

Essilor Expands in China

Essilor updates 2016 expectations and confirms its robust medium-term outlook

Charenton-le-Pont, France (November 22, 2016 – 7:00 a.m.) – Essilor has formed a new partnership by taking a 50% stake in **Photosynthesis Group**, a Hong Kong-based company that markets sunglasses and corrective lenses under a range of banners including MJS. It primarily operates through a network of franchised shopping mall stores in China and has begun expanding abroad in Southeast Asia. The partnership will help to drive faster growth in the Chinese optical industry, while enabling Essilor to broaden its footprint in the promising sunwear segment.

Separately, Essilor has also agreed to purchase a 55% equity interest in **Jiangsu Creasky Optical**, an ophthalmic lens manufacturer and distributor based in Danyang, China. Jiangsu Creasky Optical employs more than 300 people and primarily serves the domestic market. Its acquisition, which is subject to regulatory approval, is designed to expand Essilor's offering in the Chinese mid-range segment.

Together, these two partnerships attest to Essilor's strong acquisitions dynamic in 2016, which is expected to result in a scope effect of around 4% for the year.

On a like-for-like basis, revenue growth is now projected to end the year at around 3.5%, reflecting the temporary slowdown in the ophthalmic optical market in the United States - the Company's largest market - and several other leading geographies, as well as the October revenue performance.

The solid growth anticipated therefore in full-year revenue at constant exchange rates reflects the strengthening of the Company's positions across the global marketplace.

Lastly, contribution from operations¹ is now expected to stand at around 18.5% of revenue, primarily due to the slower than expected like-for-like growth and the dilution from the sustained acquisitions dynamic.

In 2017 and the years ahead, Essilor will pursue its mission to improving visual health by strategically expanding in prescription lenses, sunwear and online sales. It remains confident in its ability to seize the wide variety of growth opportunities offered by the optical market, where demand is being driven by durable, robust fundamentals.

¹ Contribution from operations corresponds to revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs, and other operating expenses).

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 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 more than €6.7 billion in 2015 and employs 61,000 people worldwide. It markets its products in more than 100 countries and has 32 plants, 490 prescription laboratories and edging facilities, as well as five 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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