



QUARTERLY REPORT

First quarter ended April 1, 2017



Message to Shareholders

For the quarter ended April 1, 2017

Dear Shareholders,

We are pleased to announce the results for the first quarter of 2017, our quarterly dividend and comments on the outlook of the business.

The first quarter was a solid quarter with respect to operating and financial results, as we focused on operations and integration of the various recent acquisitions. During the quarter, we closed the acquisition of six stores, three of which are located in Toronto, two in Vancouver, and one in New Brunswick.

First quarter results

New Look Vision reported record revenues of \$51.0 million and adjusted EBITDA⁽¹⁾ of \$7.9 million for the first quarter ended April 1, 2017, representing increases of 14.5% and 8.3% respectively over last year. The increases were mainly due to the net addition of 20 stores in the last twelve months as well as same store sales growth of 1.9% over last year.

Adjusted net earnings attributed to shareholders, defined as net earnings adjusted to remove the impact of acquisition-related costs and equity-based compensation, for the first quarter were \$2.4 million (or \$0.17 per share⁽²⁾) compared to \$2.2 million last year (or \$0.16 per share). Adjusted net earnings per share for the quarter compared to the first quarter of 2016 were up 6.3% (diluted). Net earnings attributed to shareholders were \$1.3 million, compared to \$1.8 million last year, the decrease being mainly due to higher acquisition costs and equity-based compensation. When these expenses are added back to net earnings, adjusted net earnings show an improvement of \$200 thousand.

Cash flow from operating activities before income taxes paid and changes in working capital items was \$7.1 million or \$0.51 per share⁽²⁾ in the first quarter of 2017 compared to \$6.7 million or \$0.49 per share last year. Income tax instalments paid in the first quarter of 2017 were \$1.7 million compared to \$2.7 million for 2016.

Quarterly dividend

Following the approval of the results of the first quarter of 2017, the Board of Directors of New Look Vision approved the payment of a dividend of \$0.15 per Class A common shares payable on June 30, 2017 to the shareholders of record as of June 22, 2017. The dividend has been designated as an "eligible dividend", that is a dividend entitling shareholders who are Canadian resident individuals to a higher dividend tax credit.

Through the dividend reinvestment plan, shareholders residing in Canada may elect to re-invest their cash dividends into New Look Vision shares, without incurring brokerage commissions, fees and transaction costs. Until any further announcement, shares will be issued from treasury at 95% of the weighted average trading price for the five days preceding the dividend payment date. Any shareholder wishing to benefit from this opportunity may do so through his or her broker.

Outlook

We continue to aggressively monitor opportunities arising from the ongoing consolidation of the Canadian retail optical industry. New Look Vision is the largest retail optical group in Canada with 227 corporate stores with a leading position in Québec, the Maritimes and the Ottawa region based on its three established and dynamic banners: New Look Eyewear, Vogue Optical and Greiche & Scaff.

Antoine Amiel
President
New Look Vision Group Inc.

Derrick Giannoumis, CPA, CA
Senior Vice-President and Chief Financial Officer
New Look Vision Group Inc.

Message to Shareholders

For the quarter ended April 1, 2017

- 1) *EBITDA, adjusted EBITDA, adjusted net earnings, and cash flow before income taxes paid and changes in working capital items are not recognized measures under IFRS and may not be comparable to similar measures used by other entities. See the sections "EBITDA and adjusted EBITDA" and "Net earnings and adjusted net earnings" in the Management's Discussion and Analysis for a reconciliation of net earnings to these measures; see also the section "Operating activities" for a reconciliation to cash flows from operating activities. New Look Vision believes that EBITDA, adjusted EBITDA and cash flow before income taxes paid and working capital items are useful financial metrics as they assist in determining the ability to generate cash from operations and that the disclosure of adjusted net earnings provides useful information as it allows the comparison of the net results excluding acquisition-related costs, which may vary substantially from quarter to quarter. Investors should be cautioned that EBITDA, adjusted EBITDA, adjusted net earnings, and cash flow before income taxes paid and changes in working capital items should not be construed as an alternative to net earnings or cash flows as determined under IFRS.*
- 2) *Per share amounts are expressed on a diluted basis.*



MANAGEMENT'S DISCUSSION AND ANALYSIS

First quarter ended April 1, 2017

Management's Discussion and Analysis

For the quarters ended April 1, 2017 and March 26, 2016
Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

HIGHLIGHTS

Highlights for the first quarter of 2017 compared to the first quarter of 2016 are as follows:

	2017	2016
Revenues	\$51,043	\$44,590
<i>Variance</i>	14.5%	
<i>Variance in comparable store sales orders^(a)</i>	1.9%	
Adjusted EBITDA^(b)	\$7,871	\$7,270
<i>Variance</i>	8.3%	
<i>% of revenues</i>	15.4%	16.3%
Per share (basic)	\$0.58	\$0.54
<i>Variance</i>	7.4%	
Per share (diluted)	\$0.57	\$0.53
<i>Variance</i>	7.5%	
Net earnings attributed to shareholders	\$1,284	\$1,839
<i>Variance</i>	(30.2%)	
Net earnings per share		
Basic	\$0.09	\$0.14
<i>Variance</i>	(35.7%)	
Diluted	\$0.09	\$0.13
<i>Variance</i>	(30.8%)	
Adjusted net earnings attributed to shareholders^(b)	\$2,424	\$2,245
<i>Variance</i>	8.0%	
Per share (basic)	\$0.18	\$0.17
<i>Variance</i>	5.9%	
Per share (diluted)	\$0.17	\$0.16
<i>Variance</i>	6.3%	
Cash flows from operating activities, before income taxes paid and changes in working capital items^(b)	\$7,094	\$6,726
Per share (basic)	\$0.52	\$0.50
<i>Variance</i>	4.0%	
Per share (diluted)	\$0.51	\$0.49
<i>Variance</i>	4.1%	
Capital expenditures ^(c)	\$11,225	\$18,935
Net debt increase in the period ^(d)	\$8,099	\$17,493
Cash dividend per share ^(e)	\$0.15	\$0.15
Total dividends ^(e)	\$2,037	\$2,028
At end of period		
Number of stores ^(f)	227	207

- a) Comparable stores are stores which have been operating for at least 12 months. Revenues are recognized at time of delivery of goods to customers, however management measures the comparable store performance on the basis of sales orders, whether delivered or not.

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- b) EBITDA, adjusted EBITDA, adjusted net earnings and cash flows from operating activities before income taxes paid and changes in working capital items are not recognized measures under IFRS and may not be comparable to similar measures used by other entities. Refer to the sections *EBITDA and adjusted EBITDA*, *Net Earnings and adjusted net earnings*, and *Operating activities* for the definitions and reconciliations.
- c) Capital expenditures include amounts financed through debt assumptions, balances of purchase price, issuance of shares and non-controlling interests.
- d) Net debt refers to the total of the long-term debt, including the short-term portion and borrowings under the revolving facility, and dividends payable, in excess of cash.
- e) The amounts of dividends shown in the table above refer to amounts declared in the periods.
- f) The increase in the number of stores in the last quarter reflects the acquisition of 6 stores, described in Note 7 to the financial statements, as well as one store opening.

BACKGROUND

Management's Discussion and Analysis ("MD&A") relates to the financial condition, results of operations and cash flows of New Look Vision Group Inc. ("New Look Vision" or the "Company") and its subsidiaries, which include entities over which New Look Vision has the power to govern the financial and operating policies so as to affect the amount of its return without owning shares of these entities (New Look Vision and its subsidiaries are together referred to as the "Group").

This MD&A provides prospective data, comments and analysis wherever appropriate to assist readers in viewing the business from corporate management's point of view. The purpose of this MD&A is to provide a better understanding of our activities and should be read in conjunction with the condensed interim consolidated financial statements for the quarter ended April 1, 2017 and the audited consolidated financial statements for the year ended December 31, 2016.

Except where otherwise indicated, all financial information reflected herein is expressed in thousands of Canadian dollars and is determined on the basis of International Financial Reporting Standards (IFRS). Additional information relating to the Group can be found on the website www.newlookvision.ca. The Group's continuous disclosure materials, including the annual and quarterly MD&A, annual and quarterly financial statements, annual information forms, proxy solicitation and information circulars and various press releases are also available through the SEDAR system at www.sedar.com.

FIRST QUARTER OVERVIEW

During the quarter, the Group acquired 6 stores, three of which are located in Toronto, two in Vancouver and one in New Brunswick.

Other highlights for the quarter are summarized as follows:

- Revenues increased by 14.5% over last year to \$51 million. This relates mainly to the existing stores as the impact of the stores acquired during the first quarter of 2017 is only partly reflected.
- Comparable store sales orders were up 1.9% over last year. This marks the 11th consecutive quarter of comparable store sales growth.
- Adjusted EBITDA reached \$7.9 million, an increase of 8.3% over last year and increased 7.5% on a per share (diluted) basis to \$0.57.
- Cash flows from operating activities, before income taxes paid and changes in working capital items were \$7.1 million, an increase of 5.5% over last year and increased 4.1% on a per share (diluted) basis to \$0.51.
- Adjusted net earnings attributed to shareholders, defined as net earnings adjusted to remove the impact of acquisition-related costs and equity-based compensation, for the first quarter were \$2.4 million (or \$0.17 per diluted share) compared to \$2.2 million last year (or \$0.16 per diluted share). Adjusted net earnings per share for the quarter compared to the first quarter of 2016 were up 6.3% (diluted).
- Net earnings attributable to shareholders was \$1.3 million, compared to \$1.8 million last year, the decrease being attributable to a slightly lower EBITDA, impacted by higher acquisition costs and equity-based compensation, as well as higher financial expenses and depreciation, partially offset by lower income taxes. The prior year income taxes reflected a special tax settlement. Consequently, net earnings per share, on a diluted basis, were \$0.09 compared to \$0.13 last year, a decrease of 30.8%.

Management's Discussion and Analysis

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- As a result of scheduled payments, offset by additional borrowings for acquisitions, the net debt increased by \$8.1 million during the quarter. The net debt to adjusted EBITDA ratio increased to 2.40, compared to 2.19 at the end of 2016.
- The financial performance of the Group allowed it to maintain its quarterly payments of dividends to shareholders of \$0.15 per share.

The Group also continued its strong efforts in searching for other growth opportunities in Canada.

DESCRIPTION OF ACTIVITIES

The Group is a leading provider of eye care products and services in Eastern Canada. As of April 1, 2017, the Group had three main banners: New Look Eyewear, Vogue Optical, and Greiche & Scaff. The Group's network consists of 227 corporately-owned eye care stores. Stores are located in Québec (121), Ontario (26), New Brunswick (24), Nova Scotia (22), Newfoundland and Labrador (13), Prince Edward Island (6), Saskatchewan (2), and British Columbia (13). The Group operates a lens processing laboratory and a distribution centre in Ville St-Laurent, Québec, and a lens processing laboratory in Charlottetown, Prince Edward Island.

APPROVAL OF FINANCIAL STATEMENTS

The Group's condensed consolidated financial statements for the period ended April 1, 2017 have been approved by the Board of Directors on May 11, 2017.

ACCOUNTING POLICIES

The condensed interim consolidated financial statements of the Group for the period ended April 1, 2017 are consistent with the policies and methods of computation outlined in the audited 2016 consolidated financial statements, prepared on the basis of International Financial Reporting Standards.

Major reform to lease accounting

The IASB has published IFRS 16 "Leases", to replace IAS 17 and related interpretations, completing its long-running project on lease accounting. IFRS 16 will require lessees to account for leases on balance sheet by recognizing a right-of-use and a lease liability. Exemptions for short-term leases and leases of low value assets will be permitted. The new standard will be effective for annual periods beginning on or after January 1, 2019. In the case of New Look Vision which has a year-end on the last Saturday of December, this means that the new standard will be compulsory for its 2020 fiscal year. Early application is permitted provided IFRS 15 "Revenue from Contracts with Customers", is applied.

The quantitative impact of IFRS 16 has yet to be assessed, however the Group has adequate time to prepare for the transition and is in the process of:

- Assessing the requirements and qualitative impacts under the transitional provisions of both the full retrospective approach and modified retrospective cumulative catch up approach.
- Evaluating agreements to determine whether the definition of a lease is met under IFRS 16.
- Reviewing the capabilities of current IT systems in place as they apply to the informational requirements and assessing whether additional applications or systems will be required.

As a general indicator of the quantitative impact, the Group currently shows lease commitments totalling \$69.9 million.

Management's Discussion and Analysis

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RESULTS ANALYSIS

Revenues

Revenues for the first quarter of 2017 were \$51.0 million, an increase of 14.5% over the first quarter of last year. The increase was attributable to the existing comparable stores, stores acquired in fiscal 2016 which were not counted as comparable stores during the quarter but contributed to sales growth, and the addition of 6 newly acquired stores during the first fiscal quarter of 2017.

Revenues are recognized when goods are delivered to customers, however, management measures the performance of comparable stores on the basis of sales orders, regardless of delivery. Comparable store sales have increased by 1.9% in the first quarter ended April 1, 2017 as compared to the first quarter of last year. Comparable stores are defined as stores which have been operating for at least 12 months.

Additionally, comparable store sales are measured against the comparable period in the prior year. Because of the 53rd week in fiscal year 2016, fiscal year 2017 commenced January 1, 2017, compared to fiscal year 2016 commencing December 27, 2015, a shift of one week. Therefore, to accurately compute the comparable store sales growth for the first quarter of 2017, the first 13 weeks of 2017 (January 1, 2017 to April 1, 2017) are compared to weeks 2 to 14 of fiscal year 2016 (January 3, 2016 to April 2, 2016).

Operating expenses

Operating expenses for the first quarters ended April 1, 2017 and March 26, 2016 are summarized as follows:

	2017	2016
	\$	\$
Revenues	51,043	44,590
Materials consumed	11,264	9,691
<i>% of revenues</i>	22.1%	21.7%
Employee remuneration		
Salaries and social security costs	17,700	15,175
<i>% of revenues</i>	34.7%	34.0%
Equity-based compensation	540	160
Acquisition-related costs	693	337
Other operating expenses (excluding acquisition-related costs)	14,226	12,544
<i>% of revenues</i>	27.9%	28.1%
Total operating expenses	44,423	37,907
<i>% of revenues</i>	87.0%	85.0%

Materials consumed

Materials consumed are comprised of frames, lenses and production supplies. The cost of materials includes foreign exchange gains and losses related to the purchase of these materials. The cost of materials consumed improved since the fourth quarter of 2016, yet increased by 40 basis points of revenues in the first quarter ended April 1, 2017 when compared to the same period last year. The increase of the ratio is due to the recent acquisition of banners with initial higher product cost ratios.

Employee remuneration

Salaries and social security cost expense includes salaries, bonuses, directors' fees and social security costs for all employees and directors. The majority of the expense relates to store based remuneration, including opticians. The increase of 70 basis points for the first quarter, as a percentage of revenues, is primarily due to system implementations costs and staffing upgrades at the corporate level.

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Equity-based compensation for a period represents the fair value of New Look Vision stock options granted and vested in that period. As part of its strategic plan to take advantage of the consolidation of the Canadian retail optical industry and to position the Company as a predominant national player, in June 2016, the Company awarded a significant one-time option grant (514,000 options) to its senior management team in order to better harmonize the longer term objectives of the Company, its shareholders and the senior management team. This resulted in increased equity-based compensation expense in the first quarter of 2017 as compared to that of 2016.

Acquisition-related costs

Acquisition-related costs are composed of professional fees specifically incurred in the business acquisition process, whether an acquisition is completed or not. The figures for 2017 relate mainly to the acquisition of 6 stores completed thus far in the year, as well as acquisitions in progress.

Other operating expenses (excluding acquisition-related costs)

Other operating expenses include stores, manufacturing and distribution facilities and head office occupancy costs, as well as selling, general and administration expenses. They also include foreign exchange gains and losses related to these expenses and gains or losses arising from the change in value of foreign exchange contracts. Depreciation and amortization are presented separately.

Other operating expenses, as a percentage of revenues, decreased by 20 basis points in the first quarter to 27.9% from 28.1% for the same period last year. This variation is primarily due to the growth in sales outpacing the growth of expenses, driven by expense reduction programs across the Group and synergies being achieved.

Management has established a policy hedging forecasted US dollar purchases through the use of forward exchange contracts. As of April 1, 2017, the Company has entered into contracts to purchase US dollars between \$800,000 and \$1,600,000, depending on the spot rate at the time of purchase, at a rate between 1.2800 and 1.3750 CAD.

EBITDA and adjusted EBITDA

The Group defines EBITDA and adjusted EBITDA as per the table below. It should be noted that these performance measures are not defined under IFRS and may not be comparable to similar measures used by other entities. The Group believes that these measures are useful financial metrics as they assist in determining the ability to generate cash from operations. Investors should be cautioned that EBITDA and adjusted EBITDA should not be construed as an alternative to net earnings or cash flows as determined under IFRS. The reconciling items between net earnings, EBITDA and adjusted EBITDA are as follows:

	2017 \$	2016 \$
Net earnings	1,312	1,864
Depreciation, amortization and loss on disposal	3,039	2,799
Financial expenses, net of interest revenues	1,379	947
Income taxes	890	1,073
EBITDA	6,620	6,683
Equity-based compensation ^(a)	540	160
Net loss from changes in fair value of foreign exchange contracts	18	90
Acquisition-related costs ^(b)	693	337
Adjusted EBITDA	7,871	7,270
Variance in \$	601	
Variance in %	8.3%	
% of revenues	15.4%	16.3%
Per share (basic)	0.58	0.54
Per share (diluted)	0.57	0.53

Management's Discussion and Analysis

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- a) Equity-based compensation has increased due to an increase in the number of options granted in June 2016, as well as an increase in the weighted average fair value of options (\$6.46 in 2016, as compared to \$5.43 in 2015).
- b) Acquisition-related costs are mainly comprised of legal and other fees related to the business acquisitions, whether completed or in-progress.

The decrease in the adjusted EBITDA ratio for the quarter reflects the increase in revenues, offset by higher operating expenses as a percentage of revenues.

Refer to *Summary of Quarterly Results* for comparisons of adjusted EBITDA on a quarterly basis.

Depreciation and amortization

The depreciation and amortization expenses varied as follows:

	2017	2016
	\$	\$
Depreciation of property, plant and equipment, net of amortization of deferred investment tax credits	2,123	1,885
Amortization of other intangible assets	916	887
Impairment and loss on disposal of intangible assets		27
Depreciation, amortization and loss on disposal of intangible assets	3,039	2,799

The increases in depreciation of property, plant and equipment and amortization of intangible assets are in line with the business acquisitions made since the beginning of 2016.

Financial expenses

The following table provides the main elements of financial expenses along with interest revenues for the first quarter ended April 1, 2017 compared with the corresponding period of 2016:

	2017	2016
	\$	\$
Interest on long-term debt ^(a)	506	477
Interest related to an income tax settlement	4	
Other interest	(4)	19
Total interest expense	506	496
Amortization of deferred costs related to the issuance of debt	640	501
Change in fair value of interest rate swap	175	(72)
Other financing expenses	64	32
Financial expenses	1,385	957
Interest revenue	6	10
Financial expenses, net of interest revenue	1,379	947
a) Actual settlement cost of interest rate swap included in the interest on long-term debt above	61	66

The revolving facility is used for both daily operations and investment purposes. Borrowings under this facility are treated as long-term debt.

The combined interest on long-term debt and amortization of related deferred costs was higher than last year, which corresponds with the increased level of the debt.

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The average financing cost which, when taking into account actual settlements under an interest rate swap and the amortization of deferred issuance costs, was 4.5% as of April 1, 2017 compared to 5.5% a year ago. As of April 1, 2017, the long-term debt essentially comprised an outstanding balance of \$19.9 million under the revolving facility, a balance of \$57.8 million under the acquisition term facility, and a \$15 million subordinated loan from a capital development fund.

In order to mitigate the risk of an increase in interest rates, New Look Vision is required to maintain an interest rate swap to fix the interest rate on 50% of the outstanding acquisition term facility balance.

Income taxes

The income tax expense for the first quarter may be summarized as follows:

	2017	2016
	\$	\$
Current	1,089	1,128
Deferred	(199)	(55)
Total	890	1,073
Estimated effective tax rate of earnings before income taxes	40.4%	36.5%
Combined federal and provincial statutory rate	28.1%	27.6%

The difference between the estimated effective tax rate and the combined federal and provincial statutory rate is attributable to non-deductible expenses, which are mainly comprised of equity-based compensation and certain business acquisition costs.

Settlement agreement expected with a provincial tax authority. In 2015 the Company reached an agreement with the Canada Revenue Agency regarding the use of tax attributes in relation to the conversion from a trust structure into a corporation in March 2010. A similar agreement is expected with a provincial tax authority. The income tax provision on the balance sheet contains an amount of \$0.9 million for this purpose.

Net earnings and adjusted net earnings

Net earnings for the first quarter ended April 1, 2017 can be compared to the corresponding period of 2016 as follows:

	2017	2016
	\$	\$
Net earnings attributed to shareholders	1,284	1,839
Variance in \$	(555)	
Variance in %	(30.2%)	
% of revenues	2.5%	4.1%
Per share amount		
Basic	0.09	0.14
Diluted	0.09	0.13
Weighted average number of shares - basic	13,579,209	13,461,137
Variation	0.9%	
Weighted average number of shares - diluted	13,868,187	13,803,254
Variation	0.5 %	

Net earnings for the quarter ended April 1, 2017 decreased compared to last year due to a lower EBITDA as a result of higher acquisition costs and equity-based compensation, in addition to higher financial expenses driven by increased borrowing to fund acquisitions, higher depreciation and amortization due to business acquisitions, and investments in existing stores and the laboratory, partially offset by a lower income tax expense.

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Management believes that the following adjustments to net earnings provide useful information as they allow the comparison of the net results before acquisition-related costs and equity-based compensation, which may vary substantially from quarter to quarter:

	2017	2016
	\$	\$
Net earnings attributed to shareholders	1,284	1,839
Net expenses related to an income tax settlement		
Acquisition-related costs	693	337
Equity-based compensation	540	160
Related income taxes	(93)	(91)
Adjusted net earnings attributed to shareholders	2,424	2,245
<i>Variance in \$</i>	179	
<i>Variance in %</i>	8.0%	
<i>% of revenues</i>	4.7%	5.0%
Per share amount		
Basic	0.18	0.17
Diluted	0.17	0.16

Adjusted net earnings per share (diluted) increased to \$0.17 in 2017 from \$0.16 in 2016.

Adjusted net earnings calculated above are not a recognized measure under IFRS and are therefore unlikely to be comparable to similar measures used by other entities. Investors should be cautioned that adjusted net earnings should not be considered as an alternative to net earnings or cash flows as determined under IFRS.

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SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited consolidated quarterly results for each of the eight most recently completed quarters.

	1st Quarter		4th Quarter		3rd Quarter		2nd Quarter		4 Quarters	
	2017	2016	2016	2015	2016	2015	2016	2015	2017	2016
	13 weeks	13 weeks	14 weeks	13 weeks	13 weeks	13 weeks	13 weeks	13 weeks	53 weeks	52 weeks
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	51,043	44,590	54,489	44,614	48,951	41,379	50,506	46,777	204,989	177,360
<i>As a % of the four-quarter revenues</i>	24.9%	25.1%	26.6%	25.2%	23.9%	23.3%	24.6%	26.4%	100%	100%
Adjusted EBITDA ^(c)	7,871	7,270	9,769	9,665	7,965	7,079	10,372	10,080	35,977	34,094
<i>As a % of revenues</i>	15.4%	16.3%	17.9%	21.7%	16.3%	17.1%	20.5%	21.5%	17.6%	19.2%
Per share (basic) ^(a)	0.58	0.54	0.72	0.72	0.59	0.53	0.77	0.75	2.65	2.52
Per share (diluted) ^(a)	0.57	0.53	0.71	0.70	0.58	0.51	0.75	0.73	2.60	2.46
Net earnings (net loss) attributed to shareholders ^(b)	1,284	1,839	3,186	3,755	2,053	(641)	4,093	4,412	10,616	9,365
Per share (basic) ^(a)	0.09	0.14	0.23	0.28	0.15	(0.05)	0.30	0.33	0.78	0.69
Per share (diluted) ^(a)	0.09	0.13	0.23	0.27	0.15	(0.05)	0.30	0.32	0.77	0.68
Adjusted net earnings attributed to shareholders ^{(c)(d)}	2,424	2,245	4,259	4,345	2,832	2,280	4,610	4,691	14,125	13,561
Per share (basic) ^(a)	0.18	0.17	0.31	0.32	0.21	0.17	0.34	0.35	1.04	1.00
Per share (diluted) ^(a)	0.17	0.16	0.31	0.32	0.20	0.17	0.33	0.34	1.02	0.98
Cash flows from operating activities, before income taxes paid and changes in working capital items ^(c)	7,094	6,726	9,232	9,046	7,688	6,839	9,768	9,665	33,782	32,276
Per share (basic) ^(a)	0.52	0.50	0.68	0.67	0.57	0.51	0.72	0.72	2.49	2.39
Per share (diluted) ^(a)	0.51	0.49	0.67	0.66	0.56	0.50	0.70	0.70	2.44	2.33
Dividend per share	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.60	0.60

- Amounts per share for four quarters may not correspond to the total of quarterly amounts, as a distinct calculation is made for each quarter or four-quarter period.
- The net loss for the quarter ended in September 2015 reflects the recording of a tax settlement estimated at \$2.8 million.
- Adjusted EBITDA, adjusted net earnings, and cash flows from operating activities, before income taxes paid and changes in working capital items are not recognized measures under IFRS and are therefore unlikely to be comparable to similar measures used by other entities. Investors should be cautioned that these measures should not be considered as an alternative to net earnings or cash flows as determined under IFRS.
- Adjusted net earnings attributed to shareholders were revised in the fourth quarter of 2016, retrospectively to all quarters presented above, in order to add back equity-based compensation.

The increases in revenues and adjusted EBITDA over the last eight quarters reflect the acquisitions completed in 2016, which include iVision, stores in Montreal, British Columbia, and New Brunswick. It also includes the most recent acquisitions in Toronto, Vancouver, and New Brunswick, and the improving performance of comparable stores.

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LIQUIDITY

The following table summarizes the cash flows for the first quarters ended April 1, 2017 and March 26, 2016.

	Apr. 1, 2017	Mar. 26, 2016
	\$	\$
Operating activities	5,329	2,993
Investing activities	(10,815)	(16,769)
Financing activities	3,039	11,343
Net decrease in cash	(2,447)	(2,433)
Cash, beginning of period	6,594	9,718
Cash, end of period	4,147	7,285

Operating activities

The cash flows related to the operating activities for the first quarters ended April 1, 2017 and March 26, 2016 are as follows. Amounts in parentheses represent use of cash.

	2017	2016
	\$	\$
Earnings before income taxes	2,202	2,937
Adjustments:		
Depreciation, amortization and loss on disposal	3,039	2,799
Amortization of deferred lease inducements and variation of deferred rent	(66)	(117)
Equity-based compensation expense	540	160
Financial expenses	1,385	957
Interest revenue	(6)	(10)
Cash flows from operating activities, before income taxes paid and changes in working capital items	7,094	6,726
Income taxes paid	(1,718)	(2,718)
Cash flows from operating activities, before changes in working capital items	5,376	4,008
Changes in working capital items	(47)	(1,015)
Cash flows from operating activities	5,329	2,993

The above table shows that cash generated from operating activities before income taxes paid and changes in working capital items increased compared to last year. The increase in cash flows from operating activities is primarily driven by lower income taxes paid and changes in working capital items. The significant decrease in income taxes paid in 2017 compared to last year reflects the payments of balances owed for prior years in 2016.

Cash was also generated (or used) by the variation of the following working capital items:

	2017	2016
	\$	\$
Receivables	643	(399)
Inventory	(798)	(624)
Prepaid expenses	(2,480)	(294)
Accounts payable, accrued liabilities and provisions	2,588	302
Use of cash	(47)	(1,015)

Management's Discussion and Analysis

For the quarters ended April 1, 2017 and March 26, 2016
Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

Changes in working capital in the above table reflect normal variations from quarter to quarter, as well as impacts from business acquisitions.

The increased use of cash for inventory is driven by the need to build inventory levels to support planned promotions, and reflects the inventory of newly acquired banners.

The significant increase in the use of cash from prepaid expenses is directly related to the timing of the end of the quarter in relation to the payments of monthly occupancy costs for the company's network of stores.

The change in accounts payable, accrued liabilities and provisions has increased significantly driven by a higher accrual for salaries due to the timing of the end of the quarter.

Investing activities

The cash flows related to the investing activities and the non-cash consideration for capital expenditures for the first quarters of 2017 and 2016 are as follows. Amounts in parentheses represent use of cash.

	2017	2016
	\$	\$
Business acquisitions	(6,639)	(15,785)
Acquisitions of property, plant and equipment	(4,048)	(898)
Acquisitions of other intangible assets	(117)	(108)
Advances	12	17
Interest received	8	10
Payment of balances of purchase price	(31)	(5)
Cash flows related to investing activities	(10,815)	(16,769)
Cash flows not related to capital expenditures	20	27
Cash flows related to capital expenditures	(10,835)	(16,796)
Other consideration	(517)	(1,329)
Balances payable	(312)	(815)
Balance paid for business acquisition of a prior quarter	439	5
Capital expenditures^(a)	(11,225)	(18,935)

- a) Capital expenditures correspond to business acquisitions and acquisitions of long-term assets, whether they are paid cash or financed through balances of purchase price, assumption of long-term debt, New Look Vision shares or non-controlling interest.

Business acquisitions

In 2017, the Group acquired 6 stores, located in Toronto, Vancouver and New Brunswick for a total consideration of \$6.4 million, including cash payments of \$6.2 million.

Purchase of property, plant and equipment and intangibles

Investments in property, plant and equipment made in the first quarter of 2017 related largely to the addition of state-of-the-art laboratory equipment, as well as leasehold improvements. Investments also related to store renovations, ongoing updates and additions to optical equipment and sophisticated software aimed at improving operational and management efficiencies.

Management's Discussion and Analysis

For the quarters ended April 1, 2017 and March 26, 2016
Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

Financing activities

The cash flows related to the financing activities for the first quarters of 2017 and 2016 are as follows. Amounts in parentheses represent use of cash.

	2017	2016
	\$	\$
Variation of borrowings under the revolving facility	8,118	15,300
Repayment of borrowings under the acquisition term facility	(2,250)	(1,331)
Dividends paid, net of dividends reinvested	(1,732)	(1,722)
Interest & finance fees paid	(1,097)	(920)
Cash received on exercise of options		16
Cash flows related to financing activities	3,039	11,343

Borrowings under the revolving facility

The revolving facility is used for both daily operations and investment purposes.

Repayment of borrowings under the acquisition term facility

The long-term borrowings under the acquisition-term facility were repaid as scheduled.

Dividends paid

The amount of dividends paid is net of dividends reinvested in shares under the dividend reinvestment plan. A dividend of \$0.15 per share was paid in each of the first quarters of 2017 and 2016. Dividends paid were financed through the cash generated from operating activities. Refer to the section *Dividends* for more details on this topic.

Interest and finance fees paid

Amounts paid as interest and financing fees are commented on in the section *Financial expenses*.

Cash received on exercise of options

Refer to the section *Outstanding shares and options* for information on options exercised in 2017.

CAPITAL RESOURCES

Credit facilities and subordinated debt

The credit facilities, as amended in the last quarter of 2016, are as follows:

- A revolving facility with a maximum draw-down of \$50 million (\$11.8 million at the end of 2016) to finance day-to-day operations, capital expenditures, and business acquisitions. The use of this facility is treated as a long-term debt as no repayment is required until November 25, 2020 as long as certain financial ratios, similar to the financial guidelines described in the next section, are respected.
- An acquisition term facility of an initial amount of \$60 million, which was used to finance business acquisitions. The annual repayments on the acquisition term facility represent \$6 million, subject to annual additional repayments under a "cash flow sweep" covenant. No such additional repayment was required or made in the first quarter of 2017. The current balance of the debt is \$57.8 million and any balance will be repayable on November 25, 2020.

The subordinated debt, as amended in the last quarter of 2016, is as follow:

- A subordinated debt of \$15 million (\$15 million at the end of 2016) to finance day-to-day operations and for investment purposes, including to finance capital expenditures and acquisitions.
- Subsequent to an amendment signed on November 25, 2016, the applicable interest rate thereon was decreased to 6.75% from 8%, effective January 1, 2017.

Management's Discussion and Analysis

For the quarters ended April 1, 2017 and March 26, 2016
Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

As of April 1, 2017, the credit facilities and subordinated debt used and available were as follows:

	\$
Revolving facility	
Credit granted	50,000
Credit Outstanding at April 1, 2017	19,932
Balance available at April 1, 2017	30,068
Acquisition term facility	
Credit granted	60,000
Credit Outstanding at April 1, 2017	57,750
Subordinated debt	
Credit granted	15,000
Credit Outstanding at April 1, 2017	15,000

The Company also had \$4.1 million in cash at the end of the first fiscal quarter, including an amount of \$580,500, the use of which is restricted to guarantee business purchase price balances in the same amount. The Company was in compliance with all covenants governing the credit facilities.

Capacity to meet obligations

Management determines the capacity of the Group to meet its obligations, including compliance on loan covenant ratios, by an analysis of past and forecast cash flows, revolving facility usage, maintenance and growth committed capital expenditures, scheduled repayments of debt, income tax payable and dividends payable in cash. The following shows a summary of important revised guidelines used by management with respect to the capital management and the resulting performance.

	Guidelines	April 1, 2017	December 31, 2016
Net debt ^(a) to adjusted EBITDA ^(b)	Maximum of 3.00	2.40	2.19
Adjusted net debt ^(c) to EBITDAR ^(d)	Maximum of 4.50	4.09	3.94
Fixed charge coverage ratio ^(e)	Minimum of 1.10	1.23	1.34

- Net debt refers to the total of long-term debt, including the short-term portion and borrowings under the revolving facility, and dividends payable, in excess of cash.
- The calculation of adjusted EBITDA, illustrated in the section *Adjusted EBITDA*, covers a period of four quarters. Pro forma data are included when necessary.
- Adjusted net debt corresponds to the net debt plus eight times the rent expenses for the last four quarters. Pro forma data are included when necessary.
- EBITDAR, defined as adjusted EBITDA plus rent expenses, covers a period of four quarters.
- The fixed charge coverage ratio is defined for a period of four quarters as the ratio of (i) EBITDA, adjusted to add-back equity-based compensation, less maintenance capital expenditures, taxes and dividends paid in cash to (ii) fixed charges. For this calculation, fixed charges are composed of scheduled repayments of debt and interest paid during the period. Furthermore, this calculation allows for adjustments to EBITDA to normalize dividends and taxes paid.

The net debt to adjusted EBITDA ratio and the adjusted net debt to EBITDAR ratio increased as a consequence of additional debt and additional rent. However, they are well below the maximum guidelines. The fixed charge coverage ratio decreased, however is well above the minimum guideline.

Management's Discussion and Analysis

For the quarters ended April 1, 2017 and March 26, 2016
Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

DIVIDENDS

Dividends declared

In line with a long-standing practice, New Look Vision declared a dividend of \$0.15 per Class A common shares in each of the first quarters of 2017 and 2016. The dividends declared are usually designated as "eligible dividends" for tax purposes, that is dividends entitling shareholders who are individuals residing in Canada to a higher dividend tax credit. Information on the tax status of dividends is available on www.newlookvision.ca in the *Investors* section.

On May 11, 2017, New Look Vision declared a dividend of \$0.15 per Class A common share payable on June 30, 2017 to shareholders of record on June 22, 2017. The dividend has been designated as an eligible dividend.

The decision to declare a dividend is made quarterly when the financial statements for a quarter or a financial year are made available to the Board of Directors. Although there is no guarantee that a dividend will be declared in the future, New Look Vision and its predecessor, Benvest New Look Income Fund, have regularly paid a dividend or distribution since 2005.

Dividend reinvestment plan

A dividend reinvestment plan allows shareholders to elect to reinvest their cash dividends into New Look Vision shares, without any brokerage commissions, fees and transaction costs. Subject to further consideration, shares are issued from treasury at 95% of the weighted average trading price for the five trading days preceding the dividend payment date.

Class A common shares issued under the dividend reinvestment plan in the first quarters of 2017 and 2016 were as follows:

	2017	2016
Number of shares issued in the period	12,002	10,370
Average issuance price per share	\$25.43	\$28.07
Total amount	\$305	\$291

OUTSTANDING SHARES AND OPTIONS

As of April 30, 2017, New Look Vision had 13,591,079 Class A common shares outstanding, which are the only shares outstanding. This number includes the sole share transactions that occurred in the first quarter of 2017, that is, the issuance of 12,002 shares pursuant to the dividend reinvestment plan.

As of April 30, 2017, there were 1,230,225 options outstanding to purchase the same number of New Look Vision Class A common shares for a weighted average exercise price of \$23.28. The exercise price reflects the market value of the shares for the five business days preceding the grant date. All outstanding options will expire from five to seven years after the grant date. As of April 30, 2017, the balances of shares reserved by the TSX for issuance upon exercise of options or payment for services totaled 1,427,057.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures (DC&P - as defined in National Instrument 52-109) in order to provide reasonable assurance that material information relating to the Group is made known to management, including its chief financial officer and its president, and that information required to be disclosed under securities legislation is recorded and reported on a timely basis. Management is also responsible for the design of internal control over financial reporting ("ICFR" - as defined in National Instrument 52-109) within the Group in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Changes in ICFR during the period beginning on December 31, 2016 and ended April 1, 2017 included the ongoing improved procedures related to the consolidation of the financial data of the corporate division and the operating units. Otherwise, there were no material changes in ICFR that have materially affected, or are reasonably expected to materially affect the internal controls over financial reporting.

Management's Discussion and Analysis

For the quarters ended April 1, 2017 and March 26, 2016

Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

OUTLOOK

Our current priorities and development plans include the following objectives:

- To successfully integrate all 6 stores acquired in the first quarter of 2017 and the 32 stores acquired in 2016.
- To continue exploring profitable growth opportunities across Canada;
- To continue sharing best practices between the banners by benchmarking activities and identifying areas from which the group can maximize results and cash flows;
- To continue leveraging the three primary banners, New Look Eyewear, Greiche & Scaff and Vogue Optical, which have long and solid reputations in their respective markets;
- To continue expanding the New Look Eyewear, Greiche & Scaff and Vogue Optical store networks in their respective target markets, through new store openings and the acquisition of individual optical stores;
- To improve liquidity and the balance sheet through a planned program of annual debt repayment;
- To increase our market share by leveraging our state of the art manufacturing and distribution facilities, aggressive marketing, optometric facilities and to continuously train personnel;
- To continue improving the efficiency of our operations by significant investments in retail technology systems;
- To continue improving our web-related platform for eye examination appointments, contact lens sales orders and greater information to the public through our website and newsletter on eyewear fashion trends.

Certain major international optical chains have been successfully expanding the range of products and services in their retail optical store network by introducing hearing care and listening products and services. Following the acquisition of certain hearing care distribution rights and assets in 2010 pursuant to reorganization with Sonomax, New Look Vision launched certain in-store initiatives with respect to hearing care and listening products and services. To-date these initiatives have not yet been commercially successful in a meaningful fashion, as the Company has primarily focused over the last years on large business acquisitions such as Vogue Optical, Greiche & Scaff and iVision. Nevertheless, New Look Vision maintains its intent to support and continue to develop these initiatives in 2017 and beyond.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact contained in this MD&A are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, projected costs and plans and objectives of, or involving New Look Vision. Readers can identify many of these statements by looking for words such as “believe”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “plans”, “may”, “would” or similar words or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will be achieved. Forward-looking statements are subject to risks, uncertainties and assumptions. Although management of New Look Vision believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the factors which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: pending and proposed legislative or regulatory developments, competition from established competitors and new market entrants, technological change, interest rate fluctuations, general economic conditions, acceptance and demand for new products and services, and fluctuations in operating results, as well as other risks included in New Look Vision's current Annual Information Form (AIF) which can be found at www.sedar.com. The forward-looking statements included in this MD&A are made as of the date hereof, and New Look Vision undertakes no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as provided by law.

May 11, 2017



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

First quarter ended April 1, 2017

Consolidated Statements of Earnings and Comprehensive Income

For the quarters ended April 1, 2017 and March 26, 2016
In thousands of Canadian dollars, except per share amounts

	2017	2016
	\$	\$
Revenues	51,043	44,590
Materials consumed	11,264	9,691
Employee remuneration expenses (Note 3.1)	18,240	15,335
Other operating expenses (Note 3.2)	14,919	12,881
Earnings before depreciation, amortization, loss on disposal and financial expenses	6,620	6,683
Depreciation, amortization and loss on disposal (Note 3.3)	3,039	2,799
Financial expenses, net of interest revenue (Note 4)	1,379	947
Earnings before income taxes	2,202	2,937
Income taxes		
Current	1,089	1,128
Deferred	(199)	(55)
Total income taxes	890	1,073
Net earnings and comprehensive income	1,312	1,864
Net earnings and comprehensive income attributed to:		
Non-controlling interest	28	25
Shareholders of New Look Vision	1,284	1,839
	1,312	1,864
Net earnings per share (Note 5)		
Basic	0.09	0.14
Diluted	0.09	0.13

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Consolidated Statements of Cash Flows

For the quarters ended April 1, 2017 and March 26, 2016
In thousands of Canadian dollars

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Earnings before income taxes	2,202	2,937
Adjustments:		
Depreciation, amortization and loss on disposal (Note 3.3)	3,039	2,799
Amortization of deferred lease inducements and variation of deferred rent	(66)	(117)
Equity-based compensation expense	540	160
Financial expenses (Note 4)	1,385	957
Interest revenue (Note 4)	(6)	(10)
Income taxes paid	(1,718)	(2,718)
Cash flows related to operating activities before changes in working capital items	5,376	4,008
Changes in working capital items (Note 6)	(47)	(1,015)
Cash flows related to operating activities	5,329	2,993
INVESTING ACTIVITIES		
Business acquisitions (Note 7)	(6,639)	(15,785)
Acquisitions of property, plant and equipment	(4,048)	(898)
Acquisitions of other intangible assets	(117)	(108)
Loans and advances	12	17
Interest received	8	10
Payment of balances of purchase price	(31)	(5)
Cash flows related to investing activities	(10,815)	(16,769)
FINANCING ACTIVITIES		
Variation of borrowings under the revolving facility	8,118	15,300
Repayment of borrowings on the acquisition term facility	(2,250)	(1,331)
Dividends paid, net of dividends reinvested	(1,732)	(1,722)
Interest and finance fees paid	(1,097)	(920)
Cash received on exercise of options		16
Cash flows related to financing activities	3,039	11,343
Net decrease in cash	(2,447)	(2,433)
Cash, beginning of period	6,594	9,718
Cash, end of period	4,147	7,285

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Consolidated Balance Sheets

In thousands of Canadian dollars

	April 1, 2017 \$	December 31, 2016 \$
ASSETS		
Current assets		
Cash	4,147	6,594
Receivables	3,195	3,448
Income taxes receivable	398	
Loans and advances	330	343
Inventory	19,954	17,966
Prepaid expenses	3,396	825
Total current assets	31,420	29,176
Loans and advances	603	603
Property, plant and equipment	46,546	44,561
Goodwill	70,936	67,478
Other intangible assets	52,453	50,998
Total assets	201,958	192,816
LIABILITIES		
Current liabilities		
Accounts payable, accrued liabilities and provisions	26,745	23,099
Income taxes payable		231
Instalments on long-term debt (Note 8)	5,910	7,078
Total current liabilities	32,655	30,408
Long-term debt (Note 8)	86,709	79,888
Other non-current liabilities	2,062	1,965
Deferred tax liabilities	8,681	8,824
Total liabilities	130,107	121,085
EQUITY		
Class A common shares	64,403	64,098
Contributed surplus	3,376	2,836
Retained earnings	3,301	4,054
Equity attributable to the shareholders of New Look Vision	71,080	70,988
Non-controlling interest	771	743
Total equity	71,851	71,731
Total liabilities and equity	201,958	192,816

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

For the quarters ended April 1, 2017 and March 26, 2016
In thousands of Canadian dollars, except the number of shares

					Equity attributable to		Total equity
	Class A common shares		Contributed surplus	Retained earnings	Shareholders of New Look Vision	Non-controlling interest	
	Number	\$					
Balance as at December 31, 2016	13,579,077	64,098	2,836	4,054	70,988	743	71,731
Net earnings				1,284	1,284	28	1,312
Equity-based compensation			540		540		540
Shares issued by New Look Vision:							
Pursuant to the dividend reinvestment plan	12,002	305			305		305
Dividends declared				(2,037)	(2,037)		(2,037)
Balance as at April 1, 2017	13,591,079	64,403	3,376	3,301	71,080	771	71,851

	Class A common shares		Contributed surplus	Retained earnings	Equity attributable to		Total equity
					Shareholders of New Look Vision	Non-controlling interest	
	Number	\$			\$	\$	
Balance as at December 26, 2015	13,419,892	61,413	1,467	1,009	63,889	323	64,212
Net earnings				1,839	1,839	25	1,864
Equity-based compensation			160		160		160
Shares issued by New Look Vision:							
As partial payment of a business acquisition	31,604	900			900		900
Pursuant to the exercise of options:		56	(56)		—		—
In consideration of cash	2,100	16			16		16
Under the cashless exercise feature	55,319				—		—
Pursuant to the dividend reinvestment plan	10,370	291			291		291
Non-controlling interest in a business acquisition					—	429	429
Dividends declared				(2,028)	(2,028)		(2,028)
Balance as at March 26, 2016	13,519,285	62,676	1,571	820	65,067	777	65,844

The carrying value of Class A common shares as at April 1, 2017 and March 26, 2016 is net of related party loans of \$251,000.

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the quarters ended April 1, 2017 and March 26, 2016

Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

1. GOVERNING STATUTES AND ACTIVITIES

New Look Vision Group Inc. / Groupe Vision New Look Inc. ("New Look Vision" or the "Company"), incorporated under the Canada Business Corporations Act, is involved in the eye care industry in Canada. Its head office is located at 1 Place Ville-Marie, Montréal, Québec, Canada and its shares are listed on the Toronto Stock Exchange (TSX:BCI). Before June 2015, the Company's name was New Look Eyewear Inc. / Lunetterie New Look inc.

In these financial statements, a reference to the "Group" means New Look Vision and its subsidiaries. The Group operates three main banners: New Look Eyewear / Lunetterie New Look, Greiche & Scaff and Vogue Optical.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Compliance with International Financial Reporting Standards (IFRS)

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016. They were approved for issue by the Board of Directors on May 11, 2017.

2.2 Significant accounting policies

The condensed interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the audited financial statements for the year ended December 31, 2016.

2.3 Year-end and interim accounting periods

The year-end of the Company is the last Saturday of December and its interim periods end the last Saturday of March, June, September and December, with the exception of the first two quarters of 2017, which end on the first Saturday of April and July. Each interim period has a duration of 13 weeks, except for the fourth quarter of 2016 with a 14-week duration.

3. UNDERLYING COMPONENTS IN CONSOLIDATED EARNINGS

	2017 \$	2016 \$
3.1 Employee remuneration expenses		
Salaries and social security costs	17,700	15,175
Equity-based compensation	540	160
	18,240	15,335
3.2 Amounts included in other operating expenses		
Acquisition-related costs	693	337
3.3 Depreciation, amortization and loss on disposal		
Depreciation of property, plant and equipment, net of amortization of deferred investment tax credits	2,123	1,885
Amortization of other intangible assets	916	887
Impairment and loss on disposal of intangible assets		27
	3,039	2,799

Notes to the Consolidated Financial Statements

For the quarters ended April 1, 2017 and March 26, 2016
Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

4. FINANCIAL EXPENSES, NET OF INTEREST REVENUE

	2017	2016
	\$	\$
Interest on long-term debt	506	477
Interest related to an income tax settlement	4	
Other interest	(4)	19
Total Interest Expense	506	496
Amortization of deferred costs related to the issuance of debt	640	501
Change in fair value of interest rate swap	175	(72)
Other financing expenses	64	32
Financial expenses	1,385	957
Interest revenue	6	10
Financial expenses, net of interest revenue	1,379	947

5. NET EARNINGS PER SHARE

	2017	2016
Net earnings attributed to shareholders of New Look Vision	\$1,284	\$1,839
Weighted average number of common shares used in basic earnings per share	13,579,209	13,461,137
Dilutive effect of stock options	288,978	342,117
Weighted average number of common shares used in diluted earnings per share	13,868,187	13,803,254
Net earnings per share		
Basic	\$0.09	\$0.14
Diluted	\$0.09	\$0.13
Out-of-the-money options to purchase New Look Vision shares for the period ^(a)	736,500	222,500

- a) Out-of-the-money options to purchase New Look Vision shares for a period are options with a strike price that is higher than the market price of New Look Vision shares in that period. These shares are not included in the computation of diluted earnings per share.

6. UNDERLYING COMPONENTS IN CONSOLIDATED CASH FLOWS

6.1 Changes in working capital items

The changes in working capital items related to operating activities are detailed as follows:

	2017	2016
	\$	\$
Receivables	643	(399)
Inventory	(798)	(624)
Prepaid expenses	(2,480)	(294)
Accounts payable, accrued liabilities and provisions	2,588	302
Use of cash	(47)	(1,015)

Notes to the Consolidated Financial Statements

For the quarters ended April 1, 2017 and March 26, 2016

Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

7. BUSINESS ACQUISITIONS

7.1 Acquisitions in 2017

In first quarter of 2017, the Group acquired 6 retail optical stores, three of which are located in Toronto, two in Vancouver, and one in New Brunswick. The acquisitions were made to enhance the Group's position in the optical business in Canada. The combined preliminary purchase price allocation was established as follows:

Recognized amounts of identifiable net assets	\$
Net working capital	608
Property, plant and equipment	875
Intangible assets	2,300
Deferred tax liabilities	(185)
Identifiable net assets	3,598
Goodwill^(a)	2,789
Total net assets acquired	6,387
Amount paid in cash ^(b)	6,232
Balances payable ^(c)	155
Total consideration	6,387

The purchase price allocation is subject to change should new information become available.

- a) Goodwill is attributed to the workforce, the locations of the stores, the relationships with optometrists, know-how and expected synergies from combining activities of the businesses acquired with those of the Group. Management estimates that \$2.1 million of goodwill will be amortizable for tax purposes.
- b) Approximately \$454 thousand was paid into a third party escrow account, which can only be accessed jointly by New Look Vision and the seller.
- c) The balances payable are guaranteed by restricted bank accounts for the same amounts.

From the acquisition dates to April 1, 2017, the acquired stores realized revenues of \$0.7 million. It was not practical to determine pro forma revenues and net earnings of the Group as though the business acquisitions occurred at the beginning of the financial year due to numerous year-ends and accounting systems of the businesses acquired.

The consideration paid in cash was financed from the credit facilities.

7.2 Acquisitions in 2016

In 2016, the Group acquired 32 retail optical stores located in southwestern Ontario, Montreal, New Brunswick and British Columbia. The acquisitions were made to enhance the Group's position in the optical business in Canada. Almost all of the acquired stores have been converted or are in the process of being converted to either the Vogue Optical banner, the Greiche & Scaff banner or the New Look Eyewear banner.

The combined purchase price allocation at December 31, 2016 was and continues to be subject to change until December 12, 2017. Note that the resulting revision is related to those acquisitions that remain within the permissible time frame to reassess fair values.

Notes to the Consolidated Financial Statements

For the quarters ended April 1, 2017 and March 26, 2016

Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

Recognized amounts of identifiable net assets	Revised April 1, 2017	Initial December 31, 2016
	\$	\$
Net working capital	985	840
Property, plant and equipment	3,837	4,219
Intangible assets	11,435	11,481
Long-term liabilities	(184)	(184)
Deferred tax liabilities	(1,538)	(1,669)
Identifiable net assets	14,535	14,687
Goodwill^(a)	16,313	15,644
Total net assets acquired	30,848	30,331
Amount paid in cash	28,576	28,169
Balances payable ^(b)	943	833
31,604 shares of New Look Vision	900	900
Non-controlling interest ^(c)	429	429
Total consideration	30,848	30,331

- a) Goodwill is attributed to the workforce, the locations of the stores, the relationships with optometrists, know-how and expected synergies from combining activities of the businesses acquired with those of the Group. Management estimates that \$8.935 million of goodwill will be amortizable for tax purposes.
- b) The balances payable consist of \$425.5 thousand of holdbacks, guaranteed by restricted bank accounts, in addition to a price adjustment of \$517 thousand.
- c) The non-controlling interests represent a 25% participation in a company operating one store and a 49% participation in a company operating another store. The carrying value of the non-controlling interests reflects the proportionate share of the fair value of the net assets acquired.

From the acquisition dates to December 31, 2016, the acquired stores realized revenues of \$14 million. It was not practical to determine pro forma revenues and net earnings of the Group as though the business acquisitions occurred at the beginning of the financial year due to numerous year-ends and accounting systems of the businesses acquired.

The consideration paid in cash was financed from the credit facilities.

Notes to the Consolidated Financial Statements

For the quarters ended April 1, 2017 and March 26, 2016
Amounts in tables are in thousands of Canadian dollars, except shares and per share amounts

8. LONG-TERM DEBT

	April 1, 2017	December 31, 2016
	\$	\$
Bankers' acceptances under the revolving facility, effective rate of 3.76% (3.39% as of December 31, 2016)	18,900	6,600
Prime rate basis loan under the revolving facility, effective rate of 4.45% (4.075% as of December 31, 2016)	1,032	5,214
Bankers' acceptances under the acquisition term facility, effective rate of 3.76% (3.39% as of December 31, 2016) ^(a)	57,700	58,400
Prime rate basis loan under the acquisition-term facility, effective rate of 4.45% (4.075% as of December 31, 2016)	50	1,600
Subordinated debt to a development capital fund, repayable upon maturity in December 2018, nominal rate of 6.75% ^(b) (8% as of December 31, 2016) ^(a)	15,000	15,000
Balances of purchase price, interest varying from 0% to 5%, guaranteed by deposits totalling \$581, with repayments up to 2018 ^(c)	973	1,223
Other	353	380
Total debt	94,008	88,416
Deferred costs related to the issuance of debt ^(a)	(1,389)	(1,450)
	92,619	86,967
Instalments due within one year	5,910	7,078
	86,709	79,888

- a) Transaction costs related to the acquisition term facility and the subordinated debt are included in the deferred costs presented above. They are amortized using the effective interest method.
- b) On November 25, 2016, New Look Vision's subordinated debt agreement was amended to decrease the interest rate to 6.75%, effective January 1, 2017.
- c) The deposits are included with the cash figure on the balance sheet.

9. DIVIDENDS

New Look Vision declared dividends of \$0.15 per Class A common share in the first quarters of 2017 and 2016.

Dividends shown as paid in the statements of cash flows are net of dividends reinvested in New Look Vision Class A common shares pursuant to the dividend reinvestment plan. The dividends reinvested in the first quarter of 2017 totaled \$305,000 (\$291,000 in 2016). Amounts of dividends declared in a period differ from the amounts paid in that period due to timing differences.

10. EVENTS AFTER THE REPORTING PERIOD

10.1 Dividends

On May 11, 2017, the Board of Directors declared a dividend of \$0.15 per Class A common shares to shareholders of record on June 22, 2017. The dividend is payable on June 30, 2017 and no liability in this respect is recognized in the financial statements for the first quarter of 2017.



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First quarter ended April 1, 2017

QUARTERLY REPORT

First quarter ended April 1, 2017

New Look Vision Group Inc. Board of Directors

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Chairman of the Board
New Look Vision Group Inc.

Antoine Amiel
President
New Look Vision Group Inc.

Richard Cherney
Secretary
New Look Vision Group Inc.
Managing Partner
Davies Ward Phillips & Vineberg

M. William Cleman
Management Consultant
Cleman Consulting Inc.

Paul S. Echenberg
President and
Chief Executive Officer
Schroders and
Associates Canada Inc.

Martial Gagné
President
New Look Eyewear /
Greiche & Scaff

C. Emmett Pearson
Director
New Look Vision Group Inc.

New Look Vision Group Inc. Executive Officers

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President
New Look Vision Group Inc.

Derrick Giannoumis
Senior Vice-President and
Chief Financial Officer
New Look Vision Group Inc.

Mario Pageau
Senior Vice-President
Optical Products and Services
New Look Vision Group Inc.

Martin Galerneau
Vice-President
Information Technology
New Look Vision Group Inc.

Franca Russo
Vice-President
Merchandising
New Look Vision Group Inc.

Greiche & Scaff Executive Officers

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President
Greiche & Scaff

Pierre Freiji
Vice-President and General Manager
Greiche & Scaff

New Look Eyewear Executive Officers

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President
New Look Eyewear

Marie-Josée Mercier
Vice-President
Sales and Operations
New Look Eyewear

France Reimnitz
Vice-President
Marketing and Merchandising
New Look Eyewear

Caroline Rouleau
Vice-President
Professional Services and
Human Resources
New Look Eyewear

Vogue Optical Group Inc. Executive Officers

John MacLeod
President
Vogue Optical Group Inc.

Juanita Leary
Vice-President
Sales and Marketing
Vogue Optical Group Inc.

Regan Lewis
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As of April 30, New Look Vision had 13,591,079 Class A common shares outstanding, which are the only shares outstanding. New Look Vision Group Inc. is a leader in the eye care industry in Eastern Canada having a network of 227 corporate stores mainly under the New Look Eyewear, Vogue Optical and Greiche & Scaff banners and laboratory facilities using state-of-art technologies.



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