

## Like-for-like growth accelerates to 4.8%

- Robust growth in the United States and Europe
- Continued momentum in fast-growing countries
- Strong gains in the Sunglasses & Readers division, up 9.9%
- Annual targets confirmed

**Charenton-le-Pont, France (October 22, 2015 – 6:30 a.m.)** – Essilor International, the world leader in ophthalmic optics, today announced that consolidated revenue rose by 14.5% year-on-year to €1,620 million in the third quarter of 2015.

### Third-Quarter Consolidated Revenue by Operating Segment and by Region

€ millions	Q3 2015	Q3 2014	Change (reported)	Change (like-for-like)	Changes in the scope of consolidation	Currency effect
<b>Lenses &amp; Optical Instruments</b>	<b>1,446</b>	1,274	+13.4%	+4.8%	+1.5%	+8.0%
<i>North America</i>	<b>643</b>	527	+22.2%	+4.4%	+0.3%	+17.5%
<i>Europe</i>	<b>431</b>	409	+5.2%	+4.0%	+0.6%	+0.7%
<i>Asia/Pacific/Middle East/Africa</i>	<b>270</b>	234	+15.1%	+5.9%	+1.3%	+7.9%
<i>Latin America</i>	<b>102</b>	104	-2.1%	+7.4%	+11.7%	-21.2%
<b>Equipment</b>	<b>48</b>	46	+4.9%	-6.4%	-0.4%	+11.7%
<b>Sunglasses &amp; Readers</b>	<b>126</b>	95	+32.8%	+9.9%	+5.6%	+17.3%
<b>TOTAL</b>	<b>1,620</b>	<b>1,415</b>	<b>+14.5%</b>	<b>+4.8%</b>	<b>+1.7%</b>	<b>+8.0%</b>

"Around the world, our industry is benefiting from strong, sustainable demand for vision care solutions," said Hubert Sagnières, Chairman and Chief Executive Officer of Essilor. "In a mixed economic environment, our third-quarter performance has validated our investment strategy, designed to drive balanced growth that is evenly spread among developed and fast-growing economies. The acceleration in organic growth also reflects the benefits of broadening our business portfolio, with the ramp-up of sunwear and online sales. This across-the-board dynamic underpins our confidence that we can meet our full-year targets in 2015 and continue to move boldly forward in 2016."

### Third-Quarter 2015 Revenue

On a like-for-like basis, revenue growth gained further momentum over the period, rising 4.8% compared with 4.4% in the second quarter and 4% in the first.

The improvement primarily reflected:

- Sustained robust growth in North America and Europe, led by the stepped-up consumer marketing campaigns.
- Faster growth in the Sunglasses & Readers division, at 9.9%, the biggest gain since the division was created in 2010.

Reported growth also included the 8.0% positive currency effect, mainly from the rise in the US dollar against the euro, and a 1.7% increase from changes in the scope of consolidation.

### Third-Quarter Revenue by Region and by Division

Sales in **North America** continued to grow very rapidly in a steadily expanding market, rising 4.4% like-for-like over the quarter.

Third-quarter sales in the United States benefited from faster growth in business with the optical chains as well as sustained expansion by the Varilux<sup>®</sup>, Crizal<sup>®</sup>, Transitions<sup>®</sup> and Xperio<sup>®</sup> product lines, supported by the continued deployment of marketing initiatives and media campaigns. In addition, the contact lens distribution business enjoyed another quarter of robust growth.

The Frames Direct and EyeBuyDirect online retail operations both delivered strong gains, while Coastal.com continued its turnaround.

Growth in Canada was lifted by i) marketing campaigns, particularly the "perfect pair" offer, which is driving faster sales of prescription sunglasses by independent eyecare professionals, and ii) new products, such as the Eyezen<sup>™</sup> lens category designed for a connected life.

In generally expanding markets, the 4.0% like-for-like increase in **European** sales was led by sustained business with key accounts and the positive impact of consumer advertising campaigns. This was the case in Germany, where sales rebounded, in Southern European countries and in the United Kingdom, where the product mix also had a favorable impact. The Eastern European countries enjoyed the fastest growth, thanks to the effects of media campaigns. In Russia, consumer marketing initiatives for the Crizal<sup>®</sup> brand have helped to strengthen Essilor's positions in a challenging environment. Sales in France were stable over the period.

Sales in the **Asia/Pacific/Middle East/Africa** region climbed 5.9% like-for-like during the quarter, as an upturn in export business and solid growth in domestic sales in the fast-growing countries offset softer demand in the region's developed economies. In India, Crizal<sup>®</sup>, Varilux<sup>®</sup>, Transitions<sup>®</sup> and Kodak<sup>®</sup> lenses turned in a very strong performance, while overall sales were buoyed by the continued shift from glass to plastic lenses, as

well as by media campaigns and the launch of the Eyezen™ lens category. Despite a challenging economic environment, growth in China was impelled by the domestic success of Crizal® antireflective lenses and Varilux® progressive lenses, along with a rebound in export sales. Operations in South Korea also combined domestic growth and strong export business. Sales in Southeast Asia had another good quarter, led by the new Eyezen™ lenses. Growth remained strong as well in the Middle East and Africa. Australian sales, particularly to independent eyecare professionals, suffered as the economy cooled in the third quarter. Business was stable in Japan.

The slowdown in growth in **Latin America**, to 7.4% like-for-like overall, reflected a mixed situation, with the faster momentum observed in Colombia, Mexico and other countries only partly offsetting the impact of the Brazilian recession.

Performance in Brazil was still up but was dampened by the decline in retail footfalls and adverse prior-year comparatives. Despite this unfavorable environment, Essilor strengthened its positions thanks to the solid sales of Crizal® and Kodak® lenses.

All of the other country organizations reported faster gains compared with the first half. This was particularly the case in Colombia, the region's second largest country market, where the Crizal® line, previously available as single vision lenses, was extended to all prescription lenses. Kodak® lenses also saw a sharp increase in sales. Growth in Mexico returned to double digits, lifted by a more favorable economic environment. Business in Chile was driven by a new stage in the ramp-up of an integrated lens supply contract with a leading regional optical chain. In Argentina, the sharp rebound in lens sales volumes continued throughout the quarter.

The group has also strengthened its presence in the region by acquiring a majority stake in **Rozin**, a US-based distributor of ophthalmic lenses, sunglasses, frames, instruments and other optical equipment that operates exclusively in Central America, Venezuela and the Caribbean. It generates around \$19 million in annual revenue from sales to eyecare professionals and prescription laboratories.

The **Sunglasses & Readers** division turned in an excellent 9.9% like-for-like increase in sales. In North America, FGX International's performance improved with the ramp-up of the new reading glasses supply contract with a leading drugstore chain and the gain of new shelf space with a large retail chain. This dynamic will be sustained by the launch of new products, such as the eReaders™ for digital screens, and by the opening of new retail channels.

The division's solid results were also driven by the strong growth at Costa, which is still benefiting from the ramp-up of its prescription sunwear business and accelerating online sales. The Chinese brands (Bolon™, Molsion® and Prosun®) reported another quarter of growth. Expansion also continued in the travel retail channel, with the slotting of Bolon™ glasses with a major cruise line in the Asia-Pacific region.

The **Equipment** division, which reported a 6.4% like-for-like decline for the period, remains adversely impacted by the recognition as intra-group revenue of sales to companies acquired by the group, as well as by

cyclically weak demand in Asia and Latin America. Business in the developed economies is continuing to trend upwards.

## Nine-Month Consolidated Revenue up 8.4% Excluding the Currency Effect

€ millions	2015 (9 months)	2014 (9 months)	Change (reported)	Change (like-for-like)	Changes in the scope of consolidation	Currency effect
<b>Lenses &amp; Optical Instruments</b>	<b>4,400</b>	3,693	+19.1%	+4.7%	+4.0%	+10.4%
<i>North America</i>	<b>1,956</b>	1,511	+29.4%	+4.2%	+4.7%	+20.5%
<i>Europe</i>	<b>1,334</b>	1,235	+8.1%	+3.8%	+3.1%	+1.1%
<i>Asia/Pacific/Middle     East/Africa</i>	<b>806</b>	667	+20.8%	+5.6%	+2.2%	+13.0%
<i>Latin America</i>	<b>304</b>	280	+8.6%	+9.2%	+8.7%	-9.4%
<b>Equipment</b>	<b>140</b>	131	+6.8%	-5.4%	-1.0%	+13.1%
<b>Sunglasses &amp; Readers</b>	<b>488</b>	371	+31.7%	+4.5%	+6.6%	+20.6%
<b>TOTAL</b>	<b>5,028</b>	<b>4,195</b>	<b>+19.9%</b>	<b>+4.4%</b>	<b>+4.1%</b>	<b>+11.4%</b>

## Outlook

Management has confirmed its full-year 2015 targets as follows:

- Revenue growth of between 8% and 11% excluding the currency effect and in excess of 4.5% on a like-for-like basis.
- A contribution from operations<sup>1</sup> equal to at least 18.8% of revenue.

Both of these targets exclude the impact of any new strategic acquisitions.

<sup>1</sup> Contribution from operations corresponds to revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs, other operating expenses).

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

Please dial-in at the following numbers: +33 (0)1 70 77 09 42 or +44 20 3367 9461.

The call may also be heard later at:

<http://event.onlineseminarsolutions.com/r.htm?e=1071386&s=1&k=E4D0CBE22DB2AC977861BF9F6DA18567>

**Investor calendar**

The 2015 annual results will be released on February 19, 2016.

**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 support this mission, Essilor allocates more than €180 million to research and innovation every year, in a commitment to continuously bring new, more effective products to market. Its flagship brands are Varilux<sup>®</sup>, Crizal<sup>®</sup>, Transitions<sup>®</sup>, Definity<sup>®</sup>, Xperio<sup>®</sup>, Optifog<sup>®</sup>, Foster Grant<sup>®</sup>, Bolon<sup>™</sup> and Costa<sup>®</sup>. 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](http://www.essilor.com).*

*The Essilor share trades on the 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.*

## CONTACTS

**Investor Relations and Financial  
Communication**

Véronique Gillet

Sébastien Leroy

Ariel Bauer

Tel.: +33 (0)1 49 77 42 16

**Corporate Communication**

Lucia Dumas

Tel.: +33 (0)1 49 77 45 02

**Media Relations**

Mailis Thiercelin

Tel.: +33 (0)1 49 77 45 02

## Appendix: Consolidated Revenue by Quarter (€ millions)

€ millions	2015	2014
<b>First Quarter</b>		
<b>Lenses &amp; Optical Instruments</b>	1,454	1,160
> North America	650	467
> Europe	441	400
> Asia/Pacific/Middle East/Africa	267	211
> Latin America	96	82
<b>Equipment</b>	42	39
<b>Sunglasses &amp; Readers</b>	163	124
<b>TOTAL First Quarter</b>	<b>1,659</b>	<b>1,323</b>
<b>Second Quarter</b>		
<b>Lenses &amp; Optical Instruments</b>	1,501	1,259
> North America	663	518
> Europe	462	426
> Asia/Pacific/Middle East/Africa	269	222
> Latin America	107	94
<b>Equipment</b>	49	46
<b>Sunglasses &amp; Readers</b>	199	152
<b>TOTAL Second Quarter</b>	<b>1,749</b>	<b>1,457</b>
<b>Third Quarter</b>		
<b>Lenses &amp; Optical Instruments</b>	1,446	1,274
> North America	643	527
> Europe	431	409
> Asia/Pacific/Middle East/Africa	270	234
> Latin America	102	104
<b>Equipment</b>	48	46
<b>Sunglasses &amp; Readers</b>	126	95
<b>TOTAL Third Quarter</b>	<b>1,620</b>	<b>1,415</b>
<b>Fourth Quarter</b>		
<b>Lenses &amp; Optical Instruments</b>		1,277
> North America		527
> Europe		418
> Asia/Pacific/Middle East/Africa		231
> Latin America		101
<b>Equipment</b>		66
<b>Sunglasses &amp; Readers</b>		132
<b>TOTAL Fourth Quarter</b>		<b>1,475</b>