press release

GrandVision reports HY19 revenue growth of 7.3% at constant exchange rates and comparable growth of 3.8%

Schiphol, the Netherlands – 31 July 2019. GrandVision N.V. publishes the Half Year and Second Quarter 2019 results.

Half year and second quarter 2019 highlights

- HY19 revenue growth of **7.3%** at constant exchange rates and comparable growth of **3.8%** (HY18: 2.8%)
- 2Q19 revenue growth of **7.1%** at constant exchange rates and comparable growth of **2.5%** (2Q18: 3.5%)
- HY19 adj. EBITDA (i.e. EBITDA before non-recurring items) increased by **2.4%** y-o-y at constant exchange rates
- 2Q19 adj EBITDA increased by **2.3%** at constant exchange rates
- HY19 adj. EBITDA margin of **14.9%** (HY18: 15.6%), in part driven by digital investments and supply chain transformation across the Group
- 2Q19 adj. EBITDA margin decreased by 81bps to **15.6%** (2Q18: 16.4%)
- HY19 adj. EPS of **€0.29** (HY18: €0.44), driven by the effect of a non-cash goodwill impairment during the second quarter
- Our store base increased to **7,265 stores** from 7,216 by the end of March 2019 driven by store openings and acquisitions
- GrandVision booked a non-cash goodwill impairment charge of €51 million, reflecting the For Eyes business operational performance which remains below the initial investment case
- In July, GrandVision has successfully refinanced the current Revolving Credit Facility of EUR 1.2 billion with a group of their close relationship banks.
- This morning, GrandVision announced that it supports EssilorLuxottica in acquiring HAL's 76.72% interest in GrandVision.

The Half Year 2019 Financial Report is available at www.grandvision.com. Dial-in details for the analyst call at 9:00 am CET are available at the end of this press release.

Key figures

in millions of EUR (unless stated otherwise)	Reported HY19	Pre-IFRS 16 HY19	HY18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	1,995	1,995	1,874	6.5%	7.3%	4.8%	2.5%
Comparable growth (%)	3.8%	3.8%	2.8%				
Adjusted EBITDA	486	297	293	1.3%	2.4%	0.7%	1.7%
Adjusted EBITDA margin (%)	24.4%	14.9%	15.6%	-76bps			
Adjusted EBITA	237	218	220	-0.8%	0.5%	-1.3%	1.8%
Adjusted EBITA margin (%)	11.9%	10.9%	11.7%	-80bps			
Net result	74	72	116	-37.9%			
Net result attributable to equity holders	66	64	106	-39.1%			
Adjusted earnings per share, basic (in €)	0.29	0.29	0.44	-35.3%			
Earnings per share, basic (in €)	0.26	0.25	0.42	-39.2%			
System wide sales	2,178	2,178	2,054	6.1%			
Number of stores (#)	7,265	7,265	7,002				

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in millions of EUR (unless stated otherwise)	Reported 2Q19	Pre-IFRS 16 2Q19	2Q18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	1,021	1,021	961	6.2%	7.1%	3.9%	3.3%
Comparable growth (%)	2.5%	2.5%	3.5%				
Adjusted EBITDA	255	159	157	1.0%	2.3%	0.3%	2.0%
Adjusted EBITDA margin (%)	25.0%	15.6%	16.4%	-81bps			
Adjusted EBITA	129	119	121	-1.6%	0.0%	-2.1%	2.1%
Adjusted EBITA margin (%)	12.7%	11.6%	12.6%	-93bps			
System wide sales	1,115	1,115	1,054	5.8%			

Management comments

Stephan Borchert, GrandVision's CEO said: "We continued to see strong growth momentum in our markets in the second quarter with comparable growth of 2.5% and revenue growth of 7.1% at constant exchange rates. Our comparable growth of 3.8% this year so far is well ahead of the previous year of 2.8%, despite fewer selling days in some key markets.

All three categories contributed to this growth trajectory, with optical sales and contact lenses categories outperforming sunglass sales, which were negatively impacted by strong LY comparison, particularly in April and May.

We also saw continued top-line growth momentum in all our segments. In 1H19, the G4 achieved a solid comparable growth performance of 3.2% - a strong acceleration from 1.4% in 1H18, driven by broad-based growth across all markets. In the Other Europe segment, comparable growth accelerated from 2.0% in 1H18 to 2.8% in 1H19, and in the Americas & Asia we saw strong growth of 8.7% with an acceleration in the second quarter driven by most regions and improved levels of comparable growth in the United States.

During the first half of the year, EBITDA growth was below revenue growth due to the ongoing investment behind omni- channel capabilities and the supply chain transformation, which we laid out at our 2018 Capital Markets Day as well as negative geography mix. In the second quarter of this year, we saw improvements in our underlying business, particularly in the G4 and Americas & Asia segments, driven by operational improvements in the Benelux region and better operating leverage. We expect our EBITDA performance in the second half of the year to improve as the investments annualize .

One of our most important strategic initiatives is to accelerate our omni-channel readiness, including a stronger contribution from e-commerce sales. Investments in our online appointment booking tools have led to an increase of online bookings by more than 40% in the second quarter, which has shown first positive effects on comparable growth in many parts of the group.

As a consequence of these initiatives, we also achieved e-commerce sales growth of 60%. This was driven mainly by our Lenstore business, which is now active in three markets: the UK, Italy and Germany. During the second quarter, we launched Sonnenbrillen.com in Germany and Lunettesdesoleil.com in France, based on the Zonnebrillen.com platform in the Netherlands. We also went live with a new contact lens pure-play website Sightful.nl, in the Netherlands and Belgium.

The integration of recent acquisitions is progressing well. Optica2000 is already contributing to Other Europe's EBITDA and has seen robust comparable growth of more than 4% since the acquisition in February.

Finally, we continue to explore different avenues of growth for our United States business. While we have made some progress, our operational performance remains below the business plan set out at the time of the acquisition. This has led us to book an additional one-time goodwill impairment charge of €51 million during the second quarter. We are confident that we have the right building blocks to succeed in this market, and that we will be able to further fine-tune our approach to reduce the losses going forward.

Outlook and medium term objectives

For the remainder of the year, we foresee EBITDA delivery in the second half to benefit from lower incremental investments and operating leverage within our existing business and expect EBITDA growth for the full year to be broadly in line with our mid-term guidance.

IFRS 16 impact

IFRS 16 Leases, the new leasing standard, is effective for accounting periods beginning on, or after, 1 January 2019. It will result in the majority of the leases being recognized on the consolidated Balance Sheet, as the distinction between operating and finance leases is removed for leases where the entity is a lessee. Overall, GrandVision has close to 10,000 lease contracts in all countries that are subject to IFRS 16.

GrandVision has adopted the new standard on the required effective date using the modified retrospective transition approach, with the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of equity on 1 January 2019. GrandVision will therefore not restate comparative amounts for the year 2018.

Due to the occupancy costs change from an operating expense to depreciation, EBITDA increases. The depreciation of leases is lower than the previous occupancy costs as a financing component is taken out, leading to higher net financial costs.

Overall, GrandVision's HY19 net income increases by EUR 2 million following the adoption of IFRS 16. A reconciliation table is presented below.

in millions of EUR	HY19
Occupancy costs included in pre-IFRS 16 adjusted EBITDA	189
IFRS 16 impact on depreciation	-171
IFRS 16 impact on net financial result	-17
Total IFRS 16 impact (additional net income)	2

Given the decreased operational relevance of adjusted EBITDA following the adoption of the new accounting standard, GrandVision will measure its performance on adjusted EBITA as of 2020.

Group financial review

in millions of EUR	Reported HY19	Pre-IFRS 16 HY19	Pre-IFRS 16 HY18
Revenue	1,995	1,995	1,874
Cost of sales and direct related expenses	- 547	- 547	- 512
Gross profit	1,448	1,448	1,362
Selling and marketing costs	- 996	- 1,014	- 953
General and administrative costs	- 294	- 294	- 224
Share of result of associates	0	0	0
Operating result	158	140	185
Financial income	2	2	1
Financial costs	- 28	- 11	- 11
Net financial result	- 26	- 9	- 10
Result before tax	132	131	174
Income tax	- 59	- 59	- 58
Result for the period	**74**	**72**	**116**
Attributable to:			
Equity holders	66	64	106
Non-controlling interests	8	8	11
	74	72	116

REVENUE

Revenue increased by 7.3% at constant exchange rates to €1,995 million in HY19 (€1,874 million in HY18) or 6.5% at reported rates. Acquisitions, primarily Optica2000 in Spain contributed 2.5% to revenue growth while foreign exchange fluctuations, mainly driven by the strengthening of the Euro against major currencies, led to a negative impact of 0.8%. Organic revenue growth of 4.8% was primarily driven by comparable growth of 3.8% (2.8% in HY18) as well as new store openings.

Revenue growth was delivered in all three regions. Optical and contact lens sales outperformed in the first half of the year, while sunglass sales were impacted by more difficult comparables, particularly in Southern Europe.

In 2Q19, revenue grew by 7.1% at constant exchange rates or 6.2% at reported rates. As expected, comparable growth in 2Q19 was lower, at 2.5%, following an exceptionally strong 1Q19 at 5.0% growth. Particularly across Europe, the performance was impacted by the timing of school holidays and the heatwave in June leading to lower retail traffic.

ADJUSTED EBITDA

Adjusted EBITDA (i.e. EBITDA before non-recurring items) increased by 2.4% at constant exchange rates to €297 million in HY19 (€293 million in HY18) or 1.3% at reported rates.

The adjusted EBITDA margin decreased by 76 bps to 14.9% in HY19 (15.6% in HY18) mainly due to higher central costs to support our digital and product value chain strategy and lower margins at the start of the year as previously disclosed.

In 2Q19, adjusted EBITDA grew by 2.3% at constant exchange rates or 1.0% at reported rates as adjusted EBITDA growth in the G4 and Americas & Asia segment, was partially offset by higher central costs and a weaker operating performance in the Other Europe segment, which was impacted by difficult comparables and a negative selling day impact, particularly in Switzerland and Northern Europe. The adjusted EBITDA margin declined by 81 bps to 15.6%.

OPERATING RESULT

The operating result decreased by €45 million from €185 million in HY18 to €140 million in HY19, driven by the goodwill impairment charge booked during the second quarter of this year.

in millions of EUR	Reported HY19	Pre-IFRS 16 HY19	Pre-IFRS 16 HY18
Adjusted EBITDA	**486**	**297**	**293**
Non-recurring items	- 10	- 10	- 9
EBITDA	**476**	**287**	**284**
Depreciation and amortization of software	- 250	- 79	- 73
EBITA	**227**	**208**	**211**
Amortization and impairments	- 69	- 69	- 26
Operating result	**158**	**140**	**185**

Non-recurring items of -€10 million in HY19 (-€9 million in HY18) were mainly related to one-off restructuring and business integration costs.

Depreciation and amortization of software increased from -€73 million in HY18 to -€79 million in HY19 driven by the expansion of the business and additions to software mainly related to GrandVision's digital strategy.

Amortization and impairments increased by €43 million to -€69 million in HY19 due to the goodwill impairment charge reflecting the United States business operational performance which remains below the business plan set out at the time of the acquisition.

FINANCIAL RESULT

The financial result slightly improved from -€10 million in HY18 to -€9 million in HY19 result from a combination of offseting effects.

INCOME TAX

Income tax increased from -€58 million in HY18 to -€59 million in HY19. The estimated weighted average annual effective income tax rate used for the six months ended 30 June 2019 is 44.8% (33.2% in HY18). The increase is mainly resulting from the impairment charge of goodwill in the United States.

NET RESULT FOR THE PERIOD

Net result for the period decreased by 38% to €72 million in HY19 (€116 million in HY18), as the EBITDA growth was more than offset by the United States business goodwill impairment charge during the second quarter. Net result attributable to equity holders decreased 39% to €64 million (€106 million in HY18).

(ADJUSTED) EARNINGS PER SHARE

Adjusted earnings per share, which excludes non-recurring items, was €0.29 in HY19 (€0.44 in HY18). Earnings per share was €0.25 in HY19 (€0.42 in HY18).

The weighted average number of shares outstanding was 253,735,211 in HY19. On a fully diluted basis, adjusted EPS was €0.29 in HY19 (€0.44 in HY18), and EPS was €0.25 in HY19 (€0.42 in HY18).

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Segment review

G4

in millions of EUR (unless stated otherwise)	Reported HY19	Pre-IFRS 16 HY19	HY18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	1,131	1,131	1,077	5.0%	4.9%	3.4%	1.5%
Comparable growth (%)	3.2%	3.2%	1.4%				
Adjusted EBITDA	310	214	206	3.7%	3.7%	2.4%	1.3%
Adjusted EBITDA margin (%)	27.4%	18.9%	19.1%	-23bps			
Adjusted EBITA	180	172	168	2.7%	2.7%	1.4%	1.3%
Adjusted EBITA margin (%)	15.9%	15.2%	15.6%	-33bps			
Number of stores (#)	3,408	3,408	3,386				

in millions of EUR (unless stated otherwise)	Reported 2Q19	Pre-IFRS 16 2Q19	2Q18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	570	570	546	4.4%	4.5%	2.7%	1.8%
Comparable growth (%)	2.5%	2.5%	1.8%				
Adjusted EBITDA	158	110	105	4.8%	4.9%	3.5%	1.4%
Adjusted EBITDA margin (%)	27.7%	19.3%	19.3%	7bps			
Adjusted EBITA	93	89	86	3.8%	3.8%	2.4%	1.4%
Adjusted EBITA margin (%)	16.3%	15.6%	15.7%	-10bps			

Revenue

Revenue in the G4 segment increased by 4.9% at constant exchange rates to €1,131 million in HY19. Comparable growth of 3.2% showed a strong acceleration from 1.4% in HY18, driven by strong momentum across all markets during the first six months of the year.

In **Benelux**, we saw a recovery of our business, as anticipated, in the second quarter with improved levels of comparable growth and an acceleration in profitability.

In **France**, our business continued to gain market share in the first five months of the year, for which data is available, driven by our value proposition, as customers continue to become more price sensitive following the recent regulatory changes.

In **Germany**, our revenue continued to increase through strong comparable growth and the acquisition of a franchise business.

In the **United Kingdom**, comparable growth of our stores continued to be impacted by an overall weaker retail environment, but this was more than compensated for by growth in online sales as well as stronger performance of the Tesco stores.

In 2Q19, revenue growth in the G4 was 4.5% at constant exchange rates. Comparable growth of 2.5% in 2Q19 was somewhat impacted by the timing shift of Easter school holidays and the heatwave in June, following a very strong 1Q19 performance with exceptionally strong comparable growth of 3.9%. The comparable growth delivery during the quarter was broad-based across GrandVision's markets, with France and the Netherlands delivering the highest comparable growth rates.

Adjusted EBITDA

Adjusted EBITDA increased by 3.7% at constant exchange rates to €214 million in HY19, reflecting an improvement in operating leverage in the second quarter. EBTIDA growth was strongest in Benelux, which saw improvements in its performance compared to the previous year. The EBITDA margin declined by 23 bps to 18.9%.

In 2Q19, adjusted EBITDA increased by 4.9% at constant exchange rates with an EBITDA margin improvement of 7 bps to 19.3%, driven by strong performance in Benelux and France, while the contribution from Germany and the UK was weaker during the quarter.

OTHER EUROPE

		Pre-IFRS 16					
in millions of EUR (unless stated otherwise)	Reported HY19	HY19	HY18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	611	611	560	9.0%	9.3%	3.8%	5.5%
Comparable growth (%)	2.8%	2.8%	2.0%				
Adjusted EBITDA	150	91	85	7.4%	7.8%	4.9%	2.8%
Adjusted EBITDA margin (%)	24.5%	15.0%	15.2%	-22bps			
Adjusted EBITA	71	68	62	9.7%	10.1%	7.0%	3.2%
Adjusted EBITA margin (%)	11.6%	11.1%	11.1%	7bps			
Number of stores (#)	2,054	2,054	1,896				

		Pre-IFRS 16					
in millions of EUR (unless stated otherwise)	Reported 2Q19	2Q19	2Q18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	319	319	294	8.5%	8.4%	1.1%	7.3%
Comparable growth (%)	0.0%	0.0%	3.8%				
Adjusted EBITDA	78	48	49	-2.0%	-2.0%	-5.4%	3.4%
Adjusted EBITDA margin (%)	24.5%	15.2%	16.8%	-162bps			
Adjusted EBITA	38	37	38	-3.2%	-3.1%	-6.6%	3.6%
Adjusted EBITA margin (%)	11.9%	11.5%	12.8%	-138bps			

Revenue

In HY19, revenue growth in the Other Europe segment of 9.3% at constant exchange rates to €611 million was driven by the acquisition of Optica2000 in Spain, which contributed 5.5% as well as organic growth of 3.8%. Comparable growth of 2.8% in HY19 was ahead of the previous year (HY18: 2.0%), despite a slightly negative selling day impact in the region, particularly Switzerland and the Nordics.

The business units in Northern and Southern Europe delivered low single digit comparable growth despite weaker sunglass sales due to the delayed summer season. Eastern Europe continued to grow by high single digits with a strong performance in Hungary, the Czech Republic and Poland.

In 2Q19, revenue grew by 8.4% at constant exchange rates with organic growth of 1.1%. Acquisitions, primarily Optica2000 in Spain, contributed 7.3%. The segment saw flat comparable growth during the quarter following a strong start to the year. The region was also impacted by fewer selling days than in the previous year related to the timing of the Easter holiday, especially Northern Europe and Switzerland.

Adjusted EBITDA

Adjusted EBITDA in the Other Europe segment increased by 7.8% at constant exchange rates to €91 million in HY19 driven by operational improvements in Italy after adjusting the commercial proposition, and the first-time consolidation of Optica2000. However, the adjusted EBITDA margin decreased slightly by 22 bps to 15.0% in HY19, mainly due to weaker performance in Northern Europe.

In 2Q19, adjusted EBITDA declined by 2.0% at constant exchange rates to €48 million with an adjusted EBITDA margin contraction of 162 bps, driven by lower operating leverage in the more profitable Northern European markets and Switzerland, which benefited from a strong commercial campaign in the previous year.

AMERICAS & ASIA

in millions of EUR (unless stated otherwise)	Reported HY19	Pre-IFRS 16 HY19	HY18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	253	253	237	7.0%	13.4%	13.3%	0.1%
Comparable growth (%)	8.7%	8.7%	10.0%				
Adjusted EBITDA	48	14	16	-12.5%	5.0%	5.3%	-0.3%
Adjusted EBITDA margin (%)	18.9%	5.4%	6.6%	-120bps			
Adjusted EBITA	10	2	5	-56.6%	-0.6%	0.5%	-1.1%
Adjusted EBITA margin (%)	3.9%	0.8%	1.9%	-113bps			
Number of stores (#)	1,803	1,803	1,720				

in millions of EUR (unless stated otherwise)	Reported 2Q19	Pre-IFRS 16 2Q19	2Q18	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	132	132	122	9.0%	15.8%	15.7%	0.1%
Comparable growth (%)	9.4%	9.4%	10.0%				
Adjusted EBITDA	28	10	9	15.9%	37.9%	38.0%	-0.2%
Adjusted EBITDA margin (%)	21.4%	7.6%	7.1%	49bps			
Adjusted EBITA	9	4	3	36.3%	92.6%	93.1%	-0.5%
Adjusted EBITA margin (%)	7.1%	3.3%	2.6%	66bps			

Revenue

The America & Asia segment achieved revenue growth of 13.4% at constant exchange rates to €253 million in HY19 (€237 million in HY18). Comparable growth and organic growth reached 8.7% and 13.3%, respectively, with particularly strong comparable growth in Mexico, Russia and Turkey. However, reported revenue was only 7.0% due to negative currency translation effects of 6.4% during the first half, or €15 million.

In 2Q19, revenue increased by 15.8% at constant exchange rates with strong comparable growth of 9.4%. The United States returned to growth following the implementation of the new POS system, which negatively affected sales in 4Q18 and 1Q19.

Adjusted EBITDA

Adjusted EBITDA decreased to €14 million in HY19 (€16 million in HY18) with an adjusted EBITDA margin of 5.4% (6.6% in HY18) driven by a strong operating performance in other key markets of the segment such as Mexico, Russia and Turkey, while profitability in the United States remained under pressure. The EBITDA performance was partially reduced by foreign exchange fluctuations, which had a negative effect of €3 million, mainly attributable to the depreciation of the Turkish lira.

In 2Q19, adjusted EBITDA improved to €10 million from €9 million in 2Q18 with an adjusted EBITDA margin improvement of 49 bps to 7.6%.

Liquidity and debt

in millions of EUR (unless stated otherwise)	HY19	HY18	change versus prior year
Free cash flow	107	99	8
Capital expenditure	78	93	- 15
- Store capital expenditure	48	73	- 25
- Non-store capital expenditure	30	20	10
Acquisitions	115	2	112
Net debt	867	826	
Net debt leverage (times)	1.5	1.5	

In HY19, free cash flow (defined based on IFRS 16, as cash flow from operating activities minus capital expenditure minus net repayment of lease liabilities and receivables) increased to €107 million (€99 million in HY18) due to lower capital expenditures.

Store capital expenditure decreased to €48 million in HY19 (€73 million in HY18) mainly due to the higher level of refurbishing and rebranding costs in the previous year related to the Tesco-located stores. Non-store capital expenditure increased from €20 million in HY18 to €30 million in HY19 mainly due to increased investments in omni-channel systems. Consequently, total capital expenditure decreased to €78 million in HY19 (€93 million in HY18), representing 4% of revenue.

Net debt was €867 million at the end of June 2019, compared to €743 million at year-end 2018, and €826 at the end of June 2018. The increase in net debt is mainly due to the acquisitions of Optica2000 and Charlie Temple in the beginning of the year. The 12-month rolling net debt/EBITDA ratio slightly increased to 1.5x compared to year-end 2018 (1.3x) but remained stable compared to the same period last year.

In July, GrandVision has successfully refinanced the current Revolving Credit Facility of EUR 1.2 billion with a group of their close relationship banks. The new facility has a maturity till 2024 and can be extended two times by one year at the end of the first and second anniversary (5 + 1 + 1). The new Facility has the same size and similar terms to the previous facility that would have matured in 2021. In addition, a sustainability feature has been added to the facility, whereby the margins are linked to our sustainability performance.

Conference call and webcast details

GrandVision will hold an analyst and investor conference call and webcast for analysts and investors on 31 July 2019 at 9:00 am CET (8:00 am GMT):

- Webcast registration: https://edge.media-server.com/mmc/p/tshd94ze

- Conference call details for investors/analysts intending to participate in the Q&A
  - Participant Access: Dial in 5-10 minutes prior to the start time using the number/Conference ID below
  - Passcode: **2999034**

Location	Purpose	Phone Type	Phone Number
Standard International	Participant	Local	+44 (0) 2071 928000
Belgium	Participant	Local	+32 (0) 24009874
China	Participant	Local	4006225517
France	Participant	Local	+33 (0) 176700794
Germany	Participant	Local	+49 (0) 6924437351
Italy	Participant	Local	+39 0687502026
Netherlands	Participant	Local	+31 (0) 207143545
UK	Participant	Local	+44 (0) 8445718892
USA, New York	Participant	Local	+1 6315107495

- Conference call details can also be found at: http://investors.grandvision.com/events/event-details/half-year-and-second-quarter-2019-results-press-release
- The presentation will be available at www.grandvision.com shortly before the conference call

Financial calendar 2019

Date	Event
31 July 2019	Half Year and Second Quarter 2019 Results Press Release
30 October 2019	Third Quarter 2019 Trading Update

Disclaimer

This press release contains forward-looking statements that reflect GrandVision's current views with respect to future events and financial and operational performance. These forward-looking statements are based on GrandVision's beliefs, assumptions and expectations regarding future events and trends that affect GrandVision's future performance, taking into account all information currently available to GrandVision, and are not guarantees of future performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and GrandVision cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to GrandVision or are within GrandVision's control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing GrandVision. Any forward-looking statements are made only as of the date of this press release, and GrandVision assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. The financial figures in this press release are presented in EURO (€) and all values are rounded to the nearest million unless otherwise stated. As a consequence, rounded amounts may not add up to the rounded total in all cases.

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ABOUT GRANDVISION

GrandVision is a global leader in optical retailing and delivers high quality and affordable eye care to more and more customers around the world. The high quality eye care offered by GrandVision includes a wide range of services provided by its vision experts, prescription glasses including frames and lenses, contact lenses and contact lens care products, and sunglasses both plain and with prescription lenses. These products are offered through leading optical retail banners which operate in more than 40 countries across Europe, the Americas, the Middle East and Asia. GrandVision serves its customers in over 7,000 stores and with more than 37,000 employees which are proving every day that in EYE CARE, WE CARE MORE. For more information, please visit www.grandvision.com.

Annex 1: Consolidated Balance Sheet

in millions of EUR	30 June 2019	31 December 2018
Non-current assets		
Property, plant and equipment	507	517
Right-of-use assets	1,376	-
Goodwill	1,110	1,052
Other intangible assets	413	563
Deferred income tax assets	50	47
Investments in Associates and Joint Ventures	1	1
Non-current receivables	82	39
Other non-current assets	8	10
	3,547	2,229
Current assets		
Inventories	392	331
Trade and other receivables	285	254
Other current assets	45	50
Current income tax receivables	18	9
Derivatives	3	3
Cash and cash equivalents	167	138
	911	785
Total assets	**4,459**	**3,014**
Equity attributable to equity holders		
Share capital	58	60
Other reserves	- 168	- 157
Retained earnings	1,174	1,259
	1,064	1,162
Non-controlling interests	83	90
Total equity	**1,146**	**1,252**
Non-current liabilities		
Borrowings	398	362
Lease liabilities	973	0
Deferred income tax liabilities	54	72
Post-employment benefits	115	96
Provisions	16	17
Derivatives	9	3
Contract liabilities	8	8
Other non-current liabilities	18	6
	1,590	564
Current liabilities		
Trade and other payables	581	543
Contract liabilities	83	78
Current income tax liabilities	41	40
Borrowings	626	515
Lease liabilities	368	0
Derivatives	4	4
Provisions	19	17
	1,722	1,197
Total liabilities	**3,312**	**1,762**
Total equity and liabilities	**4,459**	**3,014**

Annex 2: Consolidated Cash Flow Statement

in millions of EUR	Six months ended 30 June 2019	Six months ended 30 June 2018
Cash flows from operating activities		
Cash generated from operations	445	258
Tax paid	- 70	- 66
Net cash from operating activities	**375**	**192**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	- 115	- 2
Settlement of contingent consideration	-	- 3
Purchase of property, plant and equipment	- 52	- 73
Proceeds from sales of property, plant and equipment	2	4
Purchase of intangible assets	- 25	- 20
Proceeds from sales of intangible assets	1	1
Investments in Associates and Joint Ventures	0	-
Proceeds from sales of investments in buildings	-	0
Other non-current receivables and lease prepayments	0	- 1
Interest received	2	1
Net cash used in investing activities	**- 188**	**- 93**
Cash flows from financing activities		
Purchase of treasury shares	- 4	-
Proceeds from borrowings	157	150
Repayments of borrowings	- 62	- 63
Repayments of lease liabilities	- 199	-
Receipts from finance subleases	9	-
Interest swap payments	- 2	- 1
Acquisition of non-controlling interest	-	0
Dividends paid to shareholders	- 84	- 81
Dividends paid to non-controlling interest	- 13	- 4
Interest paid	- 9	- 5
Net cash used in financing activities	**- 207**	**- 4**
(Decrease) / increase in cash and cash equivalents	**- 19**	**94**
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	72	12
(Decrease)/increase in cash and cash equivalents	- 19	94
Exchange losses on cash and cash equivalents	- 2	- 5
Cash and cash equivalents at end of the period	**50**	**102**