



Essilor Agrees to Acquire Costa, the Fastest Growing Performance Sunglass Brand in the United States

Charenton-le-Pont, France (November 8, 2013) – **Essilor International** and **Costa Inc.** today announced the signature of an agreement for the acquisition of all outstanding shares of Costa Inc., a US leader in high-performance sunglasses. Previously known as A.T. Cross, Lincoln, RI-based Costa Inc. (NASDAQ: ATX) designs, assembles and markets sunglasses under the Costa® and Native® brands. It is expected to report approximately \$100 million in revenue in 2013¹.

Introduced in 1983 and primarily marketed through eyecare professionals and sporting goods retailers, Costa® has become the fastest growing performance sunglass brand in the United States. As the leading producer of one of the superior clarity polarized performance sunglasses, Costa® is most known for its patented 580 lens technology, which offers color enhancement and increased visual acuity. Still handcrafted today in Florida, Costa's sunglasses are backed by a lifetime warranty. Their unparalleled fit and durability have made them a leading choice of serious water sports enthusiasts.

While Costa currently derives the majority of its revenue from the Southeastern United States, it intends to capitalize on its products' reputation and proven brand and distribution strategies to accelerate its geographic expansion, in other parts of the U.S. and internationally.

In addition, stronger sales of prescription sun lenses, which today account for just 5% of revenue, will offer another growth lever, in particular under Essilor's leadership.

Commenting on the acquisition, Hubert Sagnières, Essilor's Chairman and Chief Executive Officer said, "The high quality sunglasses and prescription sun lens segment offers high potential given its low penetration rate. Costa's positioning, based on excellence, is perfectly aligned with Essilor's commitment to continually raise vision quality standards and improve the performance of products available to consumers. With Essilor's support, Costa intends to develop solutions to satisfy the unmet needs of its discerning customers and become a world leader in the high performance sunglasses segment."

¹ Net of revenue derived from the Cross Accessory Division which was sold in September 2013

The acquisition will enable Costa to leverage Essilor's expertise in surface coatings to develop innovative products in response to specific needs, such as anti-fog or hydrophobic lenses. In the prescription sunglasses segment, Essilor and Costa will work together to broaden product offerings.

"We are delighted to be joining forces with the world leader in optics" said David G. Whalen, Chief Executive Officer of Costa Inc. "Over the past decade, as consumers have become more familiar with the features and benefits offered by the Costa® brand, our business has grown very rapidly. As a member of the Essilor family we will have access to a deep pool of world class resources including technology and distribution that will drive our continued growth both in the United States and the global marketplace."

In the all-cash transaction, Costa shareholders will receive \$21.50 per share, representing a 19% premium on the volume-weighted average share price over the past six months. This corresponds to an estimated enterprise value of approximately \$270 million.

Under the terms of the merger agreement, certain Costa shareholders owning in aggregate an approximate 34% stake in the company have agreed to vote in favour of the transaction at the forthcoming special meeting called to approve it.

The transaction is expected to close in early 2014, subject to approval by regulatory authorities and a majority of Costa shareholders. Based on current estimates, the transaction is accretive to Essilor's earnings per share in 2014 (before impact of the purchase price allocation - PPA) and accretive in 2015. It will be financed out of Essilor's cash reserves.

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®, Crizal®, Definity®, Xperio®, Optifog™ and Foster Grant®. It also develops and markets equipment, instruments and services for eyecare professionals.

Essilor reported consolidated revenue of nearly €5 billion in 2012 and employs around 50,700 people. It operates in more than 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.

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.

About Costa Inc.

Costa Inc. owns and manages the Costa[®] and Native[®] Eyewear brands. Known best for its premium sport sunglasses tailored to those sports enthusiasts who play on the water, the Costa[®] Brand is rapidly expanding into prescription sunglasses and sports apparel. Likewise, the Native[®] Eyewear brand is becoming the brand of choice for mountain locals and those who aspire to the mountain way of life. Costa Inc. is the successor company of A.T. Cross. For more information, visit the Costa Inc. website at www.costabrands.com.

Forward-Looking Statements

Statements in this press release that are not statements of historical fact or that express our confidence, expectations, objectives, intentions, plans, or strategies or that are about the merger, or otherwise anticipate the future, are forward-looking statements. These forward-looking statements are not guarantees of future performance, and they are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Forward-looking statements contained in this press release speak only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

Costa Inc. ("Costa") will file with the Securities and Exchange Commission (the "SEC") a current report on Form 8-K, which will include the merger agreement related to the proposed merger. The proxy statement that Costa plans to file with the SEC and mail to shareholders will contain information about Costa, the proposed merger and related matters. SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT CAREFULLY WHEN IT IS AVAILABLE, AS IT WILL CONTAIN IMPORTANT INFORMATION THAT SHAREHOLDERS SHOULD CONSIDER BEFORE MAKING A DECISION ABOUT THE PROPOSED MERGER. In addition to receiving the proxy statement from Costa by mail, shareholders will be able to obtain the proxy statement, as well as other filings containing information about Costa, without charge, from the SEC's website at www.sec.gov or, without charge, from Costa at www.costabrands.com. This announcement is not a solicitation of a proxy.

Costa and its directors and executive officers and certain other members of management may be deemed to be participants in the solicitation of proxies in connection with the proposed merger. Information regarding the Company's directors and executive officers is available in the Company's Annual Report on Form 10-K filed with the SEC on March 13, 2013. Additional information regarding the interests of such participants in the solicitation of proxies in connection with the proposed merger will be included in the proxy statement to be filed by Costa with the SEC. Costa's press releases and other information about Costa are available at Costa website at www.costabrands.com

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