



## Essilor Expands in Online Distribution With Acquisition of Coastal.com

- Offer to acquire Coastal.com, a leading online vision care retailer
- Driving better growth and information for the industry

Charenton-le-Pont, France (February 27, 2014) – Essilor International today announced that it has entered into a binding agreement to acquire all of the outstanding common stock of Coastal Contacts (Coastal.com), one of the world's leading online vision care retailers.

Based in Vancouver, British Columbia (Canada), Coastal.com is listed on the Toronto Stock Exchange and on NASDAQ and reported revenue of CAD 218 million for the fiscal year ended October 31, 2013. Founded in 2000, the company designs and distributes one of the widest online selections of optical equipment, including contact lenses, prescription and non-prescription eyeglasses, sunglasses and various accessories. Products are sold through several local websites covering mainly North America and Europe as well as the Asia-Pacific region and Brazil. The company has more than five million customers worldwide.

Commenting on the acquisition, Hubert Sagnières, Essilor's Chairman and Chief Executive Officer, said: *"The Internet has an important role to play in helping us to fulfill our corporate mission of enabling people to enjoy a better life through better sight. The first step towards good visual health is a comprehensive eye examination. But in our industry, as in many others, the purchasing process is becoming more diversified. The Internet, if used properly, can help to drive market growth by educating consumers and making it more convenient for them to enjoy good visual health. With Coastal.com, Essilor is acquiring a recognized online vision care platform. Our commitment is to contribute to shape this distribution channel for the benefit of the entire industry as well as consumers."*

Roger Hardy, Chairman and Chief Executive Officer of Coastal.com, said: *"The Board of Directors of Coastal.com unanimously recommend that shareholders accept Essilor's offer. As a member of the world's leading vision care group, we will be able to offer our customers even better service. Combining Coastal.com's expertise in online sales with Essilor's innovation, marketing and logistics capabilities will allow us to focus our offer more effectively on the various categories of consumers."*

Online sales account for roughly 4% of the global vision care market, which is estimated at some USD 100 billion based on retail prices. They are likely to continue growing at a double-digit rate for the



foreseeable future. Essilor has been involved in online distribution for several years through its subsidiaries FramesDirect and EyeBuyDirect and through MyOnlineOptical, a turnkey e-commerce engine that enables American eyecare professionals to offer an online complement to their in-store offerings. Essilor intends to leverage online distribution to improve the quality of vision care information, optimize the deployment of its products and of new online technologies, and provide wider access to vision correction solutions for existing eyeglass wearers and for the 2.5 billion potential wearers worldwide.

Essilor is offering CAD 12.45 per Coastal.com share, which represents a premium of approximately 20% to the closing share price of CAD 10.39 per share on February 26, 2014 and approximately 42% to the weighted average price of CAD 8.74 quoted on the Toronto Stock Exchange over the last 60 trading days. The transaction represents a net equity value of approximately CAD 430 million.

The transaction will be structured as an arrangement under the Canada Business Corporations Act and is subject among others to the approval of the Competition Bureau in Canada and to that of Coastal.com's shareholders. Roger Hardy, founder, Chairman and CEO, along with Coastal.com's directors and officers, have entered into support and voting agreements pursuant to which they have agreed to vote their shares of Coastal.com, representing 16% of all outstanding shares, in favor of the transaction. The transaction is expected to be completed by the end of April 2014.

#### **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 over €5 billion in 2013 and employs more than 55,000 people. It operates in some 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.*

## **Contacts**

### **Investor Relations and Financial Communication**

Véronique Gillet – Sébastien Leroy – Ariel Bauer

Tel.: +33 (0)1 49 77 42 16

### **Corporate Communication**

Lucia Dumas

**Press**

Mailis Thiercelin

Tel.: +33 (0)1 49 77 45 02