



## Essilor on track to achieve revenue of €1.5 billion in fast-growing countries by 2015

- **Now the leading distributor in Colombia and Turkey**
- **Growth model strengthened in China**
- **Two transactions completed in North Africa**

Charenton-le-Pont, France (January 22, 2013 – 6:30 a.m.) – Pursuing its strategy in fast-growing countries, Essilor has announced the creation of partnerships with local leaders in Colombia, Turkey and China – all key markets in the Company's development plan.

In **Colombia**, a country with 50 million inhabitants where Essilor opened a sales subsidiary approximately one year ago, the Company has signed an agreement to acquire a 51% stake in **Servi Optica**, one of South America's largest prescription laboratories. An Essilor distributor, through the Varilux® and Shamir lenses in Colombia, Servi Optica is the market's leading distributor of ophthalmic lenses and generates revenue of around €29 million.

Servi Optica will leverage the Company's expertise and technological backing to speed its development in this market, in which progressive and anti-reflective lenses enjoy considerable growth potential and where over one person out of three with vision impairment is in need of corrective eyewear. Servi Optica will also serve as a launch pad for the Andean countries of Peru, Venezuela, Ecuador and Bolivia, where Essilor does not yet operate. The transaction is subject to approval by Colombian competition authorities.

In **Turkey**, the Company has signed an agreement to acquire a majority stake in **Isbir Optik**, the market's leading distributor of ophthalmic lenses with full-year revenue of around €15 million. Based in Ankara, Isbir has a large number of sales offices and distributors throughout the country, as well as a prescription laboratory equipped with digital surfacing and coating technologies. The company distributes BBGR lenses under its own brand as well as Nikon brand lenses.

With a population of 80 million, Turkey is one of the fast-growing countries in the Mediterranean basin. Following the partnerships created with Shamir, which has a subsidiary in the country, and with Ipek Optik and Opak, this new operation considerably strengthens Essilor's multi-network strategy in this market of 25 million lenses, in which high-index, progressive and variable-tint lenses and other value-added products represent an important reservoir of growth. The partnership between Isbir and Essilor is subject



to a certain number of conditions precedent, including notifying Turkish competition authorities about the transaction. It should be completed in second-quarter 2013.

In **China**, Essilor has strengthened its business model with the acquisition of a majority stake in **Tianhong**, the market's leading distributor of ophthalmic lenses. Based in Dan Yang, Tianhong supplies corrective lenses featuring a wide array of materials and designs to national and regional chains, most of which are positioned in the mid-range segment and located in Tier 2 and Tier 3 cities. Tianhong generates around €19 million in revenue, much of it from products manufactured by Essilor Group companies.

The mid-range segment in China is still highly fragmented. Served by a large number of producers that do not have direct access to opticians, the segment creates differentiation more by consumer and distributor brands than by lens performance features. The partnership with Tianhong strengthens the value proposition of Essilor, which has emerged as a major driver of market consolidation capable of meeting consumer demand for innovative solutions.

In the future Tianhong will be able to source high-quality products from a greater number of partners within the Essilor Group in order to improve its offer and strengthen its positions with Chinese opticians. Tianhong, for example, will promote the offer of Seeworld, which recently opened a prescription laboratory with high-technology equipment to capture the powerful growth potential of custom-made lenses, which currently account for only 4% of unit sales in China.

They will continue to distribute all brands to push value-added product, including antireflective and mid-tier photochromic lenses.

Essilor has also finalized two transactions in North Africa, another dynamic region in the Mediterranean basin. In **Tunisia**, Essilor completed the acquisition of **Sivo**, the market's leading distributor, which also operates in Morocco, Algeria, Côte d'Ivoire, Cameroon and Togo and generates approximately €7 million in revenue.

In **Morocco**, Essilor completed the acquisition of **Movisia**, a distributor of Nikon and Kodak brand lenses. With revenue of around €1 million, Movisia strengthens the local operations of the group created by L'N Optic, a distributor of Varilux® and Crizal® lenses, and Optiben, which markets the BBGR brand.

Commenting on these recent developments, Hubert Sagnières, Essilor's Chairman and Chief Executive Officer, said: "Essilor is continuing to deploy its multi-network growth strategy in all its host countries, with the goal of stepping up the pace of distribution for all Company brands. I also want to acknowledge the launch in 2012 of operations in five countries<sup>1</sup> that confirms Essilor's goal of providing vision correction solutions for everyone. This ability to forge partnerships with local industry leaders while continuing to drive powerful organic growth has strengthened our objective of generating full-year revenue of €1.5 billion in fast-growing countries by 2015."

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<sup>1</sup> Côte d'Ivoire, Laos, Sri Lanka, Togo and Tunisia



In 2011, Essilor generated slightly more than €600 million in revenue in fast-growing countries, which corresponded to approximately 15% of total sales. In third-quarter 2012, these countries represented approximately 18% of consolidated revenue.

#### **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<sup>®</sup>, Crizal<sup>®</sup>, Definity<sup>®</sup>, Xperio<sup>®</sup>, Optifog<sup>™</sup> and Foster Grant<sup>®</sup>. 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](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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