AFFLELOU

Press release

Paris, June 27, 2017

Afflelou Group's third-quarter results for the nine-month period ended April 30, 2017

- **Network sales[1] up +9.4% to €189.7 million, with +0.8% on a like-for-like basis[2]**
- **+7.0% increase of operational profitability in adjusted EBITDA[3] to €18.5 million**

The Afflelou Group (the "Group") has today published its results for the third quarter of its fiscal year (Nine-month period ended April 30, 2017).

Business trends of the Group's networks

Network sales were €189.7 million in the third quarter of the fiscal year (from February 1, 2016 to April 30, 2017), up +9.4% from the €173.4 million recorded in the third quarter of the preceding fiscal year, an increase of +9.0% since the beginning of the current fiscal year. The Group's network sales also posted an increase on a like-for-like basis of +0.8% in the quarter.

The historical ALAIN AFFLELOU banner in France once again performed well, with growth of +1.3% in like-for-like sales, despite two fewer opening days as compared with last year and also ahead of the strong performance in the same period of the last fiscal year (+4.6% in France). The Group considers that it is again outperforming the French optical sector, which reported a slightly negative trend on a constant basis since the start of 2017.

Sales in Spain and in other countries are also generally on the rise. Spain still showed weaker like-for-like sales, with erratic evolution of the overall sector, though very recent trends seem to be better oriented.

The Group had 1,461 stores as of April, 30 2017, i.e. an increase of 66 stores since the beginning of this fiscal year. Our historical ALAIN AFFLELOU banner added 32 stores across all geographies during the nine-month period ended April 30, 2017, with renewed attractiveness especially in France thanks to our success in the sector.

Afflelou Group's financial performance

The Group recorded sales of €89.8 million, up +2.8% since the same period last fiscal year.

The strong vitality of our networks fueled Group's performance, especially in France and within our historical banner.

[1] Network sales comprise sales (excluding tax) to end customers by all of the Group's distribution channels, including directly-owned stores. Sales of the franchisees correspond to their monthly sales reports, resulting from obligations under their franchise agreements.
[2] Like-for-like network sales correspond to sales of stores that were open through the two periods under consideration, based on a full fiscal year, and which did not undergo any substantial changes during those periods (such as construction or refurbishment work of a duration of more than one month), so that sales performance in a period may be compared to that of the prior period. Like-for-like network sales are calculated at current exchange rates as a very small portion of network sales are currently exposed to currency risk.
[3] Adjusted EBITDA is defined as income from ordinary activities as presented in the Group's consolidated financial statements, before (i) depreciation and amortization of property, plant and equipment, and intangible assets, (ii) changes in provisions for trade receivables and inventories, and (iii) management fees, management long term incentives and acquisition price supplements, if applicable in each case.

The Group's adjusted EBITDA increased by +7.0%, to €18.5 million from € 17.3 million a year before. Profitability in France, the Group's main geographical region, climbed by 9.9%, representing 11.0% of network sales since the beginning of the fiscal year, despite the dilutive impact of newer activities such as e-commerce, hearing aids and the discount segment.

In Spain, weaker like for like network sales also impacted our profitability in the directly-owned stores activity. In our other regions, charges linked to our development limited profitability, despite good performances in geographies where we have a longstanding and strong presence (Belgium and Switzerland).

We believe that the solid growth of ALAIN AFFLELOU in our core geographies will continue to support the Group's performance, while expansion in new geographies and new activities will progressively help us grow our profitability as these geographies and activities become more mature.

Frédéric Poux, Chairman and Chief Executive Officer of the Afflelou Group, commented: "*Our historical ALAIN AFFLELOU banner continues to perform strongly, with gains in market share in France and rapid expansion elsewhere, such as in Belgium. Recent activities are still performing more modestly in terms of profitability, but we are confident that they will progressively converge with the Group's standards.*"

On Afflelou:

Founded in Bordeaux in 1972 by Alain Afflelou, the Group is one of Europe's leading franchisors of optical products and hearing aids. In 2015, the Group operated the largest franchise network of optical products (in terms of store numbers) and the Alain Afflelou banner ranked fourth in France with a 9% market share (in terms of store numbers), in a historically fragmented market that includes many independent retailers. The Group has a long-standing presence in France, but also a strong foothold in Spain, where it operates the third largest banner of optical products in terms of store numbers and the fourth largest in terms of revenue. The Group, which is continuing its global expansion, is present worldwide, with 1,395 stores in 13 countries as of July 31, 2016, including France and Spain– its main markets – as well as Andorra, Belgium, Luxembourg, Portugal, Switzerland, Algeria, , Côte d'Ivoire, Lebanon, Morocco, Senegal and Tunisia.

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