BASE PROSPECTUS
Dated 13 December 2018

(a *société anonyme* incorporated in France)

€5,000,000,000

Euro Medium Term Notes Programme

*Under the Euro Medium Term Note Programme (the "**Programme**") described in this document (the "**Base Prospectus**"), EssilorLuxottica, ("**EssilorLuxottica**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed €5,000,000,000 (or the equivalent in other currencies) and may be denominated in certain currencies. The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area in circumstances which require the publication of a Base Prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €100,000 (or the equivalent amount in any other currency). This Base Prospectus supersedes and replaces the base prospectus dated 20 April 2018.*

This Base Prospectus shall be in force for a period of one year as of the date set out here above.

Application has been made to the Autorité des marchés financiers *(the "**AMF**") in France for approval of this Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its* Règlement Général *which implements Directive 2003/71/EC as amended or superseded ("**Prospectus Directive**").*

*Application may be made to Euronext Paris for the period of 12 months from the date of the approval of this Base Prospectus by the AMF for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris and/or to the competent authority of any other Member State of the European Economic Area ("**EEA**") for Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended, appearing on the list of regulated markets issued by the European Commission and situated in a Member State of the EEA (a "**Regulated Market**").*

However, Notes that are not listed and admitted to trading on a Regulated Market may also be issued pursuant to the Programme.

*The relevant final terms (the "**Final Terms**") (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant Regulated Market in the EEA where the Notes will be listed and admitted to trading and will be published, if relevant, on the website of the Regulated Market where the admission to trading is sought.*

*Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"), as more fully described herein.*

*Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination") including Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**") or (b) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.*

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 and R.211-1 of the French Code monétaire et financier. *No physical documents of title will be issued in*

respect of the Dematerialised Notes.

*Materialised Notes will be in bearer form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest and talons attached on or after a date expected to be on or about the 40th calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Bearer Notes") upon certification as to non-U.S. beneficial ownership as more fully described herein.*

Temporary Global Certificates will (a) in the case of a Tranche (as defined below) intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depositary on behalf of Euroclear and/or Clearstream and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

*The Programme has been rated A by Standard & Poor's Rating Services ("**S&P**") and A2 by Moody's Investors Services, Inc. ("**Moody's**"). The Issuer's long term debt is currently rated A2 (positive outlook) by Moody's and A (stable outlook) by S&P. Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"). As such, each of Moody's and S&P is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes to be issued under the Programme may be rated or unrated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.*

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche based on the then prevailing market conditions and will be set out in the relevant Final Terms.

For as long as the Programme remains in effect or any Notes are outstanding, copies of this Base Prospectus, any document containing information incorporated by reference in this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to Notes that are listed and admitted to trading on any Regulated Market in the EEA will be available for viewing on the website of the AMF (www.amf-france.org), on the Issuer's website (https://www.essilor-luxottica.com/fr/information-reglementee) and may be obtained, during normal business hours at the specified offices of the Fiscal Agent and each of the Paying Agents (as defined herein).

Prospective investors should carefully review and consider the section of this Base Prospectus entitled "Risk Factors" prior to purchasing any Notes.

Arranger

HSBC

Dealers

Banca IMI
BNP PARIBAS
Citigroup
Crédit Agricole CIB
CM-CIC Market Solutions
HSBC
J.P. Morgan
MUFG
NATIXIS
RBC Capital Markets
Société Générale
UniCredit Bank AG
Corporate & Investment Banking

*This document constitutes a base prospectus for the purpose of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the "**Group**") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*This Base Prospectus should be read and construed in conjunction with any supplement hereto and with any other documents incorporated by reference (see "**Documents Incorporated by Reference**") and, each of which shall be incorporated in, and form part of this Base Prospectus in relation to any Series (as defined herein) of Notes, should be read and construed together with the Base Prospectus and the Final Terms being together, the "**Prospectus**".*

*No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, or any of the Dealers or the Arranger (each as defined in the "**General Description of the Programme**"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or of the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. No Notes may be offered or sold, directly or indirectly, and none of this Base Prospectus, any Final Terms or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Japan, France, Hong-Kong, PRC and Singapore. For a description of certain restrictions on offers and sales of Notes and distribution of this Base Prospectus, see "Subscription and Sale" below.

***MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.*

*A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.*

***PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is*

*one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.*

***SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information or representations contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or completeness of any of the information or representations in this Base Prospectus or any responsibility for any acts or omissions of the Issuer or any other person in connection with the Base Prospectus. Neither this Base Prospectus nor any other information incorporated by reference in this Base Prospectus is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other information incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger has reviewed or undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

*In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**€**", "**Euro**", "**EUR**" or "**euro**" are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, references to "**£**", "**pounds sterling**", "**GBP**" and "**Sterling**" are to the lawful currency of the United Kingdom, references to "**$**", "**USD**" and "**US dollars**" are to the lawful currency of the United States of America, references to "**¥**", "**JPY**", "**Japanese yen**" and "**Yen**" are to the lawful currency of Japan and references to "**CHF**", "**Swiss francs"** are to the lawful currency of Switzerland, references to "**CAD**" or '**Canadian dollar**" are to the lawful currency of Canada and references to "**Renminbi**" or "**RMB**" are to the currency of the People's Republic of China ("**PRC**") excluding for these purposes, Hong Kong, Macau and Taiwan.*

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or any of its subsidiaries.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces.

Additional risks and uncertainties not currently known to the Issuer or that are currently believed to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and in any documents incorporated by reference and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.

Words and expressions defined under "Terms and Conditions of the Notes" shall have the same meanings in this section.

RISK FACTORS RELATING TO THE ISSUER

The risk factors relating to the Issuer and its activity are set out on pages 33 to 50 of the 2017 Reference Document, on page 19 of the 2018 Half-Year Financial Report, on pages 48 to 51 and 61 to 63 of the Securities Note and on pages 22 to 26 and 101 to 110 of the Update to the 2017 Reference Document as defined and further described under “Documents Incorporated by Reference” in this Base Prospectus, and include the following:

The 2017 Reference Document,

- Risks Relating to our Business and Industry;
- Market risks;
- Legal risk (material claims and litigation, proceedings, arbitration);
- Insurance.

The Securities Note,

- Operational risks;
- Market risks;
- Legal risks;
- Insurance risk;
- Dilution of the existing shareholders of the Company as a consequence of the issue of the New Shares;
- The volatility and liquidity of the Company’s shares may fluctuate significantly;

- Specific risk factors related to the business of the Luxottica Group;
- The securities that may be exchanged during the Exchange Offer or after its closing may have a negative impact on the stock price of the Company's shares;
- Material risk relating to the Exchange Offer;
- Differences between French corporate law and Italian corporate law and changes to the voting rights of EssilorLuxottica shares adopted in connection with the Transaction;
- Transactions in the Company's shares other than the subscription for New Shares are subject to the French tax on financial transactions subject to certain exceptions;
- Transactions in the Company's shares may in the future become subject to the European tax on financial transactions, if it is enacted, excluding primary market transactions.

The Update to the 2017 Reference Document,

- Risks related to the Combination;
- Specific risk factors related to the business of the Luxottica Group:
    - o Risks Relating to industry and general economic conditions;
    - o Business and operations risks;
    - o Financial Risks.

RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe some risk factors that the Issuer believes are material to the Notes to be offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.

1 General Risks Relating to the Notes

1.1 *Independent Review and Advice*

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

1.2 *Modification and Waivers*

The Conditions of the Notes contain provisions for calling General Meetings of Noteholders or consulting them by way of Consultation in Writing to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not participate in the relevant General Meeting or Consultation in Writing and Noteholders who voted in a manner contrary to the majority. General Meetings or Consultations in Writing may deliberate on any proposal relating to the modification of the conditions of the Notes.

1.3 *Exclusion of the consultation of the Noteholders for the modification of the Issuer's corporate purpose*

The Noteholders will not be consulted in relation to the modification of the Issuer's corporate purpose.

In Condition 11 relating to the representation of the Noteholders, Article L.228-65 I 1° of the French *Code de commerce* (only in respect of the modification of the Issuer's corporate purposes) is excluded. As a consequence, no General Meeting will be held nor a Consultation in Writing will be submitted and no early redemption of any Note by the Issuer shall be requested by the Noteholders in respect of such modification.

1.4 *No active Secondary/Trading Market for the Notes*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be listed and admitted to trading on Euronext Paris and/or any other Regulated Market in the EEA, the Final Terms of the Notes will be filed with the AMF in Paris and/or with the competent authority of the Regulated Market of the EEA where the Notes will be listed and admitted to trading, there is no assurance that such filings will be accepted, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

1.5 *Provision of Information*

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices (as defined herein). Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Inflation Indices that is or may be material in the context of Inflation Linked Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

1.6 *Potential Conflicts of Interest*

All or some of the Dealers and, as the case may be, the calculation agent and their respective affiliates (including their parent companies) have and/or may in the future engage, in lending, investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions. In addition, certain Dealers and/or their affiliates may have provided financing to the Issuer's group.

Each of the Issuer and the Dealer(s) may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders (including where a Dealer acts as calculation agent), including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes. In particular, whilst a calculation agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

1.7 *Exchange Rates Risks and Exchange Controls*

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

Government and monetary authorities may impose (as some have done in the past or as more fully described in respect of RMB Notes in paragraph 2.9 (*Risks Relating to Renminbi-denominated Notes*)) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

1.8 *Legality of Purchase*

None of the Issuer, the Dealer(s) or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.9 *Credit ratings may not reflect all risks*

The Issuer has credit ratings which are subject to reviews from time to time by the independent credit rating agencies which assign such credit ratings.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any such revision, suspension or withdrawal of any such credit rating could adversely affect the value of the Notes.

1.10 *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax section contained in this Base Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

1.11 *Market Value of the Notes*

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of an index, including, but not limited to, the volatility of an index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes or the Inflation Indices depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical level of the Inflation Index should not be taken as an indication of such index's future performance during the term of any Note.

1.12 *Change of Law*

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

1.13 *Credit Risk*

An investment in the Notes involves taking credit risk on the Issuer. If the credit worthiness of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, and investors may lose all or part of their investment.

1.14 *French Insolvency Law*

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in case of the opening in France of a safeguard procedure (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme and regardless of their governing law.

The Assembly deliberates on the draft safeguard (*projet de plan de sauvegarde*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders casting a vote at the Assembly). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus will not be applicable, to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

1.15 *The proposed financial transaction tax ("**FTT**")*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since then officially announced its withdrawal from the negotiations.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposals, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States (excluding Estonia) and its scope remains uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. If the Commission's Proposal or any similar proposal were adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

2 Risks related to the structure of a particular issue of Notes

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, inter alia, the provisions for computation of periodic interest payments, if any, redemption and issue price.

2.1 *Notes subject to optional redemption by the Issuer*

The Issuer has the option, if so specified in the relevant Final Terms, to redeem the Notes under a Residual Call Option as provided in Condition 6(c), a Make-Whole Redemption as provided in Condition 6(d), a Clean-up Call Option as provided in Condition 6(e) or a Call Option as provided in Condition 6(f). In particular, in case of a clean-up call option there is no obligation for the Issuer to inform investors if and when the percentage of 80 per cent. has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Notes may have been traded significantly above par, thus potentially resulting in a loss of capital invested.

Furthermore, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes, the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option, the Issuer may choose to redeem the Notes at

times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. As a consequence, the yields received upon redemption may be lower than expected. Furthermore, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

2.2 *Change of Control, Make-Whole Redemption by the Issuer and Redemption at the Option of the Issuer*

Exercise of Change of Control Put Option, Make-Whole Redemption by the Issuer or Redemption at the Option of the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised.

Depending on the number of Notes of the same Series in respect of which the Change of Control Put Option, the Make-Whole Redemption by the Issuer or the Redemption at the Option of the Issuer provided, if any, in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

2.3 *Fixed Rate Notes*

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

2.4 *Floating Rate Notes*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to also issue Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

2.5 *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the relevant Final Terms or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the relevant Final Terms. The conversion (whether it be automatic or optional) of the interest rate will affect the secondary market and the market value of the Notes may produce a lower overall cost of borrowing. If the Fixed Rate is converted to a Floating Rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new Floating Rate at any time may be lower than

the rates on other Notes. In case of a conversion from a Floating Rate to a Fixed Rate, the Fixed Rate may be lower than then prevailing rates on its Notes.

2.6 *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

2.7 *Zero Coupon Notes*

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

2.8 *Inflation Linked Notes*

Inflation Linked Notes are debt securities which do not provide for predetermined interest payments and/or in respect of which the principal is indexed. Interest amounts and/or principal will be dependent upon the performance of either (i) the consumer price index (excluding tobacco) for all households in metropolitan France (the "**CPI**"), as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* ("**INSEE**"), or (ii) the harmonised index of consumer prices excluding tobacco, or the relevant substitute index, measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat (the "**HICP**") (each an "**Inflation Index**" and together, the "**Inflation Indices**"). If the value of the relevant index calculated at any time prior to the maturity date is lower than the value of the relevant index at the time of the issue of the Notes or at the time of purchase by the Noteholders, then the amount of interest payable by the Issuer and/or the principal of Inflation Linked Notes may vary Noteholders may receive no interest. However, if the nominal amount to be repaid at maturity is below par, the Inflation Linked Notes will be redeemed at par.

Neither the current nor the historical levels of any of the Inflation Indices should be taken as an indication of future performance of such index during the term of any Inflation Linked Notes.

Inflation Linked Notes are not in any way sponsored, endorsed, sold or promoted by the INSEE or Eurostat, as the case may be, and the INSEE or Eurostat, makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of any of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE or Eurostat, as the case may be, without regard to the Issuer or the Notes. The INSEE or Eurostat, as the case may be, is not responsible for or has not participated in the determination of the timing of, prices of, or quantities of the Inflation Linked Notes to be issued or in the determination or calculation of the interest payable under such Notes.

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Inflation Indices that is or may be material in the context of Inflation Linked Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholder or any other party such information (whether or not confidential).

2.9 *Risks relating to Renminbi-denominated Notes*

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors.

*Renminbi is not freely convertible. There are significant restrictions on remittance of Renminbi into and outside the People's Republic of China ("**PRC**") which may adversely affect the liquidity of RMB Notes.*

Renminbi is not freely convertible at present. The government of the PRC (the ''**PRC Government''**) continues to regulate conversion between Renminbi and foreign currencies, including the Euro, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

In respect of Renminbi foreign direct investments (''**FDI''**), the People's Bank of China (''**PBoC''**) promulgated the Administrative Measures on Renminbi Settlement of Foreign Direct Investment (the ''**PBoC FDI Measures**'') on 13 October 2011 as part of PBoC's detailed Renminbi FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, PBoC issued a circular setting out the operational guidelines for FDI. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC (''**MOFCOM''**) promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the ''**MOFCOM Circular**''), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify ''Renminbi Foreign Direct Investment'' and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

As the trend to further liberalise FDI continues, the PBoC FDI Measures and the MOFCOM Circular remain subject to interpretation and application by the relevant authorities in the PRC.

Despite a movement towards liberalisation of cross-border RMB remittances, notably in the current account activity, and the permission for certain participating banks in Hong Kong, Singapore, Taiwan, South Korea, London and Frankfurt to engage in the settlement of current account trade transactions in Renminbi under certain pilot schemes, there is no assurance that the PRC Government will continue to liberalise control over the cross-border Renminbi remittance in the future or that new PRC regulations.

Although Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the PBoC in 2018, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the Issuer's ability to source Renminbi to finance its obligations under Notes denominated in Renminbi.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in Renminbi, the Issuer will need to source Renminbi offshore to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Holders of beneficial interests in the Notes denominated in Renminbi may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Singapore, Hong Kong and Taiwan.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service the RMB Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the PBoC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong, Singapore and Taiwan, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions ("**Settlement Arrangements**") in various other markets, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the RMB Notes is subject to exchange rate risks

The value of the Renminbi against the Euro, the U.S. Dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal with respect to the RMB Notes will be made in Renminbi. As a result, the value of these Renminbi payments in Euro, U.S. Dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the Euro, the U.S. Dollar or other foreign currencies, the value of investment in Euro, U.S. Dollar or other applicable foreign currency terms will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

Investment in RMB Notes is subject to interest rate risks.

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Notes may carry a fixed interest rate, the trading price of RMB Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

The Issuer may make payments of interest and principal in U.S. Dollar in certain circumstances

Although the primary obligation of the Issuer is to make all payments of interest and principal with respect to the RMB Notes in Renminbi, in the event access to Renminbi deliverable in Hong Kong becomes restricted by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined the Terms and Conditions of the Notes), the terms of such RMB Notes allow the Issuer to make such payment in U.S. Dollar at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes.

Payments in respect of the RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of the RMB Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

2.10 *Reform and regulation of "benchmarks"*

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") was published in the European official journal on 29 June 2016 and most of provisions of the Benchmark Regulation apply since 1 January 2018.

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The

scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, applies to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a systematic internaliser, financial contracts and investment funds.

The Benchmark Regulation could have a material impact on any Notes traded on a trading venue or via a "systematic internaliser" linked to a "benchmark" index, including in any of the following circumstances:

- an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Either of the above could potentially lead to the Notes being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Notes or have other adverse effects or unforeseen consequences.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". For example, on 27 July 2017, the UK Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, Andrew Bailey, Chief Executive Officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and as a result (although no deadline has been set for their discontinuation), they may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to

or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, and LIBOR, EURIBOR or another Reference Rate (has been selected as the Reference Rate, the Conditions of the Notes provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions of the Notes provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was unavailable (and solely in the context that such unavailability does not qualify as a Benchmark event). Uncertainty as to the continuation of such Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if such Original Reference Rate is unavailable may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event (as defined in Condition 5(a)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions of the Notes provide that the Issuer may vary the Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions of the Notes also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders, Receiptholders and Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine

the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming Fixed Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a “LIBOR” Floating Rate Option or a “EURIBOR” Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If LIBOR or EURIBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	EssilorLuxottica ("**EssilorLuxottica**")
Description:	Euro Medium Term Note Programme for the continuous offer of Notes (the "**Programme**").
Arranger:	HSBC Bank plc
Dealers:	Banca IMI S.p.A. BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Crédit Industriel et Commercial S.A. HSBC Bank plc J.P. Morgan Securities plc MUFG Securities EMEA plc NATIXIS RBC Europe Limited Société Générale UniCredit Bank AG The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Programme Limit:	Up to €5,000,000,000 (or the equivalent in other currencies) aggregate nominal amount of Notes outstanding at any one time. The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Amended and Restated Dealer Agreement.
Fiscal Agent, Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent:	BNP Paribas Securities Services.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable

	with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche will be set out in the final terms to this Base Prospectus (the "**Final Terms**").
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from seven calendar days from the date of original issue.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, US dollars, Japanese yen, Swiss francs, Sterling, CAD, RMB and in any other currency agreed between the Issuer and the relevant Dealers and specified in the relevant Final Terms.
Denomination(s):	The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a regulated market in a Member State (a "**Regulated Market**") of the European Economic Area ("**EEA**") in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. Dematerialised Notes will be issued in one denomination only.
Status of the Notes:	The Notes and, where applicable, any relative Receipts and Coupons will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated financial obligations of the Issuer, from time to time outstanding.
Negative Pledge:	There will be a negative pledge in respect of the Notes as set out in Condition 4. See "***Terms and Conditions of the Notes - Negative Pledge***".
Events of Default: (including cross default)	There will be events of default and a cross-default in respect of the Notes as set out in Condition 9. See "***Terms and Conditions of the Notes - Events of Default***".

Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and, if so, the terms applicable to such redemption.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Early Redemption:	Except as provided in "*Optional Redemption*" above, "*Residual Call Option*", "*Make-Whole Redemption by the Issuer*" and a "*Clean-up Call Option*" below, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.
Redemption at the option of Noteholders following a Change of Control:	If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes, or, at the Issuer's option, procure the purchase of their Notes. See "***Terms and Conditions of the Notes - Redemption, Purchase and Options***".
Residual Call Option:	If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem, at any time as from the Call Option Date which shall be no earlier than 180 calendar days before the Maturity Date, until the Maturity Date, the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.
Make-Whole Redemption by the Issuer:	If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date at their Optional Redemption Amount. The Optional Redemption Amount will be an amount in Euro being the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate (as specified in the relevant Final Terms) plus a Redemption Margin (as specified in

	the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.
Clean-Up Call Option	If so specified in the relevant Final Terms and if at least 80 per cent. of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, at its option, redeem the Notes in whole but not in part at their Clean-Up Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms). See "***Terms and Conditions of the Notes – Clean-up Call Option***".
Taxation in respect of the Notes:	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such a withholding or deduction is required, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions. See "***Taxation***".
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency pursuant to the 2007 FBF Master Agreement relating to Transactions on Forward Financial Instruments, published by the *Fédération Bancaire Française* as supplemented by the relevant Technical Schedules; or (ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or (iii) by reference to LIBOR, EURIBOR or CMS Rate (or such other benchmark as may be specified in the relevant Final Terms), in each case as adjusted for any applicable

margin.

In no event shall the applicable rate of interest (including, for the sake of clarity, any applicable margin) be less than zero.

Interest periods will be specified in the relevant Final Terms.

In the event where the benchmark used to calculate the interest payable is discontinued, the Conditions of the Notes provide a methodology to determine the successor or alternative rates.

Fixed/Floating Rate Notes: Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert, upon giving not less than fifteen (15) calendar days' prior notice in accordance with Condition 15, on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Inflation Linked Notes: Inflation Linked Notes may be issued by the Issuer where the interest and/or the principal in respect of such Notes will be calculated by reference to an inflation index ratio derived from either:

(i) the consumer price index (excluding tobacco) for all households in metropolitan France, as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques*; or

(ii) the harmonised index of consumer prices excluding tobacco, or the relevant substitute index, measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat.

Redenomination: Notes issued in the currency of any Member State of the EU which will participate in the single currency of the Economic and Monetary Union may be redenominated into Euro, all as more fully provided in "***Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination***".

Consolidation: Notes of one Series may be consolidated with Notes of another Series as more fully provided in "***Terms and Conditions of the Notes - Further Issues and Consolidation***".

Form of Notes: Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either *au nominatif pur* or *au nominatif administré* form.

No physical documents of title will be issued in respect of

	Dematerialised Notes. See "***Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination***". The relevant Final Terms will specify whether Dematerialised Notes are to be issued in bearer form only or in registered (including both *nominatif pur* and *nominatif administré*) form only. Materialised Notes will be in bearer form ("**Materialised Bearer Notes**") only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.
Governing Law:	French law.
Central Depositary:	Euroclear France in relation to Dematerialised Notes.
Clearing Systems:	Clearstream, Euroclear or any other clearing system (provided proper clearing and settlement procedures have previously been put in place) that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.
Initial Delivery of Dematerialised Notes:	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *Lettre Comptable* relating to such Tranche shall be deposited with Euroclear France as central depositary.
Initial Delivery of Materialised Notes:	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Issue Price of the Notes will be specified in the relevant Final Terms.
Listing and Admission to Trading:	Euronext Paris or as otherwise specified in the relevant Final Terms. A Series of Notes may or may not be listed and admitted to trading.
Method of Publication of this Base Prospectus and the Final Terms:	This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the websites of the Issuer (https://www.essilor-luxottica.com/fr/information-reglementee) and of the AMF (*www.amf-france.org*). The Final Terms will indicate where the Base Prospectus may be obtained.
Selling Restrictions:	There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See "***Subscription and Sale***". The Notes to be issued qualify under Category 2 for the purposes of Regulation S under the Securities Act. Materialised Notes will be issued in compliance with US

Treasury Regulations section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treasury Regulations section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**C Rules**"), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstance will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

Rating:

The Programme has been rated A by Standard & Poor's Rating Services ("**S&P**") and A2 by Moody's Investors Services, Inc. ("**Moody's**"). The Issuer's long term debt is currently rated A2 (positive outlook) by Moody's and A (stable outlook) by S&P. Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"). As such, each of Moody's and S&P is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes to be issued under the Programme may be rated or unrated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following pages identified in the cross-reference table below of the following documents which have been previously filed with the *Autorité des marchés financiers* ("**AMF**") as competent authority in France for the purposes of the Prospectus Directive.

(A) the pages referred to in the table below which are included in the Issuer's Securities Note Supplement in the French language, filed with the AMF under visa no. 18-494 on 23 October 2018 (the "**Securities Note Supplement**");

(B) the pages referred to in the table below which are included in the Issuer's Securities Note in the French language, filed with the AMF under visa no. 18-460 on 28 September 2018 (the "**Securities Note**");

(C) the pages referred to in the table below which are included in the Issuer's Update to the 2017 Reference Document in the French language, filed with the AMF under no. D.18-0193-A-01 on 28 September 2018 (the "**Update of the 2017 Reference Document**");

(D) the pages referred to in the table below which are included in the Issuer's interim financial report in the French language, for the six-month period ended 30 June 2018 (the "**2018 Half-Year Financial Report**");

(E) the pages referred to in the table below which are included in the Issuer's 2017 *Document de Référence* in the French language, filed with the AMF under no. D.18-0193 on 27 March 2018 (the "**2017 Reference Document**"), which includes the audited consolidated financial statements of the Issuer as at 31 December 2017 prepared in accordance with IFRS as adopted by the European Union;

(F) the pages referred to in the table below which are included in the Issuer's 2016 *Document de Référence* in the French language, filed with the AMF under no. D.17-0264 on 30 March 2017 (the "**2016 Reference Document**"), which includes the audited consolidated financial statements of the Issuer as at 31 December 2016 prepared in accordance with IFRS as adopted by the European Union; and

(G) the section "Terms and Conditions of the Notes" of the base prospectus dated 12 December 2013 (pages 26 to 67) filed with the AMF under visa no.13-669, (the "**2013 EMTN Conditions**"), the section "Terms and Conditions of the Notes" of the base prospectus dated 9 May 2017 (pages 30 to 70) filed with the AMF under visa no. 17-189 (the "**2017 EMTN Conditions**", together with the 2013 EMTN Conditions, the "**EMTN Previous Conditions**").

Such pages shall be incorporated in, and shall be deemed to form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The availability of the documents incorporated by reference into this Base Prospectus is described in section "*General Information*" under paragraph 7 "*Documents available*".

The English translation of the Securities Note Supplement, the Securities Note, the Update to the 2017 Reference Document, the 2018 Half-Year Financial Report, the 2017 Reference Document and the 2016 Reference Document are available on the website of the Issuer (https://www.essilor-luxottica.com/fr/information-reglementee).

Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus and may not be relied upon.

For the avoidance of doubt, “Not applicable” in the cross-reference table below means that the information is not relevant for the purposes of Annex IX of the Regulation.

Items of such Annex IX which are not listed in the cross-reference table below are also not relevant because included elsewhere in this Base Prospectus.

However, the information set out in sections “*Description of EssilorLuxottica*” or “*Recent Developments*” can complete, modify or supersede the information incorporated by reference.

Prospectus Regulation – Annex IX of the Regulation		Securities Note Supplement	Securities Note	Update of the 2017 Reference Document	Half Year Financial Report (Unaudited)	2017 Reference Document	2016 Reference Document
A9.3	**RISK FACTORS**						
A9.3.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".		Pages 48 - 51 and 61-63	Pages 22 - 26 and 101-110	Page 19	Pages 33 to 50	
A9.4	**INFORMATION ABOUT THE ISSUER**						
A9.4.1	**History and development of the Issuer**						
A9.4.1.1	the legal and commercial name of the Issuer;	Page 21	Page 32	Page 71		Page 285	
A9.4.1.2	the place of registration of the Issuer and its registration number;	Front page	Page 32	Page 71		Page 285	
A9.4.1.3	the date of incorporation and the length of fife of the Issuer, except where indefinite; and		Page 55			Page 285	
A9.4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office.		Page 32			Page 285	
A9.4.1.5	any recent events particular to the issuer and which are to a material	Pages 25 to 37 and 47 to 63		Page 156			

Prospectus Regulation – Annex IX of the Regulation		Securities Note Supplement	Securities Note	Update of the 2017 Reference Document	Half Year Financial Report (Unaudited)	2017 Reference Document	2016 Reference Document
	extent relevant to the evaluation of the issuer's solvency.						
A9.5	**BUSINESS OVERVIEW**						
A9.5.1	**Principal activities:**						
A9.5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed; and		Page 32	Pages 87 to 91		Pages 11 to 32	
A9.5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position.					Pages 11-12 and 15-16	
A9.6	**ORGANISATIONAL STRUCTURE**						
A9.6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.		Pages 34 to 35	Pages 49 to 50		Pages 11 to 19, and 184-186	
	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Not applicable	Not applicable	Not applicable		Not applicable	
A9.7	**TREND INFORMATION**						
A9.7.1	Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the	Not applicable	Not applicable	Not applicable		Not applicable	

Prospectus Regulation – Annex IX of the Regulation		Securities Note Supplement	Securities Note	Update of the 2017 Reference Document	Half Year Financial Report (Unaudited)	2017 Reference Document	2016 Reference Document
	issuer is unable to make such a statement, provide details of this material adverse change.						
A9.8	**PROFIT FORECASTS OR ESTIMATES**						
A9.8.1	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	Not applicable	Not applicable	Not applicable		Not applicable	
A9.8.2	Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and	Not applicable	Not applicable	Not applicable		Not applicable	

Prospectus Regulation – Annex IX of the Regulation		Securities Note Supplement	Securities Note	Update of the 2017 Reference Document	Half Year Financial Report (Unaudited)	2017 Reference Document	2016 Reference Document
	that the basis of accounting is consistent with the accounting policies of the issuer.						
A9.9	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**						
A9.9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies;	Pages 22-23 and 60- 61		Pages 72-74		Pages 58 to 69	
	(b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Not applicable	Not applicable	Not applicable		Not applicable	
A9.9.2	**Administrative, Management, and Supervisory bodies conflicts of interests** Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 10.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to	Not applicable	Not applicable	Not applicable		Pages 66-67	

Prospectus Regulation – Annex IX of the Regulation		Securities Note Supplement	Securities Note	Update of the 2017 Reference Document	Half Year Financial Report (Unaudited)	2017 Reference Document	2016 Reference Document
	that effect.						
A9.10	**MAJOR SHAREHOLDERS**						
A9.10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 24 to 25		Pages 52 to 53		Pages 288-290	
A9.10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.		Page 49			Pages 305-306	
	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES						
A9.11.1	**Historical Financial Information** Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.				Pages 20 to 62	Pages 136 to 190	Pages 110 to 164
	(a) balance sheet;				Pages 23 to 24	Pages 138-139	Pages 112 – 113

Prospectus Regulation – Annex IX of the Regulation		Securities Note Supplement	Securities Note	Update of the 2017 Reference Document	Half Year Financial Report (Unaudited)	2017 Reference Document	2016 Reference Document
	(b) income statement;				Pages 21 to 22	Pages 136-137	Pages 110 – 111
	(c) cash flow statement; and				Page 28	Page 142	Page 116
	(d) accounting policies and explanatory notes				Pages 30 to 57	Pages 143 to 186	Pages 117 to 163
A9.11.3	**Auditing of historical annual financial information**						
A9.11.3.1	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.				Pages 60 to 62	Pages 187-190	Page 164
A9.11.3.2	An indication of other information in the registration document which has been audited by the auditors.					Not applicable	
A9.11.3.3	Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.					Not applicable	
A9.11.5	**Legal and arbitration proceedings**			Pages 100 to 101		Pages 43-44, 182	

Prospectus Regulation – Annex IX of the Regulation		Securities Note Supplement	Securities Note	Update of the 2017 Reference Document	Half Year Financial Report (Unaudited)	2017 Reference Document	2016 Reference Document
A9.12	**MATERIAL CONTRACTS**						
A9.12	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.			Pages 80 to 81		Pages 25 and 306	

EssilorLuxottica acquisition: unaudited pro forma consolidated information

Prospectus Regulation – Annex II		Update of the 2017 Reference Document
A2.1	A description of the transaction, the businesses or entities involved and the period to which it refers	
	(a) the purpose to which it has been prepared;	Pages 55 to 58
	(b) the fact that it has been prepared for illustrative purposes only;	Page 55
	(c) the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.	Page 55
A2.3	(a) Historical unadjusted information; (b) pro forma adjustments; (c) resulting pro forma financial information; and	Page 59
	(d) Sources of the pro forma financial information.	Pages 55 to 58

Prospectus Regulation – Annex II		Update of the 2017 Reference Document
A2.4	(e) Basis upon which the pro forma information is prepared. (f) Source of each item of information and adjustment.	Page 55 Pages 55 to 58 and pages 60 to 68
A2.7	Report of the auditors stating that: (g) the pro forma financial information has been properly compiled on the basis stated; and (h) basis is consistent with the accounting policies of the issuer.	Pages 69 to 70

The Previous EMTN Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be consolidated (*assimilées*) and form a single series with Notes already issued pursuant to the relevant Previous EMTN Conditions.

EMTN Previous Conditions	
2013 EMTN Conditions	Pages 26 to 67
2017 EMTN Conditions	Pages 30 to 70

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer is required to prepare a prospectus supplement pursuant to provisions of Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a further Base Prospectus which, in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Paris or on a Regulated Market for a Member State of the EEA, shall constitute a prospectus supplement as required by Article 16 of the Prospectus Directive.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms.

An amended and restated agency agreement dated 13 December 2018 (as amended or supplemented from time to time, the "**Amended and Restated Agency Agreement**") has been agreed between EssilorLuxottica ("**EssilorLuxottica**" or the "**Issuer**"), BNP Paribas Securities Services as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**". The holders of Dematerialised Notes and Materialised Notes, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the "**Talons**") for further Coupons (the "**Couponholders**") and the holders of the receipts (the "**Receipts**") for the payment of instalments of principal (the "**Receiptholders**") relating to Materialised Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Amended and Restated Agency Agreement applicable to them. References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

For the purpose of these Terms and Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in the Markets in Financial Instruments Directive 2014/65/EU, as amended from time to time.

1 Form, Denomination(s), Title and Redenomination

(a) **Form:** Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the "**Code**") by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant Final Terms (the "**Final Terms**"), in either bearer dematerialised form (*au porteur*), in which case they are inscribed in the books of Euroclear France S.A. (acting as central depositary) ("**Euroclear France**") which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

The Issuer may require the identification of the Noteholders in accordance with French laws unless such right is expressly excluded in the relevant Final Terms.

For the purpose of these Conditions, "**Account Holder**" means any financial intermediary institution entitled directly or indirectly to hold accounts on behalf of its customers with Euroclear France, and includes the depositary bank for Clearstream Banking, S.A. ("**Clearstream**") and Euroclear Bank SA/NV ("**Euroclear**").

Materialised Notes are issued in bearer form ("**Materialised Bearer Notes**"). Materialised Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

In accordance with Articles L.211-3 and R.211-1 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) **Denomination(s):**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**") save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the EEA in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be at least €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

(i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.

(ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue ("**Definitive Materialised Bearer Notes**"), shall pass by delivery.

(iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(iv) In these Conditions, "**holder of Notes**", "**holder of any Note**" or "**Noteholder**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons, or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

(i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holders of any Note, Receipt, Coupon or Talon, by giving at least 30 calendar days' notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union, as amended from time to time (the "**Treaty**")), or events have occurred which have substantially the same effects, redenominate all, but not some only, of the Notes of any Series (as defined below) into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

(ii) The redenomination of the Notes pursuant to Condition 1d(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest €0.01 (with €0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than €0.01 shall be paid by way of cash adjustment rounded to the nearest €0.01 (with €0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.

(iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.

(iv) In connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, the Issuer may without the consent of the holder of any Note, Receipt, Coupon or Talon but with the prior approval of the Redenomination Agent and the Consolidation Agent, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.

(v) Neither the Issuer nor any Paying Agent shall be liable to the holders of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

2 Conversion and Exchanges of Notes

(a) **Dematerialised Notes:**

(i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully

registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

(ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).

(iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes:**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3 Status of the Notes

The Notes and, where applicable, any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

4 Negative Pledge

So long as any of the Notes or, if applicable, any Receipts or Coupons relating to them, remain outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any Security, other than a Permitted Security, upon any of its undertakings, assets or revenues, present or future, to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Notes, Receipts and Coupons (a) are equally and rateably secured therewith or (b) have the benefit of any other security or other arrangement as shall be approved by the Masse (as defined in Condition 11) pursuant to Condition 11[1].

For the purposes of this Condition:

"**Relevant Indebtedness**" means any present or future indebtedness for borrowed money in the form of, or represented or evidenced by bonds or notes (*obligations*) issued by the Issuer or any of its Principal Subsidiaries, which are for the time being, or are intended to be or capable of being, quoted, admitted to trading, listed or ordinarily dealt in on any stock exchange or on any other securities market.

"**Permitted Security**" means any Security over:

(i) any office buildings or production facilities (or any equipment located therein) of the Issuer or a Principal Subsidiary in each case acquired or constructed after the Issue Date by the Issuer or a Principal Subsidiary in the ordinary course of their respective business for the sole purpose of financing or re-financing such acquisition or construction and securing a principal, capital or nominal amount not exceeding 100 per cent. of the cost of that

[1] *For the avoidance of doubt, this undertaking by the Issuer relates exclusively to the Relevant Indebtedness and shall in no way affect the ability of the Issuer, under any other circumstances, to dispose any of its assets or to otherwise grant any Security over any of its assets or any guarantee.*

acquisition or construction and provided that such Security shall not encumber any other assets or property of the Issuer; and

(ii) any shares or stock acquired by the Issuer or a Principal Subsidiary after the Issue Date for the sole purpose of financing or re-financing such acquisition and securing a principal, capital or nominal amount not exceeding 100 per cent. of the cost of such acquisition.

For the purposes of this Condition 4:

"**Group**" means, at any particular time, the Issuer and all its Subsidiaries;

"**Principal Subsidiary**" means, at any particular time, a member of the Group (other than the Issuer) whose turnover represents at least 10 per cent. of the consolidated turnover of the Group. For this purpose:

(a) in the case of a member of the Group which itself has Subsidiaries, the calculation shall be made by comparing the consolidated turnover of it and its Subsidiaries to those of the Group;

(b) revenues which arise from transactions between members of the Group and which would be eliminated in the consolidated accounts of the Group shall be excluded;

(c) the turnover of a member of the Group shall be calculated by reference to:

(d) the financial statements of that member of the Group (or, as the case may be, a consolidation of the financial statements of it and its Subsidiaries (if any)) used for the purpose of the then latest audited consolidated financial statements of the Group;

(e) if the person became a member of the Group after the end of the financial period to which those consolidated financial statements relate, the then latest audited financial statements of that member of the Group (or, as the case may be, a consolidation of the then latest audited financial statements of it and its Subsidiaries (if any));

(f) the turnover of the Group shall be calculated by reference to the then latest audited consolidated financial statements of the Group, adjusted as appropriate to reflect the turnover of any person which has become or ceased to be a member of the Group after the end of the financial period to which those financial statements relate;

(g) a member of the Group shall (if not already a Principal Subsidiary) become a Principal Subsidiary on completion of any other intra-Group transfer or reorganisation if it would fulfil the test in the first paragraph of this definition, were all relevant financial statements to be prepared as at the completion of that transfer or reorganisation on the basis of the then latest audited consolidated financial statements of the Group, adjusted as appropriate to reflect the matters referred to in (d) above and to reflect all such transfers or reorganisations after the date of those then latest audited consolidated financial statements of the Group; or

(h) once a person has become a Principal Subsidiary, it shall remain one until it has ceased to fulfil the requirements of this definition.

"**Subsidiary**" means, in relation to a person, an entity from time to time of which that person has direct or indirect control (in the case of a company, within the meaning of article L.233-3 I.1 and I.2 of the French *Code de commerce* (as the same is in force on the date of this Agreement)) or an entity, more than 50 per cent. of the voting rights in, or share capital of, which are owned by that person.

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of

Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 6(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 6(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent and remain available for payment against presentation and surrender of Materialised Bearer Notes, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Bearer Notes that have been surrendered in exchange for replacement Materialised Bearer Notes, (ii) (for the purpose only of determining how many such Materialised Bearer Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Bearer Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Bearer Notes, pursuant to its provisions.

"**Security**" means any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or its equivalent under any applicable legislation.

5 Interest and other Calculations

(a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or the methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate, as the case may be, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit, as the case may be, to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate, as the case may be, and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be; or (if the Issuer determines that no such industry standard is recognised or acknowledged);

(iii) the Independent Adviser determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(c)(iii)(D)(b) and which is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(c)(iii)(D)(d).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

(v) it has become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

For the avoidance of doubt, in respect of paragraphs (ii), (iii) and (iv) above, such public statement will not constitute a Benchmark Event before the date falling six months prior the date specified in the relevant public announcement on which the Original Reference Rate is permanently or indefinitely discontinued or prohibited.

"**Business Day**" means:

(i) in the case of euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer system (known as TARGET 2 system) or any successor thereto (the "**TARGET System**") is operating (a "**TARGET Business Day**"); and/or

(ii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any); and/or

(iii) in the case of a Specified Currency other than euro and Renminbi, a day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(iv) in the case of a Specified Currency and/or one or more business centres specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" or "**Act/Act**" or "**Act/Act (ISDA)**" is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of calendar days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of calendar days in that portion of the Calculation Period falling in a non-leap year divided by 365).

(ii) if "**Actual/365 - FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of calendar days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual/365 - FBF

shall mean the sum of (i) the fraction whose numerator is the actual number of calendar days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual calendar days elapsed during the leap year and whose denominator is 366.

(iii) if "**Actual/Actual - FBF**" is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of calendar days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period).

(iv) if "**Actual/Actual - ICMA**" is specified in the relevant Final Terms:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of calendar days in the Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

- the number of calendar days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

in each case where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date, and

"**Determination Date**" means the date specified as such in the relevant Final Terms or, if none is specified, the Interest Payment Date.

(v) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 365.

(vi) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of calendar days in the Calculation Period divided by 360.

(vii) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of calendar days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

(viii) if "**30/360-FBF**" or "**Actual 30A/360 (American Bond Basis)**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of calendar days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the thirty-first (31st) and the first (1st) day is neither the thirtieth (30th) nor the thirty-first (31st), the last month of the Calculation Period shall be deemed to be a month of thirty-one (31) days,

using the same abbreviations as for 30E/360-FBF, the fraction is:

If dd2 = 31 and dd1 ≠ (30, 31)

then:

$\frac{1}{360}$ x [(yy2- yy1) x 360 + (mm2- mm1) x 30 + (dd2- dd1)]

or

$\frac{1}{360}$ x [(yy2- yy1) x 360 + (mm2- mm1) x 30 + Min (dd2, 30) - Min (dd1, 30)];

(ix) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

(x) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(xi) if "**30E/360-FBF**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of calendar days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days,

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

$\frac{1}{360}$ x [(yy2 – yy1) x 360 + (mm2- mm1) x 30 +Min (dd2, 30) - Min (dd1, 30)].

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

"**FBF**" means the *Fédération Bancaire Française*.

"**FBF Definitions**" means the definitions set out in the 2007 FBF Master Agreement relating to Transactions on Forward Financial Instruments as supplemented by the Technical Schedules (*Additifs Techniques*) published from time to time by the *Fédération Bancaire Française* (the "**FBF**") (together the "**FBF Master Agreement**"), as may be supplemented or amended as at the Issue Date.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(c)(iii)(D)(a).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period or the interest amount in relation to RMB Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**Interest Payment Date**" means the date(s) specified in the relevant Final Terms.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date or such other date(s) specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., as may be supplemented or amended as at the Issue Date.

"**Original Reference Rate"** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes as specified in the relevant Final Terms.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of five major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of five major banks in the Euro-zone inter-bank market or, if otherwise, the principal offices of five major banks in the Relevant Inter-Bank Market in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

"**Reference Rate**" means the rate specified as such in the relevant Final Terms (or any Successor Rate or Alternative Rate).

"**Relevant Inter-Bank Market**" means such inter-bank market as may be specified in the relevant Final Terms.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate, as applicable:

(i) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Relevant Screen Page Time**" means such time as may be specified in the relevant Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**RMB Note**" means a Note denominated in Renminbi.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"**Specified Currency**" means the currency specified as such in the relevant Final Terms.

(b) **Interest on Fixed Rate Notes**: Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) **Interest on Floating Rate Notes and Inflation Linked Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note and Inflation Linked Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per *annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each

subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of the Business Day Convention.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either FBF Determination or ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes:

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate. For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent for a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

(a) the Floating Rate is as specified in the relevant Final Terms; and

(b) the relevant Floating Rate Determination Date is the first calendar day of that Interest Accrual Period or such other date specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**" (*Taux Variable*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions.

(B) ISDA Determination for Floating Rate Notes:

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent for a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option is as specified in the relevant Final Terms;

(b) the Designated Maturity is a period specified in the relevant Final Terms; and

(c) the relevant Reset Date is the first day of that Interest Accrual Period or such other date specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(C) Screen Rate Determination for Floating Rate Notes:

(a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(i) the offered quotation or

(ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either (i) 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) or (ii) if otherwise, the Relevant Screen Page Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(b) If the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, or (iii) if otherwise, each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(c) If paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market,

if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(d) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

If the Relevant Screen Page is not available at the Specified Time on the relevant Interest Determination Date: (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the relevant Interest Determination Date; (ii) if at least five of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with the then prevailing standard market practice.

For the purposes of this sub-paragraph (d):

"**CMS Rate**" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a

percentage, which appears on the Relevant Screen Page as at the Specified Time on the relevant Interest Determination Date in question, all as determined by the Calculation Agent.

"**CMS Reference Banks**" means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is US dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

"**Reference Currency**" means the currency specified as such in the applicable Final Terms.

"**Relevant Financial Centre**" means, with respect to a Reference Currency, the financial centre specified as such in the applicable Final Terms.

"**Designated Maturity**", "**Margin**", "**Specified Time**" and "**Relevant Screen Page**" shall have the meaning given to those terms in the applicable Final Terms.

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**")) with a designated maturity determined by the Calculation Agent by reference to the then prevailing standard market practice or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;

(iii) where the Reference Currency is US dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating US dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

(iv) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time, as determined by the Calculation Agent.

(D) Benchmark discontinuation

(a) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(c)(iii)(D)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(c)(iii)(D)(c)) and any Benchmark Amendments (in accordance with Condition 5(c)(iii)(D)(d)).

An Independent Adviser appointed pursuant to this Condition 5(c)(iii)(D) shall act in good faith in a commercially reasonable manner as an independent expert and in consultation with the Issuer. The Issuer will not take any discretionary decision on the basis of such consultation. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, or the Noteholders, the Receiptholders or the Couponholders for any determination made by it, pursuant to this Condition 5(c)(iii)(D).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(c)(iii)(D)(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 5(c)(iii)(D)(a) shall apply to the relevant next succeeding Interest Period

only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(c)(iii)(D)(a).

(b) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(c)(iii)(D)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(c)(iii)(D)).

(c) Adjustment Spread

If the Independent Adviser, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(c)(iii)(D) and the Independent Adviser, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(c)(iii)(D)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, and in connection with any such variation in accordance with this Condition 5(c)(iii)(D)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c)(iii)(D) will be notified promptly by the Issuer, after receiving such information from the Independent Adviser, to the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative of the Masse and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Issuer shall deliver to the Fiscal Agent a certificate signed by any authorised signatory of the Issuer and the Independent Adviser:

(i) confirming, on the basis of the determination of the Independent Adviser (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(c)(iii)(D); and

(ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Fiscal Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(c)(iii)(D) (a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 5(c)(iii)(B) will continue to apply unless and until a Benchmark Event has occurred.

(g) New Benchmark Event in respect of the Successor Rate or Alternative Rate

If Benchmark Amendments have been implemented pursuant to this Condition 5(c)(iii)(D) and a new Benchmark Event occurs in respect of the then applicable Successor Rate or Alternative Rate, the provisions of this Condition 5(c)(iii)(D) shall apply as if the Successor Rate or Alternative Rate were the Original Reference Rate.

(E) Linear Interpolation

Where Linear Interpolation is specified in the relevant Final Terms in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two (2) rate based on the relevant FBF Rate (if specified as applicable in the applicable Final terms), the relevant Reference Rate (where Screen Rate Determination is specified in the relevant Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified in the relevant Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period.

For the purposes of this sub-paragraph (E), "**Applicable Maturity**"' means: (a) in relation to FBF Determination, the period of time specified in the relevant FBF Rate, (b) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (c) in relation to ISDA Determination, the Designated Maturity.

(iv) *Rate of Interest for Inflation Linked Notes:*

1. Consumer Price Index (CPI)

Where the consumer price index excluding tobacco for all households in metropolitan France, as calculated and published by the *Institut National de la Statistique et des Etudes Economiques* (the "**INSEE**") ("**CPI**") is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)1 shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)1 shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the CPI (the "**CPI Linked Interest**") will be determined by the Calculation Agent on the following basis:

(A) On the fifth Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)1, the "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the CPI Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the CPI Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the "**Base Reference**"). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

"**CPI Daily Inflation Reference Index**" means (A) in relation to the first day of any given month, the CPI Monthly Reference Index of the third month preceding such month, and (B) in relation to a day (D) (other than the first day) in any given month (M), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third month preceding such month (M - 3) and the second month preceding such month (M - 2) calculated in accordance with the following formula:

CPI Daily Inflation Reference Index=

$$\text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times \left(\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3}\right)$$

With:

"**ND_M**:" number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31;

"**D**": actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25;

"**CPI Monthly Reference Index $_{M-2}$**": price index of month M - 2;

"**CPI Monthly Reference Index $_{M-3}$**": price index of month M - 3.

Notwithstanding Condition 5(g)(iii), the CPI Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such CPI Daily Inflation Reference Index appears on the *Agence France Trésor* Reuters page OATINFLATION01 or on Bloomberg TRESOR <GO> pages and on the website *www.aft.gouv.fr*. In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted by reference to the procedures selected by the French Treasury (*Trésor*) for its *obligations assimilables du Trésor indexées sur l'inflation*.

"**CPI Monthly Reference Index**" refers to the definitive consumer price index excluding tobacco for all households in metropolitan France, as calculated and published monthly by the INSEE as such index may be adjusted or replaced from time to time as provided herein.

(B) The calculation method described below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire – www.cnofrance.org*) in its December 2010 Paper entitled "*Inflation Indexed Notes*" (*Obligations et autres instruments de taux d'intérêt en euro, Normes et usages des marchés de capitaux – Chapitre II: Les obligations indexées sur l'inflation*). In the case of any conflict between the calculation method provided below and the calculation method provided by the Bond Association (*Comité de Normalisation Obligataire*), the calculation method provided by the Bond Association (*Comité de Normalisation Obligataire*) shall prevail.

The CPI Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

(C)

(1) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the "**Substitute CPI Monthly Reference Index**") shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading "*indice de substitution*". Once the definitive CPI Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.

(y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index$_M$=

$$\text{CPI Monthly Reference Index}_{M-1} \times \frac{\text{CPI Monthly Reference Index}_{M-1}^{\frac{1}{12}}}{\text{CPI Monthly Reference Index}_{M-13}}$$

(2) In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI

Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the CPI Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{CPI Monthly Reference Index}^{\text{pertaining to December calculated on the new basis}}}{\text{CPI Monthly Reference Index}^{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{CPI Monthly Reference Index}^{\text{Date D}}_{\text{New Basis}} = \text{CPI Monthly Reference Index}^{\text{Date D}}_{\text{Previous Basis}} \text{ X Key}$$

2. Harmonised Index of Consumer Prices (HICP)

Where the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat (the "**HICP**") is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)2 shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(2) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the HICP (the "**HICP Linked Interest**") will be determined by the Calculation Agent on the following basis:

(A) On the fifth Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)2, the "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the HICP Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the HICP Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the "**Base Reference**"). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

"**HICP Daily Inflation Reference Index**" means (A) in relation to the first day of any given month, the HICP Monthly Reference Index of the third month preceding such month, and (B) in relation to a day (D) (other than the first day) in any given month (M), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third month preceding such month (M - 3) and the second month preceding such month (M - 2) calculated in accordance with the following formula:

HICP Daily Inflation Reference Index =

$$\text{HICP Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times \left(\text{HICP Monthly Reference Index}_{M-2} - \text{HICP Monthly Reference Index}_{M-3}\right)$$

With:

"**ND_M**:" number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31;

"**D**": actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25;

"**HICP Monthly Reference Index $_{M-2}$**": price index of month M - 2;

"**HICP Monthly Reference Index $_{M-3}$**": price index of month M - 3.

Notwithstanding Condition 5(g)(iii), the HICP Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such HICP Daily Inflation Reference Index appears on the *Agence France Trésor* Reuters page OATEI01, on the website *www.aft.gouv.fr* and on Bloomberg page TRESOR.

"**HICP Monthly Reference Index**" refers to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein.

(B) The HICP Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

(C)

(1) If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index (the "**Substitute HICP Monthly Reference Index**") shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.

(y) If no provisional HICP Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute HICP Monthly Reference Index$_M$ =

$$\text{HICP Monthly Reference Index}_{M-1} \times \frac{\text{HICP Monthly Reference Index}_{M-1}^{\frac{1}{12}}}{\text{HICP Monthly Reference Index}_{M-13}}$$

(2) In the event Eurostat decides to proceed with one or more base changes for the purpose of calculating the HICP Monthly Reference Index, the two HICP Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December HICP Monthly Reference Index of the last year of joint publications, which corresponds to the HICP Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{HICP Monthly Reference Index}^{\text{pertaining to December calculated on the new basis}}}{\text{HICP Monthly Reference Index}^{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{HICPMonthlyReferenceIndex}_{\text{New Basis}}^{\text{Date D}} = \text{HICPMonthlyReferenceIndex}_{\text{Previous Basis}}^{\text{Date D}} \text{ X Key}$$

(d) **Fixed/Floating Rate Notes**: Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert, upon giving not less than fifteen (15) calendar days' prior notice in accordance with Condition 15, on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate (the "**Optional Change of Interest Date**") or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the "**Automatic Change of Interest Date**").

(e) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall, be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(h)(i)).

(f) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, and Rounding:**

(i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. In no event shall the applicable rate of interest (including, for the sake of clarity, any applicable margin) be less than zero.

(iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(h) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of

interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 4). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) **RMB Notes:** Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next

day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an adjustment of the Interest Period if the Interest Payment Date is not a Business Day. If the Notes become due and payable under Condition 9, the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6 Redemption, Purchase and Options

(a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.

(b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(c) **Residual Call Option:** If a Residual Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, at any time as from the Call Option Date (as specified in the Final Terms) which shall be no earlier than 180 calendar days before the

Maturity Date, until the Maturity Date, the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(d) **Make-Whole Redemption by the Issuer:** If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date (the "**Optional Redemption Date**") at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

If a Residual Call Option is specified in the relevant Final Terms and if the Issuer decides to redeem the Notes pursuant to the Make-Whole Redemption by the Issuer before the Call Option Date (as specified in the relevant Final Terms) pursuant to Condition 6(c) above, the Optional Redemption Amount in respect of the Make Whole Redemption by the Issuer will be calculated taking into account the Call Option Date and not the Maturity Date.

The **"Redemption Rate"** is the average of the five quotations (eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or, in the event of equality, one of the lowest quotations)) given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth business day preceding the Optional Redemption Date at 11.00 a.m. (Central European time (CET)).

"**Reference Dealers**" means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues or as specified in the relevant Final Terms.

If the Reference Security is no longer outstanding, a Similar Security (as specified in the relevant Final Terms) will be chosen by the Calculation Agent at 11.00 a.m. (Central European time (CET)) on the third business day in London preceding the Optional Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 15.

The Redemption Rate will be notified by the Issuer in accordance with Condition 15.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption, the relevant provisions of Condition 6(f) shall apply *mutatis mutandis* to this Condition 6(d).

(e) **Clean-up Call Option:** If a Clean-up Call Option is specified in the relevant Final Terms and if at least 80 per cent. of the initial aggregate nominal amount of the Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may on giving not less than 15 nor more than 30 calendar days' notice to the Noteholders redeem the Notes, in whole but not in part, at their Clean-Up Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms).

(f) **Redemption at the Option of the Issuer and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided in the relevant Final Terms, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption, if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements of the Regulated Market on which the Notes are listed and admitted to trading.

In the case of a partial redemption in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the Code, subject to compliance with any other applicable laws and stock exchange or other relevant authority requirements.

So long as the Notes are listed and admitted to trading on Euronext Paris or on any Regulated Market and the rules of such Regulated Market so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the "**AMF**") and on the website of any other competent authority and/or Regulated Market where the Notes are listed and admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

(g) **Redemption at the Option of Noteholders:** If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 calendar days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must deposit with a Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable during usual business hours from any Paying Agent, within the notice period. In the case of Materialised Bearer Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paying Agent with a specified office in Paris as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(h) **Redemption of Inflation Linked Notes:** If so specified in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked Notes will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x nominal amount of the Notes

"**IIR**" being for the purpose of this Condition 6(h) the ratio determined on the fifth Business Day before the Maturity Date between either (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index, on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms.

If the Final Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

(i) **Early Redemption:**

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(j) or Condition 6(n) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(j) or Condition 6(n) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption

Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(f).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

(ii) Inflation Linked Notes:

(A) If the relevant Final Terms provides that Condition 6(h) shall apply in respect of Inflation Linked Notes, the Early Redemption Amount upon redemption of such Notes pursuant to Condition 6(j or Condition 6(n) or upon it becoming due and payable as provided in Condition 9, the Put Amount, the Optional Redemption Amount in respect of such Notes will be determined by the Calculation Agent on the following basis:

Early Redemption Amount/Put Amount = IIR x nominal amount of the Notes

"**IIR**" being for the purposes of this Condition the ratio determined on the fifth Business Day before the date set for redemption between either (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index on the date set for redemption and the Base Reference specified in the relevant Final Terms.

If the Early Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

(B) If the Inflation Linked Notes (whether or not Condition 6(h) applies) fall to be redeemed for whatever reason before the Maturity Date, the Issuer will pay the Early Redemption Amount together with interest accrued to the date set for redemption. Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the date set for redemption of such Notes at a rate per annum on the basis of the provisions of Condition 5 (iv) above except that, for such purposes the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Early Redemption Date.

(iii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described paragraphs "*Zero Coupon Notes*" and "*Inflation Linked Notes*" above), upon redemption of *such* Note pursuant to Condition 6(j) or Condition 6(n), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount.

(j) **Redemption for Taxation Reasons:**

(i) If, by reason of any change in, or any change in the official application or interpretation of, French law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes or Coupons, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 calendar days' notice to the Noteholders or, if applicable, to the holders of Coupons (the "**Couponholders**") (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early

Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for such French taxes.

(ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes or Coupons, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer, shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven calendar days' prior notice to the Noteholders or, if applicable, the Couponholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as described in Condition 6(i) above) together with any interest accrued to the date set for redemption on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes or, if applicable, Receipts or Coupons, or, if that date is passed, as soon as practicable thereafter, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders or, if applicable, the Couponholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons.

(k) **Early redemption of the Notes at the option of Noteholders following a Change of Control:**

If Change of Control Put Option is specified in the relevant Final Terms and if, at any time while any Note remains outstanding, there occurs a Change of Control and within the Change of Control Period, a Rating Downgrade occurs or has occurred as a result of such Change of Control (the "**Put Event**"), the holder of each Note will have the option, (the "**Change of Control Put Option**") (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 6 (j)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note, on the Optional Redemption Date at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

For the purpose of this Condition 6(k):

"**Change of Control**" shall be deemed to have occurred each time that any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (a "**Relevant Person**") in each case come(s) to own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights exercisable at a general meeting of the Issuer.

"**Change of Control Period**" means pursuant to a Change of Control:

(i) the period starting the earlier of (x) the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control or (y) the date of the first public announcement by the Issuer of the relevant Change of Control; and in each case (x) and (y), ending on the date which is 120 calendar days thereafter (inclusive); or

(ii) the period commencing 180 calendar days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control and ending on the date of such announcement (inclusive).

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if:

(i) within the Change of Control Period:

(A) the investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better) previously assigned to the Notes by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

(B) the Non-Investment Grade Rating (Ba1/BB+, or their respective equivalents, or worse) assigned to the Notes by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch or such similar lowering) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

(C) the Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes, unless the Issuer has a credit rating from a Rating Agency, in which case paragraphs (A) and (B), as the case may be, shall apply to the credit rating assigned to the Issuer by any Rating Agency; and

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade; the sub-paragraph (A) will apply and

(ii) in making the relevant decision(s) referred to in (A) and (B) above, the Relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or mainly from the occurrence of the Change of Control, provided that if the rating designations employed by the Rating Agencies are changed from those in force at the time of the Issue Date, the Issuer shall determine the rating designations of the Rating Agencies as are most equivalent to the prior rating designations of the Rating Agencies and this Condition 6 shall be read accordingly.

"**Rating Agency**" means S&P Global Ratings or Moody's Investors Service Limited or any other rating agency of equivalent international standing solicited by the Issuer to grant a corporate credit rating to the Issuer or to the Notes and, in each case, their respective successors or affiliates.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 15 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 6(k).

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of the Notes following a Put Event, a Noteholder must transfer or cause to be

transferred its Notes to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period of 45 calendar days after the Put Event Notice is given (the "**Put Period**") together with a duly signed and completed notice of exercise (a "**Put Option Notice**") and in which the holder shall specify a bank account to which payment is to be made under this Condition 6(k).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer, on the date which is the fifth (5th) business day in Paris following the end of the Put Period (the "**Optional Redemption Date**"). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 7.[2]

(l) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Unless the possibility of holding and reselling is expressly excluded in the relevant Final Terms, all Notes so purchased by or on behalf of the Issuer may be cancelled or held and resold in accordance with applicable laws and regulations.

(m) **Cancellation:** All Notes purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(n) **Illegality:** If, by reason of any change in French law or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7 Payments and Talons

(a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall be made (i) (in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form) by transfer to the account denominated in

[2] *For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising there from or otherwise).*

the relevant currency of the relevant Account Holders for the benefit of the relevant Noteholder and (ii), (in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant Noteholder). All payments validly made to such Account Holders will constitute an effective discharge of the Issuer in respect of such payments.

(b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(e)(vi)), as the case may be, (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank and (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of Renminbi in Hong Kong, and in the case of euro, in a city in which banks have access to the TARGET System.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Materialised Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

Payments Subject to Fiscal Laws: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) **Appointment of Agents**: The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent, the Registration Agent and the Consolidation Agent initially appointed under the Amended and Restated Agency Agreement and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Registration Agent and the Consolidation Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Registration Agent, the Consolidation Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities, (v) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vi) such other agents as may be required by the

rules of any other Regulated Market on which the Notes may be listed and admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in US dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 15, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(e) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Materialised Bearer Notes which comprise Fixed Rate Notes (other than Index Linked Notes), should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10) provided that, if any Materialised Bearer Note should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted in respect of such unmatured Coupons would be greater than the relevant Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the foregoing provisions in respect of such Coupons as have not so become void, the amount required by this paragraph to be deducted would not be greater than the relevant Redemption Amount otherwise due for payment. Where the application of the foregoing provisions requires some but not all of the unmatured Coupons relating to a Materialised Bearer Note to become void and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

(ii) Upon the due date for redemption of any Materialised Bearer Note comprising a Floating Rate Notes, Index Linked Notes, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.

(f) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

(g) **Non-Business Days**: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day, nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "*Financial Centres*" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro and Renminbi, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day, or (iii) in the case of a payment in Renminbi, on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

(h) **Payment of US Dollar Equivalent:** Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30 calendar day irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in US dollars on the due date at the US Dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the US Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the US dollar account of the relevant

Account Holders for the benefit of the Noteholders. For the avoidance of doubt, no such payment of the US Dollar Equivalent shall by itself constitute a default in payment within the meaning of Condition 9.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(h) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 7(h):

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

"**Illiquidity**" means that the general Renminbi exchange market in Hong Kong becomes illiquid, other than as a result of an event of Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-Transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong reasonably selected by the Issuer.

"**RMB Note**" means a Note denominated in Renminbi.

"**RMB Rate Calculation Agent**" means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Final Terms.

"**RMB Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City.

"**RMB Rate Calculation Date**" means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under the Conditions.

"**RMB Spot Rate**" for a RMB Rate Calculation Date means the spot RMB/US dollar exchange rate for the purchase of US dollars with RMB in the over-the-counter RMB

exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3 or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither such rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available RMB/US dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**US Dollar Equivalent**" means the relevant Renminbi amount converted into US dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

8 Taxation

(a) **Withholding tax:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes, Receipts or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional amounts:** If French law should require that payments of principal, interest and other revenues in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes, or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:

(i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with France other than the mere holding of the Note, Receipt or Coupon; or

(ii) **Presentation more than 30 calendar days after the Relevant Date:** in the case of Materialised Notes, more than 30 calendar days after the Relevant Date except to the extent that the Noteholder or, if applicable, the Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(iii) **Non-cooperative State or territory:** if the Notes do not benefit from any exception provided in the *Bulletins officiels des Finances Publiques-Impôts*, BOI-INT-DG-20-50-20140211, BOI-IR-DOMIC-10-20-20-60-20150320, and BOI-RPPM-RCM-30-10-20-40-20140211 of the French tax authorities and when such withholding or deduction is required to be made by reason of that interest, Receipt or Coupon being (x) paid to an account opened in a financial institution established in, or (y) paid or accrued to a person established or domiciled in, a non-cooperative State or territory (*Etat ou*

territoire non-coopératif) as defined in Article 238-0 A of the French *Code général des impôts* pursuant to Articles 125 A III, 119 *bis* and 238 A of the same code.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven calendar days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

(c) **Supply of information:** Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by Article 242 *ter* of the French *Code général des impôts* and Article 49 I *ter* to 49 I *sexies* of Annex III to the French *Code général des impôts*.

9 Events of Default

The Representative (as defined under Condition 11(b)), upon request of any Noteholder, shall, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all the Notes (but not some only), held by all Noteholders to become immediately due and payable at their principal amount, together with accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an "**Event of Default**") occurs:

(i) the Issuer defaults in any payment when due of principal or interest on any Note (including the payment of any additional amounts pursuant to the provisions set forth under "*Taxation*" above) if such default shall not have been cured within 15 calendar days; or

(ii) there is a default by the Issuer in the due performance or compliance with of any other material provision of the Notes and such default shall not have been cured within 30 calendar days after receipt by the Fiscal Agent of written notice of default given by the Representative upon request of the Noteholder; or

(iii) any other present or future financial indebtedness of the Issuer or any Principal Subsidiary for or in respect of monies borrowed equal or in excess of €350,000,000 (or its equivalent in any other currency), whether individually or in aggregate, becomes due and payable prior to its stated maturity, or any such financial indebtedness shall not be paid when due and payable or, as the case may be, within any applicable grace period under the relevant contract in force prior to the date on which that financial indebtedness fell due or any guarantee or indemnity in excess of such aforesaid amount given by the Issuer or any Principal Subsidiary for, or in respect of, any such financial indebtedness of others shall not be honoured when due and called upon, or, as the case may be, within any applicable grace period unless the Issuer or such Principal Subsidiary, as the case may be, has disputed in good faith that such borrowed money is due or such guarantee is callable, and

such dispute has been submitted to a competent court in which case such event shall not constitute, an Event of Default hereunder so long as the dispute shall not have been finally adjudicated; this Condition 9(iii) shall not apply (a) when it relates to any financial indebtedness owed by a Principal Subsidiary to a member of the Group and (b) if the failure to pay is caused by an error or omission or impediment of an administrative, operational, legal or regulatory nature, and the funds were otherwise available to such Principal Subsidiary to enable it to make the relevant payment when due; or

(iv) a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any of its Principal Subsidiaries (or any equivalent proceedings under any applicable law, as the case may be) or the Issuer or any of its Principal Subsidiaries makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, its respective creditors due to financial difficulties; or

(v) the Issuer sells or otherwise disposes of all or substantially all of its assets or ceases or threatens to cease to carry on the whole or substantially all of its business or an order is made or an effective resolution passed for its winding up, dissolution or liquidation, unless such winding up, dissolution, liquidation or disposal is made in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination (a "**Restructuring**") with or to, any other corporation which is a Subsidiary (a) on terms approved by the General Meeting to the extent that French law requires such Restructuring to be approved by the General Meeting and (b) the liabilities under the Notes are transferred to and assumed by such other Subsidiary.

"**General Meeting**" shall have the meaning given to in Condition 11.

"**Principal Subsidiary**" shall have the meaning given to it in Condition 4.

10 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years (in the case of principal and interest) from the appropriate Relevant Date in respect of them.

11 Representation of Noteholders

In respect of the representation of the Noteholders, the following shall apply:

(a) **Masse:**

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**") which will be subject to the below provisions of this Condition 11.

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 I, 1° (only in respect of the modification of the Issuer's corporate purposes), L.228-72 (only in respect of the modification of the Issuer's corporate purposes) and the second sentence of Article L.228-65 II, subject to the following provisions:

(i) **Legal Personality:**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a General Meeting.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(ii) **Representative:**

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- the Issuer and the members of its board of directors (*conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors and its employees as well as their ascendants, descendants and spouses;
- companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their board of directors (*conseil d'administration*), of their management board (*directoire*) and of their supervisory board (*conseil de surveillance*), their statutory auditors and their employees as well as their ascendants, descendants and spouses;
- companies holding 10 per cent. or more of the share capital of the Issuer and companies having 10 per cent. or more of their share capital held by the Issuer; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(iii) **Powers of the Representative:**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(iv) **General Meeting:**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the

Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15 not less than 15 calendar days prior to the date of such General Meeting on first convocation and not less than 10 calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or videoconference or any other means of telecommunications allowing the identification of the participating Noteholders as provided *mutatis mutandis* by Article R.225-97 of the French *Code de commerce*. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(v) **Powers of the General Meetings:**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Decisions of General Meetings and Consultations in Writing once approved must be published in accordance with the provisions set forth in Condition 15.

(vi) **Consultation in Writing:**

Pursuant to Article L.228-46-1 of the French *Code de commerce*, but in respect of any Series of Dematerialised Notes only, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a consultation in writing (a "**Consultation in Writing**"). Subject to the following sentence a Consultation in Writing may be contained in one document or in several documents in like form, each signed

by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Consultation in Writing may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

Notice seeking the approval of a Consultation in Writing (including by way of Electronic Consent) will be published as provided under Condition 15 not less than 15 days prior to the date fixed for the passing of such Consultation in Writing (the "**Consultation Date**") on first notice and 10 days prior to the Consultation Date on second notice. Notices seeking the approval of a Consultation in Writing will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Consultation in Writing. Noteholders expressing their approval or rejection before the Consultation in Writing Date will undertake not to dispose of their Notes until after the Consultation Date.

A Consultation in Writing will be deemed to have been approved if, on first notice, (i) Noteholders expressing their approval or rejection of such proposed Consultation in Writing hold at least one fifth of the principal amount of the Notes then outstanding and (ii) Noteholders expressing their approval hold at least 66.6 per cent. of such quorum.

If such quorum is not met, a Consultation in Writing will be deemed to have been approved if, on second notice, Noteholders expressing their approval represent at least 66.6 per cent. of principal amount of the Notes held by Noteholders expressing their approval or rejection of such proposed Consultation in Writing.

(b) **Information to Noteholders:**

Each Noteholder or Representative thereof will have the right, during the 15-calendar day period preceding the holding of each General Meeting on first convocation and Consultation Date on first notice, and during the 10-calendar day period preceding the holding of each General Meeting on second convocation and Consultation in Writing on second notice, to consult or make a copy of the text of the resolutions which will be proposed and of the reports prepared in connection with such resolutions, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours or at any other place specified in the notice of the General Meeting or Consultation in Writing.

(c) **Expenses:**

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and seeking of a Consultation in Writing and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(d) **Single Masse**:

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

(e) **One Noteholder:**

If and for so long as the Notes of any Series are held by a single Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all powers, rights and obligations entrusted to the Masse by the provisions of Condition 11. The Issuer shall hold a register of the decisions taken by the sole Noteholder and shall make them available, upon request, to any subsequent holder of any of the Notes of such Series.

(f) **Benchmark Discontinuation:**

By subscribing the Notes and solely in the context of a Benchmark Event which leads to the application of a Benchmark Amendment, each Noteholder shall be deemed to have agreed and approved any Benchmark Amendments or such other necessary changes pursuant to Condition 5(c)(iii)(D).

For the avoidance of doubt, in this Condition 11, the term "**outstanding**" shall not include those Notes subscribed or purchased by the Issuer in accordance with applicable laws and regulations that are held by it and not cancelled.

12 Final Terms

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13 Replacement of definitive Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues and Consolidation

(a) **Further Issues:** The Issuer may, without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilables*) and form a single series with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest specified in the relevant Final Terms) and that the terms of such Notes provide for such assimilation and references in these Conditions to "**Notes**" shall be construed accordingly.

(b) **Consolidation:** The Issuer, with the prior approval of the Consolidation Agent, may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 calendar days' prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it,

whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15 Notices

(a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any stock exchange and the rules of such stock exchange(s) so require, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located, and on the website of any other competent authority or Regulated Market where the Notes are listed and admitted to trading.

(b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if (a) published so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations *(Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any stock exchange, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located or on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading.

(c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.

(d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 15(a) and (b) above; except that so long as such Notes are listed and admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market(s) or other stock exchange so require, notices shall also be published in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s) or other stock exchange on which such Notes are listed and admitted to trading is located.

(e) Notices relating to the convocation, decision(s) of the General Meetings and Consultations in Writing pursuant to Condition 11 or to any decision taken by the Issuer following a General Meeting or a Consultation in Writing shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer.

16 Governing Law and Jurisdiction

(a) **Governing Law:** The Notes (and, where applicable, the Receipts, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons may be brought before any competent court within the jurisdiction of the registered office of the Issuer.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream (the "**Common Depositary**"), Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream may similarly be credited to the accounts of subscribers with Euroclear or Clearstream.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

(i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for Definitive Materialised Bearer Notes; and

(ii) otherwise, in whole but not in part, for Definitive Materialised Bearer Notes upon certification in the form set out in the Amended and Restated Agency Agreement (and which shall be available at the specified offices of the Paying Agents) as to non-US beneficial ownership.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Bearer Notes before interest or any amount payable in respect of the Notes will be paid.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Base Prospectus, "**Definitive Materialised Bearer Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal requirements of the Regulated Market in, or substantially in, the form set out in Schedule 2 Part A to the Amended and Restated Agency Agreement (and which shall be available at the specified offices of the Paying Agents).

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the next day succeeding the day that is 40 calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14, the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 calendar days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for (i) the Issuer's general corporate purposes including the refinancing of some of its maturing debts and/or (ii) the potential financing of the purchase of some of the shares forming Luxottica Group S.p.A.'s share capital which would not be contributed as part of the mandatory exchange tender offer launched by the Issuer on Luxottica Group S.p.A.'s outstanding share capital. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

DESCRIPTION OF ESSILORLUXOTTICA

For a general description of EssilorLuxottica, its activities and its financial condition, please refer to the sections of the Securities Note Supplement, the Securities Note, the Update to the 2017 Reference Document, the 2018 Half-Year Financial Report, the 2017 Reference Document and the 2016 Reference Document identified in the cross-reference table of the *"**Documents Incorporated by Reference**"* section of this Base Prospectus.

On 24 April 2018, EssilorLuxottica has published the following press release:

"Essilor 2018 Annual General Meeting

↗ Adoption of all resolutions

↗ Dividend payment of €1.53 per share, up for the 25th consecutive year

Charenton-le-Pont, France (April 24, 2018) – Essilor International's Annual General Meeting was held today at the Maison de la Mutualité in Paris, chaired by Hubert Sagnières, the Group's Chairman and Chief Executive Officer.

Essilor shareholders have approved all 15 proposed ordinary resolutions.

- **Dividend**

- A dividend of €1.53 per share, up for the 25th consecutive year, has been approved by the shareholders. Ex-date: 26 April. Date of payment: 30 April.

- **Board of Directors**

- The renewal of the mandates of Ms. Louise Fréchette, Ms. Jeanette Wong, Mr. Antoine Bernard de Saint-Affrique, Mr. Bernard Hours, Mr. Marc Onetto and Mr. Olivier Pécoux has been approved.

- Furthermore, Ms. Wong has been appointed as Director of the Board of Directors of EssilorLuxottica, as from the date of completion of the combination of Essilor and Luxottica."

On 27 April 2018, EssilorLuxottica has published the following press release:

"**First Quarter Driving Toward Full-Year Targets**

↗ Sustained momentum in China and return to growth in Brazil

↗ Solid trends in mature countries impacted by poor weather

↗ Good results in sunwear and e-commerce

Charenton-le-Pont, France (April 27, 2018 – 6:30 a.m.) – Essilor, the world leader in ophthalmic optics, today announced that consolidated revenue for the first quarter of 2018 totaled €1,825 million, representing an increase of 3.8% in constant currency.

First-quarter 2018 consolidated revenue*

€ millions	**Q1 2018**	**Q1 2017**	**% Change** (reported)	**% Change** (like-for-like[a])	**Change in scope of consolidation**	**Currency effect**
Lenses & Optical Instruments	**1,592**	1,688	-5.7%	+2.9%	+0.7%	-9.4%
North America	***692***	*761*	*-9.1%*	*+3.4%*	*+0.9%*	*-13.4%*
Europe	***491***	*495*	*-0.7%*	*+0.7%*	*+0.2%*	*-1.6%*
Asia/Pacific/Middle East/Africa	***297***	*306*	*-2.8%*	*+6.2%*	*+0.6%*	*-9.6%*
Latin America	***112***	*126*	*-11.3%*	*+1.2%*	*+1.9%*	*-14.4%*
Sunglasses & Readers	**190**	199	-4.9%	+6.6%	0%	-11.5%
Equipment	**43**	50	-12.4%	-3.1%	0%	-9.4%
TOTAL	**1,825**	**1,937**	**-5.8%**	**+3.2%**	**+0.6%**	**-9.6%**

** The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. Q1 2017 Revenue has been restated accordingly, with a negative impact of around €25m. As is customary, quarterly figures are unaudited.*

"*Everyone at Essilor continued to execute our growth strategy during the first quarter in order to achieve our goal of eradicating poor vision around the globe. After this sound start to the year, notably thanks to good performances in sunwear and e-commerce, we are confident that we will meet our full-year targets as the rollout of new products gathers pace over the next few months. Moreover, the combination with Luxottica will create new and exciting opportunities for consumers and the optical industry in the short and long term.*" commented Hubert Sagnières, Essilor Chairman and Chief Executive Officer.

First-Quarter Revenue

Q1 like-for-like[(a)] sales growth of 3.2% reflected:

- ↗ A 2.9% rise in sales at the Lenses & Optical Instruments division, driven by new products, instruments and e-commerce, though poor weather took a toll in Europe and North America;
- ↗ An excellent first three months for Sunglasses & Readers, where sales were up 6.6%;
- ↗ A demanding comparison base at the Equipment division (-3.1%), while customer demand and the order book remained solid.

The 0.6% consolidation **scope effect** reflected contributions from acquisitions completed in 2017.

A negative **currency effect** of 9.6% primarily reflected euro appreciation against the US dollar as well as against the Brazilian real, Canadian dollar and Chinese yuan.

Revenue by Region and Division

Lenses & Optical Instruments

The Lenses & Optical Instruments division posted like-for-like[(a)] revenue growth of 2.9% in the first quarter, which included growth of 11.4% for the e-commerce businesses.

Like-for-like[(a)] revenue growth was 3.4% in **North America**. The core US lens business grew faster than the overall region while sales in Canada declined slightly.

In the United States, despite a temporary slowdown in areas affected by adverse weather, demand for the flagship corrective lens brands was strong throughout the quarter. This notably benefited the "Ultimate Lens Package", a premium solution tailored to progressive and single-vision lens wearers, launched during the latter part of 2017. Growth in the first quarter was again supported by the ongoing rollout of strategic initiatives focused on independent eyecare professionals, including alliances (Vision Source, PERC/IVA and Optiport) and business solutions (Essilor Experts). Essilor's key account business continued to experience strong demand for innovative lens offerings, such as blue-light-filtering technology, and integrated supply chain solutions while benefitting from exposure to faster growing retail groups. Contact lens distribution activities also contributed to growth during the quarter. Lastly, the Company increased its efforts to eradicate poor vision by screening more disadvantaged children thanks to strong support from employee volunteers.

Sales growth in **Europe** (0.7% like-for- like[(a)]) was fueled chiefly by new products and the Company's brands, as well as by a solid rise in online sales. Gains were offset in part by lower footfall in stores resulting from two temporary factors: generally inclement weather and an unfavorable calendar effect.

Most countries in the region continued to benefit from the growth momentum of the new Varilux® X series™ progressive lens, which created a positive mix effect and lifted sales of Crizal® lenses. In France, sales were resilient in a soft market thanks to offers including a second pair of quality lenses and to strong gains for Nikon® lenses distributed through the BBGR network.

High-potential markets in Eastern Europe, chief among them Russia, Hungary and Romania, delivered robust growth over the period. Strong online sales contributed to revenue growth in the United Kingdom. Sales were flat in German-speaking and Nordic countries and declined in Southern Europe. Meanwhile, the Company continued to advance its philanthropic initiatives to eradicate poor vision across the region with the help of strategic public and private sector partners.

Sales growth in **Asia/Pacific/Middle East/Africa** (6.2% like-for-like[(a)]) was powered by virtually all the countries in the region. Like-for-like[(a)] growth was around 8% in fast-growing markets.

Gains were notably driven by China, where all networks saw robust growth, and sales were boosted in the high-end range by myopia control solutions.

Results were very strong elsewhere in Asia as well. Business in Korea benefited from accelerated penetration of progressive lenses and strong sales of "Perfect-UV" lenses. ASEAN countries delivered double-digit growth, as did the Africa-Middle East-Turkey region, where an overall improvement in the product mix lifted sales. Despite an acceleration in domestic sales, the situation in India was again mixed. It is worth noting that the State of Telangana has committed to screen its 35 million citizens and selected 2.5 New Vision Generation, Essilor's inclusive business arm, to provide 2.2 million pairs of glasses in 2018.

Lastly, though momentum was very positive in Japan, a decline in sales in Australia depressed results in developed markets.

Sales growth in **Latin America** was much stronger (1.2% like-for-like[(a)]) than in the last three months of 2017 despite a very unfavorable calendar effect. The drivers were a return to growth in Brazil and good performances in the majority of Spanish-speaking countries.

In Brazil, targeted marketing initiatives designed to boost sales of the Company's flagship brands (Varilux®, Crizal®, Transitions®) translated into stronger momentum with independent eye care professionals, notably through the network of partner labs. Kodak® lenses, positioned in the mid-range, and instrument sales also contributed to the rebound. Lastly, the "Ótica Cidadã" program continues to address the unmet vision needs of the underserved population by partnering with eyecare professionals.

Elsewhere in the region, Argentina once again delivered double-digit growth and Colombia continued to reap the benefits of the partnership with Servi Optica, which aims to boost penetration of Varilux®, Crizal® and Transitions® lenses and increase market share with key accounts.

Sunglasses & Readers

Sunglasses & Readers division sales rose 6.6% like-for-like[(a)] in the first quarter.

In North America, revenue increased at **FGX International** on the back of the new contracts won in 2017 and good sell-through demand for sunglasses and readers in stores. **Costa** also had a good quarter, with positive momentum in the independent optician channel both for sun and optical lines, prescription lens sales and brand expansion more than offsetting lackluster results in sports stores. The 2018 collection launched by **Xiamen Yarui Optical** (Bolon™) in China has been very well received by consumers. **MJS** continued to deliver growth and open new points of sale under its different brands, ensuring that its store model keeps up with the rapidly-changing demands of Chinese consumers for quality products as well as improving access to good vision. Lastly, **Merve** had a good quarter in Turkey both for sunglasses and optical frames.

Equipment

Sales at the Equipment Division contracted by 3.1% like-for-like[(a)] from a particularly demanding comparison base, which included two large orders in Asia in the first quarter of 2017. Business continued to be buoyed in North America and Europe by sales of the VFT-Orbit 2™ digital generator and Multi-FLEX™ polisher, and by strong interest in the design of complete prescription laboratories. Smaller prescription labs in Latin America continued to switch to digital surfacing technology. The deployment of this technology generates the necessary efficiency gains to support improved access to vision correction for the greatest number of consumers. The division's order book remains solid.

Outlook

The ongoing rollout over the coming months of new products, including launches of the Varilux® X series™ and Crizal® Sapphire™ 360° lenses in many new geographic markets, should allow the Company to build momentum and meet its full-year targets. In addition, the Company has resumed its bolt-on acquisition activity as part of its overall growth strategy.

It should be recalled that Essilor is targeting, in 2018, like-for-like[(a)] revenue growth of around 4% and a contribution from operations[(b)] greater than or equal to 18.3%[(c)] of revenue.

The finalization of the proposed Essilor and Luxottica combination is planned for the first part of 2018 after obtaining all necessary authorizations.

A conference call in English will be held today at 10:00 a.m. CEST.

The meeting will be available live and may also be heard later at:

http://hosting.3sens.com/Essilor/20180427-19F19E4F/en/startup.php

Notes

a. **Like-for-like growth**: Growth at constant scope and exchange rates. See definition provided in Note 2.4 to the consolidated financial statements of the 2017 Registration Document.

b. **Contribution from operations**: Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).

c. Excluding any new strategic acquisition."

On 15 June 2018, EssilorLuxottica has published the following press release:

"Notice of first General Meeting of the future EssilorLuxottica

Charenton-le-Pont, France (June 15, 2018) – At its meeting of June 7, 2018, the Board of Directors of Essilor decided to convene the first Shareholders' Meeting of EssilorLuxottica on **July 25, 2018**, in anticipation of the completion of the combination with Luxottica (i.e the date when all Luxottica S.p.A shares are contributed by Delfin S.à r.l. to Essilor), which is expected to occur within the coming weeks.

Essilor, which will be renamed EssilorLuxottica on the day the combination of the two companies becomes effective, plans to submit to the Shareholders' Meeting resolutions that will give it the means to implement its development projects as quickly as possible after the combination is completed.

The Meeting is being planned based on the assumption that the combination of Essilor and Luxottica will have taken effect by that date. All Essilor and Luxottica executives and staff are fully engaged to reach that goal. If, despite the joint efforts of the two companies, the combination is not completed in time to allow this Meeting to be held on July 25, another meeting will be quickly organized for a later date with the same agenda.

This Shareholders' Meeting, which would be the first to bring together EssilorLuxottica shareholders, would be co-chaired by Leonardo Del Vecchio, EssilorLuxottica Executive Chairman, and Hubert Sagnières, EssilorLuxottica Executive Vice-Chairman.

Draft resolutions are published in the preliminary notice of meeting in the *Bulletin des Annonces Légales Obligatoires* (BALO) on June 15, 2018."

On 29 June 2018, EssilorLuxottica has published the following press release:

"Essilor and Delfin extend the deadline of the Combination Agreement

EssilorLuxottica General Meeting to be reconvened

Charenton-le-Pont, France, and Milan, Italy, (June 29, 2018) – Essilor (Euronext Paris: EI) and Luxottica (MTA: LUX), announce the extension to July 31, 2018 of the deadline of both the Combination Agreement[1] and Contribution Agreement[2] signed between Essilor and Delfin, Luxottica's majority shareholder.

As of today, the Chinese competition authority has not yet approved the contemplated combination between Essilor and Luxottica, such approval being a condition precedent to the closing of the combination. The parties remain confident that they will succeed in completing the antitrust processes in China and Turkey in the coming weeks.

The first General Meeting of EssilorLuxottica shareholders which was scheduled for July 25, 2018 will be reconvened by the EssilorLuxottica's Board of Directors for a later date to be announced as soon as possible.

Notes

1. On January 15, 2017, Essilor and Delfin entered into a combination agreement (the "Combination Agreement") setting forth the terms of the proposed combination between Essilor and Luxottica.

2. The terms and conditions of the contribution by Delfin of its entire equity interest in Luxottica to Essilor, in exchange for new shares to be issued by Essilor, are set forth in a contribution agreement entered between Delfin and Essilor on March 22, 2017 (the "Contribution Agreement")."

On 26 July 2018, EssilorLuxottica has published the following press release:

"Publication of the 2018 Interim Financial Report

Charenton-le-Pont, France (July 26, 2018 – 6:30 am) – The Essilor International (Compagnie Générale d'Optique) 2018 Interim Financial Report is being published today.

The Board of Directors of Essilor met on July 25, 2018 to approve the financial statements for the six months ended June 30, 2018.

The report comprises the interim consolidated financial statements, the interim management report, the statement by the person responsible for the interim financial report and the auditors' review report on the interim consolidated financial statements.

It can be downloaded from the Company's website, www.essilor.com, in the "Investors / Publications and Downloads" section, or by clicking on:

https://www.essilor.com/en/investors/publications-and-downloads/"

On 26 July 2018, EssilorLuxottica has published the following press release:

"Strong Second Quarter

Delivering on the Growth Strategy

↗ On track with objectives: First-half like-for-like growth[1] of 4.0%, including 4.8% in Q2, and contribution from operations[2] at 18.4% of revenue

↗ Major brands and new products driving growth

↗ Gross margin expansion fueling continued investments in future growth

Charenton-le-Pont, France (July 26, 2018 – 6:30 am) – The Board of Directors of Essilor International (Compagnie Générale d'Optique) met yesterday to approve the financial statements for the six months ended June 30, 2018. The auditors have performed a limited review of the consolidated financial statements.

Financial Highlights

€ millions	**June 30, 2018** ***Adjusted[6]***	**June 30, 2017[8]** ***Adjusted[6]***	**Change %**		**June 30, 2018** ***Reported***
			At constant currencies	At real currencies	
Revenue	**3,726**	**3,859**	+4.4%	-3.5%	3,726
Contribution from operations[2] *(% of revenue)*	**684** **18.4%**	**718** **18.6%**	+2.4%	-4.8%	684 18.4%
Operating profit	**630**	**667**	+1.9%	-5.5%	583
Profit attributable to equity holders	**421**	**431**	+4.8%	-2.4%	349
Earnings per share (*in €)*	**1.93**	**1.99**	+4.5%	-3.0%	1.60

(6) The income statements as of June 30, 2018 and June 30, 2017 are adjusted for expenses accounted for in the financial statements due to the proposed combination with Luxottica.
(8) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. The H1 2017 statement of income has been restated accordingly, with an impact of -€50m on revenue and of -€3m on contribution from operations[2].
A reconciliation table comparing adjusted to reported results is available on page 11 of this document.

Commenting on these results, Hubert Sagnières, Chairman and Chief Executive Officer of Essilor, said: "*Essilor delivered solid results in all regions and divisions in the first half of 2018, while at the same time preparing for its proposed combination with Luxottica. This performance reflects the mobilization of our teams around a powerful and unique mission: "Improving lives by improving sight*". This *translates into a clear growth strategy with an aim to improve and protect the vision of more than 7 billion people around the world with solutions for consumers with any level of means. Our innovations are particularly appreciated in many countries where needs remain significant, from the United States and China to Brazil and elsewhere. This allows us to continue investing more in the future well-being of populations, and increases our confidence in the future*."

First-half operating highlights

Consolidated revenue reached €3,726 million in the first half of 2018, an increase of 4.4% at constant exchange rates including 4.0% in like-for-like[1] terms. Contribution from operations[2] amounted to 18.4% of revenue. Excluding currency effects, adjusted[6] earnings per share rose by 4.5%. Free cash flow[5] reached €263 million.

Other highlights of the first half were:

↗ Revenue growth of 4.1% in constant currency at the Lenses & Optical Instruments division, of which 3.6% like-for-like[1], including:

- An improved product mix driven by the success of new branded lenses, notably Varilux® X series™ in the United States, Crizal® Sapphire™ 360° in the United States and in Europe and Eyezen™ around the world;
- Close to 6% volume growth for Transitions® sales through the Company's own distribution networks. Concurrently, the decline in sales volumes to third-party lens makers slowed markedly;
- Strong momentum in the US and in e-commerce;
- Very promising trends in fast-growing markets[9], including a sales rebound in Brazil.

↗ Robust performance at the Sunglasses & Readers division, which delivered 8.1% like-for-like1 growth;

↗ Delivering on the Company's ambition to eradicate poor vision by providing vision solutions to some 4 million new wearers, notably through the extension of inclusive business models in new countries;

↗ Good profitability after additional investments in the most attractive distribution channels and market segments;

↗ A gradual resumption of the acquisitions and partnerships strategy, leading to the acquisition of majority stakes in four companies representing combined full-year revenue of around €27 million.

Outlook

Encouraged by strong results for the first six months and the many sales initiatives planned for the second half, Essilor confirms its full-year 2018 targets, calling for like-for-like[1] revenue growth of around 4% and a contribution from operations[2] greater than or equal to 18.3%[7] of revenue.

Proposed combination of Essilor and Luxottica

Efforts continued in the first half of 2018 to complete the proposed combination of Essilor and Luxottica. On March 1st, the proposed combination was approved without conditions by the European Commission and the US Federal Trade Commission. On June 29, Essilor and Luxottica announced the extension to

July 31, 2018 of the deadline of both the Combination Agreement and Contribution Agreement signed between Essilor and Delfin, Luxottica's majority shareholder. Essilor and Luxottica are finalizing discussions with the Chinese competition authority and are confident to obtain its approval by the end of July. In parallel, the two companies are progressing in their discussions with the Turkish antitrust authority and evaluating the timing for the closing of the transaction.

A conference call in English will be held today at 10:30 a.m. CEST.

The meeting will be available live and may also be heard later at:

http://hosting.3sens.com/Essilor/20180726-4A1FA8A7/en/webcast/startup.php

Regulatory filings

The interim financial report is available at www.essilor.com, by clicking on:

https://www.essilor.com/en/investors/publications-and-downloads/

NOTES

1. **Like-for-like growth**: Growth at constant scope and exchange rates. See definition provided in Note 2.4 to the consolidated financial statements in the 2017 Registration Document.
2. **Contribution from operations**: Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).
3. **Bolt-on acquisitions**: Local acquisitions or partnerships.
4. **Operating cash flow**: Net cash from operating activities before working capital requirement.
5. **Free cash flow**: Net cash from operating activities less purchases of property, plant and equipment and intangible assets, according to the IFRS consolidated cash flow statement.
6. **Adjusted** for expenses accounted for in the financial statements in the context of the proposed combination with Luxottica.
7. Excluding any new strategic acquisitions.
8. The group has applied **IFRS 15** related to revenue recognition since January 1st, 2018. The 2017 statement of income has been restated accordingly.
9. **Fast-growing countries** include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America."

MANAGEMENT REPORT

FIRST-HALF 2018 CONSOLIDATED REVENUE

€ millions	**June 30, 2018**	**June 30, 2017[8]**	**Change (reported)**	**Change (like-for-like[1])**	**Change in the scope of consolidation**	**Currency effect**
Lenses & Optical Instruments	**3,211**	3,333	-3.7%	+3.6%	+0.5%	-7.7%
North America	***1,386***	*1,472*	*-5.8%*	*+4.0%*	*+0.7%*	*-10.5%*
Europe	***1,004***	*1,011*	*-0.6%*	*+0.9%*	*+0.1%*	*-1.7%*
Asia/Pacific/Middle East/Africa	***596***	*603*	*-1.3%*	*+6.6%*	*+0.3%*	*-8.2%*
Latin America	***225***	*247*	*-8.7%*	*+5.1%*	*+1.0%*	*-14.8%*
Sunglasses & Readers	**413**	417	-1.1%	+8.1%	0%	-9.2%
Equipment	**102**	109	-6.8%	+0.9%	0%	-7.7%
TOTAL	**3,726**	**3,859**	**-3.5%**	**+4.0%**	**+0.4%**	**-7.9%**

(8) The group has applied IFRS 15 related to revenue recognition from January 1st, 2018. H1 2017 revenue has been restated accordingly, with a negative impact of €50m.

In the first six months of 2018, revenue amounted to €3,726 million, up 4.4% excluding currency effects.

- ↗ Like-for-like[1] growth reached 4.0%, reflecting:
  - ➤ Solid growth at the Lenses & Optical Instruments division (+3.6% like-for-like[1]) fueled by good overall results in fast-growing markets[9], the United States and the e-commerce businesses.
  - ➤ A strong performance at the Sunglasses & Readers division (+8.1% like-for-like[1]), where all brands contributed to the rebound.
  - ➤ Flat revenue at the Equipment division, which was working against a very demanding comparison base.
- ↗ Changes in the scope of consolidation (+0.4%) were driven by acquisitions completed in 2017.
- ↗ The currency effect (-7.9%) reflected the depreciation of several currencies against the euro, including the US dollar, the Brazilian real, the Indian rupee, the Canadian dollar, the Turkish lira and the Chinese yuan.

HIGHLIGHTS BY BUSINESS AND BY REGION

Lenses & Optical Instruments

The Lenses & Optical Instruments division posted like-for-like[1] revenue growth of 3.6% in the first-half 2018.

Revenue increased by 4.0% like-for-like[1] in **North America** during the first half. The core US lens business grew at a quicker pace than the overall region with regional performance further boosted by e-commerce, in particular online sales of prescription eyeglasses.

In the **United States**, growth in the first half was driven by Essilor's initiatives to support independent eyecare professionals. This was exemplified by the ongoing rollout of new products and robust demand for the Company's flagship lens brands, most notably the "Ultimate Lens Package" offer, a premium solution tailored to progressive and single-vision lens wearers. Growth was particularly strong with independent eyecare professionals affiliated with Essilor's alliance network and stronger among those alliance members leveraging the Essilor Experts program, which expanded significantly during the first half.

Essilor's key account business remained buoyant through exposure to faster-growing retail groups, key accounts utilizing integrated supply chain offerings and demand for higher value lens offerings in select accounts. Contact lens distribution activities also contributed to growth during the half.

In **Europe**, where the ophthalmic optics market was subdued, revenue growth (+0.9% like-for-like[1]) was driven primarily by new products and targeted marketing initiatives. Online sales, notably in the prescription eyeglasses segment, also contributed to growth.

In addition to the ongoing rollout of the Varilux® X series™ progressive lens, the launch of the new Crizal® Sapphire™ antireflective lens in the second quarter helped improve the product mix.

Though market conditions in **France** were unfavorable, revenue grew slightly thanks to good execution of the multi-network strategy, as evidenced by a sharp rise in sales of Nikon® lenses distributed by the BBGR network.

Strong growth in **Eastern Europe**, particularly Poland and Romania, reflected the gains recorded in the main value added categories of ophthalmic lenses, penetration of which remains low even today. Sales in **Scandinavian markets** benefited from an enhanced agreement with a key account to promote high-value vision correction solutions. Revenue was flat in the **German-speaking countries** and slightly declined in **Southern Europe**.

Strong momentum in most markets in the region drove revenue in **Asia-Pacific/Middle East/Africa** up by 6.6% on a like-for-like[1] basis, with fast-growing markets9 delivering domestic growth of close to 10%. The rollout of the Varilux® X series™ lens during the first half was very well received. In **China**, domestic sales continued to power ahead thanks to a consumer-centric strategy, a number of innovative products (Varilux® X series™, EssiJunior™, myopia control and blue-light-filtering lenses) and active coverage of the mid-range segment. In **Korea**, sales continued to be buoyed by improved penetration of progressive and photochromic lenses. **Southeast Asian markets** showed outstanding results, with growth picking up between the first and second quarters. The Group expanded its footprint in Vietnam with a new partnership (see Acquisitions section). Solid gains in **Turkey** were fueled by low penetration of progressive and photochromic lenses in the country. Business trends in **India** were still mixed, but efforts to develop the market continued. The Company notably entered into a partnership with the government of Odisha to implement the Eye Mitra™ inclusive business model, a program through which 300 young entrepreneurs will be trained to provide affordable vision care to local communities. Within the developed countries in the region, a decline in sales in **Australia** was largely offset by a good performance in **Japan**.

In **Latin America**, revenue was up 5.1% like-for-like[1], driven by a strong rebound in **Brazil** (+6.6%).

Achieved in a market that remained sluggish and was disrupted by a truck drivers' strike late in the period, this performance was underpinned by successful launches during the first half of the Varilux® X series™ progressive lens and the Crizal® Sapphire™ antireflective lens. Double-digit volume growth for Varilux® lenses together with solid gains for Transitions® lenses helped to improve the product mix and the Company's positioning. Strong results from Kodak® lenses and the instruments business also supported growth.

Other countries in the region posted more modest gains. While momentum was once again robust in **Colombia** and **Argentina**, results were more mixed in **Mexico**, where the Company was nonetheless able to strengthen its presence via a new partnership with a distributor of ophthalmic and contact lenses targeting independent opticians and prescription laboratories. Lastly, the Company entered the **Honduran** market through a new partnership with an integrated optical chain (see Acquisitions section).

Sunglasses & Readers

The **Sunglasses & Readers** division delivered strong results in the first half, with revenue up by 8.1% like-for-like[1].

In North America, **FGX International** continued to see good sell-through demand for sunglasses and readers in stores. Results were boosted by a good season for sunglasses during the second quarter that also benefited **Costa**®, which delivered the best performance of the Sunwear brands in the American market. Costa® continued its expansion in optical stores, in the prescription frames and lenses category, and also geographically, with a newly established presence in California.

In China, **Xiamen Yarui Optical** (Bolon™) returned to solid growth in both sunglasses and optical frames, notably thanks to successful 2018 collections and a rapid increase in online sales. **MJS** continued to expand its store network and promote higher-end products.

Equipment

Revenue at the **Equipment** division rose 0.9% like-for-like[1] despite a demanding 2017 comparison base, particularly in Asia.

Growth in North America and Europe was driven by sales of VFT-Orbit 2™ digital generators, Multi-FLEX™ polishers and non-alloy ART blockers, addressing both needs for new capacity and upgrades to existing production lines. In Latin America, the conversion of smaller prescription laboratories to digital surfacing technology boosted sales of low- and medium-capacity digital generators such as the VFT-Orbit 2™ and VFT-Macro™. The division's order book remains strong.

MAIN HIGHLIGHTS ABOUT THE COMPANY'S MISSION

The Company's mission, "Improving lives by improving sight", drives the activity in all regions and divisions. During the first half, it provided vision solutions to some 4 million new wearers. In April, Essilor formed a partnership with the Vision Catalyst Fund, a $1 billion fund recently launched by the Queen Elizabeth Diamond Jubilee Trust that brings together actors from the public and private sectors to deliver eye health solutions to populations in Commonwealth countries and around the world. A commitment was made to put a sustainable infrastructure into place in order to provide ophthalmic lenses to 200 million people living below the poverty line by 2030. Essilor also continued to roll out its Eye Mitra™ inclusive business model in India (new partnership with the government of Odisha) and Bangladesh, and in new countries like Indonesia ("Mitra Mata") and Kenya ("Eye Rafiki"). Through a new program launched on five of the Company's main online stores, one pair of glasses will be donated to a person in need every time a pair is ordered through the sites. This program is being implemented in close cooperation with several social impact organizations: the Vision For Life™ fund, the Essilor Vision Foundation and Our Children's Vision. In France, the Company launched www.labonnevue.fr, an awareness website to better inform consumers about visual health. Various initiatives taken by the Sunglasses & Readers division also supported Essilor's mission. For instance, the Costa® brand launched the "Untangled" collection, a new line of sunglasses made from recycled fishing nets to help fight plastic pollution in the world's oceans.

SECOND-QUARTER 2018 CONSOLIDATED REVENUE

€ millions	**Q2 2018**	**Q2 2017[8]**	**Change (reported)**	**Change (like-for-like[1])**	**Change in the scope of consolidation**	**Currency effect**
Lenses & Optical Instruments	**1,619**	1,645	-1.6%	+4.2%	+0.3%	-6.1%
North America	***694***	*711*	*-2.4%*	*+4.5%*	*+0.5%*	*-7.4%*
Europe	***513***	*516*	*-0.5%*	*+1.1%*	*+0.1%*	*-1.7%*
Asia/Pacific/ Middle East/Africa	***299***	*297*	*+0.2%*	*+6.9%*	*0%*	*-6.8%*
Latin America	***113***	*121*	*-5.9%*	*+9.2%*	*0%*	*-15.1%*
Sunglasses & Readers	**223**	218	+2.5%	+9.5%	0%	-7.0%

Equipment	**59**	59	-2.1%	+4.2%	0%	-6.3%
TOTAL	**1,901**	**1,922**	**-1.1%**	**+4.8%**	**+0.2%**	**-6.1%**

(8) The group has applied IFRS 15 related to revenue recognition from January 1st, 2018. Q2 2017 revenue has been restated accordingly, with a negative impact of €25m.

Revenue reached €1,901 million in the second quarter of 2018, up 5.0% at constant exchange rates. Like-for-like[1] growth accelerated to 4.8%. Changes in the scope of consolidation added 0.2%, while currency translation had a negative impact of 6.1%, mostly linked to the depreciation of the US dollar and the Brazilian real against the euro.

Key highlights of the second quarter were:

- ↗ Robust like-for-like[1] growth in the United States (+5.0%), China (+9.6%) and Brazil (+12.4%) for the Lenses & Optical Instruments division;
- ↗ A strong contribution to the growth of the Sunglasses & Readers division from Xiamen Yarui Optical (Bolon™);
- ↗ Very solid business trends at the Equipment division, given that it was working against a demanding comparison base.

ACQUISITIONS AND PARTNERSHIPS

During the first half, Essilor gradually resumed its policy of targeted acquisitions and local partnerships, acquiring majority stakes in four companies representing combined full-year revenue of close to €27 million.

North America

- In the **United States**, the Company acquired a majority stake in **Cal Coast Ophthalmic Instruments, Inc.**, a distributor of optometry equipment covering the western part of the country. Cal Coast, which generates annual revenue of around USD12 million, will allow the Instruments business to expand its geographical coverage and accelerate the marketing of its products.

Asia/Pacific/Middle East/Africa

- In **Vietnam**, Essilor expanded its business footprint through **Hao Phat Group LLC.** and **Mat Viet Group LLC.***, a distributor of optical products and one of the country's leading optical retail chains, generating combined full-year revenue of around €4 million. Mat Viet Group operates some 25 stores primarily located in the capital, Ho Chi Minh City, and the provinces of Hanoi and Da Nang. This will contribute to the Company's growth in a country where getting access to vision care is a real challenge and only 20% of those who need it have proper vision correction. Vietnam has one of the lowest vision care access rates in the world with just one optical store per 90,000 residents.

Latin America

- In **Mexico**, Essilor acquired a majority stake in **Artículos Ópticos de Higiene y Seguridad, S.A. de C.V. (Aohssa)***, one of the country's leading distributors of ophthalmic and contact lenses targeting independent opticians and laboratories. Based in Mexico City, Aohssa generates annual revenue of close to €6 million.
- The Company moved into the **Honduran** market by acquiring a majority stake in **Optica Popular SRL***, an integrated prescription laboratory operating 14 optical stores. Optica Popular generates full-year revenue of around €7 million. This partnership will boost Essilor's presence in Central America, a region that holds considerable potential both for volume and value growth.

**These partnerships will be consolidated as of July 1st, 2018.*

CONDENSED STATEMENT OF INCOME

RECONCILIATION OF REPORTED TO ADJUSTED[6] ACCOUNTS

€ millions	**June 30, 2018 Adjusted[6]**	Items adjusted	**June 30, 2018 Reported**	**June 30, 2017[8] Adjusted[6]**
Revenue	3,726		3,726	3,859
Gross Profit	2,211		2,211	2,264
Contribution from operations[2]	684		684	718
Other income (expense)	(54)	(47)	(101)	(51)
Operating profit	630	(47)	583	667
Net profit	467	(71)	396	480
Attributable to equity holders of Essilor International	421	(72)	349	431
Earnings per share (*in €*)	1.93		1.60	1.99

(8) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. The H1 2017 statement of income has been restated accordingly, with an impact of €-50m on revenue and of on €-3m contribution from operations[2].

The 2018 results are adjusted[6] for items related to the combination with Luxottica. These adjustments amounted to €47m at the Other Income and Expense and Operating Profit level, representing €14m of transaction costs related to the proposed combination with Luxottica and €33m of additional costs related to share-based payments. After taking into account tax effects (€24 million), the adjusted Net profit attributable to equity holders of Essilor International amounts to € 421 million.

CONDENSED ADJUSTED[6] STATEMENT OF INCOME

€ millions	**June 30, 2018 Adjusted[6]**	**June 30, 2017[8] Adjusted[6]**	**Change %**	
			At real currencies	**At constant currencies**
Revenue	3,726	3,859	-3.5%	+4.4%
Gross profit	*2,211*	*2,264*	-2.4%	+5.0%
(% of revenue)	*59.3%*	*58.7%*		
Operating expenses	(1,527)	(1,546)	-1.2%	+6.2%
Contribution from operations[2]	*684*	*718*	-4.8%	+2.4%
(% of revenue)	*18.4%*	*18.6%*		
Other income (expense)	(54)	(51)		
Operating profit	*630*	*667*	-5.5%	+1.9%
(% of revenue)	*16.9%*	*17.3%*		
Financial income (expense), net	(30)	(32)		
Income tax	*(133)*	*(155)*		
Effective tax rate	*22.2%*	*24.4%*		
Net profit	*467*	*480*	-2.6%	+4.6%
Attributable to equity holders of Essilor International	*421*	*431*	-2.4%	+4.8%
(% of revenue)	*11.3%*	*11.2%*		
Earnings per share (*in €*)	1.93	1.99	-3.0%	+4.5%

(8) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. The H1 2017 statement of income has been restated accordingly, with an impact of €-50m on revenue and of on €-3m contribution from operations[2].

CONTRIBUTION FROM OPERATIONS2: 18.4% OF REVENUE

Gross profit: +5.0% excluding currency effects

Gross profit (revenue - cost of sales) ended the first half of 2018 at €2,211 million, representing 59.3% of revenue compared with 58.7% in 2017 in first-half 2017.

This increase was fueled by an improved product mix resulting from steady growth delivered by Group brands, both in prescription lenses and sunwear, and by ongoing industrial efficiency gains. Together, these effects more than offset dilution stemming from a channel mix headwind that includes fast-growing e-commerce activities.

Operating expenses: +6.2% excluding currency effects

Operating expenses amounted to €1,527 million, or 41.0% of revenue compared with 40.0% in the first half of 2017.

This trend mainly reflected:

- Selling and distribution costs rose to €941 million, representing 25.3% of revenue versus 24.5% in the first half of 2017. These expenses represent investments to strengthen Essilor's positions and drive growth in several areas including the myopia segment, digital activities including consumer engagement and e-commerce, brand development, and to support the development of programs for independent eyecare professionals;
- R&D and engineering costs, which totaled €106 million;
- Structure and support costs of €480 million, that grew at a slower rate than total operating expenses.

Contribution from operations[2]

Contribution from operations[2] thus ended the period at €684 million (+2.4% excluding currency effects). This represented 18.4% of revenue, compared with 18.6% in the first half of 2017.

"Other income and expenses from operations" represented a net adjusted[6] expense of €54 million versus €51 million in the first half of 2017. These items mainly included:

- Restructuring provisions totaling €14 million;
- Compensation costs for share-based payments amounting to €35 million.

Adjusted[6] operating income consequently ended the period at €630 million, which corresponded to an increase of 1.9% excluding currency effects and 16.9% of revenue.

Finance costs and other financial income and expenses, net

The Net Financial Results represented a net cost of €30 million versus €32 million in the first-half of 2017. This reflects a slightly favorable development of the Company's financing costs.

Adjusted[6] profit attributable to equity holders: +4.8% excluding currency effects

This item includes:

- €133 million in adjusted[6] income tax expense, for an effective tax rate of 22.2% (versus 24.5% at June 30, 2017). This improvement mainly reflects the cancellation of the tax on dividends in France as well as favorable tax rates elsewhere, including the US;
- €46 million in non-controlling interests, or €50m excluding currency effects, versus €49m in the first half of 2017.

Adjusted[6] earnings per share reached €1.93 for an increase of 4.5% excluding currency effects, in line with revenue growth at constant currency.

BALANCE SHEET AND CASH FLOW STATEMENT

FREE CASH FLOW[5] AT €263 MILLION

Operating cash flow[4]

Operating cash flow[4] stood at €659 million vs. €669 million in first-half 2017. This represents an increase of 10% excluding the currency impact.

Capital expenditure and investments

Purchases of property, plant and equipment and intangible assets amounted to €150 million over the six months to June 30, 2018, mostly linked to industrial investment, supporting the Company's growth as well as the expansion of the Mujosh and Aojo banners in China.

Change in working capital requirement

The working capital requirement rose by €246 million over the six months ending June 30, 2018, principally due to the usual seasonality of the Lenses & Optical Instruments division.

As a result, the **free cash flow[5]** amounted to €263 million in the first-half 2018.

Net debt

At June 30 2018, Essilor's net debt stood at €1,961 million, versus €2,244 million at the end of first-half 2017.

CASH FLOW STATEMENT

€ millions

Net cash from operations (before change in WCR[(a)])	659	Change in WCR[(a)]	246
Proceeds from share issues	1	Capital expenditure	150
Change in net debt	301	Dividends	386
		Acquisition of investments, net of disposals[(b)]	167
		Forex & others	12

(a) Working capital requirement.

(b) Financial investments net of cash acquired, plus debt of newly-consolidated companies.

PROPOSED COMBINATION OF ESSILOR AND LUXOTTICA

On January 16, 2017, Essilor International (Compagnie Générale d'Optique) ("**Essilor**") and Delfin S.à r.l. ("**Delfin**"), the majority shareholder of Luxottica Group S.p.A. ("**Luxottica**"), announced that they signed an agreement on January 15, 2017 (the "**Combination Agreement**") to create an integrated global player in the eyewear industry with the proposed combination of Essilor and Luxottica. The completion of the proposed transaction is subject to the satisfaction of several conditions precedent.

In March 2017, employee representative bodies at Essilor issued favorable opinions on the proposed combination.

On April 12, 2017, the French market authority (AMF) issued a waiver to Delfin's obligation to file a mandatory tender offer for Essilor's shares that would have resulted from the contemplated closing of the contribution to Essilor by Delfin of its entire stake in Luxottica pursuant to the terms of a contribution agreement entered into Essilor and Delfin on March 22, 2017 (the "**Contribution Agreement**").

On May 11, 2017, shareholders at the General Meeting approved the proposed combination and double voting rights holders at the Special Meeting approved the cancellation of the double voting rights.

On November 1, 2017, Essilor completed the contribution by Essilor of substantially all of its activities (subject to the *apport-scission* regime) into one of its wholly-owned subsidiary that was renamed "Essilor International" (hive-down of its activities). Essilor will be renamed "EssilorLuxottica" once the other conditions precedent to the completion of the contribution to Essilor by Delfin of its entire stake in Luxottica have been satisfied, and will become the holding company at the top of the combined group comprising Essilor International and Luxottica.

Concurrently, Essilor and Luxottica have also jointly filed notices with the antitrust authorities in several countries, notably in five jurisdictions (Brazil, Canada, China, the European Union and the United States) whose respective approval is a condition to complete the proposed combination. To date, the proposed transaction has been unconditionally approved in Brazil, Canada, the European Union and the United States as well as in fourteen other countries: Australia, Chile, Colombia, India, Israel, Japan, Mexico, Morocco, New Zealand, Russia, Singapore, South Africa, South Korea and Taiwan.

On June 29, 2018, Essilor and Luxottica announced the extension to July 31, 2018 of the deadline of both the Combination Agreement and Contribution Agreement signed between Essilor and Delfin, Luxottica's majority shareholder. Essilor and Luxottica are finalizing discussions with the Chinese competition authority and are confident to obtain its approval by the end of July. In parallel, the two companies are progressing in their discussions with the Turkish antitrust authority and evaluating the timing for the closing of the transaction.

SUBSEQUENT EVENTS

No significant events have occurred since the end of the first-half 2018.

APPOINTMENTS TO THE MANAGEMENT COMMITTEE

Innovation and the development of its consumer brands and product categories are cornerstones of Essilor's strategy. To boost their impact on the Company's growth, Research & Development and Marketing functions will be represented on the Management Committee by two new members as of August, 28: Norbert Gorny and Grita Loebsack.

Norbert Gorny (54, a German national) has been **Chief Research & Development Officer** since 2015. He joined Essilor in 2011 and has held positions of increasing responsibility within the Company. He brings close to 20 years of optical industry experience to the Management Committee.

Grita Loebsack (47, a German national) joined Essilor in July 2018 as **Chief Marketing Officer**, bringing extensive experience in marketing, brand and product category development built over several years with multinational firms spanning the consumer goods, cosmetic and luxury goods industries.

The Management Committee, which decides the Company's strategic direction, will comprise 12 members from seven nationalities.

APPENDIX 1

ESSILOR INTERNATIONAL REPORTED STATEMENT OF INCOME

€ millions	**June 30, 2018**	**June 30, 2017***	**Change**
Revenue	3,726	3,859	-3.5%
Gross profit	*2,211*	*2,264*	-2.4%
(% of revenue)	*59.3%*	*58.7%*	
Operating expenses	(1,527)	(1,547)	-1.3%
Contribution from operations[2]	*684*	*717*	-4.6%
(% of revenue)	*18.4%*	*18.6%*	
Other income (expense)	(101)	(109)	
Operating profit	*583*	*608*	-4.0%
(% of revenue)	*15.7%*	*15.8%*	
Financial income (expense), net	(30)	(32)	
Income tax	*(157)*	*(138)*	
Effective tax rate	*28.4%*	*24.0%*	
Net profit	*396*	*438*	-9.6%
Attributable to equity holders of Essilor International	*349*	*389*	-10.0%
(% of revenue)	*9.4%*	*10.1%*	
Earnings per share (*in €*)	1.60	1.80	-10.8%

**The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. The H1 2017 statement of income has been restated accordingly, with an impact of €-50m on revenue and of on €-3m contribution from operations[2].*

APPENDIX 2

CONSOLIDATED REVENUE BY QUARTER

€ millions	2018	2017*
First Quarter		
Lenses & Optical Instruments	**1,592**	1,688
➢ *North America*	***692***	*761*
➢ *Europe*	***491***	*495*
➢ *Asia/Pacific/Middle East/Africa*	***297***	*306*
➢ *Latin America*	***112***	*126*
Sunglasses & Readers	**190**	199
Equipment	**43**	50
TOTAL First Quarter	**1,825**	**1,937**
Second Quarter		
Lenses & Optical Instruments	**1,619**	1,645
➢ *North America*	***694***	*711*
➢ *Europe*	***513***	*516*
➢ *Asia/Pacific/Middle East/Africa*	***299***	*297*
➢ *Latin America*	***113***	*121*
Sunglasses & Readers	**223**	218
Equipment	**59**	59
TOTAL Second Quarter	**1,901**	**1,922**
Third Quarter		
Lenses & Optical Instruments		1,541
➢ *North America*		*655*
➢ *Europe*		*476*
➢ *Asia/Pacific/Middle East/Africa*		*289*
➢ *Latin America*		*121*
Sunglasses & Readers		148
Equipment		45
TOTAL Third Quarter		**1,734**
Fourth Quarter		
Lenses & Optical Instruments		1,536
➢ *North America*		*661*
➢ *Europe*		*480*
➢ *Asia/Pacific/Middle East/Africa*		*279*
➢ *Latin America*		*116*
Sunglasses & Readers		202
Equipment		71
TOTAL Fourth Quarter		**1,809**

** The group has applied IFRS 15 related to revenue recognition from January 1st, 2018. 2017 revenue on a quarterly basis has been restated accordingly.*

RISK FACTORS

Risk factors are similar to those presented in section 1.7 (pages 33 to 50) of the 2017 Registration Document and did not change significantly during the first half of 2018. Litigation risks are described in note 14 to the first-half condensed consolidated financial statements.

NOTES

1. **Like-for-like growth**: Growth at constant scope and exchange rates. See definition provided in Note 2.4 to the consolidated financial statements in the 2017 Registration Document.
2. **Contribution from operations**: Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).
3. **Bolt-on acquisitions**: Local acquisitions or partnerships.
4. **Operating cash flow**: Net cash from operating activities before working capital requirement.
5. **Free cash flow**: Net cash from operating activities less purchases of property, plant and equipment and intangible assets, according to the IFRS consolidated cash flow statement.
6. **Adjusted** for expenses accounted for in the financial statements in the context of the proposed combination with Luxottica.
7. Excluding any new strategic acquisitions.
8. The group has applied **IFRS 15** related to revenue recognition since January 1st, 2018. The 2017 statement of income has been restated accordingly.
9. **Fast-growing countries** include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America."

On 26 July 2018, EssilorLuxottica has published the following press release:

"Proposed combination between Essilor and Luxottica approved in China

Charenton-le-Pont, France and Milan, Italy (July 26, 2018) – Essilor (Euronext Paris: EI) and Luxottica (MTA: LUX) announce that the antitrust regulator of the People's Republic of China, SAMR, has approved the proposed combination between the two companies after they made certain commitments with regard to the conduct of their business in China.

Essilor and Luxottica committed to inform SAMR about their future acquisitions and also to ensure availability of their products and services to all customers in China on a fair basis

These commitments are fully aligned with the future EssilorLuxottica's mission to "*help people see more, be more and live life to its fullest*" and the open business model both companies promote across the globe.

Clearance from Chinese authority was the last condition precedent to the closing of the transaction and paves the way for the combination to be finalized. The two companies are also progressing with their discussions with the Turkish antitrust authority and expect the closing of the transaction at the end of the third quarter."

On 28 September 2018, EssilorLuxottica has published the following press release:

"Essilor publishes a prospectus relating to the issuance of new ordinary shares in connection with the combination with Luxottica

Closing of the contribution to Essilor of the Luxottica shares by Delfin contemplated to take place on October 1, 2018

Charenton-le-Pont, France (September 28, 2018 – 3:30 p.m.) – Essilor announces today the publication of a prospectus relating to:

(i) the share capital increase without preferential subscription rights through the issuance of 139,703,301 new ordinary shares of Essilor as consideration for the Luxottica shares contributed by Delfin to Essilor (the "**New Shares Issued as Consideration for the Contribution**");

(ii) the share capital increase without preferential subscription rights through the issuance of up to 81,316,189 new ordinary shares of Essilor as consideration for the Luxottica shares tendered into the mandatory public exchange offer, subject to Italian law, to be initiated by Essilor (to be renamed "EssilorLuxottica" as from the closing of the contribution to Essilor of Luxottica shares by Delfin) for all outstanding shares of Luxottica, together with a concurrent private placement in the United States of America addressed to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), in transactions exempt from the registration requirements of the Securities Act (such shares collectively, the "**New Shares Issued as Consideration for the Exchange Offe**r", together with the New Shares Issued as Consideration for the Contribution, the "**New Shares**");

(iii) the public offering of the New Shares Issued as Consideration for the Exchange Offer; and

(iv) the admission to listing and trading on the regulated market of Euronext Paris of up to 221,019,490 New Shares.

The *Autorité des Marchés Financiers* (the "**AMF**") affixed the visa No. 18-460 on September 28, 2018 on the prospectus (the "**Prospectus**").

The Prospectus is composed of:

- the registration document of Essilor filed with the AMF on March 27, 2018 under no. D.18-0193 (the "**2017 Registration Document**");
- an update to the 2017 Registration Document filed with the AMF on September 28, 2018 under number D.18-0193-A01;
- a securities note (the "**Securities Note**"); and
- the summary of the Prospectus (included in the Securities Note).

According to the indicative timetable presented in Section 5.1.3 of the Securities Note, the closing of the contribution to Essilor of the Luxottica shares by Delfin is contemplated to take place on October 1, 2018. New Shares Issued as Consideration for the Contribution are expected to be admitted to trading on Euronext Paris on October 2, 2018.

For the purpose of the public offering to be carried out by Essilor (to be renamed "EssilorLuxottica" as from the closing of the contribution to Essilor of Luxottica shares by Delfin) in connection with the Italian exchange offer, the Prospectus will be "passported" to Italy pursuant to article 18 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003. The Italian exchange offer document will incorporate by reference parts of the Prospectus.

The information to be disclosed pursuant to the applicable regulations relating to the mandatory exchange offer to be initiated by (to be renamed "EssilorLuxottica" as from the closing of the contribution to Essilor of Luxottica shares by Delfin) in Italy for all of the outstanding shares of Luxottica will be included in the Italian exchange offer document scheduled to be filed with CONSOB on October 11, 2018 according to the indicative timetable presented in Section 5.1.3 of this Securities Note, which will be then, after the approval by CONSOB, published and made available to the public on Essilor's website (www.essilor.com) (to be renamed "EssilorLuxottica") as from the closing of the contribution to Essilor of Luxottica shares by Delfin) and on Luxottica's website (www.luxottica.com).

The Prospectus is available free of charge at Essilor's registered office (147, rue de Paris – 94220 Charenton-le-Pont, France), on the websites of Essilor (www.essilor.com) and of the AMF (www.amf-france.org) or by contacting Essilor's Investor Relations department at +33 (0)1 49 77 42 16 / invest@essilor.com.

Essilor draws the public's attention to the risks factors included in the Prospectus."

English translation for information purposes only

SUMMARY OF THE PROSPECTUS

Visa of the AMF No. 18-460 of September 28, 2018

The summary consists of a key set of disclosures known as "Elements". These Elements are set out in five sections entitled Sections A to E and numbered from A.1 to E.7.

This summary contains all the Elements required to be included in a prospectus summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering order of the Elements.

Even though an Element may be required to be provided in the summary for this type of securities and issuer, it is possible that no relevant information can be provided regarding such Element. In this case, a short description of such Element is included in the summary with the mention of "Not applicable".

Section A – Introduction and Warnings		
A.1	**Introduction and Warning to the reader**	This summary must be read as an introduction to the Prospectus. Any decision to invest in the securities which are offered to the public and/or for which admission to listing and trading is requested on a regulated market should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Union or parties to the European Economic Area Agreement, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Persons who have presented this summary, including any translation thereof and requested its notification pursuant to Article 212-41 of the AMF's General Regulations, may be subject to civil liability only if the content of this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or if it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when

Section A – Introduction and Warnings		
		considering whether to invest in such securities.
A.2	**Consent of the Company concerning the use of the Prospectus**	Not applicable.

Section B – Company		
B.1	**Legal and commercial name**	Essilor International (Compagnie Générale d'Optique), which legal name will be changed to "EssilorLuxottica" as from the Closing Date of the Contribution.
B.2	**Registered office/ Legal form/ Applicable law/** **Country of incorporation**	Registered office: 147, rue de Paris – 94220 Charenton-le-Pont, France Legal form: limited liability company with a board of directors (*société anonyme à conseil d'administration*) Registered with the Trade and Companies Registry of Créteil under no. 712 049 618 Applicable law: French law Country of incorporation: France
B.3	**Operations and principal activities**	**Essilor: The world's leading ophthalmic optic company** Essilor designs, manufactures and markets a wide range of lenses to improve and protect eyesight. It also develops and markets equipment for prescription laboratories and instruments and services for eye care professionals. Essilor is the North American leader in non-prescription reading glasses and also sells non-prescription sunglasses.
B.4 a	**Recent trends affecting the Company Group and its industry**	**EssilorLuxottica mission statement** EssilorLuxottica's mission will be to help people see more, be more and live life to its fullest. The Company's ground-breaking products correct, protect and frame the beauty of the most precious sensory organ – the eyes. By combining proven expertise in lens technology and eyewear manufacturing, a portfolio of brands that consumers love and global distribution capabilities, EssilorLuxottica will enable people everywhere to learn, to work, to express themselves and to fulfill their potential. Lack of awareness and access have led to a global vision crisis with severe social and economic consequences for billions of people. EssilorLuxottica will exist to give vision a voice and to respond to the world's growing vision needs by meeting the changing lifestyles of existing consumers and inventing new ways to reach the 2.5 billion people who suffer from uncorrected poor vision and the 6 billion people who do

		not protect their eyes from harmful rays. EssilorLuxottica will be a powerful advocate for the vision cause, a passionate campaigner for greater awareness, and a pioneering eyewear innovator with solutions and styles that bring ever greater improvements so that everybody, everywhere can enjoy the life-changing benefits of good vision. **Powering sight** 80% of what people learn is processed through the eyes. But one out of three people around the world still do not have the vision care they need, and billions more are at risk of deteriorating vision. Beyond essential vision correction, EssilorLuxottica will seek to respond to the vast need for vision protection from sunlight and harmful blue light. Thanks to its portfolio of lens technologies combined with some of the world's most loved eyewear brands, EssilorLuxottica will be uniquely positioned to make wearing eyeglasses and sunglasses both a desirable and life-improving experience. The Company will act on many levels to elevate awareness on the importance of vision correction and vision protection, educating policy makers and consumers with dedicated campaigns but also supporting expert-to-expert knowledge sharing on vision science and patient needs. EssilorLuxottica already supports the Vision Impact Institute, whose mission is to make good vision a global priority, and several other non-profit organisations such as OneSight and Essilor Vision Foundation whose focus is on providing free eye exams and eyeglasses to the people most in need. **Powering style** Combining the best in advanced lens technology with beautifully crafted and branded frames turns a necessary device that improves vision into an accessory that not only fits comfortably in form and function, but also serves as a true expression of personal style. Eyewear is one of the most visible of all fashion accessories and has become part of our cultural fabric. From the moment frame meets face, there is a sense of authenticity, creativity and confidence that consumers have come to love. Because of the power they wield, each pair of frames will be considered as a little work of art, from its first sketches to the final handcrafted details. Every frame will illustrate the passion, skill and commitment of EssilorLuxottica's people who will be committed to making the best eyewear possible.
B.5	**Description of the Company Group**	**Simplified organizational chart as of June 30, 2018:**

The simplified organizational chart below shows the overall legal structure of the Essilor Group.

(1) Excluding the following subsidiaries: Essilor India Private Limited (EIPL), Essilor Manufacturing India Private Limited (EMIL), Essilor Korea Co. Ltd., Onbitt Co. Ltd., for which ESSILOR INTERNATIONAL (Compagnie Générale d'Optique) is shareholder

- Essilor International (Compagnie Générale d'Optique)

Essilor International (Compagnie Générale d'Optique) is Essilor Group's holding company. The Company functions primarily as a holding company that directly or indirectly owns the companies comprising the Group. Essilor International (Compagnie Générale d'Optique) is a French *société anonyme* (public limited company) whose registered office is located at 147, rue de Paris, 94220 Charenton-le-Pont, France, and which is listed in the Créteil Trade and Companies Register under number 712 049 618.

- Essilor International

Essilor International (formerly known as "Delamare Sovra") is the company that received the Hive Down that was completed on November 1, 2017. Essilor International is a French *société par actions simplifiée* (simplified joint stock company) whose registered office is located at 147, rue de Paris, 94220 Charenton-le-Pont, France, and which is listed in the Créteil Trade and Companies Register under number 439 769 654.

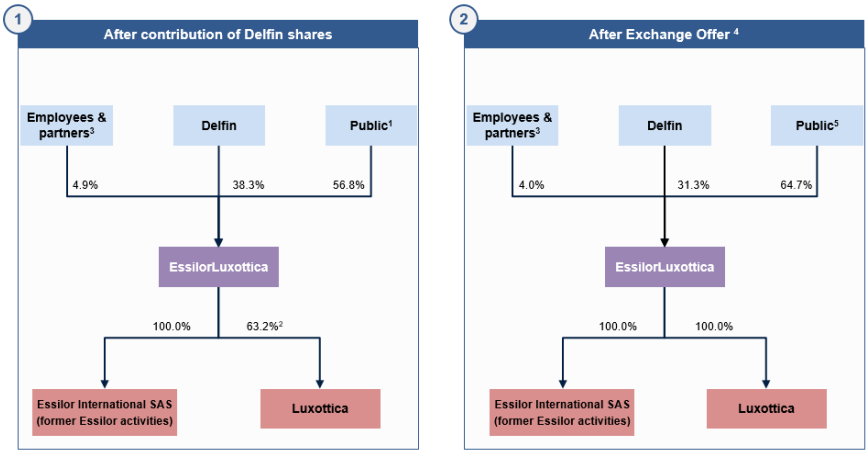
- Consolidated subsidiaires

The list of the main fully consolidated Essilor Group companies and subsidiaries is shown in Note 29 to the Essilor 2017 consolidated financial statements.

- The Management Committee

Chaired by Mr. Hubert Sagnières and led by Mr. Laurent Vacherot, its mission is to deliberate and decide on strategic direction, monitor Essilor Group's activity, promote interconnectivity between businesses, regions and functions, and ensure talent development.

Expected organizational chart after the Contribution and after the Exchange Offer:



(1) On a fully diluted basis for Essilor, that include all stock options (389,160) and rights to performance shares (5,278,715) issued by Essilor, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and including 1,336,830 treasury shares (0.4% of the share capital)

(2) On a non-diluted basis as of June 30, 2018 and excluding 6,071,922 treasury shares (1.3% of Luxottica total number of shares including treasury shares)

(3) Partner shareholders refers to the Essilor shares held by employees, senior managers and, if applicable, former employees and senior managers of companies in which Essilor held a stake that was subsequently sold in full

(4) Assuming 100% acceptance rate in the Exchange Offer, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and excluding 6,071,922 Luxottica treasury shares (1.3% of Luxottica total number of shares including treasury shares)

(5) On a fully diluted basis for Luxottica as of June 30, 2018 (excluding Luxottica performance share plans which are served, as per the terms of the plan, by treasury shares or cash) and Essilor, including 64,500 Luxottica stock options and all stock options (389,160) and rights to performance shares (5,278,715) issued by Essilor, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and including 1, 336,830 treasury shares (0.3% of capital)

B.6	**Principal Shareholders**	As of June 30, 2018 the Company's registered share capital amounts to €39,444,759.36 divided into 219,137,552 ordinary shares fully paid up and with a par value of €0.18 each. The table below sets forth the capital ownership of Essilor as of June 30, 2018:

	Number of shares	%	Voting rights	%
Internal shareholding (Current, former and retired employees)				
Valoptec International FCPE	4,205,069	1.9%	8,410,138	3.6%
Essilor group five and seven year FCPE	4,439,515	2.0%	8,709,967	3.7%
Funds reserved for foreign employees	1,001,995	0.5%	1,036,998	0.4%
Pure registered shares or administered shares held by employees	7,815,964	3.6%	14,230,314	6.1%
SUBTOTAL	17,462,543	8.0%	32,387,417	13.8%
Partner shareholding[(a)] Pure registered shares or administered shares held by partners	344,240	0.2%	687,480	0.3%
SUBTOTAL	17,806,783	8.1%	33,074,897	14.1%
Treasury shares Liquidity contract	1,336,830	0.6%		
SUBTOTAL	1,336,830	0.6%		
PUBLIC	199,997,026	91.3%	201,238,237	85.9%
TOTAL	219,140,639	100%	234,313,134	100%

(a) Partner shareholding designates the portion of Essilor International shares held by employees, managers, and any former employees or managers of the companies in which Essilor International held an interest that was thereafter fully divested.

Expected effect of the Contribution and the Exchange Offer (assuming 100% acceptance rate, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and excluding Luxottica treasury shares) on the distribution of the Essilor's (to be renamed "EssilorLuxottica" as from the closing of the Contribution) share capital and voting rights:

The table below shows Essilor's capital structure evolution after completion of the Contribution and the Exchange Offer (assuming 100% acceptance rate, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and excluding Luxottica treasury shares) based on the companies' ownership structures as at June 30, 2018:

Capital	Before Contribution		After Contribution		After Exchange Offer	
	Number of shares	%	Number of shares	%	Number of shares	%
Employees & partners	17,806,783	7.9%	17,806,783	4.9%	17,806,783	4.0%
Delfin	35,205	0.0%	139,738,506	38.3%	139,738,506	31.3%
Free-float	199,961,821	88.9%	199,961,821	54.9%	281,278,010[1]	63.1%
Treasury shares	1,336,830	0.6%	1,336,830	0.4%	1,336,830[2]	0.3%
Total before Essilor dilution	**219,140,639**		**358,843,940**		**440,160,129**	
Impact of Essilor dilutive instruments[3]	5,667,875	2.5%	5,667,875	1.6%	5,667,875	1.3%
Total diluted number of shares	**224,808,514**	**100.0 %**	**364,511,815**	**100.0 %**	**445,828,004**	**100.0 %**

(1) Including Luxottica dilutive instruments (64,500 stock options) as of June 30, 2018 (excluding Luxottica performance share plans which are served, as per the terms of the plan, by treasury shares or cash)

(2) Excluding 6,071,922 Luxottica treasury shares as of June 30, 2018 (1.3% of Luxottica total number of shares including treasury shares)

(3) Maximum potential impact of all Essilor dilutive instruments as of June 30, 2018 that include all stock options (389,160) and rights to performance shares (5,278,715) issued by Essilor

The table below shows Essilor's voting rights evolution after completion of the Contribution and the Exchange Offer (assuming 100% acceptance rate, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and excluding Luxottica treasury shares) based on the companies'

voting rights structures as at June 30, 2018[1]:

Voting rights	Before Contribution		After Contribution		After Exchange Offer	
	Number of voting rights	%	Number of voting rights	%	Number of voting rights	%
Employees & partners	33,074,897	13.8%	17,806,783	4.9%	17,806,783	4.0%
Delfin	35,205	0.0%	139,738,506	38.5%[2]	139,738,506	31.4%[2]
Free-float	201,203,032	83.8%	199,961,821	55.1%	281,278,010[3]	63.3%
Treasury shares	-	-	-	-	-	-
Total before Essilor dilution	**234,313,134**		**357,507,110**		**438,823,299**	
Impact of Essilor dilutive instruments[4]	5,667,875	2.4%	5,667,875	1.6%	5,667,875	1.3%
Total diluted number of shares	**239,981,009**	**100.0 %**	**363,174,985**	**100.0 %**	**444,491,174**	**100.0 %**

(1) On May 11, 2017, Essilor's special shareholders' meeting approved the resolution providing for the cancellation of double voting rights in relation to the Transaction

(2) Exercise of voting rights capped at 31% subject to a formula

(3) Including Luxottica dilutive instruments (64,500 stock options) as of June 30, 2018 (excluding Luxottica performance share plans which are served, as per the terms of the plan, by treasury shares or cash)

(4) Maximum potential impact of all Essilor dilutive instruments as of June 30, 2018 that include all stock options (389,160) and rights to performance shares (5,278,715) issued by Essilor

B.7	**Selected key historical financial information**	**2018 Half-year financial information**

Financial Highlights

€ millions	June 30, 2018 *Adjusted*[6]	June 30, 2017[8] *Adjusted*[6]	Change %		June 30, 2018 *Reported*
			At constant currencies	At real currencies	
Revenue	**3,726**	**3,859**	+4.4%	-3.5%	3,726
Contribution from operations[2] *(% of revenue)*	**684** **18.4%**	**718** **18.6%**	+2.4%	-4.8%	684 18.4%
Operating profit	**630**	**667**	+1.9%	-5.5%	583
Profit attributable to equity holders	**421**	**431**	+4.8%	-2.4%	349
Earnings per share (*in €*)	**1.93**	**1.99**	+4.5%	-3.0%	1.60

(6) The income statements as of June 30, 2018 and June 30, 2017 are adjusted for expenses accounted for in the financial statements due to the proposed combination with Luxottica.
(8) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. The H1 2017 statement of income has been restated accordingly, with an impact of -€50m on revenue and of -€3m on contribution from operations[2].

(2) Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).

First-quarter 2018 consolidated revenue*

€ millions	Q1 2018	Q1 2017	% Change (reported)	% Change (like-for-like[a])	Change in scope of consolidation	Currency effect
Lenses & Optical Instruments	**1,592**	1,688	-5.7%	+2.9%	+0.7%	-9.4%
North America	***692***	*761*	*-9.1%*	*+3.4%*	*+0.9%*	*-13.4%*
Europe	***491***	*495*	*-0.7%*	*+0.7%*	*+0.2%*	*-1.6%*
Asia/Pacific/Middle East/Africa	***297***	*306*	*-2.8%*	*+6.2%*	*+0.6%*	*-9.6%*
Latin America	***112***	*126*	*-11.3%*	*+1.2%*	*+1.9%*	*-14.4%*
Sunglasses & Readers	**190**	199	-4.9%	+6.6%	0%	-11.5%
Equipment	**43**	50	-12.4%	-3.1%	0%	-9.4%
TOTAL	**1,825**	**1,937**	**-5.8%**	**+3.2%**	**+0.6%**	**-9.6%**

** The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. Q1 2017 Revenue has been restated accordingly, with a negative impact of around €25m. As is customary, quarterly figures are unaudited.*

2017 Financial information

- **2017 Consolidated income statement**

€ millions, excluding per share data	Notes	Year 2017	Year 2016
Revenue	3	7,490	7,115
Cost of sales		(3,144)	(2,934)
GROSS MARGIN		**4,346**	**4,181**
Research and development costs		(217)	(214)
Selling and distribution costs		(1,845)	(1,750)
Other operating expenses		(923)	(896)
CONTRIBUTION FROM OPERATIONS [a]		**1,361**	**1,321**
Other income from operations	5	12	18
Other expenses from operations	5	(299)	(109)
OPERATING PROFIT	**3**	**1,074**	**1,230**
Cost of gross debt		(70)	(71)
Income from cash and cash equivalents		18	17
Other financial income	6	2	
Other financial expenses	6	(14)	(12)
Share of profits of associates			1
PROFIT BEFORE TAX		**1,010**	**1,165**
Income tax expense	7	(132)	(285)
NET PROFIT		**878**	**880**
Attributable to Group equity holders		789	813
Attributable to minority interests		89	67
Net profit attributable to Group equity holders per share *(€)*		3.64	3.79
Average number of shares *(thousands)*	8	216,604	214,614
Diluted net profit attributable to Group equity holders per share *(€)*		3.57	3.71
Diluted average number of shares *(thousands)*	9	221,298	219,203

(a) The contribution from operations corresponds to revenue less the cost of sales and operating expenses (research and development costs, selling and distribution costs, and other operating expenses).

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

2017 Statement of consolidated comprehensive income

	Year 2017			Year 2016		
€ millions	Attributable to Group equity holders	Attributable to minority interests	Total	Attributable to Group equity holders	Attributable to minority interests	Total
NET PROFIT FOR THE PERIOD (A)	**789**	**89**	**878**	**813**	**67**	**880**
Items of comprehensive income that will not be reclassified subsequently to profit or loss						
Actuarial gains and losses on pension and other post-employment benefit obligations	1		1	(31)		(31)
Tax on items that will not be reclassified subsequently	2		2	1		1
Items of comprehensive income that may be reclassified subsequently to profit or loss						
Cash flow hedges, effective portion	1		1	2		2
Hedges of net investment, effective portion						
Increase (decrease) in fair value of long-term financial investments						
Translation reserves	(760)	(29)	(789)	212	(3)	209
Tax on items that may be reclassified subsequently						
TOTAL INCOME (EXPENSES) FOR THE PERIOD RECOGNIZED DIRECTLY IN EQUITY, NET OF TAX (B)	**(756)**	**(29)**	**(785)**	**184**	**(3)**	**181**
TOTAL RECOGNIZED INCOME AND EXPENSES, NET OF TAX (A) + (B)	**33**	**60**	**93**	**997**	**64**	**1,061**

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

2017 Consolidated balance sheet

Assets

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

€ millions	Notes	December 31, 2017	December 31, 2016
Goodwill	10	5,583	6,191
Other intangible assets	11	1,682	1,825
Property, plant and equipment	12	1,116	1,214
Investments in associates		20	8
Non-current financial assets	13	111	136
Deferred tax assets	7	211	187
Long-term receivables		41	37
Other non-current assets		47	56
TOTAL NON-CURRENT ASSETS		**8,811**	**9,654**
Inventories	14	1,097	1,125
Prepayments to suppliers		30	31
Short-term receivables	15	1,685	1,618
Tax receivables		74	81
Other receivables		3	25
Derivative financial instruments recognized in assets	20	29	45
Prepaid expenses		87	67
Cash and cash equivalents	16	484	517
CURRENT ASSETS		**3,489**	**3,509**
TOTAL ASSETS		**12,300**	**13,163**

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

Liabilities

€ millions	Notes	December 31, 2017	December 31, 2016
Share capital		39	39
Issue premiums		635	591
Consolidated reserves		5,432	4,936
Own shares		(111)	(168)
Hedging and revaluation reserves		(155)	(159)
Translation differences		(125)	636
Net profit attributable to Group equity holders		789	813
Equity attributable to parent company owners		**6,504**	**6,688**
Equity attributable to non-controlling interests		423	366
TOTAL CONSOLIDATED EQUITY		**6,927**	**7,054**
Provisions for pensions	17	337	344
Long-term borrowings	19	1,674	1,364
Deferred tax liabilities	7	257	383
Other non-current liabilities	21	153	300
NON-CURRENT LIABILITIES		**2,421**	**2,391**
Provisions	18	394	393
Short-term borrowings	19	491	1,246
Customer prepayments		44	33
Short-term payables	15	1,515	1,431
Tax payables		81	73
Other current liabilities	21	378	509
Derivative financial instruments recognized in liabilities	20	15	22
Deferred income		34	11
CURRENT LIABILITIES		**2,952**	**3,718**
TOTAL LIABILITIES		**12,300**	**13,163**

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

2017 Consolidated cash flow statement

€ millions	Notes	2017	2016
CONSOLIDATED NET PROFIT	**(a)**	**878**	**880**
Adjustments to reconcile net income (loss) to funds generated from operations			
Depreciation, amortization and other non-cash items		549	360
Provision charges (reversals)		(23)	(50)
Gains and losses on asset disposals, net		(4)	(6)
Finance costs, net	(b)	49	54
Tax expenses (including deferred taxes)	(a)	132	285
Other net cash out			
Share of profits of associates, net of dividends received			(1)
Taxes paid		(234)	(264)
Interest (paid) and received, net		(56)	(56)
Change in working capital requirement		(58)	(8)
NET CASH FROM OPERATING ACTIVITIES		**1,233**	**1,194**
Purchases of property, plant and equipment and intangible assets		(308)	(294)
Acquisitions of subsidiaries, net of the cash acquired		(334)	(706)
Change in other non-financial assets		18	(43)
Proceeds from the sale of other financial assets, property, plant and equipment and intangible assets		26	21
NET CASH USED IN INVESTING ACTIVITIES		**(598)**	**(1,022)**
Capital increase	(c)	44	41
Capital reduction paid to minority shareholders	(c)	(10)	
Net sale (net buyback) of treasury shares	(c)		(31)
Dividends paid:			
◖ to Essilor shareholders	(c)	(325)	(79)
◖ to minority shareholders of the consolidated subsidiaries	(c)	(39)	(40)
Increase/(Decrease) in borrowings other than finance lease liabilities	19	(303)	(31)
Repayment of finance lease liabilities		(2)	(3)
NET CASH USED IN FINANCING ACTIVITIES		**(635)**	**(143)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			**29**
Net cash and cash equivalents at January 1		**460**	**431**
Effect of changes in exchange rates		(34)	
NET CASH AND CASH EQUIVALENTS AT PERIOD-END		**426**	**460**
Cash and cash equivalents	19	484	517
Bank credit facilities	19	(58)	(57)

(a) See income statement.
(b) Finance costs net is defined as the cost of gross debt minus the income of cash and cash equivalents.
(c) See statement of changes in equity.

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

B.8 **Selected key pro forma financial information**

Combined Company

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2017

(in Euro millions)	Essilor historical	Luxottica historical	Unaudited Pro Forma Adjustments: Reclassifications	Unaudited Pro Forma Adjustments: Business combination	Unaudited Pro Forma Adjustments: Other adjustments	Unaudited Combined Company pro forma
	Note 1	**Note 1**	**Note 2**	**Note 3**	**Note 4**	
Cash and cash equivalents	484	1 159	-	-	-	1 643
Accounts receivable	1 685	944	(232)	-	(72) (a)	2 324
Inventories	1 097	832	-	120 (a)	-	2 049
Other current assets	223	233	232	-	-	688
Total current assets	**3 489**	**3 167**	**-**	**120**	**(72)**	**6 704**
Property, plant and equipment	1 116	1 809	-	-	-	2 925
Goodwill	5 583	3 622	-	13 715 (b)	-	22 921
Intangible assets	1 682	1 225	-	7 978 (a)	-	10 885
Other non current assets	430	219	-	-	(4) (b)	645
Total non-current assets	**8 811**	**6 875**	**-**	**21 693**	**(4)**	**37 376**
TOTAL ASSETS	**12 300**	**10 043**	**-**	**21 813**	**(76)**	**44 080**
Short-term debt	491	228	-	-	-	719
Other current liabilities	2 461	1 863	-	-	(23) (c)	4 301
Total current liabilities	**2 952**	**2 091**	**-**	**-**	**(23)**	**5 020**
Long-term debt	1 674	1 671	-	-	-	3 345
Other non current liabilities	747	474	-	1 827 (c)	-	3 049
Total non-current liabilities	**2 421**	**2 146**	**-**	**1 827**	**-**	**6 394**
Group stockholders' equity	6 504	5 801	-	19 986 (d)	(53) (d)	32 238
Non-controlling interests	423	5	-	-	(0)	428
Total stockholders' equity	**6 927**	**5 807**	**-**	**19 986**	**(53)**	**32 666**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**12 300**	**10 043**	**-**	**21 813**	**(76)**	**44 080**

Information must be read with accompanying notes to Unaudited Pro Forma

		Condensed Consolidated Financial Information.
		Combined Company **UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT** **For the year ended December 31, 2017** Unaudited Pro Forma Adjustments *(in Euro millions)* | Essilor historical | Luxottica historical | Reclassifications | Business combination | Other adjustments | Unaudited Combined Group pro forma **Note 5** | **Note 5** | **Note 6** | **Note 7** | **Note 8** **Net sales** 7 490 | 9 157 | - | - | (397) (a) | 16 251 Cost of sales (3 144) | (3 282) | 110 | (120) (a) | 384 (a) | (6 052) **Gross profit** **4 346** | **5 875** | **110** | **(120)** | **(13)** | **10 199** Total operating expenses (3 272) | (4 575) | (110) | (586) (b) | (38) (b) | (8 580) **Income from operations** **1 074** | **1 301** | **-** | **(706)** | **(50)** | **1 618** Total Other income/(expense) (64) | (44) | - | - | (1) (c) | (109) **Income before provision for income taxes** **1 010** | **1 256** | **-** | **(706)** | **(51)** | **1 509** Provision for income taxes (132) | (216) | - | 75 (c) | 11 (d) | (261) **Net Income** **878** | **1 040** | **-** | **(631)** | **(40)** | **1 248** Information must be read with accompanying notes to Unaudited Pro Forma Condensed Consolidated Financial Information.
B.9	**Profit forecasts or estimates**	The Company published its latest objectives in the context of its first-half 2018 results report on July 26, 2018. As of the date of the Prospectus, no restructuring plan has been decided upon. No major change in the type of businesses conducted by Essilor and Luxottica is anticipated.
B.10	**Qualifications in the audit reports on the historical financial information**	Not applicable.
B.11	**Net working capital**	Essilor certifies that, in its opinion, Essilor Group's net working capital is sufficient to meet Essilor Group's present requirements over a period of 12 months from the date of the Prospectus and that, taking into account the completion of the Contribution and the Exchange Offer, the working capital available to EssilorLuxottica is sufficient to meet its present requirements over a period of 12 months from the date of the Prospectus.

Section C – Shares		
C.1	**Type, class and identification number of the New Shares to be offered or admitted to listing**	Admission to listing and trading on the regulated market of Euronext in Paris ("**Euronext Paris**") (compartment A) will be sought for 139,703,301 new ordinary shares of the Company as consideration for the Luxottica shares contributed by Delfin to Essilor (the "**New Shares Issued as Consideration for the Contribution**"). Offer and admission to listing and trading on Euronext Paris (compartment A) will be sought for up to 81,316,189 new ordinary shares of the Company as consideration for up to 176,276,154 Luxottica shares (including 42,000 new

		shares of Luxottica to be issued in the event of timely exercise of all of the 42,000 outstanding Luxottica stock options) tendered into the mandatory public exchange offer, subject to Italian law, to be initiated by Essilor (to be renamed "EssilorLuxottica" as from the closing of the Contribution) for all shares of Luxottica Group S.p.A., together with a concurrent private placement in the United States of America addressed to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), in transactions exempt from the registration requirements of the Securities Act (such shares collectively, the "**New Shares Issued as Consideration for the Exchange Offer**", together with the New Shares Issued as Consideration for the Contribution, the "**New Shares**"). All New Shares will be ordinary shares of the same category and same nominal value (€0.18). They will be listed under the same trading line as the existing shares. They shall carry entitlement to dividend rights, namely, (i) for the New Shares Issued as Consideration for the Contribution, the right to receive, as of their issue date, all distributions paid by the Company as of such date; and (ii) for the New Shares Issued as Consideration for the Exchange Offer, the right to receive, as of their issue date, all distributions paid by the Company as from the Closing Date of the Contribution. ISIN code: FR0000121667 Ticker Symbol: EI (and, as from the Closing Date of the Contribution, EL) Compartment: Compartment A ICB Classification: 4000, HealthCare / 4500, Health Care / 4530, Health Care Equipment & Services / 4537, Medical Supplies LEI Code: 549300M3VH1A3ER1TB49
C.2	**Currency**	Euros.
C.3	**Number of shares issued and par value**	As of June 30, 2018, the Company's registered share capital amounts to €39,444,759.36 divided into 219,137,552 ordinary shares fully paid up and with a par value of €0.18 each. In connection with the closing of the Contribution, 139,703,301 New Shares will be issued with a par value of €0.18. In connection with the Exchange Offer, a maximum of 81,316,189 New Shares will be issued with a par value of €0.18.

C.4	**Description of the rights attached to the New Shares**	In accordance with current provisions of French law and of the Company's modified by-laws, as adopted by the Company's combined general shareholders' meeting held on May 11, 2017 and effective as from the Closing Date of the Contribution (the "**By-laws**"), the main rights attached to the New Shares are as follows: • dividend rights and right to participate in the Company's profits; • voting rights, it being specified that the By-laws, by express derogation to Article L. 225-123 paragraph 3 of the French Commercial Code, will not allow for double voting rights; • preferential subscription rights for securities of the same class; • rights to a share of any liquidation surplus; • 31% voting cap subject to the formula contained in the By-laws. **Form:** With respect to the New Shares Issued as Consideration for the Contribution, Delfin will exchange its Luxottica shares, in their current dematerialized form pursuant to Italian law, against delivery of such New Shares, for which Delfin will ask for registration in administered registered form (*forme nominative administrée*) within five (5) trading days as from the Closing Date of the Contribution. With respect to the New Shares Issued as Consideration for the Exchange Offer, at the holder's option, they may either be in registered form or bearer form. **Effective date and admission to trading:** New Shares shall carry entitlement to dividend rights, namely, (i) for the New Shares Issued as Consideration for the Contribution, the right to receive, as of their issue date, all distributions paid by the Company as of such date; and (ii) for the New Shares Issued as Consideration for the Exchange Offer, the right to receive, as of their issue date, all distributions paid by the Company as from the Closing Date of the Contribution. New Shares Issued as Consideration for the Contribution are scheduled to be admitted to trading on Euronext Paris as of the day following the Closing Date of the Contribution that is expected to take place on October 1, 2018. New Shares Issued as Consideration for the Exchange Offer will be admitted to trading on Euronext Paris on the settlement date of the Exchange Offer. According to an indicative timetable, the settlement date of the Exchange Offer is expected to occur around December 4, 2018 (unless the Exchange Offer period is extended).
C.5	**Restrictions on the free transferability of the New Shares**	No provision of the By-laws restricts the transferability of the shares comprising the Company's share capital. Pursuant to the terms of the combination agreement entered into between Essilor and Delfin on January 15, 2017 (as subsequently amended, supplemented and/or implemented, including through an implementation letter dated May 25, 2018, effective as from the Closing Date of the Contribution,

		detailing certain aspects of the implementation of such agreement, the "**Combination Agreement**"), Delfin agreed not to file a tender offer for shares of EssilorLuxottica for a period of ten (10) years as from the execution date of the Combination Agreement, provided that no third party (acting alone or in concert) comes to hold, directly or indirectly, more than twenty percent (20%) of the share capital or voting rights of EssilorLuxottica or announces its intention to file a tender offer for all of the shares of EssilorLuxottica (standstill undertaking).
C.6	**Admission**	The New Shares shall be subject to an application for admission to trading on Euronext Paris (Compartment A), under the same trading line as the existing shares of the Company (ISIN code FR0000121667). Luxottica's shareholders who will tender their shares in the Exchange Offer will be able to trade their New Shares on Euronext Paris following the settlement of the Exchange Offer and the listing of the New Shares.
C.7	**Dividend Policy**	Prior to the completion of the Contribution, Essilor's shareholders' meeting, held on April 24, 2018, voted to set the dividend in respect of the 2017 financial year at €1.53 per share. Going forward and subject to the completion of the Contribution, the dividend policy will be decided by EssilorLuxottica's Board of Directors taking into account EssilorLuxottica's earnings, cash flow generation and financing needs. It is expected that it will be for the Board of Directors of EssilorLuxottica to set out the dividend policy of the combined entity consistently with its financial prospects and business strategies, it being understood that the common view of the parties to the Combination Agreement is that, unless decided otherwise by the Board of Directors of EssilorLuxottica in accordance with the above, dividends shall not be in excess of 50% of the combined entity's consolidated net income adjusted by the relevant purchase price allocation (PPA) items and, if any, other items to be decided by the Board of Directors of EssilorLuxottica.

Section D – Risks		
D.1	**Key risks related to the Company and its industry**	<u>The key risks related to the Company and its industry are as follows:</u> *Operational risks* - If Essilor Group fails to sufficiently innovate in products, developments in vision correction therapies and changing customer needs, this could lead to reduced demand for its products; - If Essilor Group does not correctly anticipate changes in fashion and retail product trends, its sales of certain products and profitability could be affected; - Essilor Group research and development efforts may fail to lead to successful new products or technologies; - If Essilor Group is not successful in completing and integrating acquisitions to expand or complement its business, this could weight down on its future profitability and growth;

		- Essilor Group may have limited control over activities, results and financial situation of joint ventures in which it is not in a position of control and of companies in which it is the minority shareholder; - If Essilor Group fails to maintain its relationships with eye care professionals, including ophthalmologists, optometrists, opticians, prescription laboratories and integrated optical chains, customers may not buy its products and its sales and profitability may decline; - Interruptions in the supply of raw materials or the loss of any of Essilor Group critical suppliers could disrupt our manufacturing processes or lead to increased costs; - Disruptions in Essilor Group complex logistics chain could cause our business, results and financial position to suffer; - Market changes in the optical industry may adversely affect Essilor Group sales and profitability; - Changes in health care reimbursement policies may adversely affect demand for Essilor Group products; - Economic downturns in the markets may adversely affect demand for Essilor Group products; - The global nature of Essilor Group operations exposes it to a range of risks; - Any material failure, inadequacy, interruption, security failure or breach of Essilor Group information technology systems may result in remediation costs, reduced sales due to an inability to properly process information and increased costs of operating its business; *Market risks* - Liquidity risk; - Currency risk; - Interest rate risk; - Counterparty risk; - Risk attached to shares and other financial instruments; *Legal risks* - If Essilor Group is unable to protect its proprietary rights, its sales might suffer, and it may incur significant additional costs to assert such rights; - Changes to laws or regulations could have a material adverse effect on Essilor Group business; - Essilor Group businesses are subject to various competition laws and regulations, any violation of which could lead to serious harm for Essilor Group and have adverse effects on its businesses and earnings; - Essilor Group business is subject to various environmental and health and safety laws and regulations, which may increase compliance costs

		or subject us to costly liabilities; - Material claims and litigation, proceedings, arbitration; *Insurance risk* <u>The key risks related to the Transaction are as follows:</u> - Equity risk – following the completion of the Contribution and the Exchange Offer, Delfin will hold approximately between 31% and 38% of EssilorLuxottica's share capital (based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and depending on the acceptance rate of the Exchange Offer and on a fully diluted basis) with voting rights capped at 31% (subject to a formula contained in the by-laws of EssilorLuxottica), this holding could allow it to exercise a significant influence on the decisions submitted to the vote of the shareholders' meeting of the Company; - The issuance of new shares, including in connection with the Contribution and the Exchange Offer, will dilute the holdings of existing shareholders; - Integration of the Essilor Group and Luxottica Group activities could fail and thereby disrupt operations or incur costs; - The Combination may not lead to the achievement of some or all of the synergies expected in the medium term; - The uncertainty associated with the proposed Transaction could have a negative impact on relationships of the companies with their strategic partners, suppliers, customers and employees; - The group resulting from the Combination may not be able to retain key executives and staff or put in place the proposed governance structure; - Certain Essilor Group financial and commercial agreements contain change of control clauses that could be invoked by the co-contracting parties; - Essilor did not have the opportunity to conduct a thorough due diligence and liabilities unknown to Luxottica could have a negative impact on its business and operating results; - The results of the Exchange Offer are uncertain and the company resulting from the Combination may have to commit significant sums in order to acquire all the Luxottica shares; - The structure of the Essilor Group and the Luxottica Group will be affected by the Combination, which will entail certain tax risks and may have adverse tax consequences; - Failure to complete the Combination as a result of termination of the Combination Agreement could have an adverse effect on Essilor's share price and on its operations and financial results; - The price of Essilor's (and, following the contemplated Contribution, EssilorLuxottica's) shares is subject to volatility;

		- The value of Luxottica's and Essilor's shares to be exchanged in the Contribution and the Exchange Offer may fluctuate, so the market value of the consideration to be exchanged may vary; - The credit rating of Essilor, which will be renamed EssilorLuxottica as from the Closing Date of the Contribution, may be revised in the future. Currently, Essilor has "A2" positive outlook long term rating attributed by Moody's and Luxottica "A-" positive outlook by Standard & Poor's; - Luxembourg laws relating to creditors' rights may delay the completion of the Contribution and the Combination; - In connection with the Transaction, a number of changes to the voting rights of Essilor's shares were adopted: in particular, as from the Closing Date of the Contribution, the existing double voting rights will be canceled and voting rights will be capped at 31% (subject to a formula provided in EssilorLuxottica's by-laws); - The results of operations and financial position of EssilorLuxottica may be materially different than those presented or implied by the unaudited pro forma financial information; - The accounting treatment of the Combination may adversely affect the future reported results of operations of EssilorLuxottica; - The anticipated goodwill related to the Combination is subject to impairment: estimated preliminary goodwill of €19 billion has been recognized in the preparation of the unaudited pro forma financial information as of and for the year ended December 31, 2017.
D.3	**Key Risks related to the New Shares**	<u>The main risk factors related to the New Shares are as follows:</u> - Dilution of the existing shareholders of the Company as a consequence of the issue of the New Shares; - The volatility and liquidity of the Company's shares may fluctuate significantly; - The securities that may be exchanged during the Exchange Offer or after its closing may have a negative impact on the stock price of the Company's shares; - Material risk relating to the Exchange Offer; - Differences between French corporate law and Italian corporate law and changes to the voting rights of EssilorLuxottica shares adopted in connection with the Transaction; - Transactions in the Company's shares other than the subscription for New Shares are subject to the French tax on financial transactions subject to certain exceptions; and - Transactions in the Company's shares may in the future become subject to the European tax on financial transactions, if it is enacted, excluding primary market transactions.

Section E – Offer		
E.1	**Total net proceeds of the issue and estimated expenses of the issue**	Total net proceeds: Not applicable. The advisors related expenses for the Transaction that will be incurred by Essilor (to be renamed "EssilorLuxottica" as from the Closing Date of the Contribution) have been estimated to approximately €150 million.
E.2a	**Reasons for the offer and use of proceeds**	On January 15, 2017, Essilor and Delfin entered into the Combination Agreement, which sets forth the terms of the Transaction. Delfin is the Luxembourg based holding company of the Del Vecchio family. Delfin was incorporated in Luxembourg in 2006, as a result of the transfer of the corporate seat of the previous Italy based holding Delfin S.r.l.. Delfin main investments are in Luxottica, Foncière des Régions S.A., Assicurazioni Generali S.p.A. and Unicredit S.p.A.. On March 22, 2017, following completion of the information-consultation process of (i) Essilor's Works Council (*comité central d'entreprise*) and European Works Council (*comité d'entreprise européen*); and (ii) BB GR's Works Council[1], Essilor sent to Delfin an acceptance notice stating its consent to pursue the Transaction contemplated by the Combination Agreement. The contribution agreement setting forth the terms and conditions of the Contribution (the "**Contribution Agreement**") was entered into between Delfin and Essilor on the same date. On April 7, 2017, Essilor registered with the AMF the French version of the document E under number E. 17-014 (the "**Document E**"). The Document E was published, distributed and made available to the public one month prior to Essilor's combined general shareholders' meeting called to approved the Transaction. In particular, it was published on Essilor's website[2]. On May 11, 2017, Essilor's combined general shareholders' meeting approved the Transaction, including (i) the approval of the Contribution (subject to the *apport-scission regime*) by Delfin to Essilor and of the delegation of powers conferred to the Company's Board of Directors for the implementation of the Contribution; and (ii) the delegation of authority conferred to the Board of Directors to decide the capital increase of Essilor (to be renamed "EssilorLuxottica" as from the Closing Date of the Contribution) through the issuance of shares without preferential subscription rights, as consideration for the shares tendered to the Exchange Offer initiated by EssilorLuxottica. On November 1, 2017, Closing Date of the Hive-Down, the contribution of the activities and equity holdings of Essilor to its wholly-owned subsidiary, Essilor International, approved by Essilor shareholders at the combined general shareholders' meeting of May 11, 2017 closed. As from such date, Essilor

1 BB GR is a wholly-owned French subsidiary of Essilor specialised in the manufacturing and distribution of ophthalmic lenses

2 https://www.essilor.com/en/investors/annual-shareholders-meeting/combined-general-shareholders-meeting-may-11-2017/

		International carries on the operational activities that were previously performed by Essilor. The Hive-Down was a condition precedent to the Contribution. Between November 2017 and July 2018, the Transaction has been cleared in five jurisdictions (Canada, the United States of America, Brazil, Europe and China) where antitrust approvals were a condition precedent to the closing of the Transaction. On October 1, 2018, the Contribution is expected to close and Delfin will contribute to Essilor 302,846,957 ordinary shares of Luxottica with a par value of €0.06 each, representing 62.42% of Luxottica's share capital on the Closing Date of the Contribution in exchange for 139,703,301 New Shares Issued as Consideration for the Contribution with a par value of €0.18 each, corresponding to an exchange ratio of 0.4613 Essilor share for 1 Luxottica share. It is specified that the Exchange Ratio, initially set at 0.4610, will be adjusted from 0.4610 to 0.4613 based on Essilor dividend pay-out ratio of 42% and Luxottica pay-out of 50% for financial year 2017, in accordance with the Exchange Ratio adjustment formula provided for in the Combination Agreement and the Contribution Agreement. On the Closing Date of the Contribution, Essilor (to be renamed "EssilorLuxottica" on such date) will become the holding company of Luxottica and Essilor International, holding 100% of Essilor International's share capital and 62.42 % of Luxottica's share capital. Since as a result of its acquisition of 302,846,957 ordinary shares of Luxottica on the Closing Date of the Contribution the Company will come to own more than 25% of Luxottica's share capital, pursuant to article 106, paragraph 1-bis, of Italian Legislative Decree no. 58 of February 24, 1998, as amended (the "**Italian Consolidated Financial Act**"), the Company will be obliged to subsequently launch a mandatory tender offer on all outstanding shares of Luxottica that it will not own. As allowed by the provisions of art. 106, paragraphs 2 and *2-bis*, of the Italian Consolidated Financial Act, such mandatory tender offer to be initiated by the Company will take the form of an exchange offer, in which the Company will offer to the remaining Luxottica shareholders the same kind and amount of consideration per Luxottica share that will be attributed to Delfin in the Contribution, that is a number of newly-issued of Essilor shares calculated according to the same Exchange Ratio (0.4613 Essilor share for 1 Luxottica share). The Exchange Offer will include a private placement that Essilor intends to concurrently carry out in the United States addressed to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), in transactions exempt from the registration requirements of the Securities Act.

E.3	**Terms and Conditions of the New Shares**	*Terms and Conditions of the New Shares Issued as Consideration for the Contribution* In consideration for the Contribution, Essilor will issue 139,703,301 new ordinary shares to Delfin, each with a par value of €0.18, corresponding to the Exchange Ratio (*0.4613 new ordinary share of Essilor for 1 ordinary share of Luxottica contributed*). It is specified that the Exchange Ratio, initially set at 0.4610, will be adjusted from 0.4610 to 0.4613 based on Essilor dividend pay-out ratio of 42% and Luxottica pay-out of 50% for financial year 2017, in accordance with the Exchange Ratio adjustment formula provided for in the Combination Agreement and the Contribution Agreement. As a result of the Contribution, the total par value of Essilor's share capital increase will be €25,146,594.18. Essilor's registered share capital will therefore be increased from €39,444,759.36 to €64,591,353.54, divided into 358,840,853 ordinary shares, each with a par value of €0.18. The difference between the value of the Contribution (i.e., €13,173,842,629.50) and the par value of the capital increase (i.e., €25,146,594.18) will represent a contribution premium of €13,148,696,035.32 based on a value per Luxottica share of €43.5 (subject to possible adjustment). This premium will be credited to additional paid-in capital in Essilor's (and, following the contemplated Contribution, EssilorLuxottica's) statement of financial position (*compte "prime d'apport"*), to which all new and existing shareholders of Essilor (and, following the contemplated Contribution, EssilorLuxottica) will have rights. For the purpose of registering the Luxottica shares in the statutory accounts of Essilor, in line with a conservative approach and taking into account the fact that the Contribution will be effective only upon the Closing Date of the Contribution, it is reminded that the Contribution Agreement provides that the Luxottica share value will be equal to the lower of (i) the value contractually agreed between the parties equal to €43.5 and (ii) the volume-weighted average closing prices of Luxottica shares over the 3-month period prior to the Closing Date of the Contribution. The contribution premium of the share capital increase of Essilor will be adjusted accordingly. *Terms and Conditions of the offer of New Shares Issued as Consideration for the Exchange Offer* In the context of the Exchange Offer, Essilor will offer to the shareholders of Luxottica, as consideration for the contribution of up to 176,276,154 ordinary shares of Luxottica (including 42,000 new shares of Luxottica to be issued in the event of timely exercise of all of the 42,000 outstanding Luxottica stock options), up to 81,316,189 new shares of the Company, each with a par value of €0.18, corresponding to the Exchange Ratio (*0.4613 new ordinary share of Essilor for 1 ordinary share of Luxottica contributed*). It is specified that the Exchange Ratio, initially set at 0.4610, will be adjusted from 0.4610 to 0.4613 based on Essilor dividend pay-out ratio of 42% and Luxottica pay-out of 50% for financial year 2017, in accordance with the Exchange Ratio adjustment formula provided for in the Combination Agreement and the Contribution Agreement. The maximum number of New Shares Issued as Consideration for the

Exchange Offer takes into account the number of existing shares of Luxottica as of the date of this Securities Note (*i.e.*, 485,153,033 shares), plus 42,000 new shares of Luxottica to be issued in the event of timely exercise of all of the 42,000 outstanding Luxottica stock options, minus the 302,846,957 shares of Luxottica that will be acquired by the Company through the Contribution, minus the 6,071,922 treasury shares of Luxottica, which will not be subject to the Exchange Offer.

The terms of the Italian Exchange Offer to be initiated by Essilor after, and subject to, the completion of the Contribution will be set forth in an Italian exchange offer document to be approved by CONSOB and then published and made available to the public on Essilor's (to be renamed "EssilorLuxottica" as from the closing of the Contribution) website (www.essilor.com) and on Luxottica's website (www.luxottica.com/it) (the "**Italian Exchange Offer Document**"). Since it will be a mandatory tender offer pursuant to article 106 of the Italian Consolidated Financial Act, the Italian Exchange Offer launched by the Company will not be subject to any condition.

Indicative timetable of the Transaction

July 23, 2018	Publication of Luxottica's 2018 half year results
July 26, 2018	Publication of Essilor's 2018 half year results
September 28, 2018	*Visa* of the AMF on the Prospectus
September 28, 2018	Press release announcing the procedure by which the Prospectus has been made available to the public
October 1, 2018	Passporting of the Prospectus to Italy
October 1, 2018	Closing of the Contribution
October 1, 2018	Publication of a press release announcing the Closing of the Contribution Change of corporate name from "Essilor International (Compagnie Générale d'Optique)" to "EssilorLuxottica" Publication of a press release announcing the subsequent launch of the Italian Exchange Offer and its main terms Subsequent upwards threshold crossing notification by Delfin and, as the case may be, downwards threshold crossing notification by EssilorLuxottica shareholders
October 2, 2018	Listing and trading of the New Shares Issued as Consideration for the Contribution on Euronext Paris

October 11, 2018	Filing of the Italian Exchange Offer Document with CONSOB
October 22, 2018	Publication by each of Essilor and Luxottica of their standalone Q3 2018 sales
October 23, 2018	Visa of the AMF on the supplement to the Prospectus
October 24, 2018	Press release announcing the procedure by which the supplement to the Prospectus has been made available to the public
October 24, 2018	Passporting of the supplement to the Prospectus to Italy
By October 26, 2018	Approval of Italian Exchange Offer Document by CONSOB
October 29, 2018	Opening of the Exchange Offer period
November 20, 2018	Deadline by which EssilorLuxottica, if it has already reached a stake of more than two third of Luxottica's share capital during the Exchange Offer period, may elect to disclose it to the market to avoid the re-opening of the Exchange Offer period, as provided for by article 40-*bis* of CONSOB Regulation n. 11971 of May 14, 1999 (as amended)
November 27, 2018	Closing of the Exchange Offer period
November 29, 2018	EssilorLuxottica general shareholders' meeting contemplated to be convened by the first Board of Directors of EssilorLuxottica scheduled to take place on the Closing Date of the Contribution
December 4, 2018	Settlement date of the Exchange Offer and, as the case may be, subsequent threshold crossing notifications by EssilorLuxottica shareholders
December 4, 2018	Listing and trading of the New Shares Issued as Consideration for the Exchange Offer on Euronext Paris
December 5, 2018	Beginning of the re-opening of the Exchange Offer period, if applicable
December 11, 2018	End of the re-opening of the Exchange Offer period, if applicable

<table>
<tr><td></td><td></td><td>
<table>
<tr><td>December 18, 2018</td><td>Settlement date of the re-opening of the Exchange Offer period, if applicable</td></tr>
<tr><td>December 19, 2018</td><td>Start of the sell-out procedure, if any</td></tr>
<tr><td>January 24, 2019</td><td>Closing of the sell-out procedure, if any, including settlement and, as the case may be, subsequent threshold crossing notifications by EssilorLuxottica shareholders</td></tr>
<tr><td>January 28, 2019 - March 4, 2019</td><td>Squeeze-out, if any, including settlement</td></tr>
</table>
</td></tr>
<tr><td>E.4</td><td>Interests that could materially influence the offer of New Shares</td><td>Not applicable.</td></tr>
<tr><td>E.5</td><td>Persons or entities offering to sell the New Shares/ Lock-up agreements</td><td>Pursuant to the terms of the Combination Agreement entered into between Essilor and Delfin on January 15, 2017, Delfin agreed not to file a tender offer for shares of EssilorLuxottica for a period of ten (10) years as from the execution date of the Combination Agreement, provided that no third party (acting alone or in concert) comes to hold, directly or indirectly, more than twenty percent (20%) of the share capital or voting rights of EssilorLuxottica or announces its intention to file a tender offer for all of the shares of EssilorLuxottica (standstill undertaking).</td></tr>
<tr><td>E.6</td><td>Amount and percentage of dilution resulting from the offer of New Shares</td><td><u>Impact of the Contribution and the Exchange Offer on the share of consolidated equity, group share, for the holder of one Essilor share prior to the Contribution and the Exchange Offer</u>

The table below shows the impact of the Contribution and Exchange Offer (assuming 100% acceptance rate, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and excluding Luxottica treasury shares) on the share of consolidated equity, group share based on the number of shares and equity (group share) as at June 30, 2018:
<table>
<tr><td>In €m</td><td>Before Contribution</td><td>After Contribution</td><td>After Exchange Offer[1]</td></tr>
<tr><td>Equity (group share) (€m)</td><td>6,586</td><td>19,760</td><td>27,428</td></tr>
<tr><td>Number of shares[2]</td><td>217,803,809</td><td>357,507,110</td><td>438,823,299</td></tr>
<tr><td>Equity (group share) per share (€)</td><td>30.2</td><td>55.3</td><td>62.5</td></tr>
</table>
(1) Assuming 100% acceptance rate and excluding 6,071,922 Luxottica treasury shares (1.3%</td></tr>
</table>

<table>
<tr><td></td><td></td><td>of Luxottica total number of shares including treasury shares)

(2) On a non-diluted basis for Essilor excluding treasury shares as of June 30, 2018

<u>Impact of the Contribution and the Exchange Offer (assuming 100% acceptance rate, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and excluding treasury shares) on the interest of a shareholder holding 1% of Essilor's share capital prior to the Contribution and the Exchange Offer:</u></td></tr>
<tr><td></td><td></td><td>The table below shows the impact of the Contribution and the Exchange Offer on the ownership based on the number of shares as at June 30, 2018:

<table><tr><td></td><td colspan="2">Ownership percentage</td></tr><tr><td></td><td>On a non-diluted basis</td><td>On a diluted basis[1]</td></tr><tr><td>Before Contribution</td><td>1.00%</td><td>0.97%</td></tr><tr><td>After Contribution</td><td>0.61%</td><td>0.60%</td></tr><tr><td>After Exchange Offer[2]</td><td>0.50%</td><td>0.49%</td></tr></table>
(1) Maximum potential impact of all Essilor dilutive instruments as of June 30, 2018 that include all stock options (389,160) and rights to performance shares (5,278,715) issued by Essilor

(2) Assuming 100% acceptance rate and excluding 6,071,922 Luxottica treasury shares</td></tr>
<tr><td>E.7</td><td>Estimated expenses charged to the investors by the Company</td><td>Not applicable.”</td></tr>
</table>

On 1 October 2018, EssilorLuxottica has published the following press release:

"Notice pursuant to Art. 102, paragraph 1, of Legislative Decree No. 58 of 24 February 1998, as amended, and Art. 37 of the regulation adopted with CONSOB resolution No. 11971, of 14 May 1999, as amended, relating to the mandatory exchange offer launched by EssilorLuxottica on all of the shares of Luxottica Group S.p.A. (the "Notice")

Paris, France (October 1, 2018) Pursuant to Art. 102, paragraph 1, of Legislative Decree No. 58 of 24 February 1998, as amended (the "**TUF**"), and Art. 37 of the regulation approved with CONSOB resolution No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"), EssilorLuxottica (the "**Offeror**") hereby gives notice that the legal requirements for the launch, by the Offeror, of a mandatory exchange offer (the "**Offer**"), pursuant to Arts. 102 and 106, paragraphs 1-*bis* and 2-*bis*, of the TUF, occurred on 1 October 2018.

The Offer is for all of the ordinary shares of Luxottica Group S.p.A. ("**Luxottica**" or the "**Issuer**"), a company whose shares are listed on the Electronic Stock Market *(Mercato Telematico Azionario)* ("**MTA**") organized and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"), excluding the Luxottica ordinary shares held directly or indirectly by the Offeror as of the date of this Notice.

In particular, as of the date of this Notice, the Offeror directly holds 302,846,957 ordinary shares of Luxottica (equal to 62.42% of the Issuer's share capital) (the "**Majority Stake**"), and the Issuer owns 6,071,922 treasury shares (the "**Treasury Shares**"), equal to 1.25% of Luxottica's share capital. The Majority Stake and the Treasury Shares are excluded from the Offer.

The Offer, therefore, is for up to 176,234,154 ordinary shares of Luxottica, each with a par value of Euro 0.06 and fully paid-up, as well as for up to 42,000 new ordinary shares that will be issued by Luxottica in case of timely exercise by the relevant holders of all of the Stock Options (as defined below) prior to the end of the Tender Period (as defined below) (the Luxottica shares subject to the Offer are hereinafter defined as the "**Shares**"). As of the date of this Notice, the existing Shares represent 36.33% of the Issuer's share capital.

Within 20 days of the date hereof, the Offeror will file with CONSOB the offer document relating to the Offer (the "**Offer Document**") which will be published upon completion of CONSOB's review, pursuant to Art. 102, paragraph 4, of the TUF. Pending publication of the Offer Document, for any further information regarding the main terms of the Offer. please refer to this Notice, published on the Issuer's website (www.luxottica.com) and on the Offeror's website (www.essilor-luxottica.com).

The main terms and features of the Offer are summarized below.

1. Legal grounds for the Offer

The Offeror's obligation to launch the Offer follows the completion, on 1 October 2018 (the "**Closing Date of the Contribution**"), of the contribution of the Majority Stake by Delfin S.à r.l. ("**Delfin**") into the Offeror, through which the Offeror acquired a stake in the share capital of Luxottica that exceeds the threshold set by Art. 106, paragraph 1-*bis*, of the TUF. Such Contribution (as defined below) is part of a broader transaction, first announced to the market on 16 January 2017, consisting in the combination between the Offeror and its consolidated subsidiaries and the Issuer and its consolidated subsidiaries (the "**Combination**"), aimed at creating an integrated global player in the eyewear industry. In particular:

(a) As disclosed to the market in a joint press release issued by the Offeror and Delfin on 16 January 2017, on 15 January 2017, the Offeror and Delfin entered into a combination agreement (as subsequently amended, supplemented, clarified and/or implemented, including through an implementation letter, effective as from the Closing Date of the Contribution, detailing certain aspects of the implementation of such agreement, the "**Combination Agreement**") setting forth the

terms of the Combination to be implemented through: (i) the contribution by Delfin into the Offeror of Delfin's entire stake in Luxottica (*i.e.*, the Majority Stake, consisting of 302,846,957 ordinary shares of Luxottica) in consideration for a number of newly issued shares of the Offeror determined in accordance with an agreed exchange ratio (the "**Contribution**"); (ii) the contribution by the Offeror of substantially all of its activities in a wholly-owned subsidiary of the Offeror, organized under French law, to be renamed "Essilor International" ("**Essilor International**"), (the "**Hive-Down**"); and (iii) the subsequent launch and carrying out of the Offer by the Offeror in accordance with the relevant provisions of the TUF and the Issuers' Regulation, with a view to subsequently delisting Luxottica's shares;

(b) As disclosed to the market in a press release issued by the Offeror on 23 March 2017, on 22 March 2017, following completion of the information-consultation process of certain employee-representatives of Essilor and its relevant subsidiaries in accordance with French law, Delfin and Essilor entered into a contribution agreement setting forth the terms and conditions of the Contribution (the "**Contribution Agreement**");

(c) The obligation of the Offeror and Delfin to complete the Contribution under the Combination Agreement and the Contribution Agreement was subject to a number of conditions precedent, including, among others, the following ones:

(i) Approval by the Offeror's general shareholders' meeting and special shareholders' meeting, as applicable, of certain resolutions relating to various aspects of the Combination, including, *inter alia*, (A) the Contribution (including the issuance of new shares of the Offeror to be given to Delfin), (B) certain amendments to the Offeror's by-laws to be effective as from the Closing Date of the Contribution (such by-laws as amended, the "**Offeror's By-laws**"), (C) the cancellation of double voting rights pertaining to certain shares of the Offeror to be effective as from the Closing Date of the Contribution, (D) the appointment of new members of the Offeror's board of directors to be effective as from the Closing Date of the Contribution, (E) the approval of the issuance of new shares of the Offeror to be given to the tendering shareholders as consideration for the Shares tendered in the Offer, and (F) the Hive-Down. Such approvals were granted on 11 May 2017;

(ii) Waiver granted by the French Market Authority (*Autorité des marchés financiers*) (the "**AMF**") confirming that Delfin's crossing of the 30% stake in the share capital and voting rights of the Offeror as a result of the Contribution would not result in an obligation for Delfin to launch a mandatory tender offer for shares of the Offeror, in accordance with Art. 234-2 of the AMF General Regulations. The AMF granted such waiver on 11 April 2017;

(iii) Completion of the Hive-Down, which occurred on 1 November 2017;

(iv) Clearances from competition authorities in the European Union, the United States, China, Brazil and Canada. All of such clearances were granted in the period between November 2017 and July 2018;

(d) As disclosed to the market in a joint press release issued by the Offeror and Luxottica, on 29 June 2018 the Offeror and Delfin entered into an amendment to the Combination Agreement setting forth the extension from 30 June 2018 to 31 July 2018 of the deadline (for the condition precedent to be satisfied or waived) of both the Combination Agreement and the Contribution Agreement; and

(e) As disclosed to the market in a joint press release issued by the Offeror and Delfin, the Contribution closed on the Closing Date of the Contribution. On such date, (i) Delfin received 139,703,301 shares of the Offeror, representing a 38.93% stake in the Offeror's share capital, (ii)

the Offeror acquired the Majority Stake, (iii) the Offeror's By-laws became effective, (iv) the Offeror changed its corporate name from Essilor International (*Compagnie Générale d'Optique*) to EssilorLuxottica, and (v) the new board of directors of the Offeror and its new legal representatives took office.

2. Main terms of the Offer

2.1. Offeror (and controlling entities)

The Offeror is EssilorLuxottica, a *société anonyme* incorporated under French law with registered office at 147 rue de Paris – 94220 Charenton-le-Pont, France, registered with the Trade and Companies Registry of Créteil under No. 712 049 618.

The Offeror was incorporated on 6 October 1971 and its duration is set until 6 October 2070.

As of the date of this Notice, the subscribed and paid-up share capital of the Offeror (including, for the avoidance of doubt, the 139,703,301 Offeror's shares that were issued and assigned to Delfin as consideration for the Contribution on the Closing Date of the Contribution) is equal to Euro 64,591,353.54, represented by 358,840,853 ordinary shares, each with a par value of Euro 0.18. The Offeror's shares are listed on Euronext Paris.

The Offeror has not issued any bond convertible into shares, nor is there any commitment for the issuing of bonds convertible into shares.

As of the date of this Notice, based on publicly available information, the shareholders of the Offeror that hold stakes greater than 1% in the Offeror (*i.e.*, the materiality threshold triggering disclosure obligations under Art. 9 of the Offeror's By-laws, which is lower than the 5% threshold set by French law) are Delfin (owning 38.93% of the share capital, with voting rights capped at 31% of the total number of voting rights of the Offeror, subject to a formula contained in the Offeror's By-laws) and the EssilorLuxottica employees (owning 4.96% of the share capital), with the remaining shares being publicly held or treasury shares.

Under French law, as of the date of this Notice, none of its shareholders controls the Offeror.

2.2. Persons acting in concert with the Offeror in relation to the Offer

Delfin is deemed a person acting in concert with the Offeror in relation to the Offer pursuant to Art. 101-*bis*, paragraph 4-*bis*, of the TUF, since, as of the date of this Notice, Delfin and the Offeror are party to the Combination Agreement, which contains certain provisions relating to the governance and/or the shares of the Offeror and/or Luxottica that qualify as shareholders' agreements for the purposes of Art. 122 of the TUF.

As of the date of this Notice, Delfin no longer holds any shares of Luxottica.

2.3. Issuer

The Issuer is Luxottica Group S.p.A., a *società per azioni* incorporated under Italian law with registered office at Piazzale Cadorna 3, 20123 Milan, registered with the Milan companies' register under No. 00891030272.

The Issuer was incorporated in 1981 and its term expires on 31 December 2050, except in the case of early winding-up or extension.

As of the date of this Notice, the share capital of the Issuer amounts to Euro 29,109,181.98, fully paid up and divided into 485,153,033 ordinary shares with a nominal value of Euro 0.06 each.

The Issuer's ordinary shares have been listed on the electronic share market and then on the MTA, ISIN: IT0001479374, since 2000. Luxottica has issued only ordinary shares, which are in dematerialized form and freely transferable.

The Offeror holds 302,846,957 shares of the Issuer, representing, as of the date of this Notice, 62.42% of the share capital of Luxottica. As of the date of this Notice, the Offeror controls the Issuer pursuant to Art. 93 of the TUF.

According to the official communications pursuant to Art. 120, paragraph 2, of the TUF, and to Part III, Title III, Chapter I, Section I, of the Issuers' Regulation, and on the basis of the data made public by the Issuer as of the date of this Notice, the only person other than the Offeror who holds, directly or indirectly, shares representing more than 3% of the Issuer's share capital is Mr. Giorgio Armani, holding No. 22,524,000 Shares, representing 4.64% of the share capital of the Issuer.

As of the date of this Notice, Luxottica holds 6,071,922 Treasury Shares, amounting to 1.25% of its share capital.

2.4. Categories and amount of securities subject to the Offer

The Offer is for *(a)* up to 176,234,154 Shares, equal to 36.33% of the Issuer's share capital as of the date of this Notice, which corresponds to all of the Shares that are issued as of the date of this Notice, excluding the ones held, directly or indirectly, by the Offeror (as indicated below), as well as *(b)* up to 42,000 new ordinary shares that will be issued by Luxottica pursuant to a pending capital increase in case of exercise by the relevant holders, before the end of the Tender Period (as defined below), of all of the 42,000 outstanding stock options granted by the Issuer pursuant to past stock option plans (the "**Stock Options**"). These new Shares together with the 176,234,154 existing Shares already issued as of the date hereof would represent 36.33% of Luxottica's share capital then issued.

In particular, as of the date of this Notice, the Offeror holds *(a)* directly 302,846,957 ordinary shares of the Issuer, representing 62.42% of Luxottica's share capital (*i.e.*, the Majority Stake), and *(b)* indirectly, through Luxottica, 6,071,922 Treasury Shares, equal to 1.25% of Luxottica's share capital. For the avoidance of doubt, the Treasury Shares are not included, and may not be tendered, in the Offer.

As of the date of this Notice, Luxottica has not issued any outstanding convertible debt instruments, warrants and/or financial instruments that grant voting rights, even limited to specific topics, at ordinary and special shareholders' meetings of Luxottica, and/or other financial instruments that could grant to third parties in the future rights to purchase shares of Luxottica or merely voting rights relating to the shares of Luxottica, even if they are limited, other than the above-mentioned 42,000 Stock Options.

The Shares tendered in the Offer must be freely transferable to the Offeror and free of liens and encumbrances of any kind and nature, whether *in rem*, obligatory or personal.

During the Tender Period, which may be re-opened in case of the Re-opening of the Tender Period (as defined below) or extended, the Offeror reserves the right to purchase, arrange to purchase or otherwise acquire ordinary shares of the Issuer outside of the Offer, to the extent permissible under applicable laws and regulations, including Rule 14e-5 of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Securities Exchange Act**"). Any such purchases or arrangements to purchase made outside of the Offer will be made outside the United States and disclosed to the market pursuant to Art. 41, paragraph 2, Let. c) of the Issuers' Regulation and as required by Rule 14e-5 of the U.S. Securities Exchange Act. The Offeror will also acquire any Shares tendered in the U.S. Private Placement (as defined and described in Section 4 of this Notice) that the Offeror will carry out in the United States concurrently with the Offer.

The Offer is directed, on a non-discriminatory basis and on equal terms, to all holders of the Shares.

2.5. Per share consideration and total value of the Offer

The Offeror will deliver to the Luxottica shareholders tendering their Shares in the Offer a stock-only consideration (the "**Consideration**") consisting of 0.4613 (the "**Exchange Ratio**") newly issued shares of the Offeror, with par value of Euro 0.18, admitted to trading on Euronext Paris, per each Share tendered in the Offer.

The newly issued shares of the Offeror delivered as consideration for the Shares will not be listed on the MTA. As of the date of this Notice, no decision has been taken by the board of directors of the Offeror with respect to a potential future secondary listing of the Offeror's shares on the MTA.

The newly issued shares of the Offeror offered as consideration for the Shares, which will have the same rights as the existing shares of the Offeror, will be issued pursuant to a capital increase authorization granted by the Offeror's shareholders at the extraordinary general shareholders' meeting of the Offeror held on 11 May 2017, as subsequently implemented by the board of directors of the Offeror.

The Exchange Ratio, which is the same as the one applied in the Contribution, was adjusted from 0.4610 (the exchange ratio originally set forth by the Combination Agreement) to 0.4613 prior to the Closing Date of the Contribution as a result of the application of an adjustment mechanism contemplated in the Combination Agreement.

The Consideration is intended to be net of any Italian stamp duty, registration tax or financial transaction tax, to the extent due, and of fees, commissions and expenses, which will be borne by the Offeror, while any income, withholding or substitute tax on capital gains, if due, will be borne by the shareholders tendering in the Offer.

The Consideration per Share offered by the Offeror to the Luxottica shareholders in the Offer is the same as the consideration that the Offeror paid to Delfin on the Closing Date of the Contribution for each Luxottica share contributed by Delfin into the Offeror in the Contribution pursuant to the Combination Agreement.

Since the Offer is a mandatory offer triggered by the Contribution, the Consideration set by the Offeror complies with Art. 106, paragraphs 2 and 2-*bis*, of the TUF, pursuant to which:

(a) The Offer must be launched at a price not lower than the highest price paid by the Offeror and persons acting in concert with the Offeror to acquire Luxottica shares in the twelve months preceding the date of this Notice; and

(b) The consideration of the Offer does not need to include a cash alternative, provided that (i) the shares offered as consideration are admitted to trading on a EU regulated market and (ii) the Offeror or persons acting in concert with the Offeror have not acquired for cash, in the period starting twelve months before the date of this Notice and expiring on the payment date of the Offer, Luxottica shares carrying at least 5% of the voting rights exercisable in the shareholders' meeting of the Issuer.

The above conditions are currently met, as (a) neither the Offeror nor any person acting in concert with the Offeror has acquired any Luxottica shares for cash or (other than the acquisition of the Majority Stake by the Offeror through the Contribution) otherwise since the date falling twelve months prior to the date of the Notice and (b) the newly-issued shares of the Offeror offered as consideration in the Offer will have been admitted to trading on Euronext Paris, which is a regulated market of a EU Member State, as of the payment date of the Offer, being the date when the Consideration will be delivered to the Luxottica shareholders who tender in the Offer.

If all of the Shares (including the newly issued ones possibly resulting from the timely exercise of all of the Stock Options) are tendered in the Offer, 81,316,189 new EssilorLuxottica shares will be assigned, on aggregate, to the Luxottica shareholders (other than the Offeror), representing approximately 18.47% of the share capital of the Offeror, as of the settlement date of the Offer (following the capital increase for the Offer).

2.6. Tender Period

Pursuant to Art. 40 of the Issuers' Regulation, the tender period for the Offer will be agreed with Borsa Italiana and will range from a minimum of fifteen to a maximum of twenty five trading days (the "**Tender**

Period"), subject to extensions or the potential re-opening of the Tender Period pursuant to Art. 40-*bis* of the Issuers' Regulation (the "**Re-opening of the Tender Period**"). The Offeror expects the Tender Period to last at least twenty trading days.

2.7. Payment date

Delivery of the Consideration to owners of the Shares tendered in the Offer, concurrently with the transfer to the Offeror of ownership of those Shares, will take place on the fifth trading day following the closure of the Tender Period, as it will be described in the Offer Document, subject to possible extensions or modifications to the Offer that may occur pursuant to applicable laws and regulations.

In the event of the Re-opening of the Tender Period, delivery of the Consideration to owners of the Shares tendered during the Re-opening of the Tender Period, concurrently with the transfer of ownership of those Shares, would take place on the fifth trading day following the end of the Re-opening of the Tender Period, as it will be described in the Offer Document.

2.8. Conditions for the effectiveness of the Offer

The Offer, being a mandatory exchange offer pursuant to Art. 106, paragraph 1-*bis*, of the TUF, is not subject to any condition.

2.9. Cases of allocation

Since the Offer is a mandatory exchange offer under Art. 106, paragraph 1-*bis*, of the TUF, no allocation is contemplated.

3. Rationale of the Offer

3.1. Purposes of the Offer and event triggering the obligation to launch the Offer

The Offeror's obligation to launch the Offer has arisen from the completion of the Contribution of the Majority Stake by Delfin into the Offeror.

The Offer is for the entire share capital of the Issuer not yet held, directly or indirectly, by the Offeror as of the date of this Notice. Should the necessary thresholds be reached as a result of the Offer, the Offeror intends to pursue the delisting of the Luxottica ordinary shares from the MTA (the "**Delisting**").

The Combination represents a strategic and significant transaction for the Offeror and the Issuer, and their respective shareholders by pooling together two highly complementary businesses.

The Offeror and the Issuer have anticipated synergies resulting from their integration with a net annual impact on EBIT in the medium term ranging from Euro 420 to Euro 600 million, expected to accelerate in the long run. Particularly, these synergies will be driven by the creation of value resulting from (a) an acceleration of revenue growth with a net impact of Euro 200-300 million per year over the medium term, (b) an optimization of the supply chain with a net impact of Euro 150-200 million per year in the medium term, and (c) a reduction of general, administrative and procurement costs with a net impact of Euro 70-100 million per year over the medium term.

In particular, the group resulting from the Combination (the "**EssilorLuxottica Group**") will be present in every segment of the eyecare and eyewear industry as a global and integrated player. This will allow the EssilorLuxottica Group to provide an unprecedented set of comprehensive solutions to consumers and eyecare professionals and retail chains, and ultimately to grow in revenues faster than its reference market on a global scale. Furthermore, its increased critical mass would allow the EssilorLuxottica Group to seize organic and inorganic growth opportunities through potential *ad hoc* acquisitions in underpenetrated markets and/or segments.

In the event that, after the completion of the Offer, the Delisting is not achieved, the Offeror and Luxottica may, also taking into account, among other things, the final stake obtained in the Issuer following the Offer, consider the merger of Luxottica into an unlisted company belonging to the EssilorLuxottica Group, which would be the surviving entity of such merger, resulting in the Delisting of the Issuer. Further, the Offeror and Luxottica may also evaluate other extraordinary transactions including other mergers or transfers of assets or companies within the EssilorLuxottica Group.

3.2. Delisting of the Luxottica shares from the MTA and scenarios after the Offer

(a) *Obligation to purchase under Art. 108, paragraph 2, of the TUF*

In the event that, following the Offer, including any potential extensions or Re-opening of the Tender Period, the Offeror comes to hold, as a result of tenders in the Offer and any purchases made outside of the Offer pursuant to applicable law, by the end of the Tender Period (which may be potentially reopened following the Re-opening of the Tender Period or extended) including any Shares tendered in the U.S. Private Placement, a total stake greater than 90% but less than 95% of the Issuer's share capital, the Offeror hereby declares its intent to not restore a float sufficient to ensure regular trading of the Issuer's ordinary shares.

For the purpose of calculating the thresholds provided for by Art. 108, paragraph 2, of the TUF, the 6,071,922 Treasury Shares held by the Issuer as of the date of this Notice, representing 1.25% of the share capital of Luxottica, will be added to the Offeror's shareholding (numerator) without being deducted from the Issuer's share capital (denominator).

If the conditions are met, the Offeror will also comply with the obligation to purchase the remaining Shares from the Issuer's shareholders so requesting pursuant to Art. 108, paragraph 2, of the TUF (the "**Obligation to Purchase under Art. 108, paragraph 2, of the TUF**") at a consideration per Share determined pursuant to the provisions of Art. 108, paragraphs 3 and 5, of the TUF, *i.e.*, for a stock-only consideration equal to the Consideration. However, such remaining Luxottica's shareholders may demand to be paid a cash consideration instead, calculated in accordance with applicable laws and regulations. The Offeror will give notice if the requirements for the Obligation to Purchase under Art. 108, paragraph 2, of the TUF are met, in compliance with applicable law.

In accordance with Art. 2.5.1, paragraph 6, of the Regulations of the Markets Organized and Managed by Borsa Italiana, in effect as of the date of this Notice (the "**Stock Exchange Regulations**"), if the conditions therefor are met, the shares of the Issuer will be delisted starting on the trading day following the last day of payment of the consideration for the Obligation to Purchase under Art. 108, paragraph 2, of the TUF, except as stated in item *(b)* below. In that case, owners of Shares that decide not to tender in the Offer and that do not request the Offeror to purchase their Shares under the Obligation to Purchase under Art. 108, paragraph 2, of the TUF, will hold securities that are not traded on any regulated market, with ensuing difficulties in liquidating their investment.

(b) *Obligation to purchase under Art. 108, paragraph 1, of the TUF and right to purchase under Art. 111 of the TUF*

In the event that, following the Offer, including any potential extension or Re-opening of the Tender Period, the Offeror comes to hold, as a result of tenders in the Offer and any purchases made outside of the Offer pursuant to applicable law, by the end of the Tender Period (which may be potentially reopened following the Re-opening of the Tender Period or extended) as well as during, and/or following the procedure to comply with the Obligation to Purchase under Art. 108, paragraph 2, of the TUF, including any Shares tendered in the U.S. Private Placement, a total stake at least equal to 95% of the Issuer's share capital, the Offeror hereby declares its intent to exercise its right to purchase the remaining Shares pursuant to Art. 111 of the TUF (the "**Right to Purchase**") at a

consideration per Share determined pursuant to the provisions of Art. 108, paragraphs 3 and 5, of the TUF, *i.e.*, for a stock-only consideration equal to the Consideration. However, such remaining Luxottica's shareholders may demand to be paid a cash consideration instead, calculated in accordance with applicable laws and regulations. The Offeror will give notice if the requirements for the Right to Purchase pursuant to Art. 111, paragraph 1, of the TUF are met, in compliance with applicable law.

For the purpose of calculating the threshold provided for by Arts. 108, paragraph 1, and 111, of the TUF, the 6,071,922 Treasury Shares held by the Issuer as of the date of this Notice, representing 1.25% of the share capital of Luxottica, will be added to the Offeror's shareholding (numerator) without being deducted from the Issuer's share capital (denominator).

The Offeror, by exercising the Right to Purchase, will also satisfy the obligation to purchase under Art. 108, paragraph 1, of the TUF from the Issuer's shareholders so requesting, thereby triggering a single procedure.

The above-mentioned single procedure will be carried out after the end of the Offer or the Obligation to Purchase under Art. 108, paragraph 2, of the TUF, within the terms that will be disclosed in accordance with the law.

In accordance with Art. 2.5.1, paragraph 6, of the Stock Exchange Regulations, if the Right to Purchase is exercised, Borsa Italiana will order the suspension from listing and/or Delisting of the Issuer's shares, taking account of the time required to exercise the Right to Purchase.

4. Markets where the Offer is being launched; Concurrent U.S. Private Placement

The Offer is being launched exclusively in Italy and will be made on a non-discriminatory basis and on equal terms to all holders of Shares.

The Offer has not been and will not be made in the United States, Canada, Japan, Australia and any other jurisdictions where making the Offer or tendering therein would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority (such jurisdictions, including the United States, Canada, Japan and Australia, the "**Excluded Countries**"), by using national or international instruments of communication or commerce of the Excluded Countries (including, by way of illustration, the postal network, fax, telex, e-mail, telephone and internet), through any structure of any of the Excluded Countries' financial intermediaries or in any other way. No actions have been taken or will be taken to make the Offer possible in any of the Excluded Countries.

Tendering in the Offer by parties residing in jurisdictions other than Italy may be subject to specific obligations or restrictions imposed by applicable legal or regulatory provisions of such jurisdictions. Recipients of the Offer are solely responsible for complying with such laws and, therefore, before tendering in the Offer, they are responsible for determining whether such laws exist and are applicable by relying on their own counsel or other advisors. The Offeror does not accept any liability for any violation by any person of any of the above restrictions.

Concurrently with the Offer, the Offeror will launch in the United States an exchange offer for Shares in the form of a private placement addressed solely to certain "*qualified institutional buyers*", or "*QIBs*", as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), in reliance on the exemption from registration provided for private placements by Section 4(a)(2) under the U.S. Securities Act (the private placement carried in the United States concurrently with the Offer, and, as applicable, the subsequent private placement to be carried out by the Offeror concurrently with the procedure to perform the Obligation to Purchase under Art. 108, Par. 2, of the TUF, if any, the "**U.S. Private Placement**"). The U.S. Private Placement will contemplate the same terms and conditions of the Offer and

will have the same Tender Period and payment date as the Offer. If the requirements for the Right to Purchase and the Obligation to Purchase under Art. 108, paragraph 1, of the TUF are met, the Offeror will carry out in the United States a new private placement addressed to QIBs mirroring the U.S. Private Placement concurrently with the exercise of the Right to Purchase and the procedure to comply with the Obligation to Purchase under Art. 108, paragraph 1, of the TUF.

5. Shareholdings held by the offeror and the persons acting in concert

As of the date of this Notice, the only shareholding in the Issuer held by the Offeror and, to the knowledge of the Offeror, Delfin (which is deemed a person acting in concert with the Offeror in relation to the Offer pursuant to Art. 101-*bis*, paragraph 4-*bis*, of the TUF) is the Majority Stake held by the Offeror, comprising 302,846,957 ordinary shares of the Issuer, corresponding to 62.42% of the Issuer's share capital and to 36.33% of the share capital of the Issuer possibly issued in case of exercise of all the Stock Options.

Neither the Offeror nor the person acting in concert with the Offeror holds any derivative financial instruments conferring a long position in the Issuer.

For completeness of information, note that the Issuer holds, as of the date of this Notice, 6,071,922 Treasury Shares, equal to 1.25% of Luxottica's share capital.

For the sake of completeness, it is noted that, as of the date of this Notice, to the knowledge of the Offeror Nicoletta Zampillo, the spouse of the Offeror's executive chairman Leonardo Del Vecchio, who, pursuant to Art. 44-*quater*, paragraph 1, letter (a), of the Issuers' Regulation, may be deemed a person acting in concert with Mr. Del Vecchio, who in turn is deemed to be acting in concert with the Offeror pursuant to Art. 101-*bis*, paragraph 4-*bis*, letter d) of the TUF, owns 762,500 ordinary shares of Luxottica.

For the sake of completeness, certain relatives of Leonardo Del Vecchio own a limited number of ordinary shares of Luxottica.

6. Authorizations

The launch of the Offer is not subject to any notification requirements nor to any authorization.

Pursuant to the Combination Agreement, the completion of the Contribution was subject, among other things, to the approvals by competition authorities in Canada, the European Union, the United States, China and Brazil.

On 28 November 2017, the Canadian Competition Bureau cleared the Combination. On 1 March 2018, the European Commission and the U.S. Federal Trade Commission cleared the Combination. On 27 March 2018, the competition authority in Brazil cleared the Combination. On 26 July 2018, the competition authority in China cleared the Combination after Essilor and Luxottica made certain commitments with regard to the conduct of business in China. Essilor and Luxottica committed to inform the competition authority in China about their future acquisitions and also to ensure availability of their products and services to all customers in China on a fair basis. These commitments are fully aligned with the future EssilorLuxottica's mission to "*help people see more, be more and live life to its fullest*" and the open business model both companies promote across the globe.

7. Publication of the press releases and documents relating to the Offer

The press releases and the documents relating to the Offer (including the Offer Document, once published) will be made available on the Issuer's website at www.luxottica.com and on the Offeror's website at www.essilor-luxottica.com.

8. Global information agent

D.F. King Ltd, with registered office in 125 Wood Street, EC2V 71N London (United Kingdom), was appointed by the Offeror as Global Information Agent in the context of the Offer, in order to provide

information relating to the Offer to all shareholders of the Issuer. For this purpose, D.F. King Ltd has set up a dedicated e-mail address (essilorluxottica@dfkingltd.com) and the telephone number 800 143 968. This phone number will be active during the Tender Period on weekdays from 9:00 to 17:00 (CET)."

* * *

On 1 October 2018, EssilorLuxottica has published the following press release:

"Essilor and Delfin successfully complete the combination of Essilor and Luxottica by creating EssilorLuxottica, a global leader in the eyecare and eyewear industry

- **EssilorLuxottica brings together two pioneering and complementary global players to address the world's growing vision care needs and the changing lifestyles of consumers**
- **The new entity represents a growth platform ideally positioned to seize future opportunities with pro forma combined revenues in excess of Euro 16 billion, nearly 150,000 employees and an unmatched global footprint**

Luxembourg and Charenton-le-Pont, France (October 1, 2018 – 7:00 pm) - Delfin S.à.r.l ("Delfin"), the majority shareholder of Luxottica Group S.p.A. ("Luxottica") and Essilor International (Compagnie Générale d'Optique) ("Essilor"), today announced the successful completion of the combination of Essilor and Luxottica. The combined holding company named EssilorLuxottica is a global leader in the design, manufacture and distribution of ophthalmic lenses, prescription frames and sunglasses.

Combination complete

All conditions precedent to the closing of the transaction have been satisfied, including approval by Essilor shareholders in May 2017, the hive-down of substantially all Essilor activities to Essilor International SAS (a wholly-owned subsidiary of Essilor) in November 2017 and clearance from all antitrust authorities whose authorization was a condition precedent to the closing of the transaction.

Following the contribution by Delfin, the majority shareholder of Luxottica, of its 62.42% stake in Luxottica to Essilor on October 1, 2018, Essilor became the parent company of Luxottica and was renamed EssilorLuxottica.

As consideration for the contribution by Delfin of its stake in Luxottica to Essilor, Essilor issued 139,703,301 new ordinary shares through a capital increase without preferential subscription rights pursuant to a resolution approved by Essilor shareholders in May 2017.

Following the closing, EssilorLuxottica has a share capital made of 358,840,853 shares. Its main shareholders are Delfin (38.93% of capital with voting rights capped at 31%) and EssilorLuxottica employees (4.9%). The remaining 56.8% of the shares are being publicly held.

EssilorLuxottica will soon be launching a Mandatory Exchange Offer for the remaining issued and outstanding Luxottica shares. Following the Mandatory Exchange Offer, the interest held by Delfin would decrease to a minimum of 31% of the share capital of EssilorLuxottica depending on the acceptance rate of the Mandatory Exchange Offer[3].

EssilorLuxottica draws the attention of its shareholders to the fact that the closing of the contribution and the results of the Mandatory Exchange Offer could trigger upwards or downwards threshold crossing notifications by certain of its shareholders pursuant to French law and/or EssilorLuxottica by-laws.

As from October 2, 2018, EssilorLuxottica shares will be traded on Euronext Paris, under the ticker symbol EL with the same ISIN code FR0000121667. They will be part of the CAC 40 and Euro Stoxx 50 indices.

[3] 31% is calculated on a fully diluted basis, based on the number of Essilor shares that Delfin will receive immediately upon the completion of the Contribution and assuming 100% acceptance rate of the Exchange Offer.

The new combined company

Essilor and Luxottica have joined forces around one common mission: “Help people see more, be more and live life to its fullest” by addressing their evolving vision needs and personal style aspirations.

Leveraging over 150 years of innovation, operational excellence, entrepreneurial spirit and international mindset, EssilorLuxottica develops groundbreaking eyecare and eyewear solutions to meet the changing lifestyles of existing consumers, while inventing new ways to reach the 2.5 billion people[4] who suffer from uncorrected poor vision and the 6 billion people who do not protect their eyes from harmful rays. Its vertically integrated business draws on the complementary expertise of two industry pioneers, one in advanced lens technologies and the other in the craftsmanship of iconic eyewear, to offer an unprecedented set of comprehensive solutions to consumers and eyecare professionals.

With pro forma combined sales in excess of Euro 16 billion in 2017 and nearly 150,000 employees, EssilorLuxottica is ideally positioned to seize the growth opportunities that result from strong demand in the eyecare and eyewear market, driven by the increasing need for corrective and protective eyewear and a growing appetite for strong brands.

Leonardo Del Vecchio, Executive Chairman of EssilorLuxottica, said: *“We are at the beginning of a new chapter in our history in which we so strongly believe, bringing together frames and lenses under the same roof and completing our vertically integrated business model. We will enhance the excellences of Luxottica and Essilor to improve the service level and offer consumers around the world ever better products that leverage on our most beloved brands with cutting-edge lens technologies. We will expand our offer and foster the development of our customers' business and the entire industry.”*

Hubert Sagnières, Executive Vice-Chairman of EssilorLuxottica, added: *“The creation of EssilorLuxottica is a defining moment in our fight to elevate the importance of good vision as both a basic human right and a key lever for global development. EssilorLuxottica now has the means to give this important cause a much stronger voice and is in a position to grow the entire eyecare and eyewear industry thanks to its presence in all major segments, from lenses to frames to physical and online distribution. Our commitment to foster innovation, enhance customer service and reimagine the consumer experience will benefit all stakeholders. Moreover, the Company’s mission will be strengthened by active and growing employee ownership, which is set to play a central role in the EssilorLuxottica governance model.”*

EssilorLuxottica has the opportunity for significant value creation through revenue and cost synergies, which are overall anticipated to range from Euro 420 to Euro 600 million as a net impact in EBIT per annum in the medium term, then to accelerate in the longer run.

Revenue synergies are expected in the Euro 200-300 million range, as a result of the capability of EssilorLuxottica to develop new and better products optimizing the interaction between frames and lenses, serve the industry better via a broader distribution reach and a more efficient logistics platform, accelerate emerging markets development, strengthen e-commerce businesses, increase plano and prescription sunglasses penetration and foster consumer engagement with regard to their vision correction and protection needs as well as their aspiration for a full brand experience. Cost synergies are expected to come in the range of Euro 220–300 million from the combined supply chain optimization, G&A and sourcing savings.

Leadership, governance and structure

Leonardo Del Vecchio, Luxottica’s Executive Chairman, serves as EssilorLuxottica’s Executive Chairman (*Président-Directeur Général*). Hubert Sagnières, Chairman and CEO of Essilor, serves as EssilorLuxottica’s

[4] Source: Vision Impact Institute, Eyelliance: Eyeglasses for Global Development: Bridging the Visual Divide.

Executive Vice-Chairman (*Vice-Président-Directeur Général Délégué*) with equal powers to those of the Executive Chairman.

Leonardo Del Vecchio and Hubert Sagnières keep their respective positions as Executive Chairman of Luxottica and Chief Executive Officer (*Président*) of Essilor International SAS. Essilor International SAS and Luxottica maintain their respective Boards of Directors.

The Board of Directors of EssilorLuxottica is composed of sixteen members: Leonel Ascencao Pereira, Romolo Bardin, Leonardo Del Vecchio, Juliette Favre, Giovanni Giallombardo, Bernard Hours, Annette Messemer, Francesco Milleri, Gianni Mion, Lucia Morselli, Olivier Pécoux, Sabrina Pucci[5], Hubert Sagnières, Cristina Scocchia, Jeanette Wong and Delphine Zablocki.

An integration committee, led by Leonardo Del Vecchio and Hubert Sagnières, will ensure a smooth and successful integration of Essilor and Luxottica.

The new EssilorLuxottica Board of Directors met today and decided on the following:

- The appointment of Hilary Halper, Essilor Chief Financial Officer, and Stefano Grassi, Luxottica Chief Financial Officer, as Co-Chief Financial Officers of the new combined entity
- The Nomination and Compensation Committee will be mandated before the end of January 2019 to lead the search process for a Chief Executive Officer
- The approval of the new rules of procedure of the EssilorLuxottica Board of Directors to be published on the website of EssilorLuxottica
- The approval of financial authorizations necessary for the combined Company, Essilor International SAS and Luxottica to operate their respective businesses
- The constitution and appointment of the members of the Committees of the EssilorLuxottica Board of Directors, as follows:
  - The Nomination and Compensation Committee, composed of Olivier Pécoux (Chairman), Romolo Bardin, Bernard Hours and Gianni Mion
  - The Audit and Risk Committee, composed of Lucia Morselli (Chairwoman), Romolo Bardin, Annette Messemer and Olivier Pécoux
  - The Corporate Social Responsibility Committee, composed of Jeanette Wong (Chairwoman), Giovanni Giallombardo, Hubert Sagnières, and Cristina Scocchia
  - The Strategy Committee, composed of Francesco Milleri (Chairman), Bernard Hours, Gianni Mion and Hubert Sagnières
- The determination of the components comprising the compensation of the EssilorLuxottica Executive Chairman (*Président-Directeur Général*) and of the EssilorLuxottica Executive Vice-Chairman (*Vice-Président-Directeur Général Délégué*), the details of which are disclosed on EssilorLuxottica's website
- The convening of the Ordinary and Extraordinary Shareholders' Meeting of EssilorLuxottica on November 29, 2018.

[5] Subject to shareholder's approval at the November 29, 2018 Shareholders Meeting.

Next steps

EssilorLuxottica will launch in due course, in accordance with Italian law, a Mandatory Exchange Offer to acquire all remaining issued and outstanding shares of Luxottica not already owned by EssilorLuxottica with a view to eventually delisting Luxottica's shares from trading.

For further information please see the specific notice on the Mandatory Exchange Offer which was published by EssilorLuxottica today under article 102 of the Italian Consolidated Financial Act.

During the first part of 2019, EssilorLuxottica will present its first combined annual results and is expecting to hold a Capital Markets Day for investors and analysts.

Today, EssilorLuxottica also unveiled its new visual identity and corporate website:

https://www.essilor-luxottica.com "

On 24 October 2018, EssilorLuxottica has published the following press release:

"Publication of a securities note supplement to the prospectus which received Visa No. 18-460 from the AMF on September 28, 2018

Charenton-le-Pont, France (October 24, 2018 – 8:00 a.m.) – EssilorLuxottica announces that, yesterday, on October 23, 2018, the *Autorité des marchés financiers* (the "**AMF**") affixed *visa* No. 18-494 to the securities note supplement (the "**Securities Note Supplement**") to the prospectus which received *visa* No. 18-460 from the AMF on September 28, 2018 (the "**Prospectus**"), in connection with:

(i) **the share capital increase without preferential subscription rights through the issuance of 139,703,301 new ordinary shares of EssilorLuxottica as consideration for the Luxottica shares contributed by Delfin to EssilorLuxottica (the "**New Shares Issued as Consideration for the Contribution**") that was completed on October 1, 2018;**

(ii) **the share capital increase without preferential subscription rights through the issuance of up to 81,316,189 new ordinary shares of EssilorLuxottica as consideration for Luxottica shares tendered into the mandatory public exchange offer, subject to Italian law, to be initiated by EssilorLuxottica for all outstanding shares of Luxottica, together with a concurrent private placement in the United States of America addressed to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), in transactions exempt from the registration requirements of the Securities Act (such shares collectively, the "**New Shares Issued as Consideration for the Exchange Offer**", together with the New Shares Issued as Consideration for the Contribution, the "**New Shares**");**

(iii) **the public offering of the New Shares Issued as Consideration for the Exchange Offer; and**

(iv) **the admission to listing and trading on the regulated market of Euronext of up to 221,019,490 New Shares, it being specified that the New Shares Issued as Consideration for the Contribution were admitted to listing and trading on October 2, 2018.**

The Securities Note Supplement includes (i) the press release relating to the sales of EssilorLuxottica for the 2018 third quarter (Essilor International perimeter) and (ii) the press release relating to the sales of Luxottica for the 2018 third quarter.

The Securities Note Supplement supplements the Prospectus and shall be read and interpreted in conjunction with it.

The Prospectus is composed of:

- the registration document of Essilor filed with the AMF on March 27, 2018 under no. D.18-0193 (the "**2017 Registration Document**");
- an update to the 2017 Registration Document filed with the AMF on September 28, 2018 under number D.18-0193-A01;
- the securities note approved by the AMF on September 28, 2018 under *visa* No. 18-460 (the "**Securities Note**"); and
- the summary of the Prospectus (included in the Securities Note); and
- the Securities Note Supplement dated October 23, 2018 which received *visa* No. 18-494 from the AMF, which includes the supplement to the summary of the Prospectus.

For the purpose of the public offering to be carried out by EssilorLuxottica in connection with the Italian exchange offer, the Securities Note Supplement will be "passported" to Italy pursuant to article 18 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, it being specified

that the Prospectus (without the Securities Note Supplement) was already “passported” to Italy on October 1, 2018. The Italian exchange offer document will incorporate by reference parts of the Prospectus.

The New Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged, delivered or otherwise transferred in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The New Shares Issued as Consideration for the Exchange Offer are being offered (a) in the United States by the Company only to certain “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the Securities Act, in reliance on the exemption from registration provided for private placements by Section 4(a)(2) under the Securities Act and (b) outside the United States only in reliance on Regulation S in “offshore transactions” as defined in, and in accordance with, Regulation S.

The information to be disclosed pursuant to the applicable regulations relating to the mandatory exchange offer launched by EssilorLuxottica in Italy for all of the outstanding shares of Luxottica will be included in the Italian exchange offer document that was filed with CONSOB on October 11, 2018, which will be then, after the approval by CONSOB scheduled by October 26, 2018 (according to the indicative timetable presented in the Securities Note), published and made available to the public on EssilorLuxottica’s website (www.essilor-luxottica.com) and on Luxottica’s website (www.luxottica.com).

Copies of the Prospectus can be obtained free of charge from the registered office of EssilorLuxottica (147, rue de Paris – 94220 Charenton-le-Pont, France) and on the websites of EssilorLuxottica (www.essilor-luxottica.com) and of the AMF (www.amf-france.org).

EssilorLuxottica draws the public’s attention to the risks factors included in the Prospectus.

* * *

SUPPLEMENT TO THE SUMMARY OF THE PROSPECTUS

Visa of the AMF No. 18-494 of October 23, 2018

The information contained in the summary of the Prospectus remains unchanged, except for Elements B.1, B.4a, B.6, B.7 and E.3 of this summary, which are modified and must be read as follows:

Section B – Company		
B.1	**Legal and commercial name**	EssilorLuxottica
B.4a	**Recent trends affecting the Company Group and its industry**	**Closing of the Contribution** On October 1, 2018, Essilor and Delfin successfully completed the combination of Essilor and Luxottica by creating EssilorLuxottica, a global leader in the eyecare and eyewear industry. All conditions precedent to the closing of the Combination were satisfied, including approval by Essilor shareholders in May 2017, the hive-down of substantially all Essilor activities to Essilor International (a wholly-owned subsidiary of Essilor) in November 2017 and clearance from all antitrust authorities whose authorization was a condition precedent to the closing of the Combination. Following the Contribution by Delfin, the majority shareholder of Luxottica, of its 62.42% stake in Luxottica to Essilor on October 1, 2018, Essilor became the parent company of Luxottica and was renamed EssilorLuxottica. As consideration for the Contribution by Delfin of its stake in Luxottica to Essilor, Essilor issued 139,703,301 new ordinary shares through a capital increase without preferential subscription rights pursuant to a resolution approved by Essilor shareholders in May 2017. Following the closing of the Contribution, EssilorLuxottica has a share capital made of 358,840,853 shares. Its main shareholder is Delfin (38.93% of capital with voting rights capped at 31% subject to a formula contained in the by-laws of EssilorLuxottica(1)). On the same date, EssilorLuxottica announced the forthcoming launch of the Exchange Offer for the remaining issued and outstanding Luxottica shares (a specific notice on the Exchange Offer was published by EssilorLuxottica under article 102 of the Italian Consolidated Financial Act). Following the Exchange Offer, the interest held by Delfin would decrease to a minimum of 31% of the share capital of EssilorLuxottica depending on the acceptance rate of the Exchange Offer(2). Since October 2, 2018, EssilorLuxottica shares are traded on Euronext Paris, under the ticker symbol EL with the same ISIN code FR0000121667 as prior to the Closing Date

		of the Contribution. **The new combined Company** Essilor and Luxottica have joined forces around one common mission: “Help people see more, be more and live life to its fullest” by addressing their evolving vision needs and personal style aspirations. Leveraging over 150 years of innovation, operational excellence, entrepreneurial spirit and international mindset, EssilorLuxottica develops groundbreaking eyecare and eyewear solutions to meet the changing lifestyles of existing consumers, while inventing new ways to reach the 2.5 billion people(3) who suffer from uncorrected poor vision and the 6 billion people who do not protect their eyes from harmful rays. Its vertically integrated business draws on the complementary expertise of two industry pioneers, one in advanced lens technologies and the other in the craftsmanship of iconic eyewear, to offer an unprecedented set of comprehensive solutions to consumers and eyecare professionals. With pro forma combined sales in excess of Euro 16 billion in 2017 and nearly 150,000 employees, EssilorLuxottica is ideally positioned to seize the growth opportunities that result from strong demand in the eyecare and eyewear market, driven by the increasing need for corrective and protective eyewear and a growing appetite for strong brands. EssilorLuxottica has the opportunity for significant value creation through revenue and cost synergies, which are overall anticipated to range from Euro 420 to Euro 600 million as a net impact in EBIT per annum in the medium term, then to accelerate in the longer run. Revenue synergies are expected in the Euro 200-300 million range, as a result of the capability of EssilorLuxottica to develop new and better products optimizing the interaction between frames and lenses, serve the industry better via a broader distribution reach and a more efficient logistics platform, accelerate emerging markets development, strengthen e-commerce businesses, increase plano and prescription sunglasses penetration and foster consumer engagement with regard to their vision correction and protection needs as well as their aspiration for a full brand experience. Cost synergies are expected to come in the range of Euro 220–300 million from the combined supply chain optimization, G&A and sourcing savings. **Leadership, governance and structure** Mr. Leonardo Del Vecchio, Luxottica’s Executive Chairman, serves as EssilorLuxottica’s Executive Chairman (*Président-Directeur Général*). Mr. Hubert Sagnières, Chairman and CEO of Essilor, serves as EssilorLuxottica’s Executive Vice-Chairman (*Vice-Président-Directeur Général Délégué*) with equal powers to those of the Executive Chairman. Mr. Leonardo Del Vecchio and Mr. Hubert Sagnières keep their respective positions as Executive Chairman of Luxottica and Chief Executive Officer (*Président*) of Essilor International. Essilor International and Luxottica maintain their respective Boards of Directors. The Board of Directors of EssilorLuxottica is composed of sixteen members: Mr. Leonel Pereira Ascencao, Mr. Romolo Bardin, Mr. Leonardo Del Vecchio, Ms. Juliette Favre, Mr. Giovanni Giallombardo, Mr. Bernard Hours, Ms. Annette Messemer, Mr. Francesco Milleri, Mr. Gianni Mion, Ms. Lucia Morselli, Mr. Olivier Pécoux, Ms. Sabrina Pucci(4), Mr.

Hubert Sagnières, Ms. Cristina Scocchia, Ms. Jeanette Wong and Ms. Delphine Zablocki.

An Integration Committee, led by Mr. Leonardo Del Vecchio and Mr. Hubert Sagnières, will ensure a smooth and successful integration of Essilor and Luxottica.

The new EssilorLuxottica Board of Directors met on October 1, 2018 and decided on the following:

- The appointment of Ms. Hilary Halper, Essilor Chief Financial Officer, and Mr. Stefano Grassi, Luxottica Chief Financial Officer, as Co-Chief Financial Officers of the new combined entity;
- The Nomination and Compensation Committee will be mandated before the end of January 2019 to lead the search process for a Chief Executive Officer;
- The approval of the new rules of procedure of the EssilorLuxottica Board of Directors that are published on the website of EssilorLuxottica;
- The approval of debt financial authorizations necessary for the combined Company, Essilor International and Luxottica to operate their respective businesses;
- The constitution and appointment of the members of the Committees of the EssilorLuxottica Board of Directors, as follows:
  - The Nomination and Compensation Committee, composed of Mr. Olivier Pécoux (Chairman), Mr. Romolo Bardin, Mr. Bernard Hours and Mr. Gianni Mion;
  - The Audit and Risk Committee, composed of Ms. Lucia Morselli (Chairwoman), Mr. Romolo Bardin, Ms. Annette Messemer and Mr. Olivier Pécoux;
  - The Corporate Social Responsibility Committee, composed of Ms. Jeanette Wong (Chairwoman), Mr. Giovanni Giallombardo, Mr. Hubert Sagnières, and Ms. Cristina Scocchia;
  - The Strategy Committee, composed of Mr. Francesco Milleri (Chairman), Mr. Bernard Hours, Mr. Gianni Mion and Mr. Hubert Sagnières;
- The determination of the components comprising the compensation of the EssilorLuxottica Executive Chairman (*Président-Directeur Général*) and of the EssilorLuxottica Executive Vice-Chairman (*Vice-Président-Directeur Général Délégué*), the details of which were disclosed on EssilorLuxottica's website; and
- The convening of the Ordinary and Extraordinary Shareholders' Meeting of EssilorLuxottica on November 29, 2018.

(1) Pursuant to the application of such formula, as of the date of the Securities Note Supplement, the voting rights of Delfin are thus actually capped at 32.6%

(2) 31% is calculated on a fully diluted basis, based on the number of EssilorLuxottica shares that Delfin received upon the completion of the Contribution and assuming 100% acceptance rate of the Exchange Offer

(3) Source: Vision Impact Institute, Eyelliance: Eyeglasses for Global Development: Bridging the Visual Divide

(4) Subject to shareholder's approval at the November 29, 2018 Shareholders' Meeting

B.6	**Principal Shareholders**	The table below sets forth the capital ownership of EssilorLuxottica as of October 2, 2018:

	Number of shares	**%**	**Voting rights**	**%**
Delfin's holding prior to the Contribution	35,205	0.0%		
Shares received by Delfin at the Closing Date of the Contribution	139,703,301	38.9 %		
SUBTOTAL Delfin	**139,738,506**	**38.9 %**	**139,738,506**	**39.1%** [(b)]
Internal shareholding **(Current, former and retired employees)**				
Valoptec International FCPE	4,162,437	1.2%	4,162,437	1.2%
Essilor group five and seven year FCPE	4,338,140	1.2%	4,338,140	1.2%
Funds reserved for foreign employees	994,898	0.3%	994,898	0.3%
Pure registered shares or administered shares held by employees	7,655,767	2.1%	7,655,767	2.1%
SUBTOTAL	**17,151,242**	**4.8%**	**17,151,242**	**4.8%**
Partner shareholding[(a)] **Pure registered shares or administered shares held by partners**	344,240	0.1%	344,240	0.1%
SUBTOTAL	17,495,482	4.9%	17,495,482	4.9%

Treasury shares Liquidity contract	1,336,830	0.4%		
SUBTOTAL	**1,336,830**	**0.4%**		
PUBLIC	**200,285,680**	**55.8 %**	**200,285,680**	**56.0%**
TOTAL	**358,856,498**	**100%**	**357,519,668**	**100%**

(a) Partner shareholding designates the portion of EssilorLuxottica shares held by employees, managers, and any former employees or managers of the companies in which Essilor held an interest that was thereafter fully divested.

(b) Pursuant to the application of the formula contained in EssilorLuxottica's by-laws, as of the date of the Securities Note Supplement, the voting rights of Delfin are thus actually capped at 32.6%.

Expected effect of the Exchange Offer (assuming 100% acceptance rate, including 17,000 new shares of Luxottica to be issued in the event of timely exercise of all of the 17,000 outstanding Luxottica stock options, but excluding Luxottica treasury shares) on the distribution of the EssilorLuxottica' share capital and voting rights:

	As of the date of the Securities Note Supplement				**Following the completion of the Exchange Offer**			
	shares	% capital[1]	% votes before cap[1,6]	% votes after cap[1,6]	shares	% capital[1]	% votes prior to cap[1,6]	% votes after cap[1,6]
Employees[4]	17,495,482	4.9%	4.9%	5.4%	17,495,482	4.0%	4.0%	4.0%
Delfin	139,738,506[5]	38.9%	39.1%[2]	32.6%[2]	139,738,506[5]	31.7%	31.8%[3]	31.3%[3]
Public	200,285,680	55.8%	56.0%	62.0%	281,601,869	64.0%	64.2%	64.7%
Treasury shares	1,336,830	0.4%	-	-	1,336,830	0.3%	-	-

		[1] On a non-diluted basis. [2] Delfin's voting rights are capped at 31% of the total number of voting rights of EssilorLuxottica, subject to a formula contained in EssilorLuxottica's by-laws. Pursuant to the application of such formula, as of the date of the Securities Note Supplement, the voting rights of Delfin are thus actually capped at 32.6%. Should another shareholder hold a stake greater than 10% of EssilorLuxottica's share capital, a different formula would apply, resulting in a different cap applicable to Delfin. [3] Delfin's voting rights are capped at 31% of the total number of voting rights of EssilorLuxottica, subject to a formula contained in EssilorLuxottica's by-laws. Pursuant to the application of such formula, following the completion of the Exchange Offer, the voting rights of Delfin would thus be capped at 31.3%. Should another shareholder hold a stake greater than 10% of EssilorLuxottica's share capital, a different formula would apply, resulting in a different cap applicable to Delfin. [4] This refers to the EssilorLuxottica shares held by employees, senior managers and, if applicable, former employees and senior managers of companies in which Essilor held a stake that was subsequently sold in full. [5] Including the 35,205 shares of EssilorLuxottica held by Delfin prior to the Closing Date of the Contribution. [6] These percentages are calculated on the total issued share capital, minus the treasury shares, the voting rights attached to which may not be exercised.
B.7	**Selected key historical financial information**	**2018 Q3 Sales of EssilorLuxottica (Essilor International perimeter)** **Third-Quarter 2018 Report** EssilorLuxottica reported on October 22, 2018 the third-quarter revenue generated by Essilor. Insofar as the combination of Essilor and Luxottica was completed on October 1, 2018, their revenue and scopes of consolidation were independent of one another throughout the third quarter 2018. As a result, each company is separately reporting its respective 2018 third-quarter revenue generated within its own scope of consolidation as of September 30, 2018. Luxottica, the shares of which trade on the Milan stock exchange, also separately reported its third-quarter revenue on October 22, 2018. Its report can be found at: www.luxottica.com/en/investors **ESSILOR** **Like-for-like[1] revenue growth of 5.0% in Q3** **Strong results for the Company's main brands** • **Very good performance in Asia, from the online business and the Sunglasses & Readers division** • **Momentum remains strong in the United States** • **Trends improving in Europe and Latin America** • **Resumption of acquisitions** As of September 30, 2018, consolidated revenue at Essilor International (Compagnie Générale d'Optique) ("Essilor") stood at €5,537 million, up 4.8% at constant currency. **Essilor consolidated revenue for the first nine months of 2018**

€ millions	**9 months 2018**	**9 months 2017[4]**	**Change (reported)**	**Change (like-for-like[1])**	**Change in scope of consolidation**	**Currency effect**
Lenses & Optical Instruments	**4,808**	4,874	-1.4%	+3.9%	+0.5%	-5.8%
North America	***2,079***	*2,127*	*-2.2%*	*+3.9%*	+0.7%	*-6.8%*
Europe	***1,485***	*1,488*	*-0.2%*	*+1.1%*	*+0.1%*	*-1.4%*
Asia/Pacific/ Middle East /Africa	***902***	*891*	*+1.2%*	*+7.6%*	*+0.3%*	*-6.7%*
Latin America	***342***	*368*	*-7.0%*	*+5.7%*	*+1.6%*	*-14.3%*
Sunglasses & Readers	**581**	565	+2.8%	+9.0%	*+0.5%*	-6.7%
Equipment	**148**	154	-4.2%	+1.0%	+0.0%	-5.2%
TOTAL	**5,537**	**5,593**	**-1.0 %**	**+4.3%**	**+0.5%**	**-5.8%**

(4) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. 9 months 2017 revenue has been restated accordingly, with a negative impact of around €68m.

"Essilor's strategy, which supports its mission to improve sight across the globe, is continuing to bear fruit. We have gradually created a path to a more sustainable growth dynamic this year thanks to the breadth of our product innovation, our successful sunwear brands and online businesses and the resumption of our acquisition policy.

Strong momentum in the third quarter, carried over from the first half, increases our confidence in meeting our full-year targets. The third quarter results are also a powerful demonstration that Essilor is creating value while effectively combining its businesses with those of Luxottica," said Laurent Vacherot, Deputy Chief Executive Officer of Essilor International.

Nine-month revenue

The change in reported revenue reflected several underlying factors:

- Like-for-like[1] growth of 4.3%, which exceeded the full-year target ("around 4%") and showed sequential improvement in momentum;
- A 0.5% impact from changes in the scope of consolidation;
- A negative currency effect (-5.8%) due to euro appreciation against the Company's main invoicing currencies.

Third-quarter 2018 consolidated revenue: +5.6% at constant currency

€ millions	**Q3 2018**	**Q3 2017[4]**	**Change (reported)**	**Change (like-for-like[1])**	**Change in scope of consolidation**	**Currency effect**
Lenses & Optical Instruments	**1,597**	1,541	+3.6%	+4.5%	+0.5%	-1.4%
North America	***693***	*655*	*+5.8%*	*+3.9%*	+0,5%	*+1.6%*
Europe	***481***	*477*	*+0.7%*	*+1.4%*	*+0.0%*	*-0.7%*
Asia/Pacific/Middle East/Africa	***306***	*288*	*+6.4%*	*+9.8%*	*+0,4%*	*-3.8%*
Latin America	***117***	*121*	*-3.5%*	*+7.1%*	*+2.9%*	*-13.5%*
Sunglasses & Readers	**168**	148	+13.6 %	+11.4 %	*+1.7%*	+0.5%
Equipment	**46**	45	+2.3%	+1.2%	+0.0%	+1.1%
TOTAL	**1,811**	**1,734**	**+4.4%**	**+5.0%**	**+0.6%**	**-1.2%**

(4) The group has applied IFRS 15 related to revenue recognition since January 1st, 2018. Q3 2017 revenue has been restated accordingly, with a negative impact of around €18m.

Revenue rose by 4.4% on a reported basis in the third quarter of 2018, to €1,811 million.

- Like-for- like[1] growth reached 5%, reflecting:
  - ✓ Solid results at the Lenses & Optical Instruments division (sales up 4.5% like-for-like), driven by accelerations in fast-growing markets[5] and the online activities;
  - ✓ Double-digit growth at the Sunglasses & Readers division;
- The increase from scope of consolidation of 0.6% was comprised of new partnerships formed in 2018;
- The negative currency impact lessened to -1.2%.

Highlights by region and division

Lenses & Optical Instruments

Revenue increased by 3.9% in like-for-like[1] terms in **North America** during the third quarter. Dynamics remained largely consistent compared to the second quarter with the core US lens business growing faster than the overall region and with performance boosted by e-commerce, particularly online sales of prescription eyeglasses.

In the United States, the Company's strategy to drive innovation in the lens market and deliver on initiatives to support independent eyecare professionals and optical chains fueled robust growth. Transitions® Style Colors and Style Mirrors were launched in the US market and exceeded expectations, particularly with younger wearers. The launch

		also supported the continued rollout of the “Ultimate Lens Package” offering, a premium solution tailored to progressive and single-vision lens wearers. Activity remained buoyant with alliance group members, aided by the significant expansion in the number of independent eyecare professionals in the Essilor Experts program during the course of 2018. Essilor also forged a partnership with UnitedHealthcare Vision, one of the leading vision managed care organizations in the United States and part of UnitedHealthcare, the largest health insurer in the US. Under the terms of their agreement, eyecare professionals approved by the carrier will be able to work with a broad network of prescription laboratories, giving them as well as consumers more choice and access. Sales growth in **Europe** accelerated in the third quarter (+1.4% like-for-like[1]) relative to the first half. The deployment of additional sales resources boosted penetration of value-added products, notably Varilux® X series™ and Crizal® Sapphire™ lenses, as well as Transitions® photochromic lenses. During the International Optical Fair in Paris (SILMO), the Company won two “SILMO d’Or” awards (first prize), one for BBGR’s BLUV® Xpert lens and one for Vision-R™ 800, a new refraction instrument. Growth was robust in France, where all distribution networks posted gains both with independent eyecare professionals and the retail chains. Scandinavian countries delivered double-digit growth thanks to solid execution of a partnership with a regional key account. Russia and Eastern Europe, led by Poland, continued to benefit from an improving product mix. Online sales, notably of corrective lenses, also boosted growth in the region. Like-for-like[1] revenue growth of 9.8% in **Asia/Pacific/Middle East/Africa** reflected strong momentum in fast-growing markets[5], where sales rose by 13%. One of the best performances in the region came from China, where the domestic business was robust notably thanks to myopia control solutions, Varilux® and Transitions® lenses and blue light filtering lenses. Greater penetration of progressive, photochromic and antireflective lenses boosted growth in several other countries including South Korea, Southeast Asia and Turkey. Trends were again more mixed in India despite a sharp rise in online sales. In developed countries in the region, Japan had a strong quarter and Australia saw an uptick. Momentum improved further in **Latin America** (+7.1% like-for-like[1]) thanks to sales growth that was balanced between Brazil on the one hand and Spanish-speaking countries on the other. Varilux® and Transitions® lenses both achieved double-digit volume growth in the region. Gains in Brazil were driven by efficient promotional campaigns, notably to promote Varilux® progressive lenses, and by the promising launch of a new optometry line. The main driver for the rest of the region was a sharp sales rebound in Mexico to which all distribution networks contributed. <u>Sunglasses & Readers</u> Business trends have been positive this year at the **Sunglasses & Readers** division, with revenue rising by 11.4% like-for-like[1] in the third quarter and by 9.0% in the first nine months. Results in China were boosted by a return to robust and sustained growth at **Xiamen Yarui Optical** (Bolon™) and by the expansion of the **MJS** store network and product range in a very competitive market. In North America, sales to consumers remained buoyant both at **FGX International**, for sunglasses and readers, and at

Costa, which also benefited from new acetate sunglasses in its line-up and from its expansion in optical shops in addition to sporting goods stores.

Equipment

Revenue at the **Equipment** division increased by 1.2% like-for-like[1] in the third quarter. This was achieved despite the postponement of several machine shipments, notably in Asia and Latin America, and a demanding comparison base in Europe. In Latin America, smaller prescription laboratories continued to switch to digital surfacing technology. Sales of the latest generations of surfacing machines (the VFT-Orbit 2™ digital generator, the Multi-FLEX™ polisher and the ART blocking machine) remained buoyant across all regions.

Fighting poor vision across the world

Essilor continues to pursue its ambition of eradicating poor vision from the world by accelerating its actions with many milestones reached in the third quarter of 2018. The Company continued to roll out its "2.5 New Vision Generation™" inclusive business models in many countries. Examples include Kenya, where a first group of entrepreneurs are completing their training to become "Eye Rafiki" primary vision care providers, and China, where the launch of a partnership with an innovative digital platform provides vision care solutions to rural populations. "Our Children's Vision", a global campaign co-founded by Essilor's strategic giving fund Vision for Life™, conducted in cooperation with various partners from the public and private sectors, had reached 27 million children at end-September, putting it ahead of its 50 million target before 2020. In India, the Essilor Vision Foundation teamed up with the government of Karnataka to launch a program to eradicate poor vision among the 325,000 residents of the Doddaballapura Taluk district.

Acquisitions and partnerships

The Company pursued its strategy of making targeted acquisitions and forging local partnerships during the third quarter.

Within the Sunglasses & Readers division, FGX acquired **One Click Internet Ventures, LLC**. This US company based in Indianapolis sells non-prescription glasses online and owns the readers.com website. One Click generates revenue of around US$15 million a year.

Since the end of the third quarter, the Company has expanded its geographic coverage in the United States by partnering with **Expert Optics**, an optical laboratory based in Illinois that generates annual revenue of close to US$16 million.

Essilor has acquired majority stakes in six companies this year, representing combined full-year revenue of around €54 million.

Subsequent events

- Completion of combination between Essilor and Luxottica

Following the contribution by Delfin, the majority shareholder of Luxottica, of its 62.42% stake in Luxottica to Essilor on October 1, 2018, Essilor International (Compagnie Générale d'Optique) ("Essilor"), the parent company of Essilor International SAS, also became the parent company of Luxottica and was renamed EssilorLuxottica. As consideration for the contribution by Delfin of its stake in Luxottica to Essilor, Essilor issued 139,703,301 new ordinary shares through a capital increase with preferential

subscription rights pursuant to a resolution approved by Essilor shareholders in May 2017. The newly-issued shares began trading on Euronext Paris on October 2, 2018 under the ticker symbol EL, with the same ISIN code FR0000121667 as other existing shares.

On October 1, 2018, the Turkish Competition Authority (TCA) approved the combination between Essilor and Luxottica after the two companies made certain commitments regarding the conduct of their business in Turkey. Essilor and Luxottica notably agreed to dispose of a Turkish subsidiary active in the distribution of frames and sunglasses before the end of 2019.

On October 2, 2018, EssilorLuxottica was assigned long-term credit ratings of "A2" by Moody's (outlook positive) and "A" by Standard & Poor's (outlook stable).

- Public exchange offer for Luxottica shares

In accordance with Italian law and with a view to delisting Luxottica's shares from the Milan stock exchange, on October 11, 2018, EssilorLuxottica submitted to CONSOB (Italy's securities regulator) the document relative to its mandatory exchange offer to acquire all remaining issued and outstanding ordinary Luxottica shares with the exception of the ordinary shares already held by EssilorLuxottica and those held by Luxottica as treasury stock.

During the exchange offer, EssilorLuxottica will offer the remaining Luxottica shareholders tendering their shares in the exchange offer a stock-only consideration consisting of 0.4613 newly issued shares of EssilorLuxottica with par value of Euro 0.18, admitted to trading on Euronext Paris, per each Luxottica share tendered in the exchange offer. The Exchange Ratio is the same one as the one applied in the contribution by Delfin to EssilorLuxottica of Delfin's entire stake in Luxottica that closed on October 1, 2018.

Concurrently with the exchange offer in Italy, EssilorLuxottica will launch in the United States an exchange offer for Luxottica shares in the form of a private placement addressed solely to certain "qualified institutional buyers", or "QIBs", as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), in reliance on the exemption from registration provided for private placements by Section 4(a)(2) under the U.S. Securities Act. Such private placement will contemplate the same terms and conditions as the exchange offer in Italy and will have the same tender period and payment date as the exchange offer in Italy.

This exchange offer will allow Luxottica shareholders to exchange their outstanding shares for new EssilorLuxottica shares.

Outlook

Since October 1, the scope of consolidation of Essilor International (Compagnie Générale d'Optique) ("Essilor"), which was renamed EssilorLuxottica on that same date, has included the businesses that made up Luxottica's scope of consolidation. Consequently, the full-year guidance issued by Essilor at the start of 2018 cannot be transposed to EssilorLuxottica.

However, the targets set for the businesses included in the Essilor scope of consolidation as of September 30, 2018, calling for like-for-like[1] revenue growth of close to 4% and contribution from operations[2] greater than or equal to 18.3%[3], are still applicable.

Notes

1. **Like-for-like growth**: Growth at constant scope and exchange rates. See definition provided in Note 2.4 to the consolidated financial statements in the Essilor 2017 Registration Document.
2. **Contribution from operations**: Revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses).
3. Excluding any new strategic acquisitions.
4. The group has applied **IFRS 15** related to revenue recognition since January 1st, 2018. The 2017 revenue have been restated accordingly.
5. **Fast-growing countries** include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America.

Appendix: Essilor Consolidated Revenue by Quarter

€ millions	**2018**	**2017***
First Quarter		
Lenses & Optical Instruments	**1,592**	1,688
North America	***692***	*761*
Europe	***491***	*495*
Asia/Pacific/Middle East/Africa	***297***	*306*
Latin America	***112***	*126*
Sunglasses & Readers	**190**	199
Equipment	**43**	50
TOTAL First Quarter	**1,825**	**1,937**
Second Quarter		
Lenses & Optical Instruments	**1,619**	1,645
North America	***694***	*711*
Europe	***513***	*516*
Asia/Pacific/Middle East/Africa	***299***	*297*
Latin America	***113***	*121*
Sunglasses & Readers	**223**	218
Equipment	**59**	59
TOTAL Second Quarter	**1,901**	**1,922**
Third Quarter		
Lenses & Optical Instruments	**1,597**	1,541
North America	***693***	*655*

		Europe	***481***	*477*
		Asia/Pacific/Middle East/Africa	***306***	*288*
		Latin America	***117***	*121*
		Sunglasses & Readers	**168**	148
		Equipment	**46**	45
		TOTAL Third Quarter	**1,811**	**1,734**
		Fourth Quarter		
		Lenses & Optical Instruments		1,536
		North America		*661*
		Europe		*479*
		Asia/Pacific/Middle East/Africa		*280*
		Latin America		*116*
		Sunglasses & Readers		202
		Equipment		71
		TOTAL Fourth Quarter		**1,809**

** The group has applied IFRS 15 related to revenue recognition from January 1st, 2018. 2017 revenue on a quarterly basis has been restated accordingly.*

2018 Q3 Sales of Luxottica

Third quarter net sales grow by 3.5%[2], driven by retail and e-commerce

- **Luxottica Group's net sales in the third quarter were Euro 2,215 million: +3.5% at constant exchange rates[2] and +2.9% at current exchange rates**
  - **Wholesale division's net sales were Euro 732 million: +0.9% at constant exchange rates[2] and**

    -1.0% at current exchange rates
  - **Retail division's net sales were Euro 1,483 million: +4.8% at constant exchange rates[2] and +4.9% at current exchange rates**
- **Luxottica Group's net sales in the first nine months of the year were Euro 6,767 million: +1.3% at constant exchange rates[2] and -4.5% at current exchange rates**
  - **Wholesale division's net sales were Euro 2,463 million: -2.4% at constant exchange rates[2] and -7.2% at current exchange rates**
  - **Retail division's net sales were Euro 4,305 million: +3.5% at constant exchange rates[2] and -2.9% at current exchange rates**
- **Outlook confirmed for 2018**

Milan (Italy), October 22, 2018 – The Board of Directors of Luxottica Group S.p.A. (MTA: LUX), a leader in the design, manufacture, distribution and sale of fashion, luxury and sports eyewear, met today to review the consolidated net sales for the third quarter and the nine months ended September 30, 2018, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Net sales in the third quarter of 2018[1]

(Millions of Euro)	3Q 2017 restated[4]	3Q 2018	Change at constant exchange rates[2]	Change at current exchange rates
Group net sales	**2,153**	**2,215**	**+3.5%**	**+2.9%**
Wholesale division	739	732	+0.9%	-1.0%
Retail division	1,414	1,483	+4.8%	+4.9%

Net sales of the first nine month of 2018[1]

(Millions of Euro)	9M 2017 restated[4]	9M 2018	Change at constant exchange rates[2]	Change at current exchange rates
Group net sales	**7,085**	**6,767**	**+1.3%**	**-4.5%**
Wholesale division	2,654	2,463	-2.4%	-7.2%
Retail division	4,431	4,305	+3.5%	-2.9%

Luxottica's net sales in the third quarter of 2018 were up 3.5% at constant exchange rates[2], thanks to the strong performance of the Retail division and e-commerce platforms as well as solid growth in Europe, North America and Asia-Pacific. The positive results were driven by a combined increase in the average unit price and volumes, and by an acceleration of sales of key brands.

The performance improvement in both divisions allowed the Group to close the first nine months of the year with sales up 1.3% at constant exchange rates[2], growing profitability and strong free cash flow generation.

The wholesale net sales in the third quarter were up 0.9% at constant exchange rates[2] (-1.0% at current exchange rates) led by the positive performance in North America and the strong improvement in Europe. During the summer, Europe recovered after a delayed start of the sun season.

The retail sales accelerated compared to the first six months of the year with comparable store sales[3] up 2.8% and net sales up 4.8% at constant exchange rates[2] (+4.9% at current exchange rates). This confirms the effectiveness of strategic initiatives aimed at improving the operating model and the ability of the Group's retail brands to execute them. Europe and North America drove Sunglass Hut sales, up 8% at constant exchange rates[2]. Positive sales were also driven by LensCrafters in North America, OPSM in Australia and Ray-Ban stores all over the world.

In the third quarter, sales from the Group's e-commerce platforms were up by 16% at constant exchange rates[2]. Ray-Ban.com confirmed it is the main driver of the Group's online business, benefiting from the exclusive launch of special collections and the brand-new campaign for Ray-Ban Studios, which strengthens the link between the brand, music and millennials. SunglassHut.com and Oakley.com contributed to the excellent performance of the online business as well.

"We're very pleased with the growing results posted in key countries and across all channels in this quarter. We are keeping a good balance between growth and profitability as further proof of the fact that global strategies and quality of execution are delivering the results we expected. A special thanks goes to all the over 80,000 employees of Luxottica who, in this complex journey towards the creation of EssilorLuxottica, have always shown me full confidence, maintaining their passion and the attachment to our Group" stated Leonardo Del Vecchio, Executive Chairman of Luxottica.

"The strategic renewal that the Group undertook over the last three years strengthened the vertically integrated business model and favored organizational simplification, increasing decision-making speed and execution precision. The excellent results are a solid basis for carrying out the integration with Essilor."

"In light of the positive trend in the retail and e-commerce businesses and the return to growth of the Wholesale division, we confirm the outlook for 2018, with expected sales growth around 2%[2] and solid profitability."

Luxottica and Essilor on October 1, 2018 announced the creation of EssilorLuxottica, a global leader in the design, manufacture and distribution of ophthalmic lenses, prescription frames and sunglasses.

Geographic segments: net sales[1]

Net sales (millions of Euro)	**3Q 2017 restated[4]**	**%**	**3Q 2018**	**%**	**Change at constant exchange rates[2]**	**Change at current exchange rates**
North America	1,236	57%	1,301	59%	+3.7%	+5.2%
Wholesale division	206	10%	220	10%	+3.9%	+6.5%
Retail division	1,030	47%	1,081	49%	+3.6%	+5.0%
Europe	457	21%	468	21%	+4.0%	+2.3%
Asia-Pacific	273	13%	280	12%	+5.3%	+2.5%
Latin America	148	7%	130	6%	-1.2%	-12.3%
Rest of the World	38	2%	36	2%	-4.9%	-5.4%

Group total	**2,153**	**100 %**	**2,215**	**100 %**	**+3.5%**		**+2.9%**

Net sales (millions of Euro)	**9M 2017 restated[4]**	**%**	**9M 2018**	**%**	**Change at constant exchange rates[2]**	**Change at current exchange rates**
North America	4,045	57%	3,866	57 %	+2.4%	-4.4%
Wholesale division	741	10%	714	10 %	+3.2%	-3.5%
Retail division	3,305	47%	3,152	47 %	+2.2%	-4.6%
Europe	1,602	23%	1,546	23 %	-1.9%	-3.5%
Asia-Pacific	870	12%	853	12 %	+4.0%	-2.0%
Latin America	436	6%	389	6%	+1.2%	-10.8%
Rest of the World	131	2%	113	2%	-10.6%	-14.2%
Group total	**7,085**	**100%**	**6,767**	**100%**	**+1.3%**	**-4.5%**

North America - In the third quarter, the Group's revenues in North America were up 3.7% at constant exchange rates[2], thanks to the solid growth recorded by both divisions.

Wholesale sales increased by 3.9% at constant exchange rates[2] with the positive contribution of all sales channels and, in particular, of key accounts, independent eyecare professionals and the sport channel.

The Retail division's excellent results, with sales up 3.6% at constant exchange rates[2], are driven by all retail brands, with the exception of Sears Optical. Sunglass Hut continues to be the top destination for consumers for premium eyewear, also thanks to an increasingly omnichannel offering. LensCrafters is continuing the process of transforming its business model, with very satisfying results: revenues grew by 2.7% at constant exchange rates[2] and the comparable stores sales[3] returned positive to +2.3%.

Europe - In the third quarter, the Group's net sales in Europe grew by 4% at constant exchange rates[2], driven by the excellent performance recorded in France, the United Kingdom, Turkey and Eastern Europe and the double-digit growth of the retail business. The Wholesale division showed a recovery compared to the first part of the year, when commercial policies realignment and the delay of the sun season led to a temporary

slowdown in sales in the region. Improvements were also registered in Mediterranean Europe.

Asia-Pacific - In the third quarter, the Group's net sales in the Asia-Pacific region showed an increase in sales at constant exchange rates[2] of 5.3%. Every market in the region contributed to growth, with the exception of Taiwan, which was temporarily affected by the upcoming opening of a commercial subsidiary.

Performance in Australia confirmed the strength of OPSM and Sunglass Hut. At the same time Japan, Korea and Southeast Asia, strategic markets for the Group, recorded an acceleration of growth.

Latin America - After years of solid growth, the Group's net sales in Latin America reported a slight decline of -1.2% at constant exchange rates[2], with the contraction of the wholesale business in Brazil, because of political and macro challenging environment. On the other hand, Mexico and the retail chains in Brazil and the rest of the region continued to register positive performances.

Notes

1 Comparisons, including percentage changes, are between the three and nine-month periods ended September 30, 2018 and 2017.

2 Figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the previous year. For further information, please refer to the attached tables.

3 "Comps" or "comparable store sales" reflect the change in sales from one period to another that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area. Comparable store sales do not include e-commerce sales.

4 See the first table in the accompanying Appendix.

- APPENDIX FOLLOWS –

2017 figures restatement

KEY FIGURES IN THOUSANDS OF EURO 1Q 2017 2Q 2017 1H 2017 3Q 2017 4Q 2017

Net sales (Millions of Euro)	1Q 2017	2Q 2017	3Q 2017	9M 2017	4Q 2017	FY 2017
Net Sales	**2,391**	**2,540**	**2,153**	**7,085**	**2,099**	**9,184**
Wholesale division	934	981	739	2,654	717	3,371
Retail division	1,458	1,559	1,414	4,431	1,382	5,813

Note – 2017 net sales have been restated to reflect the application from 1Q 2018 of the new accounting standard IFRS 15 and the inclusion of net sales of the Group's e-commerce platforms in the Retail division net sales.

Major currencies

Average exchange rates per €1	3Q 2017	9M 2017	3Q 2018	9M 2018
USD	1.1746	1.1140	1.1629	1.1942
AUD	1.4880	1.4539	1.5904	1.5761
GBP	0.8978	0.8732	0.8924	0.8841
CNY	7.8340	7.5766	7.9151	7.7789
JPY	130.349	124.681	129.606	130.925
BRL	3.7150	3.5352	4.5974	4.2966

"

	Section E – Offer	
E.3	**Terms and Conditions of the New Shares**	It is specified that the below dates relating to the Exchange Offer presented in the indicative timetable included in the Securities Note have been postponed by one day as follows:

November 28, 2018	Closing of the Exchange Offer period
December 6, 2018	Beginning of the re-opening of the Exchange Offer period, if applicable
December 12, 2018	End of the re-opening of the Exchange Offer period, if applicable

"

On 8 November 2018, EssilorLuxottica has published the following press release:

"Conditions for obtaining or consulting the documents prepared for the Ordinary and Extraordinary General Meeting of November 29, 2018

Charenton-le-Pont, France (November 8, 2018 - 6:00 pm) - Shareholders are advised that an Ordinary and Extraordinary General Meeting will be held on Thursday, November 29, 2018 at 10:30 a.m. CET at the Espace Grande Arche – Parvis de la Défense – 92044 Paris-La Défense – France.

The preliminary notice of meeting, published in the *Bulletin des Annonces Légales Obligatoires* (BALO-French bulletin of legal notices) on October 22, 2018, contains information on the agenda, the proposed resolutions and the procedures for attending and voting.

The documents and information relating to the General Meeting are available on the Company's website at www.essilor-luxottica.com: "Investors / Annual Shareholders' Meetings" section.

As provided for in Articles R.225-88 and R.225-89 of the French Commercial Code, any shareholder may consult the proxy documents and information, as described in Article R.225-83 of the French Commercial Code, at the Company's registered office (147 rue de Paris – 94220 Charenton-le-Pont – France) or request that such documents be sent to him or her, by writing to:

Société Générale – Service des Assemblées – CS 30812 – 44308 Nantes Cedex 03 – France."

On 28 November 2018, EssilorLuxottica has published the following press release:

"PROVISIONAL RESULTS OF THE MANDATORY EXCHANGE OFFER LAUNCHED BY ESSILORLUXOTTICA ON THE SHARES OF LUXOTTICA GROUP S.P.A.

ESSILORLUXOTTICA HAS REACHED 93.3% OF THE SHARE CAPITAL OF LUXOTTICA

(INCLUDING THE TREASURY SHARES)

Charenton-le-Pont (France), 28 November 2018 – With reference to the mandatory exchange offer (the "**Offer**") launched by EssilorLuxottica (the "**Offeror**") for the outstanding ordinary shares of Luxottica Group S.p.A. ("**Luxottica**" or the "**Issuer**") pursuant to Artt. 102 and 106, paragraph 1-*bis* and 2-*bis*, of Legislative Decree no. 58 of 24 February 1998, as subsequently amended (the "**TUF**"), as contemplated in the offer document approved by CONSOB with Resolution No. 20648 on 25 October 2018 and published on 27 October 2018 (the "**Offer Document**"), the Offeror announces that the tender period of the Offer (the "**Tender Period**") has ended on the date hereof.

Capitalized terms used in this notice, unless otherwise defined, have the same meaning attributed to them in the Offer Document, a copy of which is available on the Offeror's website (www.essilor-luxottica.com) and on the Issuer's website (www.luxottica.com).

Based on the provisional results communicated by UniCredit Bank AG, Milan Branch, in its capacity as Intermediary Responsible for Coordinating the Collection of Tenders, 143,804,492 ordinary shares of Luxottica were tendered in the Offer (and through the U.S. Private Placement) during the Tender Period. Such tendered shares represent (i) 29.64% of the issued share capital of the Issuer as of the date of this notice (which, according to the information published by Luxottica as of the date hereof, amounts to EUR 29,111,701.98 and consists of 485,195,033 ordinary shares, including 17,000 new ordinary shares of Luxottica issued following the exercise of all of the 17,000 Stock Options) (the "**Updated Share Capital**") and (ii) 81.58% of the Luxottica shares subject to the Offer (including the abovementioned 17,000 new shares issued following the exercise of all of the Stock Options).

The definitive results of the tenders in the Offer (and the U.S. Private Placement) made during the Tender Period will be disclosed by means of a notice pursuant to art. 41, paragraph 6, of the Regulation adopted by CONSOB by means of resolution No. 11971 of 14 May 1999, as subsequently amended (the "**Issuers' Regulation**"), which shall be disseminated by the Offeror by 4 December 2018.

The Consideration due to the holders of the ordinary shares of Luxottica tendered in the Offer, equal to 0.4613 newly-issued ordinary shares of EssilorLuxottica (admitted to trading on Euronext Paris) per each ordinary share of Luxottica tendered in the Offer, will be paid to the tendering shareholders on 5 December 2018 (the "**Payment Date**"), *i.e.* on the fifth trading day following the end of the Tender Period, against the transfer of ownership of such Luxottica shares to the Offeror.

During the Tender Period, the Offeror did not acquire any shares of Luxottica outside the Offer (including the U.S. Private Placement).

Taking into account (a) the 143,804,492 ordinary shares of Luxottica tendered in the Offer (and through the U.S. Private Placement) based on the abovementioned provisional results (if confirmed) and (b) the 302,846,957 ordinary shares of Luxottica already held by the Offeror prior to the beginning of the Tender Period, following the conclusion of the Tender Period, the Offeror will directly hold 446,651,449 ordinary shares of Luxottica, equal to 92.06% of the Updated Share Capital. Combined with the 6,071,922 Treasury Shares

held by Luxottica as of the date hereof, the aggregate stake in the share capital of Luxottica held by the Offeror directly and, as for the Treasury Shares, indirectly following the conclusion of the Tender Period will consist of 452,723,371 shares, representing 93.31% of the Updated Share Capital.

In light of the foregoing, since, on the basis of the provisional results of the Offer (if confirmed), at the end of the Offer the aggregate stake in the share capital of Luxottica held by the Offeror directly and indirectly (as for the Treasury Shares, which - for the purposes of the calculation of the Art. 108, Par. 2, Stake - must be added to the Offeror's stake (numerator) without being deducted from the Issuer's share capital (denominator)) will be higher than 90% but lower than 95% and the Offeror has stated in the Offer Document that it does not intend to restore a float sufficient to ensure regular trading of the Luxottica shares:

i. consistent with the indications set forth in Risk Factor A.1.4 and Section F, Paragraph F.1.1, of the Offer Document, pursuant to Art. 40-*bis*, paragraph 3, lett. b), of the Issuers' Regulation, the Re-opening of the Tender Period shall not occur; and

ii. the requirements for the Obligation to Purchase pursuant to Art. 108, paragraph 2, of the TUF will be fulfilled and the Offeror will therefore be bound to acquire from any holder thereof so requesting, in the context of the relevant procedure, the 32,471,662 outstanding Luxottica shares not held by the Offeror (representing 6.69% of the Updated Share Capital).

The notice that will be disseminated by the Offeror by 4 December 2018 pursuant to art. 41, paragraph 6, of the Issuers' Regulation to communicate the definitive results of the Offer will also indicate the terms and timing of the procedure through which the Offeror will comply with the Obligation to Purchase pursuant to Art. 108, paragraph 2, of the TUF and the timing of the subsequent Delisting of the Luxottica shares from the MTA, or will refer to a subsequent press release that will provide such indications (including the Euro amount of the Cash Consideration to be offered by the Offeror to the remaining shareholders of Luxottica in the context of the procedure, as an alternative to the Consideration, in accordance with the relevant provisions of the TUF and the Issuers' Regulation)."

* * *

On 29 November 2018, EssilorLuxottica has published the following press release:

"EssilorLuxottica 2018 Combined Shareholders' Meeting

Charenton-Le-Pont (November 29, 2018 – 8:00 pm) - EssilorLuxottica held its first Combined General Meeting today at the Espace Grande Arche at La Défense, chaired by Leonardo Del Vecchio, Executive Chairman, and Hubert Sagnières, Executive Vice-Chairman, of EssilorLuxottica.

EssilorLuxottica shareholders approved today the proposals submitted by the board (and published in compliance with the provisions of law) regarding the ten resolutions listed below:

Ordinary meeting

1. Approval of the compensation policy applicable to the Executive Corporate Officers
2. Increase of the Directors' fees
3. Ratification of the co-optation of Ms. Sabrina Pucci as Director in replacement of Ms. Rafaella Mazzoli
4. Board authorisation to proceed with the purchase of the Company's own ordinary shares

Extraordinary meeting

5. Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling Company shares
6. Delegation of authority granted to the Board of Directors for the purposes of deciding a capital increase reserved for members of a Company Savings Plan (French plans d'épargne d'entreprise or "PEE"), without preferential subscription rights (ceiling of 0.5% of the share capital)
7. Authorisation to be granted to the Board of Directors to proceed with the award of free existing shares (also called performance shares)
8. Authorisation to be granted to the Board of Directors to grant stock-options giving right to purchase existing shares subject to performance conditions
9. Authorisation to be granted to the Board of Directors to proceed with the award of free existing shares to certain Luxottica group employees, replacing cash retention bonuses previously promised to them by Luxottica
10. Powers to carry out formalities

Leonardo Del Vecchio, Executive Chairman of EssilorLuxottica quote: "*I was honored today to open the first Shareholders' Meeting of EssilorLuxottica. I face my role with a great sense of responsibility and a desire to be able to be a point of reference for all the shareholders of our new Group, while generating growth, achieving synergies and creating value for them. From today we expect the important process of integration to have an emphasis on extreme simplicity and speed of execution, focusing the two operating companies in their respective areas of excellence: Luxottica in frames and Essilor in lenses.*"

Hubert Sagnières, Executive Vice-Chairman of EssilorLuxottica, commented, "*With its first shareholder meeting held today, we continue to lay the foundations of EssilorLuxottica. I am delighted that the Group has taken a decisive step forward to further develop employee shareholding within the Group with the support of its shareholders. The involvement of employees has always been key to Essilor's development and I am proud to see that our shareholders recognize the importance of this as a core feature of the new entity. Going forward, the Group is in a unique position to advance its mission and to fully seize growth opportunities in a very dynamic market.*"

On 3 December 2018, EssilorLuxottica has published the following press release:

"*Notice pursuant to Articles 41, Paragraph 6, and 50*-quinquies*, paragraph 2, of the Regulation adopted by CONSOB by means of resolution No. 11971 of 14 May 1999, as subsequently amended (the "**Issuers' Regulation**").*

DEFINITIVE RESULTS OF THE MANDATORY EXCHANGE OFFER LAUNCHED BY ESSILORLUXOTTICA ON THE SHARES OF LUXOTTICA GROUP S.P.A.

ESSILORLUXOTTICA HAS REACHED 93.3% OF THE SHARE CAPITAL OF LUXOTTICA

PROCEDURE TO COMPLY WITH THE OBLIGATION TO PURCHASE UNDER ART. 108, PAR. 2, OF THE TUF

Charenton-le-Pont (France), 3 December 2018 – With reference to the mandatory exchange offer (the "**Offer**") launched by EssilorLuxottica (the "**Offeror**") for the outstanding ordinary shares of Luxottica Group S.p.A. ("**Luxottica**" or the "**Issuer**") pursuant to Artt. 102 and 106, paragraph 1-*bis* and 2-*bis*, of Legislative Decree No. 58 of 24 February 1998, as subsequently amended (the "**TUF**"), as contemplated in the offer document approved by CONSOB with Resolution No. 20648 on 25 October 2018 and published on 27 October 2018 (the "**Offer Document**"), whose tender period began on 29 October 2018 and ended on 28 November 2018 (the "**Tender Period**"), further to the press release announcing the provisional results of the Offer (and the U.S. Private Placement) issued on 28 November 2018, the Offeror makes the following announcements.

Capitalized terms used in this notice, unless otherwise defined, have the same meaning attributed to them in the Offer Document, a copy of which is available on the Offeror's website (www.essilor-luxottica.com) and on the Issuer's website (www.luxottica.com).

The Offer was launched on 11 October 2018 for up to 176,259,154 ordinary shares of Luxottica, each with a par value of EUR 0.06, plus up to 17,000 new ordinary shares of Luxottica possibly issued by Luxottica before the end of the Tender Period in case of timely exercise of all of the Stock Options. The Luxottica shares subject to the Offer represented 36.33% of the share capital of the Issuer in case of issuance of such new ordinary shares following the timely exercise of all of the Stock Options.

Based on the information published by the Issuer as of the date of this notice, as a result of the issuance by Luxottica of 17,000 new ordinary shares following the exercise of all of 17,000 Stock Options, the issued share capital of the Issuer currently amounts to EUR 29,111,701.98 and consists of 485,195,033 ordinary shares (the "**Updated Share Capital**").

A. Definitive results of the Offer

Based on the definitive results communicated by UniCredit Bank AG, Milan Branch, in its capacity as Intermediary Responsible for Coordinating the Collection of Tenders, 143,788,312 ordinary shares of Luxottica were tendered in the Offer (and through the U.S. Private Placement) during the Tender Period. Such tendered shares represent 29.64% of the Updated Share Capital and 81.57% of the Luxottica ordinary shares subject to the Offer (including, for the avoidance of doubt, the abovementioned 17,000 shares issued following the exercise of all of the Stock Options).

These definitive data reflect a downward correction of 16,180 shares tendered in the Offer compared to the provisional results announced on 28 November 2018.

During the Tender Period, the Offeror did not acquire any shares of Luxottica outside the Offer (including the U.S. Private Placement).

Taking into account (a) the 143,788,312 ordinary shares of Luxottica tendered in the Offer (and through the U.S. Private Placement) and (b) the 302,846,957 ordinary shares of Luxottica already held by the Offeror prior

to the beginning of the Tender Period, following the end of the Tender Period, the Offeror will directly hold 446,635,269 ordinary shares of Luxottica, equal to 92.05% of the Updated Share Capital. Combined with the 6,071,922 Treasury Shares held by Luxottica as of the date hereof (which - for the purposes of the calculation of the Art. 108, Par. 2, Stake and the Art. 108, Par. 1, Stake - must be added to the Offeror's stake (numerator) without being deducted from the Issuer's share capital (denominator)), the aggregate stake in the share capital of Luxottica held by the Offeror directly and, as for the Treasury Shares, indirectly following the end of the Tender Period will consist of 452,707,191 shares, representing 93.30% of the Updated Share Capital.

B. Payment of the Consideration for the Offer

The Consideration due to the holders of the ordinary shares of Luxottica tendered in the Offer (and through the U.S. Private Placement) during the Tender Period consists of 0.4613 newly-issued ordinary shares of EssilorLuxottica with par value EUR 0.18 each (the "**EssilorLuxottica Shares**") admitted to trading on Euronext Paris per each Luxottica share tendered in the Offer (and through the U.S. Private Placement).

In order to provide the Consideration to the Luxottica shareholders that tendered in the Offer (and through the U.S. Private Placement), the Offeror will issue 66,329,548 EssilorLuxottica Shares, representing 15.55% of the statutory issued share capital of the Offeror as of the Payment Date (as defined below) following such issuance, which statutory share capital will consist of 426,414,281 ordinary shares.

The Consideration will be paid to the tendering shareholders on 5 December 2018 (the "**Payment Date**"), *i.e.* on the fifth trading day following the end of the Tender Period, against the transfer of ownership of the tendered Luxottica shares to the Offeror, in accordance with the procedures described in Section F, Paragraph F.6, of the Offer Document (including with respect to the treatment of any Fractional Component).

C. Obligation to Purchase under Art. 108, Par. 2, of the TUF

As disclosed to the market on 28 November 2018, since, at the end of the Tender Period, the stake held directly or indirectly by the Offeror in Luxottica's share capital (including the Luxottica shares tendered in the Offer – and through the U.S. Private Placement – and the Treasury Shares) is higher than 90% but lower than 95%, the Offeror announces that:

(i) pursuant to Article 40-bis, paragraph 3, letter b), of the Issuers' Regulation, the Re-opening of the Tender Period will not take place; and

(ii) the legal requirements for the Obligation to Purchase under Art. 108, Par. 2, of the TUF have been met, the Offeror having stated in the Offer Document its intention not take any action aimed at restoring the minimum float to ensure regular trading of the Luxottica ordinary shares.

Therefore, pursuant to article 108, Paragraph 2, of the TUF, the Offeror will be required to purchase from any shareholder of the Issuer so requesting the remaining outstanding ordinary shares of Luxottica that are not already held by the Offeror (the "**Obligation to Purchase under Art. 108, Par. 2, of the TUF**"), which amount in aggregate to 32,487,842 shares (the "**Remaining Shares**"), equal to 6.70% of the Updated Share Capital.

The terms and timing of the procedure through which the Offeror will comply with the Obligation to Purchase under to Art. 108, paragraph 2 (the "**Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF**") are described below.

Concurrently with the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror will launch in the United States a new private placement addressed solely to "qualified institutional buyers", or "QIBs" (as defined in Rule 144A under the U.S. Securities Act) who hold Remaining Shares, under the same terms and conditions as the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF (including the same Period for the Submission of the Requests for Sale and the same Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, both as defined below), in reliance on the exemption from registration provided for private placements by Section 4(a)(2) under the U.S. Securities Act (the "**Obligation to Purchase U.S. Private Placement**").

i. Consideration for the Obligation to Purchase under Article 108, Paragraph 2, of the TUF

In the context of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror will pay to any shareholder of the Issuer who requests the Offeror to purchase his/her/its Luxottica shares pursuant to Article 108, Paragraph 2, of the TUF the following consideration for each Luxottica share, set in accordance with Art. 108, Pars. 3 and 5, of the TUF (the "**Consideration for the Obligation to Purchase under Article 108, Paragraph 2, of the TUF**"):

a. consideration equal to the Consideration in the Offer, *i.e.* 0.4613 EssilorLuxottica Shares for each Luxottica share (the "**Stock Consideration**"); or, alternatively

b. only to those shareholders so requesting in the Request for Sale (as defined below), with respect to all of the Remaining Shares that are the subject matter of the request, a cash consideration per Luxottica share whose amount, determined pursuant to Art. 50-*ter* Par. 1, letter a), of the Issuers' Regulation, will be equal to the weighted average of the closing prices of the Offeror's shares recorded on Euronext Paris during the five trading days prior to the Payment Date (*i.e.* on 28, 29 and 30 November and 3 and 4 December 2018) multiplied by the Exchange Ratio, *i.e.* 0.4613 (the "**Cash Consideration**").

The exact amount of the Cash Consideration will be announced by the Offeror through a notice that is expected to be published on 5 December 2018 (and in any event prior to the beginning of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF).

ii. Period for the Submission of the Requests for Sale

The period during which the Offeror will comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF (the "**Period for the Submission of the Requests for Sale**") will be agreed with Borsa Italiana and will be announced by the Offeror through the notice referred to in the above paragraph, which is expected to be published on 5 December 2018 (and in any event prior to the beginning of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF).

iii. Procedure for the submission of the Requests for Sale and the deposit of the Remaining Shares

The holders of Remaining Shares who intend to request EssilorLuxottica to purchase such shares in the context of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF (the "**Requesting Shareholders**") shall submit a request for sale by executing and delivering to a Responsible Intermediary, prior to the end of the Period for the Submission of the Requests for Sale, the specific form (which can be found at the offices of the Intermediary Responsible for Coordinating the Collection of Tenders and the Responsible Intermediaries and at the Issuer's registered offices) duly completed in all of its parts (the "**Request for Sale**") and simultaneously depositing the Remaining Shares with such Responsible Intermediary. The Responsible Intermediaries that will collect the Requests for Sale are the same Responsible Intermediaries that have collected the tenders in the Offer (as indicated in Paragraph B.3 of the Offer Document), *i.e.* UniCredit Bank AG (Milan Branch), BNP Paribas Securities Services (Milan Branch), EQUITA S.I.M. S.p.A., Banca Monte dei Paschi di Siena S.p.A., Banca IMI S.p.A. – Gruppo Intesa Sanpaolo and Intermonte SIM S.p.A. The holders of Remaining Shares can also deliver the Requests for Sale to, and deposit the Remaining Shares indicated therein with, any of the depositary intermediaries authorized to provide financial services that are members of the centralized clearing system at Monte Titoli (the "**Depositary Intermediaries**"), provided that the delivery and deposit are made in time for the Depositary Intermediaries to deposit the Remaining Shares with a Responsible Intermediary no later than the last day of the Period for the Submission of the Requests for Sale.

Only those Remaining Shares that are duly registered (in dematerialized form) and available in a securities account of the Requesting Shareholder opened at a Depositary Intermediary may be sold to the Offeror in the context of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF.

Moreover, such shares shall be free of encumbrances of any kind and nature, whether *in rem*, obligatory or personal, as well as freely transferable to the Offeror. Finally, the Remaining Shares obtained through transactions performed on the market may be the subject matter of a Request for Sale only after settlement of such transactions in the context of the clearing system.

Since the Luxottica shares are held in a dematerialized form, the execution and delivery of the Request for Sale will constitute an irrevocable mandate and instruction given by each holder of Remaining Shares to the Responsible Intermediary, or to the relevant Depositary Intermediary at whose securities account the shares are deposited, to perform all the necessary formalities for the transfer of the Remaining Shares to the Offeror, including through temporary accounts at such intermediaries, if applicable.

For the entire period that the Remaining Shares indicated in a Request for Sale are bound to the Obligation to Purchase pursuant to Art. 108, Par. 2, of the TUF and, thus, until the Payment Date of the Consideration for the Obligation to Purchase pursuant to Article 108, Paragraph 2, of the TUF, the Requesting Shareholders may still exercise the ownership rights (*e.g.*, option rights) and administrative rights (such as the right to vote) pertaining to the Remaining Shares, which shall remain the property of such Requesting Shareholders. However, during the same period, the Requesting Shareholders may not transfer or dispose of the Remaining Shares.

The Requests for Sale submitted by the holders of Remaining Shares (or by their duly empowered representatives) during the Period for the Submission of the Requests for Sale may not be withdrawn, except for withdrawal under Art. 16 of the Prospectus Directive in case of publication of a supplement to the Prospectus (for further information, see Section F.8 of the Offer Document, which will apply *mutatis mutandis*).

iv. Date and procedure for the payment of the Consideration for the Obligation to Purchase under Art. 108, Par. 2 of the TUF – Handling of the Fractional Components

The transfer to the Offeror of title to the Remaining Shares subject to the Requests for Sale and the payment to the Requesting Shareholders of the Consideration for the Obligation to Purchase under Article 108, Paragraph 2, of the TUF will be made on the fifth Trading Day following the end of the Period for the Submission of the Requests for Sale (the "**Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF**").

In particular, on the Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF:

i. the Stock Consideration will be paid through the transfer of the EssilorLuxottica Shares due in the securities accounts at the Responsible Intermediaries or the Depositary Intermediaries owned by the Requesting Shareholders; or

ii. the Cash Consideration, if any, will be paid through the transfer of the relevant amount to the Responsible Intermediaries, which shall transfer the funds to the Depositary Intermediaries, which in turn shall credit such funds to the Requesting Shareholders in accordance with the instructions issued by the Requesting Shareholders (or their representatives) in the Request for Sale,

all in compliance with the procedures set forth in the Request for Sale.

No interest will be paid by the Offeror or any other person on the Cash Consideration.

If the Requesting Shareholder (who did not request the Cash Consideration in his/her/its Request for Sale) is entitled to a Stock Consideration composed of a non-integral number of EssilorLuxottica Shares, the Depositary Intermediary or the Responsible Intermediary to which such Requesting Shareholder submitted his/her/its Request for Sale will indicate on the Request for Sale the fractional component of such non-integral number (any such fractional component, a "**Fractional Component**"). Each Responsible Intermediary, also on behalf of the Depositary Intermediaries that have delivered Requests for Sale (that do not provide for a request of Cash Consideration) to it, will inform the Intermediary Responsible for the Collection of Tenders of

the number of EssilorLuxottica Shares resulting from the aggregation of all the Fractional Components delivered to such Responsible Intermediary.

The Intermediary Responsible for Coordinating the Collection of Tenders, *i.e.* Unicredit Bank AG, Milan Branch, on behalf and in the name of the Requesting Shareholders and based on the communication received by each Responsible Intermediary, will aggregate all of the Fractional Components and sell the resulting integral number of newly issued EssilorLuxottica Shares on Euronext Paris. The cash proceeds of such sales will then be transferred to each Responsible Intermediary that will distribute them to the relevant Requesting Shareholders proportionally to their respective Fractional Components (such cash amount corresponding to the Fractional Component, the "**Fractional Component Cash Amount**"), as follows: within 10 Trading Days of the Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Intermediary Responsible for the Collection of Tenders will credit the proceeds of the sale to the relevant Depositary Intermediaries, through the Responsible Intermediaries, proportionally to the Fractional Component Cash Amounts due to the Requesting Shareholders that submitted a Request for Sale (without requesting the Cash Consideration) through each of the Depositary Intermediaries. The Depositary Intermediaries will, in turn, distribute and credit such proceeds to the Requesting Shareholders, according to the procedures indicated in the Request for Sale.

No interest will be paid by the Offeror or any other person on the Fractional Component Cash Amount.

The Offeror's obligation to deliver the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF shall be deemed to have been met when the relevant number of EssilorLuxottica Shares and the Fractional Component Cash Amount (if applicable), or, should the Cash Consideration be requested, the relevant cash amount of the Cash Consideration, will have been transferred to the Responsible Intermediaries. The Requesting Shareholders will bear the entire risk that the Responsible Intermediaries and/or the Depositary Intermediaries fail to transfer the EssilorLuxottica Shares or the Fractional Component Cash Amount or the Cash Consideration to them, or delay such transfer.

v. Guarantees of full performance of the Obligation to Purchase under Art. 108, Par. 2 of the TUF

The Offeror will issue up to 66,329,548 new EssilorLuxottica shares to be delivered as Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF (assuming that all of the holders of Remaining Shares submit Requests for Sale for all of their Luxottica shares without requesting the Cash Consideration), on or before the Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, in the context of the Capital Increase for the Offer approved by the extraordinary general shareholders' meeting of the Offeror held on 11 May 2017 and subsequently resolved upon by the Offeror's board of directors on 1 October 2018 pursuant to the authority granted by the shareholders.

With respect to the Cash Consideration that may be due by the Offeror as of the Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF following the conclusion of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, on 30 October 2018 the Offeror and certain financial institutions (BNP Paribas S.A., MUFG Bank, Ltd., Unicredit Bank A.G., Intesa SanPaolo S.p.A. and Banca IMI S.p.A.) entered into a EUR 3,200,000,000 bridge term loan facility agreement governing the provision to the Offeror of (i) a guarantee of full performance, in the form of an independent first-demand guarantee covering the potential maximum cash disbursement in relation to the above-mentioned Cash Consideration (the "**Guarantee of Full Performance for the Cash Consideration**") and (ii) the funds for the payment of such possible cash disbursement. Prior to the start of the Period for the Submission of the Requests for Sale, the financial institutions indicated above (except Banca IMI S.p.A.) will issue the Guarantee of Full Performance for the Cash Consideration, for an aggregate amount, divided among the four guarantors, equal to the maximum Cash Consideration amount due by the Offeror upon conclusion of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF (assuming that all the Luxottica shareholders submit a Request for Sale for all their shares requesting the Cash Consideration).

D. Obligation to Purchase under Art. 108, Par. 1, of the TUF and Right to Purchase pursuant to Art. 111 of the TUF

As declared in the Offer Document, if following the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF the Offeror comes to own a total stake equal to or greater than 95% of the Issuer's share capital as a result of the acquisition of the Remaining Shares that are the subject matter of Requests for Sale (including in the context of the Obligation to Purchase U.S. Private Placement) and any additional Remaining Shares possibly acquired by the Offeror outside the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF (and the Obligation to Purchase U.S. Private Placement) before the end of the Period for the Submission of the Requests for Sale pursuant to the applicable law, the Offeror will exercise its Right to Purchase pursuant to Art. 111 of the TUF and, concurrently, will comply with the Obligation to Purchase under Art. 108, Par. 1, of the TUF *vis-à-vis* the shareholders of the Issuer that so request through a specific joint procedure that will be agreed with CONSOB and Borsa Italiana (the "**Joint Procedure**"), the terms of which will be announced by the Offeror prior to its commencement. The Joint Procedure, which would be launched in due course after the Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, will target all of the remaining outstanding shares of Luxottica not yet held by the Offeror and will result in the transfer of ownership of each of those shares to the Offeror.

In the event that the Joint Procedure is carried out, the consideration due for the Luxottica shares purchased by the Offeror pursuant to the Right to Purchase and in compliance to the Obligation to Purchase under Art. 108, Par. 1 of the TUF would be set in compliance with Article 108, Paragraph 3 and 5, of the TUF. Hence, upon conclusion of the Joint Procedure, the remaining Luxottica shareholders, for each Luxottica share held, would receive the Share Consideration, unless, in the context of the Joint Procedure, they have actively requested to receive the alternative Cash Consideration.

The Offeror will disclose whether the legal requirements for the exercise of the Right to Purchase and the Obligation to Purchase under Art. 108, Par. 1, of the TUF have been met in the notice relating to the results of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF. If such requirements are met, the notice relating to the definitive results of such procedure, to be published pursuant to Articles 41, Paragraph 6, and 50-*quinquies*, Paragraph 5, of the Issuers' Regulation, will also include information (pursuant to article 50-*quinquies*, Paragraph 2, of the Issuers' Regulation) regarding (a) the number of remaining outstanding Luxottica shares (in absolute and percentage terms), (b) the manner and timing in which the Offeror will exercise the Right to Purchase and comply with the Obligation to Purchase under Art. 108, Par. 1, of the TUF, thereby carrying out the Joint Procedure, and (c) the procedure and timing of the subsequent Delisting of the Issuer's shares.

E. Delisting of the Luxottica shares

In accordance with Art. 2.5.1, Par. 6, of the Stock Exchange Regulations, since the requirements for the Obligation to Purchase under Art. 108, Par. 2, of the TUF have been met and the Offeror will carry out the procedure to comply with such obligation as described above, all of the Luxottica shares will be delisted from the MTA as from the Trading Day following the Date of Payment of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, unless the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF is followed by the Joint Procedure (in which case the delisting will apply with the timing indicated in the paragraph below). Should the delisting occur subsequent to the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, owners of Luxottica shares that have not tendered their shares in the Offer and will not request the Offeror to purchase their shares in accordance with the Obligation to Purchase under Art. 108, Par. 2, of the TUF will eventually hold financial instruments that are not traded on any regulated market, with ensuing difficulties in liquidating their investment.

If, after the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror comes to own a total stake equal to or higher than 95% of the Issuer's share capital, and, consequently,

carries out the Joint Procedure, Borsa Italiana, in accordance with Art. 2.5.1, Par. 6, of the Stock Exchange Regulations, will order the suspension from trading of the Issuer's shares and/or the Delisting, taking into account the time required to exercise the Right to Purchase."

* * *

On 5 December 2018, EssilorLuxottica has published the following press release:

"*Notice pursuant to Article 50*-quinquies*, paragraph 2, of the Regulation adopted by CONSOB by means of resolution No. 11971 of 14 May 1999, as subsequently amended (the "**Issuers' Regulation**").*

MANDATORY EXCHANGE OFFER LAUNCHED BY ESSILORLUXOTTICA ON THE SHARES OF LUXOTTICA GROUP S.P.A.

SUPPLEMENTAL INFORMATION ON THE PROCEDURE TO COMPLY WITH THE OBLIGATION TO PURCHASE UNDER ART. 108, PAR. 2, OF THE TUF: CALENDAR OF THE PROCEDURE AND AMOUNT OF THE ALTERNATIVE CASH CONSIDERATION

Charenton-le-Pont (France), 5 December 2018 – On 3 December 2018, EssilorLuxottica (the "**Offeror**") published a notice pursuant to Art. 41, paragraph 6, and Article 50-*quinquies*, paragraph 2, of the Issuers' Regulation (the "**Notice of 3 December**") announcing (i) the definitive results of the mandatory exchange offer (the "**Offer**") launched by the Offeror on 11 October 2018 for the outstanding ordinary shares of Luxottica Group S.p.A. ("**Luxottica**" or the "**Issuer**") pursuant to Artt. 102 and 106, paragraph 1-*bis* and 2-*bis*, of Legislative Decree No. 58 of 24 February 1998, as subsequently amended (the "**TUF**"), as contemplated in the offer document approved by CONSOB with Resolution No. 20648 on 25 October 2018 and published on 27 October 2018 (the "**Offer Document**"), and (ii) the terms of the procedure through which the Offeror, having reached through the Offer (and the U.S. Private Placement) a stake higher than 90% but lower than 95% of Luxottica's share capital (including the Treasury Shares), will comply with the Obligation to Purchase under Art. 108, paragraph 2 (the "**Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF**") with respect to the 32,487,842 remaining outstanding ordinary shares of Luxottica that are not already held by the Offeror (the "**Remaining Shares**"), which represent 6.70% of Luxottica's issued share capital.

Capitalized terms used in this notice, unless otherwise defined, have the same meaning attributed to them in the Notice of 3 December or in the Offer Document, a copy of which is available on the Offeror's website (www.essilor-luxottica.com) and on the Issuer's website (www.luxottica.com).

As a supplement to the information relating to terms of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF already provided in the Notice of 3 December (and as contemplated therein), the Offeror hereby communicates (A) the exact amount of the alternative Cash Consideration that will be offered to the holders of the Remaining Shares in the context of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, and (B) the duration of the Period for the Submission of the Requests for Sale and the subsequent Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, and (C) confirms that the guarantees of full performance of the Obligation to Purchase under Art. 108, Par. 2 of the TUF have been put in place in accordance with applicable rules.

For a full picture of the terms and timing of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF (including, among other things, the actions required for holders of Remaining Shares to submit their Requests for Sale) and information on the Delisting of the Luxottica shares from the MTA that will occur at the end of such procedure (or the subsequent Joint Procedure, if applicable), please refer to the Notice of 3 December as supplemented by this notice.

A. Consideration for the Obligation to Purchase under Article 108, Paragraph 2, of the TUF – Amount of the Cash Consideration

In the context of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF (and the concurrent Obligation to Purchase U.S. Private Placement), the Offeror will pay to any shareholder of the Issuer who requests the Offeror to purchase his/her/its Luxottica shares pursuant to Article 108, Paragraph 2, of the TUF the following consideration for each Luxottica share, set in accordance with Art. 108, Pars. 3 and

5, of the TUF (the "**Consideration for the Obligation to Purchase under Article 108, Paragraph 2, of the TUF**"):

a. consideration equal to the Consideration in the Offer, *i.e.* 0.4613 EssilorLuxottica Shares for each Luxottica share (the "**Stock Consideration**"); or, alternatively

b. only to those shareholders so requesting in the Request for Sale, with respect to all of the Remaining Shares that are the subject matter of the request, a cash consideration per Luxottica share equal to Euro 51.64474423 (the "Cash Consideration"), which, in accordance with Art. 50-ter Par. 1, letter a), of the Issuers' Regulation, corresponds to the weighted average of the closing prices[6] of the Offeror's shares recorded on Euronext Paris during the five trading days prior to the Payment Date (i.e. on 28, 29 and 30 November and 3 and 4 December 2018) multiplied by the Exchange Ratio (i.e. 0.4613). If all of the Luxottica shareholders were to submit Requests for Sale for all of the Remaining Shares asking for the Cash Consideration, the aggregate amount in cash payable by the Offeror for all of the Remaining Shares would be equal to Euro 1,677,826,290.67 (the "**Maximum Potential Aggregate Cash Consideration**").

B. Period for the Submission of the Requests for Sale – Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF

The period agreed with Borsa Italiana during which the Offeror will comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF and the holders of Remaining Shares may, by submitting a Request for Sale, request the Offeror to acquire such shares will start at 8:30 (Italian time) on 12 December 2018 and will end at 17:30 (Italian time) on 18 January 2019 (the "Period for the Submission of the Requests for Sale"), subject to potential extension in accordance with applicable regulations.

The payment to the Requesting Shareholders of the Consideration for the Obligation to Purchase under Article 108, Paragraph 2, of the TUF will be made on the fifth Trading Day following the end of the Period for the Submission of the Requests for Sale, that is on 25 January 2019, (the "Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF"), subject to potential extension in accordance with applicable regulations. Please refer to paragraph C.iv of the Notice of 3 December for further information with respect to the payment, including as to the treatment and payment for any Fractional Components (as defined therein).

C. Guarantees of full performance of the Obligation to Purchase under Art. 108, Par. 2 of the TUF

As guarantee of full performance of the Offeror's obligation to pay the Cash Consideration to the Requesting Shareholders so requesting in their Request for Sale, on the date hereof BNP Paribas S.A., MUFG Bank, Ltd., Unicredit Bank A.G. and Intesa SanPaolo S.p.A., upon instructions by the Offeror pursuant to a EUR 3,200,000,000 bridge term loan facility agreement entered into by the Offeror on 30 October 2018 (the "**Bridge Facility Agreement**"), have issued an independent first-demand guarantee for an aggregate amount, divided among the four guarantors, equal to the Maximum Potential Aggregate Cash Consideration. The Offeror will finance the payment of the aggregate Cash Consideration, which becomes actually due to the relevant Requesting Shareholders on the Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, by drawing funds under the Bridge Facility Agreement and/or other available financial resources.

As for Stock Consideration, as indicated in the Notice of 3 December, on or before the Payment Date of the Consideration for the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror will issue up to 66,329,548 new EssilorLuxottica shares to be delivered as Consideration for the Obligation to Purchase under

[6] The closing prices are used instead of the "official prices" which are not available on Euronext Paris.

Art. 108, Par. 2, of the TUF (assuming that all of the holders of Remaining Shares submit Requests for Sale for all of their Luxottica shares without requesting the Cash Consideration). Such issuance will be effected in the context of the Capital Increase for the Offer approved by the extraordinary general shareholders' meeting of the Offeror held on 11 May 2017 and subsequently resolved upon by the Offeror's board of directors on 1 October 2018 pursuant to the authority granted by the shareholders."

* * *

On 10 December 2018, EssilorLuxottica has published the following press release:

"Disclosure of Share Capital and Voting Rights Outstanding as of November 30, 2018

(Pursuant to Article L.233-8 II of the French Commercial Code and articles 221-1 and 223-16 of the General Regulations of the Autorité des Marchés Financiers)

Charenton-le-Pont, France (December 10, 2018) As of November 30, 2018, shares and voting rights outstanding of EssilorLuxottica, the global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses, breaks down as indicated below. An amendment to the disclosure of share capital and voting rights outstanding as of October 31, 2018 is also available hereafter and replaces the previous one released on November 6, 2018.

	November 30, 2018
Shares outstanding	360,084,733[1]
Number of real voting rights (excluding treasury shares)	358,747,903
Theoretical number of voting rights (including treasury shares)	360,084,733

It is to be noted that voting rights are capped at 31% in accordance with a formula contained in EssilorLuxottica's by-laws. For illustrative purposes, during the last Ordinary and Extraordinary General Meeting of the Company that took place on November 29, 2018, Delfin S.à r.l. was holding 38.85% of the share capital of the Company and, by application of such formula contained in the by-laws, its exercisable voting rights during such General Meeting were capped at 32.59%. After taking into consideration such cap and the treasury shares, the total number of voting rights effectively exercisable during such General Meeting was 324,261,424.

For further information, please consult the Prospectus which received Visa No. 18-460 from the AMF on September 28, 2018 and its Securities Note Supplement which received Visa No. 18-494 from the AMF on October 23, 2018, available on the website www.essilor-luxottica.com.

[1] Number not including 2,491 shares which settlement was ongoing at such date.

Amendment to the Disclosure of Share Capital and Voting Rights Outstanding as of October 31, 2018

	October 31, 2018
Shares outstanding	358,857,618
Number of real voting rights (excluding treasury shares)	**357,520,788**
Theoretical number of voting rights (including treasury shares)	**358,857,618**

It is to be noted that voting rights are capped at 31% in accordance with a formula contained in EssilorLuxottica's by-laws.

For further information, please consult the Prospectus which received Visa No. 18-460 from the AMF on September 28, 2018 and its Securities Note Supplement which received Visa No. 18-494 from the AMF on October 23, 2018, available on the website www.essilor-luxottica.com."

On 10 December 2018, EssilorLuxottica has published the following press release:

"Disclosure of Share Capital and Voting Rights Outstanding as of December 5, 2018

(Pursuant to Article L.233-8 II of the French Commercial Code and articles 221-1 and 223-16 of the General Regulations of the Autorité des Marchés Financiers)

Charenton-le-Pont, France (December 10, 2018) As of December 5, 2018, shares and voting rights outstanding of EssilorLuxottica, the global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses, breaks down as indicated below.

	December 5, 2018
Shares outstanding	426 416 772
Number of real voting rights (excluding treasury shares)	425 079 942
Theoretical number of voting rights (including treasury shares)	426 416 772

It is to be noted that voting rights are capped at 31% in accordance with a formula contained in EssilorLuxottica's by-laws. For illustrative purposes, during the last Ordinary and Extraordinary General Meeting of the Company that took place on November 29, 2018, Delfin S.à r.l. was holding 38.85% of the share capital of the Company and, by application of such formula contained in the by-laws, its exercisable voting rights during such General Meeting were capped at 32.59%. After taking into consideration such cap and the treasury shares, the total number of voting rights effectively exercisable during such General Meeting was 324,261,424.

For further information, please consult the Prospectus which received Visa No. 18-460 from the AMF on September 28, 2018 and its Securities Note Supplement which received Visa No. 18-494 from the AMF on October 23, 2018, available on the website www.essilor-luxottica.com

Information

EssilorLuxottica draws the attention of its shareholders to the fact that the EssilorLuxottica shares issued on December 3, 2018 as consideration for the shares of Luxottica Group S.p.A. tendered into the mandatory exchange offer launched by EssilorLuxottica on the shares of Luxottica Group S.p.A. could trigger upwards or downwards threshold crossing notifications by certain of its shareholders pursuant to French law and/or EssilorLuxottica by-laws. It is specified that such EssilorLuxottica shares were admitted to listing and trading on Euronext Paris as from December 5, 2018 and that the settlement of the exchange offer took place on the same date.

As a reminder, pursuant to article 9 of EssilorLuxottica's articles of association, any shareholder, whether an individual or a corporate entity, acting alone or in concert, that directly or indirectly acquires 1% of the voting rights (computed in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code and the general regulations of the French Financial Market Authority (*Autorité des marchés financiers*)) is required to inform EssilorLuxottica within five (5) calendar days by registered letter with acknowledgment of receipt sent to its registered office.

The crossing of any additional threshold of 2% must be brought to the attention of EssilorLuxottica under the same conditions.

This information must also be provided EssilorLuxottica under the same conditions if the percentage of voting rights held falls below the above-mentioned thresholds."

On 12 December 2018, EssilorLuxottica has published the following press release:

"PROCEDURE TO COMPLY WITH THE OBLIGATION TO PURCHASE UNDER ART. 108, PAR. 2, OF THE TUF CONCERNING ALL REMAINING LUXOTTICA SHARES

START OF THE PERIOD FOR THE SUBMISSION OF THE REQUESTS FOR SALE

Charenton-le-Pont (France), December 12, 2018 – EssilorLuxottica (the "**Offeror**"), having previously announced that it will comply with the Obligation to Purchase under Art. 108, paragraph 2 of Legislative Decree No. 58 of 24 February 1998, as subsequently amended (the "**TUF**") with respect to the 32,487,842 remaining outstanding ordinary shares of Luxottica Group S.p.A. ("**Luxottica**") that are not already held by the Offeror (the "**Remaining Shares**") and the terms of the procedure through which the Offeror will do so (such procedure, the "**Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF**"), hereby confirms the start of the Period for the Submission of the Requests for Sale (as defined below). As of the start of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror owns directly or indirectly 452,707,191 Luxottica shares, or about 93.30% of Luxottica's issued share capital and the Remaining Shares represent 6.70% of Luxottica's issued share capital. As agreed with Borsa Italiana S.p.A., the period during which the Offeror will comply with the Obligation to Purchase and the holders of Remaining Shares may, by submitting a request for sale (the "**Request for Sale**"), request the Offeror to acquire such shares in the context of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF began at 8:30am (Italian time) today, December 12, 2018 and will end at 5:30pm (Italian time) on January 18, 2019 (the "**Period for the Submission of the Requests for Sale**"), subject to potential extension in accordance with applicable regulations.

Information for Holders of Remaining Shares in the United States

Holders of Remaining Shares in the United States may participate in the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF and receive EUR 51.64474423 (the "**Cash Consideration**") in exchange for each Remaining Share tendered into such procedure by submitting a Request for Sale for the Cash Consideration.

If you are a holder of Remaining Shares in the United States, you should contact D.F. King at (essilorluxottica@dfkingltd.com) or (00 44 207 920 9700) to receive further information on how to participate in the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF and the related documentation, which is also available at the Offeror's website.

If, following the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror comes to own, directly or indirectly, a total stake equal to or greater than 95% of Luxottica's share capital as a result of the Remaining Shares acquired pursuant to the Obligation to Purchase under Art. 108, Par. 2, of the TUF or any Remaining Shares possibly acquired by the Offeror outside of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF during the Period for the Submission of the Requests for Sale, pursuant to Italian law, the Offeror will exercise its right to purchase pursuant to Art. 111 of the TUF and, concurrently, will comply with the Obligation to Purchase under Art. 108, Par. 1, of the TUF vis-à-vis Luxottica shareholders that so request, through a specific joint procedure (the "**Joint Procedure**"), the terms of which will be announced by the Offeror prior to its commencement. The Joint Procedure, which would be launched in due course after the settlement of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, will target all of the remaining outstanding shares of Luxottica not yet held by the Offeror and will result in the transfer of ownership of each of those shares to the Offeror. As a consequence of the Joint Procedure, and following the completion thereof, the deposit agreement governing the Luxottica American Depositary Receipts would be terminated.

Delisting of Luxottica Shares

Finally, as previously communicated, in accordance with the applicable provisions of the regulations of Borsa Italiana S.p.A., the Luxottica shares will be delisted from the MTA as follows:

(i) If, after the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror does not come to own a total stake equal to or greater than 95% of the share capital of Luxottica and, therefore, no Joint Procedure is carried out, the delisting will be effective as of the first trading day following the payment date of the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, in which case owners of Luxottica shares that have not requested the Offeror to purchase their shares in the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF will hold financial instruments that are not traded on any regulated market, with ensuing difficulties in liquidating their investment; or,

(ii) If, after the Procedure to Comply with the Obligation to Purchase under Art. 108, Par. 2, of the TUF, the Offeror comes to own a total stake equal to or greater than 95% of the share capital of Luxottica and, therefore, the Joint Procedure is carried out, the delisting will occur at the end of the Joint Procedure (as agreed with Borsa Italiana S.p.A.).”

TAXATION

LUXEMBOURG

The following is a general description of certain withholding tax considerations relating to the Notes as in effect and as applied by the relevant tax authorities as at the date hereof and does not purport to be a comprehensive discussion of the tax treatment of the Notes.

Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Notes and the receipt of interest with respect to such Notes under the laws of the countries in which they may be liable to taxation.

Withholding tax

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal of the Notes.

In accordance with the law of 23 December 2005, as amended, on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents to Luxembourg residents individual beneficial owners are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

FRANCE

The description below is intended as a basic summary of certain withholding tax consequences in France that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer. It is based on the laws in force in France and/or any interpretation thereof as of the date of this Base Prospectus and is subject to any changes in law and/or any interpretation thereof (potentially with a retroactive effect). It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

Payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non-coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order, which is updated at any time and at least once a year. The law n°2018-898 dated 23 October 2018 to strengthen the fight against tax, social and customs fraud expands (i) the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include States and jurisdictions on the blacklist published by the Council of the European Union, and (ii) the scope of the 75 per cent. withholding tax provided by Article 125 A III of the French *Code général des impôts* only to payments made in certain States and jurisdictions included in such blacklist on the ground that they facilitate offshore structures and arrangements aimed at attracting profits without real economic substance.Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues paid on such Notes may not be deductible from the taxable income of this Issuer if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to an account opened in a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). The abovementioned law n°2018-898 dated 23 October 2018 to strengthen the fight against tax,

social and customs fraud expands this regime to all the States and jurisdictions included in the blacklist published by the Council of the European Union. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents, or (ii) 12.8 per cent. for payments benefiting individuals who are not French tax residents, or (iii) at a rate of 75 per cent for payments made outside France in a Non-Cooperative State, subject to certain exceptions and the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion set out under Article 238 A of the French *Code général des impôts*, will apply in respect of a particular issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the French tax administrative guidelines (BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80, and BOI-IR-DOMIC-10-20-20-60-20150320 n°10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411.1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts,* subject to certain limited exceptions, interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France is subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 17.2 per cent. on interest and other assimilated revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

*See "**Terms and Conditions of the Notes – Taxation**".*

SUBSCRIPTION AND SALE

Summary of Amended and Restated Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 13 December 2018 (as amended or supplemented from time to time, the "**Amended and Restated Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it unless otherwise agreed. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

Prohibition of sales to EEA retail investors

Unless the Final Terms in respect of any Notes specify the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or

(b) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

This EEA selling restriction is in addition to any other selling restrictions set out below.

France

Each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting

for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell or, in the case of Materialised Notes, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Fiscal Agent by the relevant Dealer, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes in the Republic of Italy ("**Italy**") and that copies of this Base Prospectus or any other document relating to the offering of the Notes have not and will not be distributed in Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Consolidated Financial Services Act**") and Article 34-*ter*, paragraph 1, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers Regulation**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Consolidated Financial Services Act and its implementing regulations, including Article 34-*ter* of the Issuers Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the offering of the Notes in Italy under (a) or (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the "Banking Act"), the Issuers Regulation and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time;

(b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(c) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Notes in this offering is exclusively responsible for ensuring that any offer or resale of the Notes it purchased in this offering occurs in compliance with applicable laws and regulations.

Article 100-*bis* of the Consolidated Financial Services Act affects the transferability of the Notes in Italy to the extent that any placement of the Notes is made solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placement. Should this occur without the publication of a prospectus and outside of the scope of one of the exemptions referred to above, retail purchasers of Notes may have such purchase declared void and claim damages from any intermediary which sold them the Notes.

This Base Prospectus, any other document relating to the Notes, and the information contained herein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Consolidated Financial Services Act and Article 34-*ter* of the Issuers Regulation, are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or

sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, ministerial guidelines and regulations of Japan.

Hong Kong

This Base Prospectus and the applicable Final Terms have not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People's Republic of China (PRC)

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, the offer of the Notes is not an offer of securities within the meaning of the securities laws of the PRC or other pertinent laws and regulations of the PRC and the Notes have not been offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

(c) securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

  (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

  (ii) where no consideration is or will be given for the transfer;

  (iii) where the transfer is by operation of law;

  (iv) as specified in Section 276(7) of the SFA; or

  (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

These selling restrictions may be modified or supplemented by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification or supplement will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and neither the Issuer, nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.][1]

[SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).**]**[2]

[1] Delete legend if the Notes do not constitute "packaged" products or if a KID will be prepared, in which case, insert "Not Applicable" in paragraph 9(v) of Part B below. Include legend if the Notes may constitute "packaged" products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert "Applicable" in paragraph 9(v) of Part B below.

[2] For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Final Terms dated [__]

[LOGO, if document is printed]

ESSILORLUXOTTICA

Euro 5,000,000,000
Euro Medium Term Note Programme
for the issue of Notes

SERIES NO: [__]

TRANCHE NO: [__]

[Brief description and Amount of Notes]

issued by EssilorLuxottica ("EssilorLuxottica" or the "Issuer")

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 13 December 2018 which has received visa no. 18-563 from the *Autorité des marchés financiers* (the "**AMF**") on 13 December 2018 [and the supplement(s) to it dated [__] which has received visa no. [__] from the AMF on [__]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**") (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of the AMF (www.amf-france.org) and of EssilorLuxottica (https://www.essilor-luxottica.com/fr/information-reglementee) and printed copies may be obtained from EssilorLuxottica at 147, rue de Paris, 94220 Charenton-le-Pont, France.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") which are the [2013] [2017] EMTN Conditions which are incorporated by reference in the Base Prospectus 13 December 2018. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 13 December 2018 which has received visa no. 18-563 from the *Autorité des marchés financiers* (the "**AMF**") on 13 December 2018 [and the supplement(s) to it dated [__] which has received visa no. [__] from the AMF on [__]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), save in respect of the Conditions which are the [2013] [2017] EMTN Conditions extracted from the Base Prospectus dated [12 December 2013] [9 May 2017]. Full information on the Issuer, the Notes and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2013] [2017] EMTN Conditions and the Base Prospectus [and the Supplement[s]]. The Base Prospectus [and the Supplement[s]] [is] [are] available for viewing on the website of the AMF (www.amf-france.org) and of EssilorLuxottica (https://www.essilor-luxottica.com/fr/information-

reglementee) and printed copies may be obtained from EssilorLuxottica at 147, rue de Paris, 94220 Charenton-le-Pont, France.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1	Issuer:	EssilorLuxottica
2	(i) Series Number:	[__]
	(ii) Tranche Number:	[__]
	[(iii)] [Date on which the Notes become fungible:	[Not Applicable/ The Notes will be assimilated (*assimilées*) and form a single series with the existing [*insert description of the Series*] issued by the Issuer on [*insert date*] (the "**Existing Notes**") as from the date of assimilation which is expected to be on or about 40 calendar days after the Issue Date (the "**Assimilation Date**").]]
3	Specified Currency:	[__]
4	Aggregate Nominal Amount:	[__]
	[(i)] Series:	[__]
	[(ii) Tranche:	[__]]
5	Issue Price:	[__] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only if applicable*)]
6	Specified Denomination(s):	[__]
7	(i) Issue Date:	[__]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8	Maturity Date:	[__] [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*][3]
9	Interest Basis:	[[__] per cent. Fixed Rate] [*specify particular reference rate*] +/- [•] per cent. Floating Rate] [Fixed/Floating Rate Notes] [Zero Coupon] [CPI Linked Interest] [HICP Linked Interest] (further particulars specified below)
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity

[3] Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

			Date at [[●]] per cent. of their nominal amount.
11	Change of Interest Basis:		[Applicable/Not Applicable] [Optional Change of Interest Date / Automatic Change of Interest Date: [__]] [*Specify the date when any fixed to floating rate or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there*]
12	Put/Call Options:		[Investor Put] [Issuer Call] [Residual Call Option] [Make-Whole Redemption by the Issuer] [Clean-Up Call Option] [Change of Control Put Option] [(further particulars specified below)]
13	(i)	Status of the Notes:	Senior
	(ii)	[Date of [Board] approval for issuance of Notes obtained:	[Decision of the *Conseil d'administration* of EssilorLuxottica dated [__]] [and [__],]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Note Provisions**		[In respect of Fixed/Floating Rate Notes: from (and including) [__] to (but excluding) [__]:] [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Interest:	[__] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date][4]
	(ii)	Interest Payment Date(s):	[__] in each year [adjusted in accordance with the Business Day Convention specified below [5]] [commencing on [__] and ending on [__] / [the Maturity Date]] [specify Business Day Convention and any applicable Business Centre(s) for the definition of "**Business Day**"]/not adjusted.]
	(iii)	Fixed Coupon Amount[(s)][6]:	[__] per Note of [_____] Specified Denomination[7]
	(iv)	Broken Amount(s):	[__] payable on the Interest Payment Date falling [in/on] [__]
	(v)	Day Count Fraction:	[Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act

[4] Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

[5] Needs to be specified for RMB Notes

[6] Not applicable for RMB Notes

[7] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest [CNY0.01, with CNY0.005 or above rounded upwards / HK$0.01, with HK$0.005 or above rounded upwards]".

		(ISDA)/ Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed)[8] / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-(ISDA) / 30E/360-FBF]
	(vi) [Determination Dates:	[__] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual-ICMA)*]
	(vii) [Business Day Convention[9]:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]]
	(viii) [Party responsible for calculating Interest Amounts (if not the Calculation Agent) [10]:	[__]/[Not Applicable]]
15	**Floating Rate Note Provisions**	[In respect of Fixed/Floating Rate Notes: from (and including) [__] to (but excluding) [__]:] [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.) (In the event where the benchmark used to calculate the interest payable is discontinued, Condition 5(c)(iii)(D) provides for a methodology to determine the successor or alternative rates)*
	(i) Interest Period(s):	[__]
	(ii) Specified Interest Payment Dates:	[[__] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
	(iv) Business Centre(s):	[__]
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination / FBF Determination / ISDA Determination]
	(vi) Interest Period Date(s):	[Not Applicable / *Specify dates*]
	(vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[__]
	(viii) Screen Rate Determination:	

[8] Applicable to Renminbi and Hong Kong dollar denominated Fixed Rate Notes.

[9] Needs to be specified for RMB Notes

[10] Needs to be specified for RMB Notes

– Reference Rate: [__]

– Relevant Inter-Bank Market: [__]

– Relevant Screen Page Time: [__]

– Interest Determination Date(s): [__]

– Relevant Screen Page: [__]

– Reference Bank: [__]

– Relevant Financial Centre: [__]

– Specified Currency: [__]

– Designated Maturity: [__]

– Specified Time:

(ix) FBF Determination

– Floating Rate (*Taux Variable*): [__]

– Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [__]

(x) ISDA Determination:

– Floating Rate Option: [__]

– Designated Maturity: [__]

– Reset Date: [__]

(xi) Linear Interpolation: [Not Applicable/The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

(xii) Margin(s): [+/-][__] per cent. per annum

(xiii) Minimum Rate of Interest:[11] [__] per cent. per annum

(xiv) Maximum Rate of Interest: [__] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-(ISDA) / 30E/360-FBF]

16 Zero Coupon Note Provisions [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Amortisation Yield: [__] per cent. per annum

(ii) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act

[11] In no event shall the applicable rate of interest be less than zero.

		(ISDA) / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-(ISDA) / 30E/360-FBF]
17	**Inflation Linked Notes - Provisions relating to CPI or HICP Linked Interest**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Index:	[CPI/HICP]
	(ii) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[__]
	(iii) Interest Period(s):	[__]
	(iv) Interest Payment Dates:	[__]
	(v) Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [__])
	(vi) Rate of Interest:	[__] per cent. per annum multiplied by the Inflation Index Ratio
	(vii) Day Count Fraction:	[Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act (ISDA) / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-(ISDA) / 30E/360-FBF]
PROVISIONS RELATING TO REDEMPTION		
18	**Call Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[__]
	(ii) Optional Redemption Amount(s) of each Note:	[__] per Note of [__] Specified Denomination
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[__]
	(b) Maximum Redemption Amount:	[__]
	(c) Notice period:[12]	[[As per the Conditions]/[__]]

[12] If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

19	**Make-Whole Redemption**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Notice period:[13]	[[As per the Conditions]/[__]]
	(ii) Reference Security:	[__]
	(iii) Reference Dealers:	[__]
	(iv) Similar Security:	[__]
	(v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent):	[__]
	(vi) Redemption Margin:	[__]
20	**Clean-Up Call Option**	[Applicable/Not Applicable] *If not applicable, delete the remaining sub-paragraph of this paragraph*
	(i) Clean-Up Redemption Amount	[__] per Note of [__] Specified Denomination
21	**Residual Call Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Call Option Date:	[__]
	(ii) Notice period[14]:	[[As per the Conditions]/[__]]
22	**Put Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[__]
	(ii) Optional Redemption Amount(s) of each Note:	[__] per Note of [__] Specified Denomination
	(iii) Notice period:[15]	[__]
23	**Change of Control Put Option**	[Applicable/Not Applicable]
24	**Final Redemption Amount of each Note**	[__] per Note of [__] Specified Denomination
	Inflation Linked Notes – Provisions relating to the Final Redemption Amount:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs*

[13] If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

[14] If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

[15] If setting notice periods are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

		of this paragraph)
	(i) Index:	[CPI/HICP]
	(ii) Final Redemption Amount in respect of Inflation Linked Notes:	[Condition 6(h) applies]
	(iii) Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [__])
	(iv) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[__]
25	**Early Redemption Amount**	
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(j)), for illegality (Condition 6(n)) or on event of default (Condition 9):	[__] per Note of [__] Specified Denomination
	(ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates:	[Yes/No]
	(iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only)):	[Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Form of Notes:	[Dematerialised Notes/Materialised Notes] (*Materialised Notes are only in bearer form and may only be issued outside France.*) [*Delete as appropriate*]
	(i) Form of Dematerialised Notes:	[Not Applicable/specify whether Bearer dematerialised form (*au porteur*)/Administered Registered Dematerialised form (*au nominatif administré*)/Fully Registered dematerialised form (*au nominatif pur*)]
	(ii) Registration Agent:	[Not Applicable/Applicable] [*if applicable give name and address*] *(note that a registration agent must be appointed in relation to Fully Registered Dematerialised Notes only*)
	(iii) Temporary Global Certificate:	[Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [__] (the "**Exchange Date**"), being 40 calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
	(iv) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] (*Only applicable to Materialised Notes*)
27	[Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a):	[Not Applicable/Applicable]]
28	Financial Centre(s) (Condition 7(h)):	[Not Applicable/*give details. Note that this item relates to the date of payment, and not the dates of interest period*

		for the purposes of calculating the amount to which items 14(ii) and 15(iv) relates]
29	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
30	Details relating to Instalment Notes:	[Not Applicable/*give details*]
	(i) Instalment Amount(s):	[__]
	(ii) Instalment Date(s):	[__]
	(iii) Minimum Instalment Amount:	[__]
	(iv) Maximum Instalment Amount:	[__]
31	Redenomination provisions:	[Not Applicable/The provisions [in Condition 1(d)] apply]
32	Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)] apply]
33	Purchase:	[Not Applicable/Applicable]
34	*Masse* (Condition 11):	Name and address of the Representative: [__] [Name and address of the alternate Representative: [__]] [The Representative will receive no remuneration/The Representative will receive a remuneration of [__]]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [*(Relevant third party information)* has been extracted from *(specify source)*.] [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by *(specify source)*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of EssilorLuxottica:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing and admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/*specify relevant regulated market*] with effect from [__].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/*specify relevant regulated market]*] with effect from [__].] [Not Applicable] *(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)*
(ii) Estimate of total expenses related to admission to trading:	[__]

2. RATINGS

Ratings:	[Not Applicable]/[The Notes to be issued [have been/are expected to be] rated]: [Moody's: [__]] [S&P: [__]] [[Other]: [__]] (*The above disclosure should reflect the rating allocated to Notes where the issue has been specifically rated*) *(Include appropriate Credit Rating Agency Regulation (Regulation (EC) No 1060/2009 as amended) disclosure)* [*Insert one (or more) of the following options, as applicable:* [[*Insert credit rating agency/ies*] [is/are] established in the European Union and [has/have each] applied for registration under Regulation (EC) No 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority] [[*Insert credit rating agency/ies*] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**")]As such, [*Insert credit rating agency/ies*] [is/are] included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk.] [[*Insert credit rating agency/ies*] [is/are] not established in the European Union and [has/have each] not applied for registration under Regulation (EC) No 1060/2009 (as amended)]]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

(*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below*):

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." (*Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)]

4. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer:	[__] (*See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)*]
[(ii)] Estimated net proceeds:	[__] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding*)
[(iii)] Estimated total expenses:	[__] *[Include breakdown of expenses]*]

5. [*Fixed Rate Notes only* – YIELD

Indication of yield:	[__] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield]

6. [*Floating Rate Notes only* - INFORMATION ON FLOATING RATE NOTES

(i) Details of historic [LIBOR/EURIBOR/CMS Rate/*replicate other as specified in the Conditions*] rates can be obtained from [Reuters/*other*]

(ii) [Benchmarks Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]]]"

7. [*Inflation Linked Notes only* – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i) Name of underlying index: [Consumer Price Index excluding tobacco for all households in metropolitan France ("**CPI**") as calculated and published [monthly/[●]] by the *Institut National de la Statistique et des Etudes Economiques*.] / [Harmonised Index of Consumer Prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco ("**HICP**") as calculated and published [monthly/[●]] by Eurostat.]

(ii) Information about the index, its volatility and past and future performance can be obtained from: [__]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information]]

8. OPERATIONAL INFORMATION

ISIN:	[__]
Common Code:	[__]
[CFI:	[Not Applicable/[__]] *(If the CFI is not required, requested or available it/they should be specified to be "Not Available")*
[FSIN:	[Not Applicable/[__]] *(If the FSIN is not required, requested or available it/they should be specified to be "Not Available")*
Depositaries	
(i) Euroclear France to act as Central Depositary:	[Yes/No]
(ii) Common Depositary for Euroclear Bank SA/NV and Clearstream Banking, S.A.:	[Yes/No]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/*give name(s), adresse(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/[__]]

9. DISTRIBUTION

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated:	
(A) Names of Managers:	[Not Applicable/*give names*] (*Include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, include a statement of the portion not covered*.)
(B) Stabilising Manager(s) if	[Not Applicable/*give name(s)*]

	any:	
(iii)	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name*]
(iv)	US Selling Restrictions (Categories of potential investors to which the Notes are offered):	Reg. S Compliance Category 2 applies to the Notes; [TEFRA C/TEFRA D/ TEFRA not applicable]
(v)	Prohibition of Sales to EEA Retail Investors:	[Not Applicable/Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified and the legend entitled "Prohibition of Sales to EEA Retail Investors" on the cover page of the Final Terms should be included. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.)*

GENERAL INFORMATION

(1) Listing and admission to trading

This Base Prospectus has received visa n°18-563 from the AMF on 13 December 2018. Application has been made to list and admit the Notes to trading on Euronext Paris and/or on any other Regulated Market in a Member State of the EEA, as the case may be.

In compliance with Article 18 of the Prospectus Directive, application may also be made for the notification of certificate of approval to any competent authority of any Member State of the EEA.

(2) Corporate authorisations

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the update of the Programme. Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of (i) the *Conseil d'administration* of the Issuer or (ii) the Ordinary General Meeting of the Issuer's shareholders if (a) the *statuts* of the Issuer so require (at the date hereof the *statuts* of the Issuer do not require a resolution of the Ordinary General Meeting) or (b) the shareholders at an Ordinary General Meeting decide to authorise an issue of obligations, all pursuant to Article L.228-40 of the French *Code de commerce*. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, falls within the general powers of the *Président Directeur Général*.

On 1 October 2018, the *Conseil d'administration* of the Issuer:

a. recalled the maximum utilisation limit of the Programme was set at €5,000,000,000 and specified that the aggregate amount of all issuances already made under the Programme by the Issuer, which is equal to €1,100,000,000, is applied against such limit;

b. authorised the update of the Programme;

c. authorised for a period up to and including 30 September 2019, the issue of notes (*obligations*) under the Programme or outside the Programme (x) up to a nominal amount of €1,000,000,000 (or its equivalent in foreign currencies) for general corporate purposes (including for the refinancing of some of its maturing debts) and (y) up to a nominal amount of €3,500,000,000 (or its equivalent in foreign currencies) for the sole and only purpose of the potential financing of the purchase of some of the shares forming Luxottica Group S.p.A.'s share capital which would not be contributed as part of the mandatory exchange tender offer launched by the Issuer on Luxottica Group S.p.A.'s outstanding share capital; and

d. delegated to its Chairman-Chief Executive Officer (*Président-Directeur Général*), Leonardo Del Vecchio, and its Vice-Chairman-Deputy Chief Executive Officer (*Vice-Président-Directeur Général Délégué*), Hubert Sagnières, acting jointly, all powers to issue Notes up to said aggregate amount and to determine their terms and conditions.

(3) No significant change in the financial or trading position

Except as disclosed on pages 86 to 190 of this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018.

(4) No material adverse change

There has been no material adverse change in the prospects of the Issuer since 31 December 2017.

(5) Legal and arbitration proceedings

The Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.

(6) Conflict of interest

To the best of the Issuer's knowledge, there are no potential conflicts of interest between the duties, with regard to the Issuer, of any of the members of the Issuer's management or board of directors and their private interests and/or other duties to third-parties.

(7) Clearing

Notes have been accepted for clearance through the Euroclear and Clearstream systems which are entities in charge of keeping the records. The Common Code, the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depositary). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

(8) Documents available

For so long as Notes issued under the Programme are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer, or otherwise, using any kinds of communication means, permitted by law, at the choice of the Issuer and from the specified offices of the Paying Agents, free of charge:

(i) the *statuts* of the Issuer;

(ii) a copy of the documents incorporated by reference in this Base Prospectus, which comprise the Securities Note Supplement, the Securities Note, the Update to the 2017 Reference Document, the 2018 Half-Year Financial Report, the 2017 Update of the Reference Document, the 2017 Reference Document and the 2016 Reference Document;

(iii) each Final Terms for Notes that are listed and admitted to trading on Euronext Paris or any other regulated market in the EEA;

(iv) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, on the websites of the Issuer (https://www.essilor-luxottica.com/fr/information-reglementee) and of the AMF (*www.amf-france.org*) (excluding the 2018 Half-Year Financial Report):

(i) the Final Terms for Notes that are listed and admitted to trading on Euronext Paris and/or in any Member State of the EEA; and

(ii) this Base Prospectus together with any supplement to this Base Prospectus.

(9) Statutory auditors

Mazars and PricewaterhouseCoopers Audit have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2016 and 2017 prepared in accordance with IFRS as adopted by the European Union. Both entities are regulated by the *Haut Conseil du Commissariat aux Compte*, duly authorised as *Commissaires aux compte*s and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

The consolidated financial statements incorporated by reference in this Base Prospectus have been audited by the statutory auditors of the Issuer and the relevant reports are included in page 164 of the 2016 Reference Document and in page 187 of the 2017 Reference Document.

(10) Stabilisation

In connection with the issue of any Tranche (as defined in the "**General Description of the Programme**"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche and 60 calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

(11) Benchmarks

Amounts payable under the Floating Rate Notes may be calculated by reference to EURIBOR or LIBOR which are respectively provided by the European Money Markets Institute ("**EMMI**") and ICE Benchmark Administration Limited ("**ICE**"), or other Reference Rates as indicated in the relevant Final Terms. As at the date hereof, (i) the ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011 (the "**Benchmark Regulation**") and (ii) the EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the European Securities and Markets Association register referred to above.

(12) LEI

The legal entity identifier of the Issuer is 549300M3VH1A3ER1TB49.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

We declare, to the best of our knowledge (having taken all reasonable care to ensure that such is the case), that the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

ESSILORLUXOTTICA
147, rue de Paris,
94220, Charenton-le-Pont,
France

Duly represented by:

Hilary Halper and Stefano Grassi
Co-Directeurs Financiers Groupe
authorised signatories
pursuant to a power of attorney
dated 11 December 2018

Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement Général*), in particular Articles 212-31 to 212-33, the *Autorité des marchés financiers* ("**AMF**") has granted the visa no. 18-563 on 13 December 2018 to this Base Prospectus. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply the approval on the opportunity of the transaction or any authentication by the AMF of the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, any issue or admission to trading of securities under this Base Prospectus will be subject to the publication of Final Terms.

Issuer

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94220, Charenton-le-Pont,
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Arranger

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Dealers

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Largo Mattioli 3
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Italy

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
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Canary Wharf
United Kingdom

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Crédit Industriel et Commercial S.A.
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MUFG Securities EMEA plc
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NATIXIS
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Riverbank House
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London EC4R 3BF
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
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Fiscal Agent, Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent

BNP Paribas Securities Services
(affiliated with Euroclear France under number 29106)
Les Grands Moulins de Pantin
3,5,7 rue du General Compans
93500 Pantin
France

Statutory Auditors

PricewaterhouseCoopers Audit
63 rue de Villiers
92200 Neuilly-sur-Seine
France

Mazars
61 rue Henri Regnault
92075 Paris-La Défense Cedex
France

Legal Advisers as to French law

To the Issuer

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75008 Paris
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To the Dealers

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