



## Strong Growth in First-Half Revenue, up 9.4% Operating Margin Holds Firm

Charenton-le-Pont, France (July 17, 2009, 6:30 a.m.) – Essilor International, the world leader in ophthalmic optics, today announced consolidated revenue of an estimated €1,663.4 million for the six months ended June 30, 2009, representing a reported 9.4% increase on first-half 2008. Like-for-like, revenue was down a slight 0.7% for the period, but was up 5.3% excluding the currency effect alone.

In a generally sluggish ophthalmic optics market, Essilor primarily relied on new product launches to sustain its lens sales. Market share increased worldwide, led by the Company's extensive product portfolio, strong distribution networks and targeted acquisitions dynamic.

In light of these factors, Essilor is confident in its ability to maintain first-half 2009 operating margin on a par with full-year 2008.

### Consolidated revenue for the first six months of 2009

€ millions	H1 2009	H1 2008	% Change (reported*)	% Change (like-for-like)	Contribution from acquisitions
<b>Total</b>	<b>1,663.4</b>	<b>1,520.2</b>	<b>+9.4%</b>	<b>-0.7%</b>	<b>+6.0%</b>
<i>Europe</i>	<b>665.1</b>	693.5	-4.1%	-4.4%	+2.0%
<i>North America</i>	<b>718.1</b>	617.9	+16.2%	-0.9%	+4.3%
<i>Asia-Pacific</i>	<b>170.1</b>	146.8	+15.9%	+13.5%	+1.3%
<i>Latin America</i>	<b>60.3</b>	60.6	-0.5%	+9.4%	+0.7%
<i>Laboratory equipment (1)</i>	<b>49.8**</b>	1.4***	N/M	N/M	N/M

(\*) Of which 4.1% due to the currency effect – (\*\*) Excluding €14.8 million in Satisloh revenue from sales to Essilor  
 (\*\*\*) Satisloh was not part of the Group in first-half 2008.

(1) Application of IFRS 8 – Operating Segments has resulted in the creation of the “Laboratory Equipment” business segment, which includes the machines, consumables and replacement parts sold by Satisloh and Delamare to prescription laboratories. The change has not had a material impact on revenue from the operating regions, which consolidate all of the other sales (primarily of ophthalmic lenses and optical instruments).

**Improving performance in the second quarter: the like-for-like decrease in first-half revenue included a decline of 1.0% in the first quarter and of 0.4%<sup>2</sup> in the second.**

This reflected the following factors:

- A successful launch of value-added products around the world, including the new Crizal Forte<sup>®</sup> anti-reflective lens, the Essilor Transitions<sup>®</sup> VI variable-tint lens in Europe and the Xperio<sup>™</sup> polarized lens in the United States.
- Firm growth in entry-level products, where Essilor holds strong positions.
- A disappointing first-quarter performance in instruments.

**The strong 6% growth from changes in the scope of consolidation** primarily reflects a 3.2% increase from the consolidation of Satisloh and a 2.8% contribution from companies acquired in second-half 2008 and first-half 2009.

**The 4.1% positive currency effect** was mainly due to the US dollar's 15.4% gain against the euro during the period. On the downside, reported revenue was reduced by the declines against the euro in the British pound (down 12.4%), the Brazilian real (down 10.9%) and the Korean won (down 15.1%).

### **Revenue by region and business**

Growth in **Europe** was impacted by the highly unfavorable economy, especially in the United Kingdom, Spain and the Netherlands. Operations in Germany and France demonstrated firmer resistance, thanks to their multi-network strategy. New contract wins and successful business relationships helped to drive strong growth in Russia, Finland, Austria and Switzerland. Instrument sales returned to growth late in the first half, after falling sharply early in the year due to delays in delivering the new Mr Blue<sup>™</sup> edger.

In **North America**, business with optometrists and independent laboratories remained robust in the United States, while operations in Canada have begun to improve.

Operations in the **Asia-Pacific** region had a good first-half, with India and South Korea reporting an excellent performance, followed by China and most of the ASEAN countries. Growth was also strong in Australia, particularly in the independent eyecare professionals segment. The only exception was in Japan, where Nikon-Essilor nevertheless increased its share of a still depressed market.

In **Latin America**, growth slowed for the period, partly due to the comparison with the 17.6% gain reported in first-half 2008. However, business in Brazil and Latin America benefited from an improved product mix.

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(2) Second-quarter revenue is analyzed in more detail in the appendix, page 3.

**Laboratory equipment** sales continued to suffer as prescription laboratories pushed back purchases of antireflective coating units and surfacing machines. Nevertheless, Satisloh's ability to align its product offering with current conditions enabled it to gain new market share over the period.

### Highlights of the quarter – Acquisitions

During the second quarter, Essilor acquired three new prescription laboratories in the United States, ABBA Optical, Barnett & Ramel Optical and McLeod Optical, which have aggregate revenue of \$22 million. In Canada, Nikon-Essilor subsidiary Nikon Optical Canada raised its stake in prescription laboratory TechCite from 50% to 100%.

In June, Essilor also completed the acquisition, subject to certain conditions precedent, of WLC, a UK-based wholesaler-distributor with nearly €12 million in revenue.

The Company announced five other acquisitions (De Ceunynck in Belgium, Amico in the Middle East and Apex Optical, Vision Pointe Optical and OptiSource International in the United States), which will be consolidated in the second-half.

Since the beginning of the year, Essilor has completed 14 acquisitions, which will bring in around €64 million in full-year revenue.

### Share buybacks

As part of the program set up to offset potential dilution from the conversion of outstanding OCEANE bonds, Essilor purchased 459,280 of its own shares on the open market during the second quarter. Since the beginning of the year, the program has involved the purchase of 679,698 shares for a total of €20.2 million.

## Appendices

### Second quarter revenue

€ millions	Q2 2009*	Q2 2008	% Change (reported )	% Change (like-for-like)	Contribution from acquisitions
<b>Total</b>	<b>823.0</b>	<b>758.0</b>	<b>+8.6%</b>	<b>-0.4%</b>	<b>+5.5%</b>
<i>Europe</i>	335.0	348.8	-3.9%	-4.6%	+2.1%
<i>North America</i>	345.7	303.3	+14.0%	+0.1%	+3.3%
<i>Asia-Pacific</i>	84.4	72.8	+15.9%	+13.3%	+0.4%
<i>Latin America</i>	32.5	32.3	+0.7%	+8.7%	+1.2%
<i>Laboratory equipment**</i>	25.4	0.8	N/M	N/M	N/M

(\*) Of which 3.4% due to the currency effect – (\*\*) Satisloh was not part of the Group in second-quarter 2008.

**Quarterly revenue data**

€ millions	Q2 2009	Q2 2009	Q2 2008	Q1 2008
<b>Total</b>	823.0	840.4	758.0	762.2
<i>Europe</i>	335.0	330.0	348.8	344.7
<i>North America</i>	345.7	372.5	303.3	314.6
<i>Asia-Pacific</i>	84.4	85.7	72.8	74.0
<i>Latin America</i>	32.5	27.8	32.3	28.3
<i>Laboratory equipment*</i>	25.4	24.4	0.8	0.6

(\*) Satisloh was not part of the Group in first-half 2008.

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

The number to dial is: +33 1 70 99 42 79

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20090717-1F5418C3/fr/>

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

The number to dial is: + 44 20 7138 0843

The conference will be available for later listening at:

<http://hosting.3sens.com/Essilor/20090717-1F5418C3/en/>

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Next financial announcement:

**First-half earnings will be released on August 27, 2009.**

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*Essilor International is the world leader in ophthalmic optical products, offering a wide range of lenses under the flagship Varilux<sup>®</sup>, Crizal<sup>®</sup>, Essilor<sup>®</sup> and Definity<sup>®</sup> brands to correct myopia, hyperopia, presbyopia and astigmatism. Essilor operates worldwide through 15 production sites, 293 lens finishing laboratories and local distribution networks.*

*The Essilor share trades on the NYSE Euronext Paris market and is included in the CAC 40 index.*

*Codes and symbols: (ISIN: FR 0000121667; Reuters: ESSI.PA; Bloomberg: EF:FP).*

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