

First Quarter Driving Toward Full-Year Targets

- Sustained momentum in China and return to growth in Brazil
- Solid trends in mature countries impacted by poor weather
- Good results in sunwear and e-commerce

Charenton-le-Pont, France (April 27, 2018 – 6:30 a.m.) – Essilor, the world leader in ophthalmic optics, today announced that consolidated revenue for the first quarter of 2018 totaled €1,825 million, representing an increase of 3.8% in constant currency.

First-quarter 2018 consolidated revenue*

€ millions	Q1 2018	Q1 2017	% Change (reported)	% Change (like-for-like ^a)	Change in scope of consolidation	Currency effect
Lenses & Optical Instruments	1,592	1,688	-5.7%	+2.9%	+0.7%	-9.4%
<i>North America</i>	692	761	-9.1%	+3.4%	+0.9%	-13.4%
<i>Europe</i>	491	495	-0.7%	+0.7%	+0.2%	-1.6%
<i>Asia/Pacific/Middle East/Africa</i>	297	306	-2.8%	+6.2%	+0.6%	-9.6%
<i>Latin America</i>	112	126	-11.3%	+1.2%	+1.9%	-14.4%
Sunglasses & Readers	190	199	-4.9%	+6.6%	0%	-11.5%
Equipment	43	50	-12.4%	-3.1%	0%	-9.4%
TOTAL	1,825	1,937	-5.8%	+3.2%	+0.6%	-9.6%

* The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. Q1 2017 Revenue has been restated accordingly, with a negative impact of around €25m. As is customary, quarterly figures are unaudited.

“Everyone at Essilor continued to execute our growth strategy during the first quarter in order to achieve our goal of eradicating poor vision around the globe. After this sound start to the year, notably thanks to good performances in sunwear and e-commerce, we are confident that we will meet our full-year targets as the rollout of new products gathers pace over the next few months. Moreover, the combination with Luxottica will create new and exciting opportunities for consumers and the optical industry in the short and long term.” commented Hubert Sagnières, Essilor Chairman and Chief Executive Officer.

First-Quarter Revenue

Q1 like-for-like^(a) sales growth of 3.2% reflected:

- A 2.9% rise in sales at the Lenses & Optical Instruments division, driven by new products, instruments and e-commerce, though poor weather took a toll in Europe and North America;
- An excellent first three months for Sunglasses & Readers, where sales were up 6.6%;
- A demanding comparison base at the Equipment division (-3.1%), while customer demand and the order book remained solid.

The 0.6% consolidation **scope effect** reflected contributions from acquisitions completed in 2017.

A negative **currency effect** of 9.6% primarily reflected euro appreciation against the US dollar as well as against the Brazilian real, Canadian dollar and Chinese yuan.

Revenue by Region and Division

Lenses & Optical Instruments

The Lenses & Optical Instruments division posted like-for-like^(a) revenue growth of 2.9% in the first quarter, which included growth of 11.4% for the e-commerce businesses.

Like-for-like^(a) revenue growth was 3.4% in **North America**. The core US lens business grew faster than the overall region while sales in Canada declined slightly.

In the United States, despite a temporary slowdown in areas affected by adverse weather, demand for the flagship corrective lens brands was strong throughout the quarter. This notably benefited the “Ultimate Lens Package”, a premium solution tailored to progressive and single-vision lens wearers, launched during the latter part of 2017. Growth in the first quarter was again supported by the ongoing rollout of strategic initiatives focused on independent eyecare professionals, including alliances (Vision Source, PERC/IVA and Optiport) and business solutions (Essilor Experts). Essilor’s key account business continued to experience strong demand for innovative lens offerings, such as blue-light-filtering technology, and integrated supply chain solutions while benefitting from exposure to faster growing retail groups. Contact lens distribution activities also contributed to growth during the quarter. Lastly, the Company increased its efforts to eradicate poor vision by screening more disadvantaged children thanks to strong support from employee volunteers.

Sales growth in **Europe** (0.7% like-for-like^(a)) was fueled chiefly by new products and the Company’s brands, as well as by a solid rise in online sales. Gains were offset in part by lower footfall in stores resulting from two temporary factors: generally inclement weather and an unfavorable calendar effect.

Most countries in the region continued to benefit from the growth momentum of the new Varilux® X series™ progressive lens, which created a positive mix effect and lifted sales of Crizal® lenses. In France, sales were

resilient in a soft market thanks to offers including a second pair of quality lenses and to strong gains for Nikon® lenses distributed through the BBGR network.

High-potential markets in Eastern Europe, chief among them Russia, Hungary and Romania, delivered robust growth over the period. Strong online sales contributed to revenue growth in the United Kingdom. Sales were flat in German-speaking and Nordic countries and declined in Southern Europe. Meanwhile, the Company continued to advance its philanthropic initiatives to eradicate poor vision across the region with the help of strategic public and private sector partners.

Sales growth in **Asia/Pacific/Middle East/Africa** (6.2% like-for-like^(a)) was powered by virtually all the countries in the region. Like-for-like^(a) growth was around 8% in fast-growing markets.

Gains were notably driven by China, where all networks saw robust growth, and sales were boosted in the high-end range by myopia control solutions.

Results were very strong elsewhere in Asia as well. Business in Korea benefited from accelerated penetration of progressive lenses and strong sales of “Perfect-UV” lenses. ASEAN countries delivered double-digit growth, as did the Africa-Middle East-Turkey region, where an overall improvement in the product mix lifted sales. Despite an acceleration in domestic sales, the situation in India was again mixed. It is worth noting that the State of Telangana has committed to screen its 35 million citizens and selected 2.5 New Vision Generation, Essilor’s inclusive business arm, to provide 2.2 million pairs of glasses in 2018.

Lastly, though momentum was very positive in Japan, a decline in sales in Australia depressed results in developed markets.

Sales growth in **Latin America** was much stronger (1.2% like-for-like^(a)) than in the last three months of 2017 despite a very unfavorable calendar effect. The drivers were a return to growth in Brazil and good performances in the majority of Spanish-speaking countries.

In Brazil, targeted marketing initiatives designed to boost sales of the Company’s flagship brands (Varilux®, Crizal®, Transitions®) translated into stronger momentum with independent eye care professionals, notably through the network of partner labs. Kodak® lenses, positioned in the mid-range, and instrument sales also contributed to the rebound. Lastly, the “Ótica Cidadã” program continues to address the unmet vision needs of the underserved population by partnering with eyecare professionals.

Elsewhere in the region, Argentina once again delivered double-digit growth and Colombia continued to reap the benefits of the partnership with Servi Optica, which aims to boost penetration of Varilux®, Crizal® and Transitions® lenses and increase market share with key accounts.

Sunglasses & Readers

Sunglasses & Readers division sales rose 6.6% like-for-like^(a) in the first quarter.

In North America, revenue increased at **FGX International** on the back of the new contracts won in 2017 and good sell-through demand for sunglasses and readers in stores. **Costa** also had a good quarter, with positive momentum in the independent optician channel both for sun and optical lines, prescription lens sales and brand expansion more than offsetting lackluster results in sports stores. The 2018 collection launched by **Xiamen Yarui Optical** (Bolon™) in China has been very well received by consumers. **MJS** continued to deliver growth and open new points of sale under its different brands, ensuring that its store model keeps up with the rapidly-changing demands of Chinese consumers for quality products as well as improving access to good vision. Lastly, **Merve** had a good quarter in Turkey both for sunglasses and optical frames.

Equipment

Sales at the Equipment Division contracted by 3.1% like-for-like^(a) from a particularly demanding comparison base, which included two large orders in Asia in the first quarter of 2017. Business continued to be buoyed in North America and Europe by sales of the VFT-Orbit 2™ digital generator and Multi-FLEX™ polisher, and by strong interest in the design of complete prescription laboratories. Smaller prescription labs in Latin America continued to switch to digital surfacing technology. The deployment of this technology generates the necessary efficiency gains to support improved access to vision correction for the greatest number of consumers. The division's order book remains solid.

Outlook

The ongoing rollout over the coming months of new products, including launches of the Varilux® X series™ and Crizal® Sapphire™ 360° lenses in many new geographic markets, should allow the Company to build momentum and meet its full-year targets. In addition, the Company has resumed its bolt-on acquisition activity as part of its overall growth strategy.

It should be recalled that Essilor is targeting, in 2018, like-for-like^(a) revenue growth of around 4% and a contribution from operations^(b) greater than or equal to 18.3%^(c) of revenue.

The finalization of the proposed Essilor and Luxottica combination is planned for the first part of 2018 after obtaining all necessary authorizations.

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

The meeting will be available live and may also be heard later at:

<http://hosting.3sens.com/Essilor/20180427-19F19E4F/en/startup.php>

Notes

- a. **Like-for-like growth:** Growth at constant scope and exchange rates. See definition provided in Note 2.4 to the consolidated financial statements of the 2017 Registration Document.
- b. **Contribution from operations:** Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).
- c. Excluding any new strategic acquisition.

About Essilor

Essilor International (Compagnie Générale d'Optique) ("Essilor") is the world's leading ophthalmic optics company. Essilor designs, manufactures and markets a wide range of lenses to improve and protect eyesight. Its mission is to improve lives by improving sight. To support this mission, Essilor allocates more than €200 million to research and innovation every year, in a commitment to continuously bring new, more effective products to market. Its flagship brands are Varilux®, Crizal®, Transitions®, Eyezen™, Xperio®, Foster Grant®, Bolon™ and Costa®. It also develops and markets equipment, instruments and services for eyecare professionals.

Essilor reported consolidated revenue of around €7.5 billion in 2017 and employs approximately 67,000 people worldwide. It has 34 plants, 481 prescription laboratories and edging facilities, as well as 4 research and development centers around the world. For more information, please visit www.essilor.com.

The Essilor share trades on the 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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