



## Essilor acquires Transitions Optical, a global leader in photochromic lenses

Charenton-le-Pont, France (July 29, 2013) – Essilor International announces the signature of an agreement to acquire the 51% stake in **Transitions Optical** owned by PPG. Transitions Optical is a leading provider of photochromic lenses to optical manufacturers worldwide. Following the transaction, Essilor will own 100% of the capital of Transitions Optical. The transaction also includes the acquisition of **Intercast**, a leading supplier of sun lenses.

The acquisition is fully aligned with Essilor's growth strategy, which is based on strong innovation in every segment of the optical industry, on visual protection as well as on expansion in the mid-market and in fast-growing countries. It also supports Essilor's mission of bringing improved vision to more than 4.2 billion people, of whom 2.5 billion do not currently benefit from eye correction.

Founded in the United States 23 years ago and based in Pinellas Park, Florida, Transitions Optical is the inventor of variable-tint plastic lenses. Its business has been developed jointly by Essilor and PPG's teams. Through innovative capability in photochromics, Transitions Optical designs and produces a wide range of variable-tint lenses that are sold through the networks of its customers, ophthalmic lens manufacturers. The majority of its products are distributed under the Transitions® brand, one of the best-known global optical brands alongside Varilux® and Crizal®. Transitions Optical generated revenue of \$814 million in 2012, of which around \$310 million with lens manufacturers other than Essilor.

Under the agreement, Essilor will also acquire 100% of the capital of Intercast, a high-performance sun lens manufacturer based in Parma, Italy. In 2012, Intercast revenue stood at nearly \$34 million.

Commenting on the transaction, Hubert Sagnières, Essilor's Chairman and Chief Executive Officer, said: *"This agreement marks the start of a new phase of growth for Transitions Optical, which Essilor and PPG have turned into a leader in photochromic lens products. The acquisition of Transitions Optical is fully aligned with Essilor's strategy. It's a company we know well, so the integration process should be smooth. It will enable us to boost expansion in the photochromic segment, which is growing twice as fast as the optical industry, notably in Asia, Latin America and Europe. The Transitions® brand which, like Varilux® and Crizal®, is a frontline eyecare brand, will continue to be available to all lens manufacturers worldwide. The acquisition of Intercast will add to Essilor's positioning in the sun lens segment, which enjoys significant growth potential."*



*All in all, the integration of Transitions Optical and Intercast into our portfolio of businesses will lead to a significant improvement in the group's profitability and create value for our shareholders and consumers."*

PPG will remain a key partner for Transitions Optical, as a supplier of dyes as well as long-term research and development services.

The consideration for the transaction amounts to \$1.73 billion at closing, as well as a deferred payment of \$125 million dollars over five years, for 51 % of the capital of Transitions Optical and 100 % of Intercast.

Based on current estimates, the transaction should have a positive impact on Essilor's financial indicators:

- A rise in the consolidated contribution margin to 19.5% from year two of the integration;
- An accretive impact on earnings per share as of year one of the integration, and of at least 5% per annum in subsequent years;
- A positive impact of 50 bps on like-for-like growth in consolidated revenue as of year three of the integration.

Following the transaction, which will be entirely funded from Essilor's cash resources and medium term financing, the consolidated debt-to-equity ratio will remain below 40%.

Subject to various regulatory approvals, the transaction is expected to close during the first half of 2014.

---

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

The number to dial is +33 (0)1 76 77 22 27 or +44 (0)20 3427 0503 (Access code: 1432154)

The slides of the presentation will be available live by clicking on the following link:

<http://hosting.3sens.com/Essilor/20130729-15EF053C/en/>

### **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<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 approximately €5 billion in 2012 and employs around 50,700 people. It operates in some 100 countries with 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 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 and Press**

Mailis Thiercelin

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