Third-Quarter 2018 Report

Charenton-le-Pont, France (October 22, 2018 – 5:40 p.m.) – EssilorLuxottica (Euronext Paris: EL), Essilor International (Compagnie Générale d'Optique) ("Essilor") new corporate name since October 1, 2018, is reporting here the third-quarter revenue generated by Essilor.

Insofar as the combination of Essilor and Luxottica Group S.p.A. ("Luxottica") was completed on October 1, 2018, their revenue and scopes of consolidation were independent of one another throughout the third quarter 2018. As a result, each company is separately reporting its respective 2018 third-quarter revenue generated within its own scope of consolidation as of September 30, 2018.

Luxottica (MTA: LUX), the shares of which trade on the Milan Stock Exchange, is also reporting its third-quarter revenue today. Its report can be found at: www.luxottica.com/en/investors

ESSILOR

Like-for-like[1] revenue growth of 5.0% in Q3
Strong results for the Company's main brands

- **Very good performance in Asia, from the online business and from the Sunglasses & Readers division**
- **Momentum remains strong in the United States**
- **Trends improving in Europe and Latin America**
- **Resumption of acquisitions**

As of September 30, 2018, consolidated revenue at Essilor International (Compagnie Générale d'Optique) ("Essilor") stood at €5,537 million, up 4.8% at constant currency.

Essilor consolidated revenue for the first nine months of 2018

€ millions	9 months 2018	9 months 2017[4]	Change (reported)	Change (like-for-like[1])	Change in scope of consolidation	Currency effect
Lenses & Optical Instruments	**4,808**	4,874	-1.4%	+3.9%	+0.5%	-5.8%
North America	***2,079***	*2,127*	*-2.2%*	*+3.9%*	+0.7%	*-6.8%*
Europe	***1,485***	*1,488*	*-0.2%*	*+1.1%*	*+0.1%*	*-1.4%*
Asia/Pacific/ Middle East /Africa	***902***	*891*	*+1.2%*	*+7.6%*	*+0.3%*	*-6.7%*
Latin America	***342***	*368*	*-7.0%*	*+5.7%*	*+1.6%*	*-14.3%*
Sunglasses & Readers	**581**	565	+2.8%	+9.0%	*+0.5%*	-6.7%
Equipment	**148**	154	-4.2%	+1.0%	+0.0%	-5.2%
TOTAL	**5,537**	**5,593**	**-1.0 %**	**+4.3%**	**+0.5%**	**- 5.8%**

(4) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. 9 months 2017 revenue has been restated accordingly, with a negative impact of around €68m.

"Essilor's strategy, which supports its mission to improve sight across the globe, is continuing to bear fruit. We have gradually created a path to a more sustainable growth dynamic this year thanks to the breadth of our product innovation, our successful sunwear brands and online businesses and the resumption of our acquisition policy.
Strong momentum in the third quarter, carried over from the first half, increases our confidence in meeting our full-year targets. The third quarter results are also a powerful demonstration that Essilor is creating value while effectively combining its businesses with those of Luxottica," said Laurent Vacherot, Deputy Chief Executive Officer of Essilor International.

Nine-month revenue

The change in reported revenue reflected several underlying factors:

- Like-for-like[1] growth of 4.3%, which exceeded the full-year target (“around 4%”) and showed sequential improvement in momentum;
- A 0.5% impact from changes in the scope of consolidation;
- A negative currency effect (-5.8%) due to euro appreciation against the Company’s main invoicing currencies.

Third-quarter 2018 consolidated revenue: +5.6% at constant currency

€ millions	Q3 2018	Q3 2017[4]	Change (reported)	Change (like-for-like[1])	Change in scope of consolidation	Currency effect
Lenses & Optical Instruments	**1,597**	1,541	+3.6%	+4.5%	+0.5%	-1.4%
North America	***693***	*655*	*+5.8%*	*+3.9%*	*+0,5%*	*+1.6%*
Europe	***481***	*477*	*+0.7%*	*+1.4%*	*+0.0%*	*-0.7%*
Asia/Pacific/Middle East/Africa	***306***	*288*	*+6.4%*	*+9.8%*	*+0,4%*	*-3.8%*
Latin America	***117***	*121*	*-3.5%*	*+7.1%*	*+2.9%*	*-13.5%*
Sunglasses & Readers	**168**	148	+13.6%	+11.4%	*+1.7%*	+0.5%
Equipment	**46**	45	+2.3%	+1.2%	+0.0%	+1.1%
TOTAL	**1,811**	**1,734**	**+4.4%**	**+5.0%**	**+0.6%**	**-1.2%**

(4) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. Q3 2017 revenue has been restated accordingly, with a negative impact of around €18m.

Revenue rose by 4.4% on a reported basis in the third quarter of 2018, to €1,811 million.

- Like-for- like[1] growth reached 5%, reflecting:
  - ✓ Solid results at the Lenses & Optical Instruments division (sales up 4.5% like-for-like), driven by accelerations in fast-growing markets[5] and the online activities;
  - ✓ Double-digit growth at the Sunglasses & Readers division;
- The increase from scope of consolidation of 0.6% was comprised of new partnerships formed in 2018;
- The negative currency impact lessened to -1.2%.

Highlights by region and division

Lenses & Optical Instruments

Revenue increased by 3.9% in like-for-like[1] terms in **North America** during the third quarter. Dynamics remained largely consistent compared to the second quarter with the core US lens business growing faster than the overall region and with performance boosted by e-commerce, particularly online sales of prescription eyeglasses.

In the United States, the Company's strategy to drive innovation in the lens market and deliver on initiatives to support independent eyecare professionals and optical chains fueled robust growth. Transitions® Style Colors and Style Mirrors were launched in the US market and exceeded expectations, particularly with younger wearers. The launch also supported the continued rollout of the "Ultimate Lens Package" offering, a premium solution tailored to progressive and single-vision lens wearers. Activity remained buoyant with alliance group members, aided by the significant expansion in the number of independent eyecare professionals in the Essilor Experts program during the course of 2018.
Essilor also forged a partnership with UnitedHealthcare Vision, one of the leading vision managed care organizations in the United States and part of UnitedHealthcare, the largest health insurer in the US. Under the terms of their agreement, eyecare professionals approved by the carrier will be able to work with a broad network of prescription laboratories, giving them as well as consumers more choice and access.

Sales growth in **Europe** accelerated in the third quarter (+1.4% like-for-like[1]) relative to the first half. The deployment of additional sales resources boosted penetration of value-added products, notably Varilux® X series™ and Crizal® Sapphire™ lenses, as well as Transitions® photochromic lenses. During the International Optical Fair in Paris (SILMO), the Company won two "SILMO d'Or" awards (first prize), one for BBGR's BLUV® Xpert lens and one for Vision-R™ 800, a new refraction instrument.
Growth was robust in France, where all distribution networks posted gains both with independent eyecare professionals and the retail chains. Scandinavian countries delivered double-digit growth thanks to solid execution of a partnership with a regional key account. Russia and Eastern Europe, led by Poland, continued to benefit from an improving product mix. Online sales, notably of corrective lenses, also boosted growth in the region.

Like-for-like[1] revenue growth of 9.8% in **Asia/Pacific/Middle East/Africa** reflected strong momentum in fast-growing markets[5], where sales rose by 13%. One of the best performances in the region came from China, where the domestic business was robust notably thanks to myopia control solutions, Varilux® and Transitions® lenses and blue light filtering lenses. Greater penetration of progressive, photochromic and antireflective lenses boosted growth in several other countries including South Korea, Southeast Asia and Turkey. Trends were again more mixed in India despite a sharp rise in online sales. In developed countries in the region, Japan had a strong quarter and Australia saw an uptick.

Momentum improved further in **Latin America** (+7.1% like-for-like[1]) thanks to sales growth that was balanced between Brazil on the one hand and Spanish-speaking countries on the other. Varilux® and Transitions® lenses both achieved double-digit volume growth in the region.
Gains in Brazil were driven by efficient promotional campaigns, notably to promote Varilux® progressive lenses, and by the promising launch of a new optometry line. The main driver for the rest of the region was a sharp sales rebound in Mexico to which all distribution networks contributed.

<u>Sunglasses & Readers</u>
Business trends have been strong this year at the **Sunglasses & Readers** division, with revenue rising by 11.4% like-for-like[1] in the third quarter and by 9.0% in the first nine months. Results in China were boosted by a return to robust and sustained growth at **Xiamen Yarui Optical** (Bolon™) and by the expansion of the **MJS** store network and product range in a very competitive market. In North America, sales to consumers remained buoyant both at **FGX International**, for sunglasses and readers, and at **Costa**, which also benefited from new acetate sunglasses in its line-up and from its expansion in optical shops in addition to sporting goods stores.

<u>Equipment</u>

Revenue at the **Equipment** division increased by 1.2% like-for-like[1] in the third quarter. This was achieved despite the postponement of several machine shipments, notably in Asia and Latin America, and a demanding comparison base in Europe. In Latin America, smaller prescription laboratories continued to switch to digital surfacing technology. Sales of the latest generations of surfacing machines (the VFT-Orbit 2™ digital generator, the Multi-FLEX™ polisher and the ART blocking machine) remained buoyant across all regions.

Fighting poor vision across the world

Essilor continues to pursue its ambition of eradicating poor vision from the world by accelerating its actions with many milestones reached in the third quarter of 2018. The Company continued to roll out its "2.5 New Vision Generation™" inclusive business models in many countries. Examples include Kenya, where a first group of entrepreneurs are completing their training to become "Eye Rafiki" primary vision care providers, and China, where the launch of a partnership with an innovative digital platform provides vision care solutions to rural populations. "Our Children's Vision", a global campaign co-founded by Essilor's strategic giving fund Vision for Life™, conducted in cooperation with various partners from the public and private sectors, had reached 27 million children at end-September, putting it ahead of its 50 million target before 2020. In India, the Essilor Vision Foundation teamed up with the government of Karnataka to launch a program to eradicate poor vision among the 325,000 residents of the Doddaballapura Taluk district.

Acquisitions and partnerships

The Company pursued its strategy of making targeted acquisitions and forging local partnerships during the third quarter.

Within the Sunglasses & Readers division, FGX acquired **One Click Internet Ventures, LLC**. This US company based in Indianapolis sells non-prescription glasses online and owns the readers.com website. One Click generates revenue of around US$15 million a year.

Since the end of the third quarter, the Company has expanded its geographic coverage in the United States by partnering with **Expert Optics**, an optical laboratory based in Illinois that generates annual revenue of close to US$16 million.

Essilor has acquired majority stakes in six companies this year, representing combined full-year revenue of around €54 million.

Subsequent events

- Completion of combination between Essilor and Luxottica

Following the contribution by Delfin, the majority shareholder of Luxottica, of its 62.42% stake in Luxottica to Essilor on October 1, 2018, Essilor International (Compagnie Générale d'Optique) ("Essilor"), the parent company of Essilor International SAS, also became the parent company of Luxottica and was renamed EssilorLuxottica. As consideration for the contribution by Delfin of its stake in Luxottica to Essilor, Essilor issued 139,703,301 new ordinary shares through a capital increase with preferential subscription rights pursuant to a resolution approved by Essilor shareholders in May 2017. The newly-issued shares began trading on Euronext Paris on October 2, 2018 under the ticker symbol EL, with the same ISIN code FR0000121667 as other existing shares.

On October 1, 2018, the Turkish Competition Authority (TCA) approved the combination between Essilor and Luxottica after the two companies made certain commitments regarding the conduct of their business in Turkey. Essilor and Luxottica notably agreed to dispose of a Turkish subsidiary active in the distribution of frames and sunglasses before the end of 2019.

On October 2, 2018, EssilorLuxottica was assigned long-term credit ratings of “A2” by Moody’s (outlook positive) and “A” by Standard & Poor’s (outlook stable).

- Public exchange offer for Luxottica shares

In accordance with Italian law and with a view to delisting Luxottica’s shares from the Milan stock exchange, on October 11, 2018, EssilorLuxottica submitted to CONSOB (Italy’s securities regulator) the document relative to its mandatory exchange offer to acquire all remaining issued and outstanding ordinary Luxottica shares with the exception of the ordinary shares already held by EssilorLuxottica and those held by Luxottica as treasury stock.

During the exchange offer, EssilorLuxottica will offer the remaining Luxottica shareholders tendering their shares in the exchange offer a stock-only consideration consisting of 0.4613 newly issued shares of EssilorLuxottica with par value of Euro 0.18, admitted to trading on Euronext Paris, per each Luxottica share tendered in the exchange offer. The Exchange Ratio is the same one as the one applied in the contribution by Delfin to EssilorLuxottica of Delfin’s entire stake in Luxottica that closed on October 1, 2018.

Concurrently with the exchange offer in Italy, EssilorLuxottica will launch in the United States an exchange offer for Luxottica shares in the form of a private placement addressed solely to certain “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), in reliance on the exemption from registration provided for private placements by Section 4(a)(2) under the U.S. Securities Act. Such private placement will contemplate the same terms and conditions as the exchange offer in Italy and will have the same tender period and payment date as the exchange offer in Italy.

This exchange offer will allow Luxottica shareholders to exchange their outstanding shares for new EssilorLuxottica shares.

Outlook

Since October 1, the scope of consolidation of Essilor International (Compagnie Générale d’Optique) (“Essilor”), which was renamed EssilorLuxottica on that same date, has included the businesses that made up Luxottica’s scope of consolidation. Consequently, the full-year guidance issued by Essilor at the start of 2018 cannot be transposed to EssilorLuxottica.

However, the targets set for the businesses included in the Essilor scope of consolidation as of September 30, 2018, calling for like-for-like[1] revenue growth of close to 4% and contribution from operations[2] greater than or equal to 18.3%[3], are still applicable.

A **conference call** in English will be held today at 6:00 p.m. (CEST).
It will be available live and may also be heard later at:
https://hosting.3sens.com/EssilorLuxottica/20181022-B4B298EE/en/startup.php

Notes

1. **Like-for-like growth**: Growth at constant scope and exchange rates. See definition provided in Note 2.4 to the consolidated financial statements in the Essilor 2017 Registration Document.
2. **Contribution from operations**: Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).
3. Excluding any new strategic acquisitions.
4. The group has applied **IFRS 15** related to revenue recognition since January 1st, 2018. The 2017 revenue has been restated accordingly.
5. **Fast-growing countries** include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America.

EssilorLuxottica is a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. Formed in 2018, its mission is to help people around the world to see more, be more and live life to its fullest by addressing their evolving vision needs and personal style aspirations. The company brings together the complementary expertise of two industry pioneers, one in advanced lens technology and the other in the craftsmanship of iconic eyewear, to set new industry standards for vision care and the consumer experience around it. Influential eyewear brands including Ray-Ban and Oakley, lens technology brands including Varilux® and Transitions®, and world-class retail brands including Sunglass Hut and LensCrafters are part of the EssilorLuxottica family. In 2017, EssilorLuxottica had nearly 150,000 employees and pro forma consolidated revenues would have reached approximately Euro 16 billion.
The EssilorLuxottica 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: ESLX.PA; Bloomberg: EL:FP.

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Appendix: Essilor Consolidated Revenue by Quarter

€ millions	2018	2017*
First Quarter		
Lenses & Optical Instruments	**1,592**	1,688
North America	***692***	*761*
Europe	***491***	*495*
Asia/Pacific/Middle East/Africa	***297***	*306*
Latin America	***112***	*126*
Sunglasses & Readers	**190**	199
Equipment	**43**	50
TOTAL First Quarter	**1,825**	**1,937**
Second Quarter		
Lenses & Optical Instruments	**1,619**	1,645
North America	***694***	*711*
Europe	***513***	*516*
Asia/Pacific/Middle East/Africa	***299***	*297*
Latin America	***113***	*121*
Sunglasses & Readers	**223**	218
Equipment	**59**	59
TOTAL Second Quarter	**1,901**	**1,922**
Third Quarter		
Lenses & Optical Instruments	**1,597**	1,541
North America	***693***	*655*
Europe	***481***	*477*
Asia/Pacific/Middle East/Africa	***306***	*288*
Latin America	***117***	*121*
Sunglasses & Readers	**168**	148
Equipment	**46**	45
TOTAL Third Quarter	**1,811**	**1,734**
Fourth Quarter		
Lenses & Optical Instruments		1,536
North America		*661*
Europe		*479*
Asia/Pacific/Middle East/Africa		*280*
Latin America		*116*
Sunglasses & Readers		202
Equipment		71
TOTAL Fourth Quarter		**1,809**

** The group has applied IFRS 15 related to revenue recognition from January 1st, 2018. 2017 revenue on a quarterly basis has been restated accordingly.*