



A strong start to the year

- Revenue up 23.6%
 - 8.5% like-for-like growth
 - Twelve acquisitions since January 1
- Excellent performance in the US and fast-growing markets
- Success of new products: Optifog and Crizal UV

Charenton-le-Pont, France (April 24, 2012, 6:30 a.m.) - Essilor International, the world leader in ophthalmic optics, today announced that consolidated revenue for the three months ended March 31, 2012 totaled €1,269.9 million, an increase of 21%, excluding the currency effect, over the year-earlier period.

Consolidated revenue

€ millions	Q1 2012	Q1 2011	% Change (reported)	% Change (like-for-like)	% Change in scope of consolidation
Lenses and Optical Instruments	1,138.9	943.7	+20.7%	+8.5%	+9.5%
<i>North America</i>	455.8	394.6	+15.5%	+7.8%	+3.2%
<i>Europe</i>	405.6	365.3	+11.0%	+5.2%	+5.6%
<i>Asia-Pacific & Africa^a</i>	206.5	131.0	+57.6%	+17.9%	+34.2%
<i>Latin America</i>	71.0	52.8	+34.5%	+13.3%	+22.4%
Equipment	45.8	40.4	+13.2%	+11.9%	+0.7%
Readers	85.2	43.5	+96.2%	+5.2%	+87.0%
TOTAL	1,269.9	1,027.6	+23.6%	+8.5%	+12.5%

(a) The change in consolidation method applied to Nikon-Essilor and Essilor Korea, which were fully consolidated as of January 1 and February 1, 2012, respectively, contributed €24.8 million to first-quarter revenue, thereby accounting for a 19.2% increase in Asia-Pacific & Africa revenue, and a 2.4% increase in consolidated revenue.

Commenting on these results, Hubert Sagnières, Chairman and Chief Executive Officer of Essilor said: "Following on late-2011 trends, Essilor reaped the benefits of growth initiatives undertaken in its different markets, including the roll-out of new products. This first-quarter performance, supported by vigorous global demand for better visual health, demonstrates the effectiveness of our strategic plans, their excellent execution and the efficiency of our R&D and marketing programs, which represent core strengths to drive long-term growth."

Despite the macroeconomic uncertainties in certain regions of the world, this positive start to the year makes us confident that we will achieve our full-year 2012 target of revenue growth of 12% to 15%, excluding the currency effect.”

Essilor's 8.5% like-for-like growth rate reflects strong momentum in all of its host regions and divisions, particularly in the United States, and the successful launches of new products such as Optifog™ and Crizal UV®. Changes in the scope of consolidation increased revenue by 12.5%, with bolt-on acquisitions¹ accounting for 3.3% of the increase and the 2011 strategic acquisitions of Shamir Optical and Stylemark representing 6.7%. The remaining 2.4% improvement was attributable to the Nikon-Essilor and Essilor Korea joint ventures, which are now fully consolidated after being consolidated on a 50% basis before. Lastly, the 2.6% positive currency effect was mainly due to the rise in the US dollar and – to a lesser extent – the Chinese yuan and the Australian dollar against the euro.

Performance by region and by division

Revenue from the **Lenses and Optical Instruments** division increased by 8.5% like-for-like, a significant improvement over the prior year.

In **North America**, business picked up considerably in the first quarter. Sales to independent laboratories in the United States were boosted by the launch of new products such as Crizal UV® and by the success of value-added products, including progressive, anti-reflective and variable-tint lenses. Sales to large chains were very strong, led by two contracts signed with large local banners.

In **Europe**, the Lens business continued to improve, sustained by the launch of new products such as the Optifog™ anti-fog lens. France enjoyed robust growth, largely due to the strength of its multi-network strategy. Business in the United Kingdom was lifted by the contract to supply glasses to Boots Opticians. Germany returned to a satisfactory performance level. In contrast, the Southern European countries continued to feel the adverse effects of the difficult economic situation.

In the **Asia-Pacific & Africa** region, very strong momentum was maintained in fast-growing markets like India and China, where Essilor continued to expand in the mid-range segment. The developed markets of Japan and Australia also performed well during the period, partly due to temporarily higher volumes.

In **Latin America**, Brazil turned in a satisfactory performance, led by strong demand for high value-added products such as progressive and anti-reflective lenses. After increasing its local manufacturing capacity, Essilor continued to enjoy faster growth in Mexico, especially in the anti-reflective lens segment.

¹Acquisitions or local partnerships

The **Equipment** division had a very good quarter, led by strong global demand for digital surfacing machines and by robust sales of consumables.

Lastly, the **Readers** division returned to growth during the period. Despite ongoing inventory drawdowns by some customers, sales were sustained by a strong start to the season in the sunglass frame segment and the ramp-up of the contract with a major retailer in the United States. Flagship products Microvision™ and Lightspecs™, made available in new versions during the year, continued to sell successfully.

Significant first-quarter events and other transactions

During the quarter, eleven transactions representing annual revenue of €52 million were signed. Eight of these transactions were carried out in fast-growing markets in Latin America, the Mediterranean basin, the Middle East and Asia.

In **Mexico**, Essilor acquired a majority interest in **Crystal y Plástico**, a leading local player based in Guadalajara with revenue of nearly €9 million. With two prescription laboratories and two distribution and lens edging facilities in the country, Cristal y Plástico will help Essilor to develop closer relations with local opticians with the goal of distributing its value-added products more quickly.

After acquiring interests in two prescription laboratories in Dubai and Abu Dhabi, Essilor actively pursued its development in the Middle East during the quarter. An agreement was signed with Magrabi Optical to acquire a majority interest in its laboratory located in Jeddah, **Saudi Arabia**, which has revenue of around €4.5 million. As a result, a subsidiary – Essilor Saudi Arabia – has been created, signaling the launch of operations in this high-potential country with 28 million inhabitants. The transaction will be completed once it has been officially registered with the Saudi authorities.

Essilor also broadened its coverage of **Turkey** through a new acquisition. After entering into a partnership with **Ipek Optik** early in the year, Essilor signed an agreement to acquire 51% of **Opak**, an Istanbul-based prescription laboratory with annual revenue of €8 million. Already a distributor of Essilor lenses, Opak has a digital surfacing laboratory and integrates Crizal technology.

In **South Korea**, Essilor Korea acquired an 80% stake in **Incheon Optical**, an ophthalmic lens distributor with annual revenue of approximately €3 million. The company is based in Incheon, the country's third largest city.

In **India**, Essilor acquired a majority interest in **Optics India**, a distributor of edging equipment for optical chains, prescription laboratories and hospitals, with annual revenue of €0.7 million. Positioned in the mid-range and entry-level segments, Optics India rounds out Essilor's local offer.



Note that Essilor had previously announced the acquisition of **Seeworld** in **China** and the signing of an agreement to acquire **Sivo** in **Tunisia**.

In the **United States**, Essilor acquired a majority holding in **Blue Optical**, a prescription laboratory based in Texas with annual revenue of around USD 3.5 million.

In **Canada**, a majority interest was acquired in **Imperial Eyewear**, an Ontario-based laboratory that generates annual revenue of roughly CAD 1 million. Imperial Eyewear specializes in sun lenses for wraparound frames.

Lastly, in **Australia**, Essilor increased from 33% to 66% its stake in **Wallace Everett Lens Technology**, a prescription laboratory with annual revenue of approximately €3.2 million.

Acquisitions since April 1

As part of its strategy of expanding into new high-potential markets, Essilor has recently set up operations in Eastern Africa. An agreement has been signed to acquire a majority interest in **Optic Kenya**, a prescription laboratory in Nairobi, **Kenya**. The transaction will make it possible to provide this market of 40 million people with the most advanced ophthalmic lens technologies.

Full consolidation of Nikon-Essilor and Essilor Korea

Following new governance arrangements between Essilor and its respective partners, two joint ventures have been fully consolidated: Nikon-Essilor as from January 1 and Essilor Korea as from February 1.

Share buybacks – Cash position

During the first quarter, Essilor purchased 1.78 million of its own shares on the market, for a total of nearly €102 million. The purpose was to offset the dilution resulting from the issuance of shares under performance share and stock option plans reserved for employees and senior executives.

These share buybacks, combined with normal seasonal fluctuations in the business, led to a moderate increase in net debt, which stood at €541.5 million at March 31, 2012.

Outlook

Essilor confirms its full-year objectives of revenue growth of 12% to 15%, excluding the currency effect, and sustained high profitability excluding strategic acquisitions.

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

The dial-in number is: +33(0)1 70 99 43 01

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20120424-8296F7B0/fr>

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

The dial-in number is: +44(0)20 7136 6283

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20120424-8296F7B0/en/>

Forthcoming investor events

The Annual Shareholders' Meeting will be held on May 11, 2012 at 10:30 a.m. at Palais des Congrès in Paris. First-half earnings will be released on August 31, 2012.

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 around €150 million to research and development 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 €4.2 billion in 2011 and employs around 48,700 people in some 100 countries. It operates 19 plants, a total of 390 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 CAC 40 index.

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

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