



# The Reader market and FGX Background

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December 16 2009



# Readers : a big and growing global market

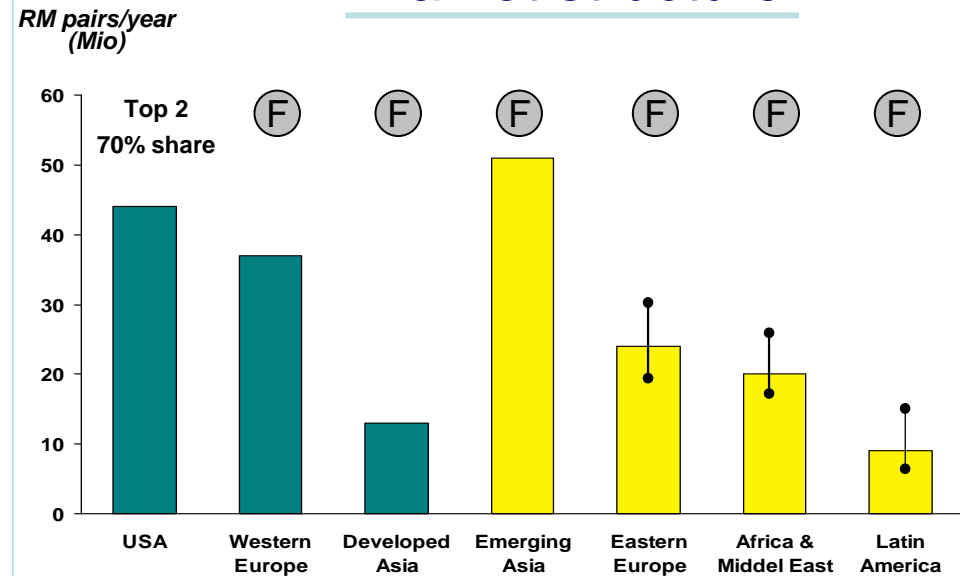
## Market size

	€ Billion	Volume	Long term growth trend
Prescription lenses	9	500 mio pairs	2% to 3%
OTC readers	1	200 mio units	4% to 8%
<b>TOTAL</b>	<b>10</b>	<b>700 mio</b>	

Readers as % total	10%	28%
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## Market structure



**F** = Fragmented market with various small players



# FGX key strengths and competitive advantages

A strong leader

- ❑ Over 50% market share in the USA/Canada\*

Sourcing Scale and experience

- ❑ Over 40 million readers sourced / year (70m incl. sunglasses)
- ❑ 25 years in China, no supplier > 16 %

Retail long term partnership & service

- ❑ 68,000 doors worldwide
- ❑ 2,400 person field merchandising team
- ❑ 15 years partnership with top 5 customers

Well known and advertised US brands

- ❑ Magnivision
- ❑ Foster Grant
- ❑ Solar Shield

\* According to Company management

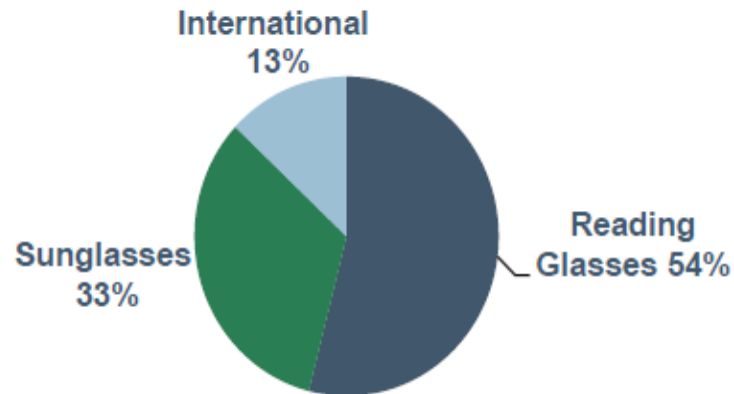


# The leader in a steadily growing North American market

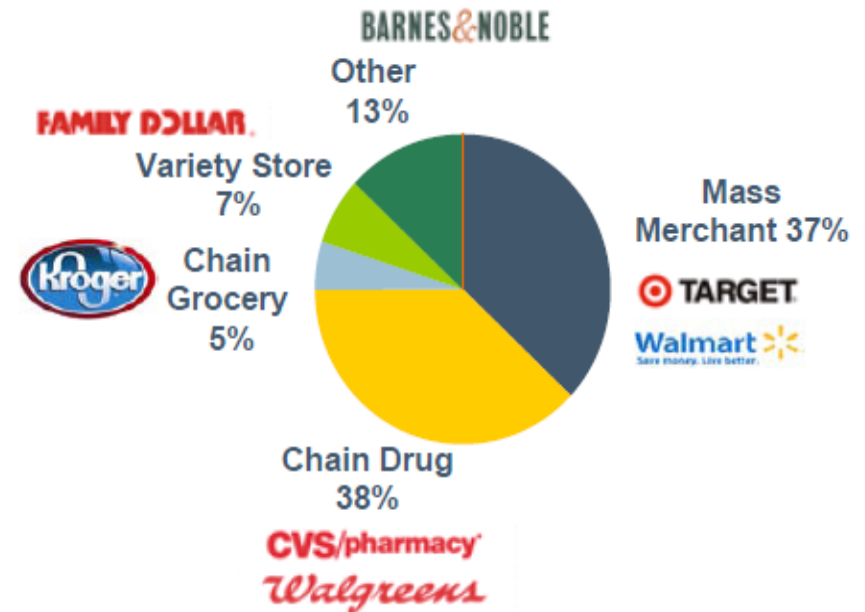
## \$237m of Sales in 2008\*

\$256m reported

### 2008 Sales by Product Line



### 2008 Sales by Channel



\*Excl. Costume jewelry business (\$16.5m) sold in 2009 and sales from Dioptics division

\$ millions	2007	2008	2009e
<b>Sales</b>	240	256	258-262*
<b>Ebitda</b>	48.5	54	57-59*
<b><i>As a % of sales</i></b>	20.2%	21.1%	~ 22.3%
<b>Net income</b>	4.7	17	-
<b>EPS</b>	0.29	0.79	0.99-1.03*
<b>Net Debt</b>	116	128	~ 100

- ❑ **Entreprise Value of \$565m equivalent to 8.4x 2010e EBITDA\***
- ❑ **Financing through our available cash and €1.7bn credit facilities**
- ❑ **Neutral to Essilor operating margin**
- ❑ **Accretive to Essilor's EPS in 2010 before impact of the purchase price allocation and accretive in 2011**

\* Based on analysts consensus