



## Essilor finalizes the acquisition of Transitions Optical

Charenton-le-Pont, France (April 1<sup>st</sup>, 2014) – Essilor International announces that it has finalized the acquisition of PPG Industries' 51% ownership stake in **Transitions Optical**, the world's leading provider of photochromic lenses to optical manufacturers, and 100% of the capital of **Intercast**, a manufacturer of premium sun lenses.

The transaction, announced on July 29, 2013, was approved without conditions by competition authorities in Australia, Brazil, Germany, New Zealand, Portugal, Spain, the United Kingdom and the United States.

Founded in 1990 and based in Pinellas Park, Florida (USA), Transitions Optical reported sales of \$844 million in 2013, of which \$279 million with lens manufacturers other than Essilor.

*"The acquisition of Transitions is a significant and highly promising transaction for Essilor,"* commented Hubert Sagnières, Chairman and Chief Executive Officer of Essilor. *"We will give Transitions the resources it needs to speed its growth and allow the Group to broaden its expansion in photochromic lenses, both worldwide and in different market segments."*

The consideration for the transaction amounts to \$1.73 billion at closing, subject to customary post-closing adjustments, plus a deferred payment of \$125 million over five years.

Transitions Optical and Intercast will be fully consolidated in Essilor's financial statements as from April 1<sup>st</sup>, 2014.

According to Group estimates, the integration of Transitions Optical will have a positive impact on Essilor's financial indicators, notably with:

- An increase in the Group's contribution margin<sup>1</sup> of around 150 bps as from year two of the integration.
- An accretive effect on earnings per share as from 2014, representing at least 5% a year in subsequent years.
- A positive impact of around 50 bps on the Group's like-for-like growth in consolidated revenue as from year three of the integration.

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<sup>1</sup> Operating profit before compensation costs of share-based payments, restructuring costs, other income and expense, and goodwill impairment, as a percentage of 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 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>, 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 more than €5 billion in 2013 and employs more than 55,000 people. It operates in more than 100 countries with 28 plants, more than 450 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.

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