distributor **Merve**, which is based in Istanbul. Merve owns a portfolio of proprietary sunglass frame brands, including Ossé and Mustang, which enjoy excellent brand recognition in Turkey. The completion of this acquisition is subject to the approval of the Turkish anti-trust authorities.

Lastly, in **South Korea**, the lens manufacturer and Essilor partner, Chemiglas, acquired the entire share capital of **Optimax**, its long-standing distributor in the regions of Daejeon and Chungcheong. This acquisition will allow Chemiglas to speed up product penetration among opticians.

Outlook

After a good start to the year – especially in terms of profitability – Essilor goes into the second quarter with added momentum generated by the increase in media spend, the execution of contracts with major accounts and a solid upward trend in developed countries.

Essilor confirms its full-year 2015 targets of revenue growth of between 8% and 11% (excluding the currency effect and barring new strategic acquisitions), including revenue growth in excess of 4.5% on a like-for-like basis and a contribution from operations² excluding new strategic acquisitions of at least 18.8% of revenue.

A conference call in English will be held today at 10 a.m. CEST.

Please dial-in at the following numbers: +33(0)1 76 77 22 25 or +44(0)20 3427 1903 (access code: 2996095)

The call may also be heard later at: <http://hosting.3sens.com/Essilor/20150421-13EB220E/en/>

Investor calendar

The Annual Shareholders' Meeting will be held on May 5, 2015 at Palais des Congrès in Paris.

The 2015 first-half results will be released on July 30, 2015.

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 mission is to improve lives by improving sight. To fulfill it, Essilor allocates more than €180 million to research and innovation every year, in a commitment to continuously bringing new, more effective products to market. Its flagship brands are Varilux®, Crizal®, Transitions®, Definity®, Xperio®, Optifog™, Foster Grant®, Bolon® and Costa®. It also develops and markets equipment, instruments and services for eyecare professionals.

Essilor reported consolidated revenue of nearly €5.7 billion in 2014 and employs 58,000 people. It markets its products in more than 100 countries and has 33 plants, 490 prescription laboratories and edging facilities, as well as 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 Euro Stoxx 50 and CAC 40 indices.

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

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² Contribution from operations corresponds to revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs, other operating expenses).

Appendix: Consolidated Revenue by Quarter (€ millions)

	2015	2014
First Quarter		
Lenses and Optical Instruments	1,454	1,160
> <i>North America</i>	650	467
> <i>Europe</i>	441	400
> <i>Asia/Pacific/Middle East/Africa</i>	267	211
> <i>Latin America</i>	96	82
Equipment	42	39
Sunglasses & Readers	163	124
TOTAL First Quarter	1,659	1,323
Second Quarter		
Lenses and Optical Instruments		1,259
> <i>North America</i>		518
> <i>Europe</i>		426
> <i>Asia/Pacific/Middle East/Africa</i>		222
> <i>Latin America</i>		94
Equipment		46
Sunglasses & Readers		152
TOTAL Second Quarter		1,457
Third Quarter		
Lenses and Optical Instruments		1,274
> <i>North America</i>		527
> <i>Europe</i>		409
> <i>Asia/Pacific/Middle East/Africa</i>		234
> <i>Latin America</i>		104
Equipment		46
Sunglasses & Readers		95
TOTAL Third Quarter		1,415
Fourth Quarter		
Lenses and Optical Instruments		1,277
> <i>North America</i>		527
> <i>Europe</i>		418
> <i>Asia/Pacific/Middle East/Africa</i>		231
> <i>Latin America</i>		101
Equipment		66
Sunglasses & Readers		132
TOTAL Fourth Quarter		1,475