Press release

Paris, June 28, 2018

Afflelou Group's third quarter results for the three-month period ended April 30, 2018

- **Network sales[1] up 1.5% to €192.6 million for the third quarter with 0.7% like-for-like network sales growth[2] since the beginning of the current fiscal year**
- **Adjusted EBITDA[3] at €76.3 million for the 12 months ended April 30, 2018**

Afflelou and its subsidiaries (the "**Group**") publishes its results today for the third quarter of the current fiscal year (the three-month period ended April 30, 2018).

Business trends of the Group's networks

Network sales reached €192.6 million in the third quarter of the current fiscal year, up 1.5% from €189.7 million recorded in the third quarter of the prior fiscal year. The network recorded a slightly positive evolution of +0.4% in like-for-like network sales in the third quarter of the current fiscal year as compared to the same period in the prior fiscal year and +0.7% since the start of the current fiscal year.

The Group's Alain Afflelou and Optical Discount banners continue to perform well in France relative to the overall French optical sector (with a positive spread of approximately 3% during the past quarter). In Spain and in the other regions, sales were almost stable, and positively oriented on the Alain Afflelou historical banner in each of our main areas.

The Group had 1,482 stores as of April 30, 2018, a net increase of 21 stores since April 30, 2017. The Group's historical Alain Afflelou banner in the optical and hearing aid business in France continues to develop successfully with an increase of 25 stores, as compared to one year before. In the other regions, the store network perimeter has slightly decreased, following efforts to rationalize our networks, mainly in the discount segment in Spain.

Afflelou Group's financial performance

The Group's revenue reached €89.6 million in the third quarter of the current fiscal year, compared to €89.8 million on the same period in the prior fiscal year.

Adjusted EBITDA decreased to €16.2 million in the third quarter from €18.5 million in the third quarter of the prior fiscal year, and stood at €53.9 million for the nine months of the current fiscal year from €55.3 million for the same period of the previous fiscal year. The decline in the third quarter of the current fiscal year is mainly due to a technical impact on the phasing of our communication revenues, for an approximate amount of €1 million.

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[1] Network sales comprise sales (excluding VAT) to end customers by all of the Group's distribution channels, including directly-owned stores. Sales of the franchisees are based on monthly sales reports provided by the franchisees pursuant to their reporting obligations under the franchise agreements.

[2] Like-for-like network sales growth is based on 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 comparable 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 operating 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.

Adjusted EBITDA for the Group's main geographic segment, France, decreased by €2.1 million in the third quarter of the current fiscal year to €14.4 million as compared to the same period of the previous fiscal year, which is mainly linked to the aforementioned technical impact on communication. The other business segments of our Group recorded broadly stable performances. Lastly, thanks to its refinancing and strong performance across the various geographies, the cash flow generated by the Group enabled us to reduce our net debt to €397.8 million as of April 30, 2018, i.e. a reduction of €32.7 million since April 30, 2017.

Most recently in France, discussions over changes to regulations in the optical and hearing aid sectors resulted in the creation of the "zero consumer cost" offer, which is aimed at eliminating consumers' out of pocket expenses for glasses and hearing aids. The changes will start from 2020 onwards. The Group estimates the changes in theses regulation could have a limited impact on the total market, notwithstanding its natural growth due to demographic factors (including a growing and aging population and increasing proportion of glasses wearers). Among the various changes, the cut in the reimbursement cap for frames to €100 is also expected to make the Group's own offering exclusive products more attractive to consumers.

Didier PASCUAL, Chairman and Chief Executive Officer of Afflelou, stated: *"The Group's sales and store networks remain solid in a more difficult environment in France and Spain. We also see opportunities for the ALAIN AFFLELOU banner with the coming changes in the regulation".*

About 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 2016, 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 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 1,474 stores in 16 countries as of July 31, 2017.

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