AFFLELOU

Press Release

€10.0 million Partial Redemption of Senior Secured Floating Rate Notes and Performance Update

Paris, France – June 5, 2019, 16:30 – Afflelou (the "**Company**") and 3AB Optique Développement ("**3ABOD**") provide today updated information regarding Afflelou and its subsidiaries to the holders of 3ABOD's senior secured notes due 2023, as follows:

Following a meeting of its Board of Directors, 3ABOD announces that it will redeem €10.0 million aggregate principal amount of its senior secured floating rate notes due 2023 issued in 2017.

In connection with this partial redemption, the Company announces that network sales[1] increased by 4.0% to approximately €199.2 million for the three months ended April 30, 2019 (the third quarter of our fiscal year ending July 31, 2019), as compared to €191.6 million during the same period in the previous year, with a positive like-for-like network sales growth[2] of approximately 4.3% for the same period. The historical Alain Afflelou optical banner continued to show strong like-for-like network sales growth, in the context of positive market trends in France since the beginning of the 2019 calendar year.

The performance of our network resulted in increased profitability. The previously reported technical negative impact on our Adjusted EBITDA[3] (amounting to approximately €1.5 million) corresponding to the phasing of our communication expenses and the new collections of our exclusive brands, has been

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

[2] "Like-for-like network sales growth" is based on sales of stores that were open through the periods under consideration, based on a full fiscal year, and which did not undergo any substantial changes during those periods (such as construction or refurbishment work of a duration of more than one month), so that sales performance in a period may be comparable to that of the prior period. Like-for-like network sales are calculated at current exchange rates as a very small portion of network sales are currently exposed to currency risk.

[3] "Adjusted EBITDA" is defined as operating income from ordinary activities (hence excluding the impact on income from discontinued operations) as presented in our consolidated financial statements, before (i) depreciation and amortization of property, plant and equipment, and intangible assets, (ii) changes in provisions for trade receivables and inventories and (iii) the management fees payable to our principal shareholder. Adjusted EBITDA is not a measurement of performance under IFRS and you should not consider Adjusted EBITDA as an alternative to operating income or consolidated profit, as a measure of our operating performance, cash flows from operating, investing and financing activities, as a measure of our ability to meet our cash needs or any other measures of performance or liquidity under generally accepted accounting principles. We believe that Adjusted EBITDA is useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties in evaluating us.

eliminated in the third quarter of our fiscal year. The positive orientation of our network sales resulted in further growth in Adjusted EBITDA.

Our profitability, as measured by our Adjusted EBITDA, generated a positive cash flow before borrowing costs for the three months ended April 30, 2019. Additionally, the improvement in the payment terms of our franchisees as a result of their strong network sales leading to lower accounts receivable, which, combined with the change in our supply system for our exclusive frames, continued to support net cash from operating activities. As a consequence, our net debt as of April 30, 2019 has decreased to an estimated approximately €348 million, as compared to €392 million as of July 31, 2018. As of April 30, 2019, estimated cash and cash equivalents on the Company's balance sheet was €79.0 million.

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This press release constitutes a public disclosure of inside information by Afflelou and 3AB Optique Développement under Regulation (EU) 596/2014 (16 April 2014) and Implementing Regulation (EU) No 2016/1055 (10 June 2016).

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The financial information included above has not been audited, reviewed or compiled by our statutory auditors. As such, you should not place undue reliance on such unaudited preliminary financial information and it should not be regarded as an indication that it will be an accurate prediction of future events.

About Afflelou:

Founded in Bordeaux in 1972 by Alain Afflelou, the Group is one of Europe's leading franchisors of optical products and hearing aids. In 2016, the Group operated the largest franchise network of optical products (in terms of store numbers) and the ALAIN AFFLELOU banner ranked third in France with a 9.5% market share. The Group has a long-standing presence in France, but also a strong foothold in Spain, where it operates the largest banner of optical products (in terms of store numbers) and the fourth largest with a 7.1% market share. The Group, which is continuing its global expansion, is present worldwide, with 1,422 stores in 19 countries as of January 31, 2019.

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