

AFFLELOU

Press release

Paris, January 4, 2017

Afflelou Group's first-quarter results for the three-month period ended October 31, 2016

- **Network sales¹ up 8.2% to €170.8 million, including a rise of 4.8% on a like-for-like basis²**
 - **6.7% increase in adjusted EBIT³**
 - **Full-year network sales and profitability forecasts and guidance confirmed**
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The Afflelou Group (“the Group”) has today published its results for the first quarter of its fiscal year (three-month period to October 31, 2016).

Business trends of the Group's networks

As stated in the press release dated November 14, 2016, network sales were €170.8 million, up 8.2% from the €157.9 million recorded in the first quarter of the fiscal year (three-month period to October 31, 2016). The Group's network sales also posted an increase on a like-for-like basis for the fifth quarter in a row, growing by 4.8% in the quarter.

Business trends across the networks were very satisfactory in France, with sales growing on a like-for-like basis at a stronger-than-expected clip of 7.2% and clearly outperforming the optical products market. These results largely offset the weaker-than-anticipated rise in Spain as a result of a slowdown in consumer spending in this country.

On the development front, the Group's rapid expansion continues apace in the hearing aid segment, both in France and in international markets, as the Group opened its first stores in China and South America during the quarter.

The overall performance of the networks, which was very strong in France, has backed up full-year forecasts of the Group's network sales.

Afflelou Group's financial performance

The Group recorded sales of €84.4 million, up 3.6% on the previous fiscal year. The networks provided the driving force for this increase, with contributions to the Group's sales varying from one geographical region and one banner to another.

The network development translated directly into a 6.7% increase in the Group's adjusted EBIT, to €14.0 million compared to €13.1 million for the same period last year. The Group's main geographical region delivered an increase of 8.3%, identical to the pace of growth in network sales in the region despite the addition of business activities that still remain less profitable than the original Alain Afflelou 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 EBIT is defined as income from ordinary activities as presented in the Group's consolidated financial statements, before management fees, management's long-term incentive plans and earn-out payments on acquisitions, in each case as applicable.

Outlook

Based on the first-quarter growth figures and current business trends, the Group is confirming the network sales guidance it published previously of between €745 million and €760 million (excluding taxes) for the fiscal year ending July 31, 2017. This represents an increase of between 7.6% and 9.7% on the previous fiscal year ended July 31, 2016. Naturally, full-year performance remains subject to economic conditions in the principal markets in which the Group operates. The Group is also reiterating its Adjusted EBIT forecast of around €70 million in the fiscal year to July 31, 2017.

Frédéric Poux, Chairman and Chief Executive Officer of the Afflelou Group, commented: *“Our excellent results during the first quarter reflected the performance of our networks. Their expansion continues, with the first stores opening in Asia and Latin America during the quarter, while our core store base in France was on top form, delivering growth that exceeded our expectations. In this context, the Group’s profitability improved as expected, reinforcing our confidence that we will reach our full-year targets and our longer-term objectives. Accordingly, an IPO, which will bolster our international expansion, remains on the agenda for the Group, subject to suitable market conditions.”*

À propos du Groupe 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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The Group's registration document registered under number I. 16-072 on October 17, 2016 with the French Autorité des marchés financiers (the "AMF") (the "Registration Document"), is available on the websites of the Group (www.afflelou-ipo.com) and of the AMF (www.amf-france.org) and free of charge and upon request to the Group. The Group draws the public's attention to Chapter 4, "Risk Factors" of the Registration Document.

The Registration Document does not constitute a prospectus within the meaning of Directive 2003/71/EC of the European Parliament at the Council of November 4, 2003, as amended. Any public offering of the Group's securities in France will only be made after the delivery by the AMF of a visa on a prospectus composed of the Registration Document and a securities note (including a summary of the prospectus) that will be subsequently submitted to the AMF.

No communication and no information in respect of this transaction or of the Group may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than France) where such steps would be required. The issue, the subscription for or the purchase of the Group's shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. The Group assumes no responsibility for any violation of any such restrictions by any person. This announcement is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament at the Council of November 4th, 2003, as amended (the "Prospectus Directive").

With respect to the member States of the European Economic Area (each, a "relevant member State"), other than France, no action has been undertaken or will be undertaken to make an offer to the public of shares requiring a publication of a prospectus in any relevant member State. As a result, shares may only be offered in relevant member States (i) to qualified investors, as defined by the Prospectus Directive; or (ii) in any other circumstances, not requiring the Group to publish a prospectus as provided under article 3(2) of the Prospectus Directive.

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This press release may include certain forward-looking statements, beliefs or opinions, including statements with respect to the business, financial conditions, business strategies, expansion and growth of operations, results of operations and plans, trends and objectives and expectations of the Group and its subsidiaries. Forward-looking statements are sometimes identified by the use of words such as “believes”, “risks”, “expects”, “estimates”, “may”, “will”, “could”, “should”, “shall”, “intends”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positions” or “anticipates” or the negative, conditional or future thereof, other variations thereon or comparable language. Forward-looking statements included in the information reflect the Group’s beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These risks and uncertainties include those discussed or identified in Chapter 4, “Risk Factors” of the Registration Document. Although the Group has attempted to identify important factors that could cause actual results to differ materially, a number of other factors might cause actual results and developments to differ materially from those expressed or implied by these statements and forecasts and there can be no assurance that statements containing forward-looking information will prove to be accurate as actual results. The past performance of the Group and its subsidiaries cannot be relied on as a guide to future performance. Accordingly, no representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Any forward-looking statements included in this press release speak only as of the date hereof and the Group expressly disclaims any obligation or undertaking to release any update or revisions thereto to reflect any change in expectations or any change in the events, conditions or circumstances on which such forward-looking statements are based.