(*GrandVision N.V., a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its corporate seat in Haarlemmermeer, the Netherlands*)

Initial Public Offering of up to 51,000,000 ordinary shares

HAL Optical Investments B.V. (the ''**Selling Shareholder**'') is offering up to 51,000,000 ordinary shares in the share capital of the Company (as defined below) with a nominal value of €0.02 each (the ''**Offer Shares**'', which include, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)). Assuming no exercise of the Over-Allotment Option (as defined below), the Offer Shares will constitute not more than 20.04% of the issued ordinary shares in the share capital of the Company with a nominal value of €0.02 each (the ''**Shares**''). Assuming the Over-Allotment Option is fully exercised, the Offer Shares will constitute not more than 23.05% of the Shares. See ''The Offering''.

The offering of the Offer Shares (the ''**Offering**'') consists of (i) a public offering in the Netherlands to institutional and retail investors and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered: (i) within the United States of America (the ''**US**''), to persons reasonably believed to be ''qualified institutional buyers'' (''**QIBs**'') as defined in, and in reliance on, Rule 144A under the US Securities Act of 1933, as amended (the ''**US Securities Act**'') (''**Rule 144A**''), and (ii) outside the US in ''offshore transactions'' as defined in, and in compliance with, Regulation S under the US Securities Act (''**Regulation S**''). In the Offering, the Company will purchase 2,500,000 Offer Shares from the Selling Shareholder at the Offer Price. The allocation of these Offer Shares to the Company is guaranteed. See ''The Offering''.

Prior to the Offering, there has been no public market for the Shares. Application has been made to list and admit all of the Shares to trading under the symbol ''GVNV'' on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (''**Euronext Amsterdam**''). Subject to acceleration or extension of the timetable for the Offering, trading on an ''as-if-and-when-delivered'' basis in the Shares on Euronext Amsterdam is expected to commence on or about 6 February 2015 (the ''**First Trading Date**'').

The price of the Offer Shares (the ''Offer Price'') is expected to be in the range of €17.50 to €21.50 (inclusive) per Offer Share (the ''Offer Price Range'')

The Offering will take place from 9:00 Central European Time (''**CET**'') on 26 January 2015 until 14:00 CET on 5 February 2015 (the ''**Offering Period**''), subject to acceleration or extension of the timetable for the Offering and subject as set out below for the Preferential Retail Allocation (as defined below). The Offer Price Range is indicative. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholder, after consultation with the Company and the Joint Global Coordinators (as defined below), after the end of the Offering Period on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact numbers of Offer Shares to be sold will be stated in a pricing statement (the ''**Pricing Statement**'') which will be published through a press release and filed with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the ''**AFM**''). The Selling Shareholder, after consultation with the Company and the Joint Global Coordinators, reserves the right to change the Offer Price Range and/or to increase the maximum number of Offer Shares before the end of the Offering Period. Any such change will be announced in a press release prior to the end of the Offering Period.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the ''**Preferential Retail Allocation**''). Each eligible retail investor in the Netherlands (each a ''**Dutch Retail Investor**'') will be allocated the first 250 (or fewer) Offer Shares for which such investor applies, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may take place pro rata to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares that they apply for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 26 January 2015 at 9:00 CET and ending on 4 February 2015 at 17:30 CET through financial intermediaries.

Subject to acceleration or extension of the timetable for the Offering, payment (in euro) for, and delivery of, the Offer Shares (''**Settlement**'') is expected to take place on or about 10 February 2015 (the ''**Settlement Date**''). If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any transactions in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholder, ABN AMRO (as defined below) as listing and paying agent (the ''**Listing and Paying Agent**''), the Underwriters (as defined below) and Euronext Amsterdam N.V. do not accept responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

INVESTING IN THE OFFER SHARES INVOLVES RISKS. SEE ''RISK FACTORS'' BEGINNING ON PAGE 44 OF THIS PROSPECTUS FOR A DESCRIPTION OF CERTAIN RISKS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE INVESTING IN THE OFFER SHARES.

GrandVision N.V. (at the date of this prospectus (the ''**Prospectus**'') still a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) named GrandVision B.V.) (the ''**Company**'') will be converted into a public company with limited liability (*naamloze vennootschap*) immediately after determination of the Offer Price.

ABN AMRO Bank N.V. (''**ABN AMRO**'') and J.P. Morgan Securities plc (''**J.P. Morgan**'') are acting as joint global coordinators (in such and any other capacity, the ''**Joint Global Coordinators**'' and, together with Barclays Bank PLC, BNP Paribas and HSBC Bank plc, as joint bookrunners for the Offering the ''**Joint Bookrunners**''). ING Bank N.V., acting through its corporate finance division (''**ING**''), and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. are acting as joint lead managers (the ''**Joint Lead Managers**'') for the Offering. Crédit Agricole Corporate and Investment Bank and Kempen & Co N.V. are acting as co-lead managers (the ''**Co-Lead Managers**'' and, together with the Joint Lead Managers, the Joint Global Coordinators and the Joint Bookrunners, the ''**Underwriters**'') for the Offering.

The Offer Shares will be delivered in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (''**Euroclear Nederland**'').

The Selling Shareholder expects to grant the Joint Global Coordinators, on behalf of the Underwriters, an option (the ''**Over-Allotment Option**''), exercisable within 30 calendar days after the First Trading Date, pursuant to which J.P. Morgan, as the stabilization manager (the ''**Stabilization Manager**''), may require the Selling Shareholder to sell at the Offer Price up to 15% of the total number of Offer Shares sold in the Offering (the ''**Over-Allotment Shares**''), to cover over-allotments or short positions, if any, in connection with the Offering.

The Offering is only made in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside the Netherlands.

The Offer Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the US. The Offer Shares are being offered and sold outside the US in reliance on Regulation S and within the US to persons reasonably believed to be QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that the Selling Shareholder may be relying on the exemption from the requirement of Section 5 of the US Securities Act provided by Rule 144A. Each purchaser of Offer Shares, in making a purchase, will be deemed to have made certain acknowledgments, representations and agreements as set out in ''Selling and Transfer Restrictions''. Prospective investors in the Offer Shares should carefully read ''Selling and Transfer Restrictions''.

This Prospectus constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (including those resulting from Directive 2010/73/EU) (the ''**Prospectus Directive**'') and has been prepared in accordance with Section 5:9 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*; the ''**FMSA**'') and the rules promulgated thereunder. This Prospectus has been approved by and filed with the AFM.

Joint Global Coordinators and Joint Bookrunners

ABN AMRO **J.P. Morgan**

Joint Bookrunners

Barclays **BNP Paribas** **HSBC**

Joint Lead Managers

ING **Rabobank**

Co-Lead Managers

Crédit Agricole CIB **Kempen & Co**

This Prospectus is dated 26 January 2015

GrandVision
operates a portfolio
of 33 leading optical
retail banners with over
5,600 stores in
43 countries throughout
Europe, Latin America,
the Middle East
and Asia.

TABLE OF CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with an indication that such Element is 'not applicable'.		
Section A – Introduction and Warnings		
A.1	Introduction and warnings	This summary should be read as an introduction to the prospectus (the "**Prospectus**") relating to the offering (the "**Offering**") by HAL Optical Investments B.V. (the "**Selling Shareholder**") of up to 51,000,000 ordinary shares in the issued and outstanding share capital of the Company (as defined below) with a nominal value of €0.02 each (the "**Offer Shares**", which include, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)), and the admission to listing and trading of the ordinary shares, with a nominal value of €0.02 each, in the share capital of the Company (the "**Shares**") on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). Assuming no exercise of the Over-Allotment Option (as defined below), the Offer Shares will constitute not more than 20.04% of the issued Shares. Assuming the Over-Allotment Option is fully exercised, the Offer Shares will constitute not more than 23.05% of the Shares. Any decision to invest in the Shares should be based on a 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, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A.2	Consent, indication, conditions and notice	Not applicable. The Company does not consent to the use of the Prospectus for the subsequent resale or final placement of Offer Shares by financial intermediaries.
Section B – The Issuer		
B.1	Legal and commercial name of the Company	GrandVision N.V. (the "**Company**"), at the date of the Prospectus still a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) named GrandVision B.V., will be converted into a public company with limited liability (*naamloze vennootschap*) immediately after determination of the offer price per Offer Share (the "**Offer Price**").
B.2	Domicile, legal form, legislation and country of incorporation	The Company is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of and is domiciled in the Netherlands. The Company will be converted into a public company with limited liability (*naamloze vennootschap*) immediately after determination of the Offer Price. The Company has its corporate seat (*statutaire zetel*) in Haarlemmermeer, the Netherlands.

B.3	Key factors relating to the nature of the Group's operations and its principal activities	The Company together with its subsidiaries within the meaning of Section 2:24b of the Dutch Civil Code (each a "**Group Company**", and together with the Company, the "**Group**") believes it is the leading global optical retailer that has market-leading banners (*i.e.*, retail store brands) in almost every country in which it operates. In addition, the Group believes it has the leading market position in the optical retail markets in Europe and Latin America in terms of market share measured by retail sales value. The Group primarily targets the mass market customer segment by providing high quality, affordable and accessible eye care. Within the overall growing global market for eye care solutions, the Group's aim is to serve the underlying fundamental and growing customer demand for eyesight correction and protection. The Group offers a full range of optical products, including prescription eyeglasses (frames and lenses), contact lenses and contact lens care products, and sunglasses, including prescription sunglasses. The Group sells a comprehensive portfolio of exclusive in-house brands as well as well-known third party brands in all of its product categories. In addition, in most of the countries where the Group is active, the Group offers eyesight examination and/or measurement and prescription services delivered by optometrists or opticians. As of the date of the Prospectus, the Group is active in 43 countries (including countries where associates are active) throughout Europe, Latin America, the Middle East and Asia. The Group's business is organized and managed on a geographic basis and operated through three segments: G4; Other Europe and; Latin America & Asia. The G4 segment comprises the Group's four largest European business units: (i) the Netherlands and Belgium; (ii) France (excluding the Solaris sunglass stores in France, which are part of the Other Europe segment), Spain, Luxembourg and Monaco (excluding the Solaris sunglass stores in Monaco, which are part of the Other Europe segment); (iii) Germany and Austria; and (iv) the United Kingdom, Ireland and operations in several Middle-Eastern countries which are governed by a master franchise agreement and operate under the banners Vision Express and Solaris, and are managed by the business unit in the United Kingdom. The three segments are supported by centralized shared services with respect to, among others, general management, finance, tax, treasury, legal, information technology ("**IT**"), human resources, supply chain and category management. The Group operates 33 banners (including banners of associates), including Apollo-Optik in Germany, Pearle in the Netherlands, Belgium and Austria, Eye Wish Opticiens in the Netherlands, Générale d'Optique and GrandOptical in France, and Vision Express in the United Kingdom, Ireland, Poland, Hungary, the Middle East and India. The majority of the Group's banners are targeted at the mass market segment. In certain countries where the Group operates multiple banners, such as the Netherlands, France, Mexico and Finland, the Group also addresses the mid-high market segment with a separate banner. In addition, the Group operates the international sunglass banner "Solaris". The Group operates directly-owned stores and franchise stores. As of 30 September 2014, the Group operated 4,485 directly-owned stores and 1,062 franchise stores (in each case, including stores of associates). Franchise stores are governed by individual contracts or master contracts concerning multiple stores in a region. The Group's stores are mostly located at prime retail sites, either in commercial centers, retail parks or in town centers.

		The Group's revenue for the year 2013 was €2.6 billion (2012: €2.5 billion; 2011: €2.4 billion), the Group's EBITDA was €400.5 million. (2012: €371.9 million; 2011: €348.2 million), and System Wide Sales were €2.9 billion (2012: €2.8 billion; 2011: €2.7 billion). For the nine-month period ended 30 September 2014, the Group generated €2.1 billion in revenues, EBITDA was €320 million and System Wide Sales were €2.3 billion. As of 30 September 2014, the Group employed approximately 24,500 full time equivalent personnel. The Group believes that it possesses the following competitive strengths: • Global platform with market leading positions and highly recognizable local banners • Uniquely balanced geographical presence in highly profitable and cash generating mature markets as well as strongly growing emerging markets • Harmonized commercial proposition tailored to the customer needs of the attractive mass market customer segment • Global capabilities geared to further support both the realization of synergies and strong growth • Strong and proven international expansion, acquisition and integration capabilities • Experienced and international management team
B.4a	Significant recent trends	The major trends influencing the global optical retail industry include the following: • Consolidation of highly fragmented markets • Omnichannel development • Retail professionalization • Shift in market position from suppliers to retailers • Market deregulation
B.5	Description of the Group and the Company's position therein	The Company is a holding company without material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its Group Companies.
B.6	Shareholders of the Company	The Selling Shareholder is the only holder of Shares (a "**Shareholder**") that holds (either directly or indirectly) a substantial interest (*substantiële deelneming*, *i.e.*, a holding of at least 3% of the share capital or voting rights as defined in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*)) in the Company as of the date of the Prospectus. The Selling Shareholder holds 250,814,200 Shares, or 98.57% of the Company's total issued and outstanding share capital, as of the date of the Prospectus. The remainder of the Shares are owned by the Company's managing directors and certain members of senior management. Each Share gives the right to cast one vote and the priority share the right to cast one hundred votes at general meetings of the Company. The priority share is currently held by the Selling Shareholder. By way of execution of the Deed of Amendment (as defined below), the Company will convert the priority share into 100 Shares. The Company is not aware of any arrangement that may, at a subsequent date, result in a change of control.

B.7	Selected historical key financial information

Consolidated Income Statement

Euros thousands	Nine months ended 30 September		Year ended 31 December		
	2014	2013	2013	2012	2011
	(unaudited)				
Revenue	2,094,642	1,975,356	2,620,180	2,518,410	2,395,875
Cost of sales and direct related expenses	(557,021)	(520,890)	(671,743)	(642,955)	(607,291)
Gross profit	**1,537,621**	**1,454,466**	**1,948,437**	**1,875,455**	**1,788,584**
Selling and marketing costs	(1,069,343)	(1,027,650)	(1,376,839)	(1,344,414)	(1,292,278)
General and administrative costs	(247,288)	(221,288)	(302,857)	(301,938)	(273,160)
Share of result of associates	1,856	1,057	1,411	2,255	(1,472)
Operating result	**222,846**	**206,585**	**270,152**	**231,358**	**221,674**
Financial result	(24,583)	(33,951)	(41,033)	(39,595)	(58,974)
Result before tax	**198,263**	**172,634**	**229,119**	**191,763**	**162,700**
Income tax	(62,818)	(56,137)	(73,204)	(74,266)	(60,915)
Result for the period	**135,445**	**116,497**	**155,915**	**117,497**	**101,785**
Attributable to:					
Equity holders of the parent company	124,678	106,327	141,473	101,039	97,554
Non-controlling interests	10,767	10,170	14,442	16,458	4,231

Consolidated Statement of Financial Position

	As of 30 September	As of 31 December		
Euros thousands	2014	2013	2012	2011
	(unaudited)			
ASSETS				
Non-current assets				
Property, plant and equipment	380,235	358,905	368,601	361,521
Goodwill	784,121	726,321	740,993	694,993
Other intangible assets	402,161	397,020	405,276	384,609
Deferred income tax assets	65,347	48,356	55,258	46,838
Associates	33,963	33,584	35,169	52,506
Other non-current assets	51,771	44,923	46,574	53,792
Total non-current assets	**1,717,598**	**1,609,109**	**1,651,871**	**1,594,259**
Current assets				
Inventories	238,140	192,620	184,972	192,790
Trade and other receivables	266,075	228,951	266,713	238,873
Current income tax receivables	6,671	7,813	14,583	19,028
Derivative financial instruments	289	143	143	1,174
Cash and cash equivalents	126,678	102,562	91,045	162,126
Total current assets	**637,853**	**532,089**	**557,456**	**613,991**
Total assets	**2,355,451**	**2,141,198**	**2,209,327**	**2,208,250**

Euros thousands	As of 30 September 2014	As of 31 December 2013	2012	2011
	(unaudited)			
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital	61,036	27,775	23,439	250
Other reserves	(38,520)	(38,705)	(8,757)	(581)
Retained earnings	581,322	512,616	373,393	295,247
Total equity attributable to equity holders of the parent company	**603,838**	**501,686**	**388,075**	**294,916**
Non-controlling interests	46,350	44,366	42,444	33,064
Total equity	**650,188**	**546,052**	**430,519**	**327,980**
Non-current liabilities				
Borrowings	794,414	844,823	1,003,236	1,041,606
Deferred income tax liabilities	119,744	117,086	127,472	121,534
Derivative financial instruments	4,033	—	—	—
Post-employment benefit	76,193	54,641	54,958	38,706
Provisions	41,066	31,931	35,489	36,251
Other non-current liabilities	7,342	—	—	—
Total non-current liabilities	**1,042,792**	**1,048,481**	**1,221,155**	**1,238,097**
Current liabilities				
Trade and other payables	442,057	390,987	409,979	387,963
Current income tax liabilities	37,602	33,058	22,833	19,819
Borrowings	161,407	89,184	94,793	197,224
Derivative financial instruments	981	6,011	10,594	4,310
Provisions	20,424	27,425	19,454	32,857
Total current liabilities	**662,471**	**546,665**	**557,653**	**642,173**
Total liabilities	**1,705,263**	**1,595,146**	**1,778,808**	**1,880,270**
Total equity and liabilities	**2,355,451**	**2,141,198**	**2,209,327**	**2,208,250**

Selected Consolidated Statement of Cash Flows

Euros thousands	Nine months ended 30 September		Year ended 31 December		
	2014	2013	2013	2012	2011
	(unaudited)				
Net cash from operating activities	260,656	232,404	333,197	321,980	252,874
Net cash used in investing activities	(218,987)	(64,268)	(113,387)	(188,989)	(140,093)
Net cash used in financing activities	(87,023)	(238,213)	(258,792)	(98,186)	(130,054)
Inflow/(outflow) in cash and cash equivalents	**(45,354)**	**(70,077)**	**(38,982)**	**34,805**	**(17,273)**
Cash and cash equivalents at beginning of period	22,161	55,090	55,090	20,970	39,056
Inflow/(outflow) in cash and cash equivalents	(45,354)	(70,077)	(38,982)	34,805	(17,273)
Exchange gains/(losses) on cash and cash equivalents	(3,295)	7,843	6,053	(685)	(813)
Cash and cash equivalents at end of period	**(26,488)**	**(7,144)**	**22,161**	**55,090**	**20,970**

Revenues by Segment

	Nine months ended 30 September		Year ended 31 December		
Euros thousands	2014	2013	2013	2012	2011
	(unaudited)				
G4[(1)]	1,365,636	1,274,431	1,686,039	1,647,390	1,556,510
Other Europe	550,263	524,488	694,465	672,177	662,701
Latin America & Asia	178,742	176,436	239,676	198,843	176,664
Total Revenue	**2,094,642**	**1,975,356**	**2,620,180**	**2,518,410**	**2,395,875**

(1) The G4 segment comprises the Group's four largest European business units: (i) the Netherlands and Belgium; (ii) France (excluding the Solaris sunglass stores in France, which are part of the Other Europe segment), Spain, Luxembourg and Monaco (excluding the Solaris sunglass stores in Monaco, which are part of the Other Europe segment); (iii) Germany and Austria; and (iv) the United Kingdom, Ireland and operations in several Middle-Eastern countries which are governed by a master franchise agreement and operate under the banners Vision Express and Solaris, and are managed by the business unit in the United Kingdom. See "Operating and Financial Review—Overview—Description of segments".

Selected Other Financial Data

The following tables include financial measures which are not recognized measures of financial performance or liquidity under IFRS. See "Important Information—Presentation of Financial and Other Information".

Group

Euros thousands (unless stated otherwise)	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
System Wide Sales (€ million)(1)	**2,340**	**2,207**	**2,927**	**2,822**	**2,686**
Revenue	**2,094,642**	**1,975,356**	**2,620,180**	**2,518,410**	**2,395,875**
Revenue growth (%)	**6.0**		**4.0**	**5.1**	
Organic growth (%)(2)	5.1		2.5	3.0	
Revenue growth from acquisitions (%)(3)	1.9(4)		3.0	1.1	
Foreign currency fluctuations (%)(5)	(1.0)		(1.4)	1.0	
Comparable growth (%)(6)	**3.8**		**1.6**	**0.8**	
EBITA(7)(8)	**241,377**	**224,521**	**297,226**	**271,965**	**251,543**
EBITDA(9)	**319,756**	**301,439**	**400,454**	**371,875**	**348,233**
EBITDA Margin (%)(10)	15.3	15.3	15.3	14.8	14.5
Adjusted EBITDA(11)	**343,011**	**301,439**	**400,454**	**371,875**	**348,233**
Adjusted EBITDA Margin (%)(12)	16.4	15.3	15.3	14.8	14.5
Capital expenditure (not related to acquisitions)(13)	**94,316**	**64,817**	**113,168**	**114,043**	**133,401**
Store capital expenditure(14)	71,750	48,735	84,563	91,260	
Non-store capital expenditure(15)	22,566	16,082	28,605	22,783	
Free Cash Flow(16)	**166,340**	**167,587**	**220,029**	**207,937**	**119,473**
Cash Conversion (%)(17)	**52.0**	**55.6**	**54.9**	**55.9**	**34.3**
Net working capital(18)	**62,158**		**30,584**	**41,706**	**43,700**
Net Debt(19)	**833,868**		**837,313**	**1,017,435**	**1,079,840**

(1) System Wide Sales is defined as all revenue (net of value-added tax, returns, rebates and discounts) generated by sales of the Group's stores to customers, not only through the Group's physical and online own stores, but also through the Group's franchise-stores, including stores operated under joint venture agreements (in each case, excluding associates). Revenue as an IFRS measure excludes revenue generated by sales of the Group's franchise stores (including stores operated under joint venture agreements) to customers. See "Important Information-Presentation of Financial and Other Information".

(2) Organic growth (%) represents organic growth as a percentage of revenue for the prior period. Organic growth represents the remaining change in revenue as compared to the prior period, after changes in revenue attributable to acquired businesses and the effect of fluctuations in foreign exchange rates, in each case as described below, are taken into account (*i.e.*, growth on a constant currency basis and before the impact of acquisitions). See "Important Information—Presentation of Financial and Other Information".

(3) Revenue growth from acquisitions (%) represents revenue growth from acquisitions as a percentage of revenue for the prior period. Revenue growth from acquisitions represents growth in revenue attributable to acquired businesses and is calculated as the sum of (A) revenue attributable to businesses that were acquired in the current year from the date of acquisition to the end of the period under review and (B) revenue attributable to businesses that were acquired in the prior year from 1 January in the subsequent year to the earlier of the end of the period under review and the first anniversary of their acquisition. Revenue growth from acquisitions for 2013 and 2012 in the G4 segment includes management's estimate as to the incremental effect on revenue from integration of the Het Huis stores into the Eye Wish banner (resulting from the acquisition of Optical Service Group B.V., which operated stores under the brand name "Het Huis", in July 2012). See "Important Information—Presentation of Financial and Other Information".

(4) No revenue growth from acquisitions has been included for the Turkey and China acquisitions (as these acquisitions were completed as of 30 September 2014) and only one month of revenue growth has been included for the Peru acquisition. See "Operating and Financial Review—Factors Affecting Results of Operations—Material Acquisitions" for further detail.

(5) Foreign currency fluctuations (%) represents revenue attributable to foreign currency fluctuations as a percentage of revenue for the prior period. The effect of foreign currency fluctuations on revenue is measured by calculating the difference between the revenue for the period under review (at prevailing exchange rates) and the revenue for the same period, but at prior period's exchange rates. See "Important Information—Presentation of Financial and Other Information".

(6) Comparable growth (%) represents the percentage change in revenue from comparable own stores at constant currency between two comparable consecutive financial periods. Comparable own stores for a given financial period under review represents the Group's own stores (excluding franchise stores), including physical stores and online stores, that have been opened at or before 1 January of the prior financial period and have not been permanently closed at the last day of the financial period under review and over which the Group has had control at or before 1 January of the prior financial period and at the last day of the financial period under review. A significant change to a store, such as a rebranding, is treated as a closing and a new opening and as a consequence is excluded from comparable own stores for a given financial period under review. Comparable growth for all periods under review in the G4 segment excludes joint venture stores in the United Kingdom. Comparable growth of Grupo Optico Lux S.A. in Mexico is included in the Latin America & Asia segment starting from 1 January 2013 since it was fully consolidated as of 31 December 2012. See "Important Information—Presentation of Financial and Other Information".

(7) EBITA is defined as operating result before amortization, but including amortization of software. EBITA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of the Group's operating result to EBITA.

(8) In 9M 2014, EBITA was negatively affected by losses in Spain and in the emerging markets, which amounted to €12 million in the aggregate. In 2013, 2012 and 2011, EBITA was negatively affected by losses in Spain, Greece and the emerging markets, which amounted to €22 million, €28 million and €25 million in the aggregate, respectively.

(9) EBITDA is defined as operating result before depreciation, amortization and impairments. EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of the Group's operating result to EBITDA.

(10) EBITDA Margin represents EBITDA as a percentage of revenue. See "Important Information—Presentation of Financial and Other Information".

(11) Adjusted EBITDA is defined as EBITDA before exceptional and non-recurring items. Exceptional and non-recurring items recorded in 9M 2014 related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) costs associated with a VAT claim in Italy related to prior years (€1.4 million). No exceptional and non-recurring items have been taken into account for 2013, 2012 and 2011. Adjusted EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of the Group's operating result to Adjusted EBITDA.

(12) Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue. See "Important Information—Presentation of Financial and Other Information".

(13) Capital expenditure (not related to acquisitions) is defined as cash outflows related to the purchase of property, plant and equipment and intangible assets (mainly software and key money), excluding cash outflows related to acquisitions. See "Operating and Financial Review-Capital expenditure".

(14) Store capital expenditure consists largely of cash outflows related to maintenance of the existing store base through modernization, renovation and/or refurbishments and, to a lesser extent, cash outflows related to store fittings and furniture and store IT in relation to new store openings. See "Operating and Financial Review—Capital expenditure."

(15) Non-store capital expenditure consists largely of cash outflows not related to stores, including cash outflows related to distribution, information technology infrastructure, central warehouses and TechCenters. See "Operating and Financial Review—Capital expenditure".

(16) Free Cash Flow is defined as net cash from operating activities less capital expenditures (not related to acquisitions). See "Important Information—Presentation of Financial and Other Information".

(17) Cash Conversion is defined as Free Cash Flow divided by EBITDA, expressed as a percentage. See "Important Information—Presentation of Financial and Other Information".

(18) Net working capital consists of inventories plus trade and other receivables less trade and other payables.

(19) Net Debt is defined as total borrowings and derivatives (liabilities), less cash and cash equivalents and derivatives (assets). Total borrowings as of 31 December 2013, 2012 and 2011 included shareholder loans, with aggregate principal amounts outstanding of €325 million, €400 million and €400 million, respectively. As of 30 September 2014, no shareholder loans were outstanding. See "Operating and Financial Review—Liquidity and Capital Resources—Historical financing—Shareholder loans".

By segment

G4

	Nine months ended 30 September		Year ended 31 December		
Euros thousands (unless stated otherwise)	**2014**	**2013**	**2013**	**2012**	**2011**
Revenue	**1,365,636**	**1,274,431**	**1,686,039**	**1,647,390**	**1,556,510**
Revenue growth (%)	**7.2**		**2.3**	**5.8**	
Organic growth (%)	4.1		1.8	3.4	
Revenue growth from acquisitions (%)	2.0		1.4(1)	1.1(1)	
Foreign currency fluctuations (%)	1.1		(0.9)	1.4	
Comparable growth (%)(2)	**3.0**		**0.6**	**0.9**	
Adjusted EBITDA(3)	**276,760**	**249,336**	**325,680**	**314,701**	**294,677**
Adjusted EBITDA Margin (%)	20.3	19.6	19.3	19.1	18.9

(1) Revenue growth from acquisitions for 2013 and 2012 includes management's estimate as to the incremental effect on revenue from integration of the Het Huis stores into the Eye Wish banner (resulting from the acquisition of Optical Service Group B.V., which operated stores under the brand name "Het Huis", in July 2012). See "Important Information—Presentation of Financial and Other Information".

(2) Comparable growth for all periods under review excludes joint venture stores in the United Kingdom.

(3) Adjusted EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of segment Adjusted EBITDA to EBITDA of the Group and of EBITDA of the Group to operating results as an IFRS measure.

Other Europe

Euros thousands (unless stated otherwise)	Nine months ended 30 September 2014	2013	Year ended 31 December 2013	2012	2011
Revenue	**550,263**	**524,488**	**694,465**	**672,177**	**662,701**
Revenue growth (%)	**4.9**		**3.3**	**1.4**	
Organic growth (%)	5.7		3.5	0.3	
Revenue growth from acquisitions (%)	1.1		0.6	0.7	
Foreign currency fluctuations (%)	(1.9)		(0.8)	0.4	
Comparable growth (%)	**3.9**		**3.3**	**(0.9)**	
Adjusted EBITDA(1)	**86,189**	**68,868**	**92,170**	**83,681**	**86,082**
Adjusted EBITDA Margin (%)	15.7	13.1	13.3	12.4	13.0

(1) Adjusted EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of segment Adjusted EBITDA to EBITDA of the Group and of EBITDA of the Group to operating results.

Latin America & Asia

Euros thousands (unless stated otherwise)	Nine months ended 30 September 2014	2013	Year ended 31 December 2013	2012	2011
Revenue	**178,742**	**176,436**	**239,676**	**198,843**	**176,664**
Revenue growth (%)	**1.3**		**20.5**	**12.6**	
Organic growth (%)	10.9		4.8	9.3	
Revenue growth from acquisitions (%)	4.1(1)		23.6	3.0	
Foreign currency fluctuations (%)	(13.7)		(7.9)	0.2	
Comparable growth (%)(2)	**8.9**		**3.1**	**5.8**	
Adjusted EBITDA(3)	**4,265**	**2,237**	**5,594**	**(3,215)**	**(4,042)**
Adjusted EBITDA Margin (%)	2.4	1.3	2.3	(1.6)	(2.3)

(1) No revenue growth from acquisitions has been included for the Turkey and China acquisitions (as these acquisitions were completed as of 30 September 2014) and only one month of revenue growth for the Peru acquisition. See "Operating and Financial Review—Factors Affecting Results of Operations—Material Acquisitions" for further detail.

(2) Comparable growth of Grupo Optico Lux S.A. de C.V. in Mexico is included starting from 1 January 2013 since it was fully consolidated as of 31 December 2012.

(3) Adjusted EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of segment Adjusted EBITDA to EBITDA of the Group and of EBITDA of the Group to operating results.

Selected Operational Data

Group

	As of 30 September 2014	As of 31 December 2013	2012	2011
Total number of stores(1)	**5,547**	**4,993**	**4,876**	**4,646**
Number of own stores	4,485	3,982	3,893	3,648
Number of franchise stores	1,062	1,011	983	998
Total number of countries present(2)	**43**	**40**	**40**	**40**
Total number of banners(3)	**32**	**25**	**24**	**24**
Number of FTEs	**24,598**	**22,235**	**21,487**	**20,211**

By segment				
	As of 30 September	**As of 31 December**		
	2014	**2013**	**2012**	**2011**
Total number of stores(1)	**5,547**	**4,993**	**4,876**	**4,646**
G4	2,936	2,823	2,759	2,612
Other Europe	1,453	1,412	1,373	1,358
Latin America & Asia	1,158	758	744	676
Total number of countries present(2)	**43**	**40**	**40**	**40**
G4	16	16	16	16
Other Europe	18	18	18	18
Latin America & Asia	11	8	8	8
Total number of banners(3)	**32**	**25**	**24**	**24**
G4	10	9	8	8
Other Europe	14	14	14	14
Latin America & Asia	17	9	9	8

(1) Data presented for number of stores include stores of the Group's associates.

(2) Data presented for number of countries present include countries in which the Group's associates or franchisees operate. France and Monaco are included in both G4 (which includes all operations in these countries except for the Solaris sunglass stores) and Other Europe (which includes the Solaris sunglasses stores in these countries).

(3) Data presented for number of banners include banners of the Group's associates. Several banners that the Group employs across segments are included in more than one segment.

B.8	Selected key pro forma financial information	Not applicable. No pro forma financial information has been included in the Prospectus.
B.9	Profit forecast	Not applicable. The Company has not issued a profit forecast.
B.10	Historical audit report qualifications	Not applicable. There are no qualifications in the auditor's report on the historical financial information for the years ended 31 December 2011, 2012 and 2013.
B.11	Explanation if insufficient working capital	The Company believes that the working capital available to the Group is sufficient for the Group's present requirements; that is for at least twelve months following the date of the Prospectus.
	Section C – Securities	
C.1	Type and class, security identification number	The Shares are ordinary shares in the issued and outstanding share capital of the Company with a nominal value of €0.02 each. Application has been made to list all Shares under the symbol "GVNV" on Euronext Amsterdam under ISIN Code: NL0010937066
C.2	Currency of the Offer Shares	The Offer Shares are denominated in and will trade in euro.
C.3	Number of Shares and nominal value	Prior to the execution of the notarial deed of amendment and conversion of the Company, which deed will be executed immediately after determination of the Offer Price (the "**Deed of Amendment**"), the issued share capital of the Company consists of 254,443,740 Shares and one priority share. After the execution of the Deed of Amendment, the authorized capital of the Company will amount to €1,000,000,000 and will consist of 50,000,000,000 Shares with a nominal value of €0.02 each and the issued share capital will consist of 254,443,840 Shares.

		As of the date of the Prospectus, no Shares are held by the Company. All issued Shares and the priority share are fully paid-up and are subject to, and have been created under, the laws of the Netherlands. By way of execution of the Deed of Amendment, the Company will convert the priority shares into 100 Shares.
C.4	Rights attached to the Shares	References to the "**Articles of Association**" hereafter will be to the Company's articles of association as they will read after the execution of the Deed of Amendment. The Shares carry dividend rights. Each Share confers the right to cast one vote in the general meeting of shareholders of the Company (the "**General Meeting**"). There are no restrictions on voting rights. Upon issue of Shares or grant of rights to subscribe for Shares, each Shareholder shall have a pre-emptive right in proportion to the aggregate nominal amount of his or her Shares. Shareholders do not have pre-emptive rights in respect of Shares issued against contribution in kind, Shares issued to employees of the Company or a Group Company or Shares issued to persons exercising a previously granted right to subscribe for Shares. Pre-emptive rights may be limited or excluded by a resolution of the General Meeting subject to the approval of the supervisory board of the Company (the "**Supervisory Board**"). The Supervisory Board is authorized to resolve on the limitation or exclusion of the pre-emptive right if and to the extent the Supervisory Board has been designated by the General Meeting to do so. The designation will only be valid for a specific period and may from time to time be extended by the General Meeting, in each case not exceeding five years. Unless provided otherwise in the designation, the designation cannot be cancelled. As set out above, pursuant to the execution of the Deed of Amendment, the Supervisory Board is authorized by the General Meeting to resolve to issue Shares, to grant rights to subscribe for Shares or to restrict and/or exclude statutory pre-emptive rights in relation to the issuances of Shares or the granting of rights to subscribe for Shares. Aforementioned authorization of the Supervisory Board is limited to 10% of the total nominal issued share capital of the Company as of the date of execution of the Deed of Amendment and will be valid for eighteen months following such date. A part of this authority may be used for grants to senior management of the Group under the long term incentive plan 2015 other than members of the Company's management board (the "**Management Board**" and each a "**Managing Director**"). In addition, the Supervisory Board is authorized to resolve to issue (rights to subscribe for) Shares to the members of the Management Board under the long term incentive plan 2015 for a period of five years up to a maximum number of 240,000 Shares per year and to limit or exclude the pre-emptive rights in relation to such issues.
C.5	Restrictions on transferability of the Offer Shares	There are no restrictions on the transferability of the Offer Shares in the Articles of Association. However, the Offering to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Offer Shares into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions.
C.6	Listing and admission to trading of the Offer Shares	Prior to the Offering, there has been no public market for the Shares. Application has been made to list all Shares under the symbol "GVNV" on Euronext Amsterdam. Subject to acceleration or extension of the timetable for the Offering, trading in the Shares on Euronext Amsterdam is expected

		to commence, on an as-if-when-delivered basis, on or about 6 February 2015 (the "**First Trading Day**").
C.7	Dividend policy	For the financial year 2015, the Company intends to pay an interim dividend of €35 million, which is to be paid to the Shareholders in September 2015. The resolution of the Management Board to pay the interim dividend is subject to the prior approval of the Supervisory Board. The remainder of the dividend over the financial year 2015, if any, will be determined at the General Meeting in 2016 and paid in May 2016. In relation to future years, 2016 and beyond, the Company intends to pay an ordinary dividend annually in line with the Company's medium to long term financial performance and targets to increase dividends-per-Share over time. The Company envisages that, as a result of this policy, the ordinary dividend pay-out ratio will range between 25-50%. The Company's intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond the Company's control.
	Section D – Risks	
D.1	Key risks that are specific to the Group	**Risks Relating to the Group's Business** • Applicable laws and regulations and their interpretation or enforcement, could materially change. • It may be difficult for the Group to adjust to a decrease in sales volumes due to relatively high operating costs which may be subject to further cost inflation. • The Group's business may be adversely affected by the loss or actions of its suppliers and changes to the merits of its contractual arrangements with them. • The eyewear industry is highly competitive, and certain of the Group's principal local competitors may be more competitive in local markets than the Group. • The Group may fail to identify and/or acquire suitable acquisition candidates or investment opportunities or may make unsuitable acquisitions or investments. The Group may also be unable to successfully integrate or achieve the expected benefits from past or future acquisitions. • The Group may not be able to successfully implement its growth strategy in emerging markets. • The Group's business could be adversely affected by the availability of vision correction alternatives to prescription eyeglasses and contact lenses. • The Group may be adversely impacted by changes in the distribution channels for certain optical products, including on-line distribution, if the Group fails to adapt to these changes. • The Group's success depends on the reputation and consumer awareness of its banners, which may be negatively impacted by either a decrease in the Group's marketing ability or by negative publicity relating to the Group or the optical industry in general. • The Group's success depends on its ability to protect its banners and other intellectual property rights. • The Group's franchisees are independent operators and the Group has limited influence over them and their operations. The Group's franchisees may not continue to accept the terms of franchise agreements.

		• The Group may be unable to meet the performance standards of its customers and franchisees. • The Group's reputation and relationship with its customers and franchisees could be harmed by disruptions in the operations of the Group's technology laboratories and other performance failures by the Group or other service providers in the supply chain. • The Group may be unable to manage its inventory due to inadequate market trend predictions by the Group or unexpected events. • The Group is exposed to potential product liability claims and product recalls. • The Group may not be able to successfully implement its new IT strategy. The Group's business may be disrupted if its information systems fail or if its databases were destroyed or damaged. • Any failure of management information and internal control systems may adversely affect the ability of the Group to identify or anticipate risks and to adequately respond to unfavorable developments within the Group. • The Group relies on the skills and experience of its managerial staff and other key personnel, and may fail to retain individuals or fail to recruit suitable managers and other key personnel, including qualified optical personnel, both for expanding the Group's operations and for replacing employees who leave the Group. • The Group may fail to complete its transformation into a more centralized organization. • The Group is affected by demand fluctuations and other developments in the broader economy. • The Group is exposed to a variety of economic, political, legal and other related risks due to the international nature of its business. • The Group is exposed to the risk of strikes, work stoppages and other industrial action. • The Group may fail to obtain, renew or maintain, or may experience material delays in obtaining, requisite governmental or other relevant approvals, licenses, certificates or permits for the conduct of its business. • The Group is subject to stringent data privacy laws and may therefore be exposed to increased compliance costs and to confidentiality and security breaches. • Currency exchange rate fluctuations could affect the Group's operations and its reported results from year to year. The Group may not be able to successfully hedge its foreign currency exchange risk particularly against the US dollar or a hedging counterparty could default. • The Group is exposed to payment risks from counterparties, such as health insurance companies, franchisees and suppliers. • The Group may incur liabilities that are not covered by insurance. • The Group's interpretation of tax laws and regulations and the tax advice that the Group relies on, may be questioned or challenged by the authorities. • The Group is involved or may become involved in legal proceedings and investigations. • The Group's business and operations in India could be adversely affected by actions of the HAL Group in India.

		Risks Relating to the Group's Capital Structure • Where the Group's cash flow is insufficient for executing its growth strategy, it will be dependent on external sources of capital; access to such sources could be restricted for a variety of reasons. • The Group is exposed to interest rate risks. **Risks Relating to the Structure of the Group** • Following the Offering, the Selling Shareholder will continue to have a position to exert substantial influence over the Company and its interests may differ from the interests of the Company's other Shareholders. • The Group owns less than 100% in certain companies and this ownership structure carries certain risks. • The Company is a holding company with no direct cash generating operations and relies on operating subsidiaries to provide itself with funds necessary to meet its financial obligations.
D.3	Key risks relating to the Shares and the Offering	**Risks Relating to the Shares** • The payment of future dividends will depend on the Group's financial condition and results of operations, as well as on the Group's operating subsidiaries' distributions to the Company. • Future issuances of Shares or debt or equity securities convertible into Shares by the Company, or future sales of a substantial number of Shares by the Selling Shareholder or the perception thereof, may adversely affect the market price of the Shares, and any future issuance of Shares, may dilute investors' shareholdings. Although the Company and the Selling Shareholder are expected to agree in the Underwriting Agreement to certain restrictions on issuing, selling or transferring Shares for a period of 180 days after the Settlement Date, the Joint Global Coordinators may, in their sole discretion and at any time, waive such restrictions. • Holders of Shares outside the Netherlands may suffer dilution if they are unable to exercise pre-emptive rights in future offerings. **Risks Relating to the Offering and Offer Shares** • The Shares have not been publicly traded, and there is no guarantee that an active and liquid market for the Shares will develop. • The Company's Share price may fluctuate significantly, and investors could lose all or part of their investment. • If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled.
		Section E – Offer
E.1	Net proceeds and estimated expenses	The Company will not receive any proceeds from the Offering, the net proceeds of which will be received by the Selling Shareholder. After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholder of approximately €29 million, the Selling Shareholder expects to receive approximately €965,500,000 in net proceeds from the Offering (based on an Offer Price at the mid-point of the Offer Price Range (as defined below) and assuming the sale of the maximum number of Offer Shares by the Selling Shareholder and no exercise of the over-allotment option (the "**Over-Allotment Option**") that is to be granted by the Selling Shareholder in

		connection with the Offering). The expenses, commissions and taxes related to the Offering payable by the Company are estimated to amount to approximately €5 million.
E.2a	Reasons for the Offering and use of proceeds	The Company believes that the Offering is a logical next step in the development of the Group, and that the timing of the Offering is appropriate, given the Group's current profile and level of maturity. The Company expects that the Offering will increase the Group's business profile with investors, business partners and customers, and thereby further enhance the Group's success in its international expansion, particularly in emerging markets and the possibility to attract highly talented individuals. The Offering will also provide additional financial flexibility and diversity through access to capital markets. The Company will not receive any proceeds from the Offering. The Selling Shareholder intends to remain a significant long-term shareholder of the Company after the closing of the Offering.
E.3	Terms and conditions of the Offering	**Offer Shares** The Selling Shareholder is offering up to 51,000,000 Offer Shares. The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered: (i) within the United States of America (the "**US**"), to persons reasonably believed to be "qualified institutional buyers" as defined in, and in reliance on, Rule 144A under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and (ii) outside the US in "offshore transactions" as defined in, and in compliance with, Regulation S under the US Securities Act. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. In the Offering, the Company will purchase 2,500,000 Offer Shares from the Selling Shareholder at the Offer Price, in order to hedge the price risk of the grants made under long term incentive plans. **Over-Allotment Option** The Selling Shareholder expects to grant the Joint Global Coordinators (as defined below), on behalf of the Underwriters (as defined below), the Over-Allotment Option, exercisable up to 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager (as defined below) may require the Selling Shareholder to sell at the Offer Price up to 7,650,000 Over-Allotment Shares, comprising up to 15% of the total number of Offer Shares sold in the Offering (the "**Over-Allotment Shares**"), to cover over-allotments or short positions, if any, in connection with the Offering. **Offering Period** Prospective investors may subscribe for Offer Shares during the period commencing at 9:00 Central European Time ("**CET**") on 26 January 2015 and ending on 14:00 CET on 5 February 2015 (the "**Offering Period**"), subject to acceleration or extension of the timetable for the Offering. The Offering Period for Dutch Retail Investors (as defined below) will end at 17.30 CET on 4 February 2015. **Offer Price and Number of Offer Shares** The Offer Price is expected to be in the range of €17.50 to €21.50 (inclusive) per Offer Share (the "**Offer Price Range**"). The Offer Price and the exact number of Offer Shares will be determined on the basis of a book building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered will be determined by the Selling Shareholder, after consultation with the Company and the Joint

		Global Coordinators (as defined below), after the end of the Offering Period, including any acceleration or extension, on the basis of the book building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate. The Offer Price, the exact numbers of Offer Shares to be sold and the maximum number of Over-Allotment Shares will be stated in a pricing statement which will be published through a press release that will also be posted on the Company's website and filed with the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"). The Offer Price Range is an indicative price range. The Selling Shareholder, after consultation with the Company and the Joint Global Coordinators, reserves the right to change the Offer Price Range and/or to increase the maximum number of Offer Shares before the end of the Offering Period. Any such change will be announced in a press release (that will also be posted on the Company's website) prior to the end of the Offering Period. **Allocation** The allocation of the Offer Shares is expected to take place after termination of the Offering Period on or about 5 February 2015, subject to acceleration or extension of the timetable for the Offering. Allotment to investors who applied to subscribe for Offer Shares will be determined by the Selling Shareholder after consultation with the Company and the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allot the Offer Shares. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. **Preferential Retail Allocation** There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands in accordance with applicable law and regulations (the "**Preferential Retail Allocation**"). Each eligible retail investor in the Netherlands (each a "**Dutch Retail Investor**") will be allocated the first 250 (or fewer) Offer Shares for which such investor applies. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors would exceed 10% of the total number of the Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced pro rata to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they apply. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after of the Offer Period has ended. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 26 January 2015 at 9:00 CET and ending on 4 February 2015 at 17:30 CET through financial intermediaries. Different financial intermediaries may apply deadlines before the closing time of the Offering Period. ABN AMRO Bank N.V. ("**ABN AMRO**") as the Retail Coordinator will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Global Coordinators. **Payment** Payment (in euros) for and delivery of the Offer Shares will take place on the settlement date, which is expected to be 10 February 2015 (the "**Settlement Date**"). Taxes and expenses, if any, must be borne by the investor. Dutch Retail Investors may be charged expenses by their financial

		intermediary. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement). **Delivery of Shares** The Offer Shares will be delivered in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Shares prior to Settlement are at the sole risk of the parties concerned. **Underwriting Agreement** The Company, HAL Investments B.V. (acting on a joint and several basis with the Selling Shareholder), the Selling Shareholder, and the Underwriters named below (the "**Underwriters**") will enter into an underwriting agreement on or about 5 February 2015 with respect to the offer and sale of the Offer Shares (the "**Underwriting Agreement**"). Under the terms and subject to the conditions set forth in the Underwriting Agreement, the Selling Shareholder will agree to sell at the Offer Price to the Underwriters, and each of the Underwriters, severally but not jointly, will agree to purchase at the Offer Price from the Selling Shareholder, the Offer Shares in the Offering. The Underwriting Agreement will provide that the obligations of the Underwriters to purchase the Offer Shares are subject to, among other things, the following conditions precedent: (i) the approval of the Prospectus by the AFM being in full force and effect, (ii) receipt of opinions on certain legal matters from counsel, (iii) receipt of customary officers' certificates, (iv) the absence of a material adverse effect on the business, financial position, results of operations or prospects of the Company and its subsidiaries taken as a whole or in financial markets since the date of the Underwriting Agreement, (v) the admission of the Shares to listing on Euronext Amsterdam occurring no later than 9:00 CET on the First Trading Date and (vi) certain other customary conditions. Upon the occurrence of certain specific events, such as the occurence of (i) a material adverse change in the business, financial position, results of operations or prospects of the Company and its subsidiaries taken as a whole or in financial markets since the date of the Underwriting Agreement, (ii) a material breach of the Underwriting Agreement or (iii) a statement in the Prospectus, pricing statement or any amendment or supplement to the Prospectus being untrue, inaccurate or misleading, the Underwriters may elect to terminate the Underwriting Agreement until the Settlement Date. **Joint Global Coordinators and Joint Bookrunners** ABN AMRO and J.P. Morgan Securities plc ("**J.P. Morgan**") are acting as joint global coordinators (the "**Joint Global Coordinators**") and, together with Barclays Bank PLC, BNP Paribas and HSBC Bank plc as the joint bookrunners (the "**Joint Bookrunners**"). **Joint Lead Managers** ING Bank N.V. and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. are acting as joint lead manager (the "**Joint Lead Managers**"). **Co-Lead Managers** Crédit Agricole Corporate and Investment Bank and Kempen & Co N.V. are acting as co-lead manager (the "**Co-Lead Managers**").

		Underwriters The Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Co-Lead Managers are acting as underwriters (the "**Underwriters**"). **Listing and Paying Agent** ABN AMRO is the listing and paying agent with respect to the Shares on Euronext Amsterdam. **Retail Coordinator** ABN AMRO is the retail coordinator with respect to the Preferential Retail Allocation. **Stabilization Manager** J.P. Morgan is the stabilization manager (the "**Stabilization Manager**") with respect to the Shares on Euronext Amsterdam.
E.4	Interests material to the Offering (including conflicts of interests)	Certain of the Underwriters and/or their respective affiliates have in the past been engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholder or any parties related to any of them, in respect of which they have received, and may in the future receive, customary fees and commissions. In particular, most of the Underwriters are lenders under the revolving credit facility. Additionally, the Underwriters may, in the ordinary course of their business, in the future may hold the Company's securities for investment. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality by internal procedures or by rules and regulations. As a result of these transactions, the Underwriters may have interests that may not be aligned, or could potentially conflict, with the interests of investors or with the interests of the Company.
E.5	Person or entity offering to sell the Offer Shares and lock-up arrangements	The Joint Global Coordinators may, in their sole discretion and at any time, waive the restrictions, including those on sales, issues or transfers of Shares, described below. **Company lock-up** Pursuant to the Underwriting Agreement, the Company is expected to agree with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date (the company lock-up period), it will not, except as set forth below, without the prior consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

		The foregoing restrictions shall not apply to: (i) any corporate action in connection with a takeover offer, capital reorganisation, legal merger, split-up or similar transaction or process, in each case to the extent involving the Company; or (ii) the granting of awards in options or Shares by the Company or the issuance of Shares upon the exercise of options granted by the Company pursuant to employee incentive schemes described in the Prospectus. **Selling Shareholder lock-up** Pursuant to the Underwriting Agreement, the Selling Shareholder is expected to agree with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date (the selling shareholder lock-up period), it will not, except as set forth below, without the prior consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or request or demand that the Company file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction. The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares in the Offering; (ii) the lending of Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the stock lending agreement expected to be entered into between the Selling Shareholder and the Stabilization Manager; (iii) any corporate action in connection with a takeover offer, capital reorganisation, legal merger, split-up or similar transaction or process, in each case to the extent involving the Company; or (iv) transfers to affiliates, employees, directors, officers, subsidiaries, managers or shareholders of, or to any investment fund or other entity controlled or managed by, or under common control or management with, the Selling Shareholder, subject to such recipient agreeing, as a condition for the receipt of such shares or other equity interests and in form and substance reasonably satisfactory to the Joint Global Coordinators (acting on behalf of the Underwriters), to be bound by the foregoing restrictions for the remainder of the selling shareholder lock-up period. **Management lock-up** Each Managing Director is expected to enter into a lock-up agreement with the Company on or about 5 February 2015. Pursuant to these lock-up agreements, each of the Managing Directors shall hold all the Shares owned in any event until 180 days from the Settlement Date. This lock-up shall not apply to: (i) the sale by Mr. Kiesselbach of 10% of his Shares for the Offer Price to the Selling Shareholder, on or shortly after Settlement; or (ii) any sale to cover income taxes due upon the vesting of any (options for) Shares under existing awards granted under the Company's option or share plans. Pursuant to the Underwriting Agreement, each of the Company, HAL Investments B.V. and the Selling Shareholder is expected to agree with the Underwriters that, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters), they will not, for a period from the date of the

		Underwriting Agreement until 180 days from the Settlement Date, provide any waiver from the lock-up provisions contained in each of the Managing Director's lock-up agreements.
E.6	Dilution	Not applicable. As only existing Shares will be offered, the Offering will not have a dilutive effect.
E.7	Estimated expenses charged to the investors by the Company or the Selling Shareholders	Not applicable. No expenses have been or will be charged to the investors by the Company or the Selling Shareholder in relation to the Offering.

SAMENVATTING

*Dit hoofdstuk bevat een Nederlandse vertaling van de Engelstalige samenvatting van het prospectus gedateerd 26 januari 2015 (het "**Prospectus**"). In geval van een mogelijke discrepantie in uitleg van begrippen prevaleert de Engelstalige samenvatting van het Prospectus.*

<table>
<tr><td colspan="3">Samenvattingen van prospectussen zijn opgebouwd uit verschillende informatievereisten die 'Elementen' worden genoemd. Deze Elementen zijn genummerd als Afdelingen A – E (A.1 – E.7). Deze samenvatting bevat alle Elementen die in een samenvatting van een prospectus voor dit type effecten en uitgevende instelling dienen te worden opgenomen. Omdat sommige Elementen niet verplicht zijn, is het mogelijk dat de nummering van de Elementen niet volledig is.

Hoewel een Element verplicht opgenomen dient te worden in een samenvatting voor dit type effecten en voor deze uitgevende instelling, is het mogelijk dat er geen relevante informatie gegeven kan worden voor een bepaald Element. In dat geval is er een korte beschrijving van het Element opgenomen in de samenvatting met vermelding 'niet van toepassing'.</td></tr>
<tr><td colspan="3">Afdeling A – Inleiding en Waarschuwingen</td></tr>
<tr><td>A.1</td><td>Inleiding en waarschuwingen</td><td>Deze samenvatting dient te worden gelezen als inleiding op het prospectus (het "Prospectus") met betrekking tot de aanbieding (de "Aanbieding") door HAL Optical Investments B.V. (de "Verkopende Aandeelhouder") van ten hoogste 51.000.000 gewone aandelen in het uitgegeven en geplaatste aandelenkapitaal van de Vennootschap (zoals hierna gedefinieerd), met een nominale waarde van € 0,02 per aandeel (de "Aangeboden Aandelen", inclusief – tenzij uit de context anders blijkt – de Overtoewijzingsaandelen (zoals hierna gedefinieerd), en de toelating tot de notering van en de handel in de gewone aandelen, met een nominale waarde van € 0,02 per aandeel in het aandelenkapitaal van de Vennootschap (de "Aandelen"), aan Euronext in Amsterdam, een gereguleerde markt die deel uitmaakt van Euronext Amsterdam N.V. ("Euronext Amsterdam"). Als de Overtoewijzingsoptie (zoals hierna gedefinieerd) niet wordt uitgeoefend, maken de Aangeboden Aandelen niet meer dan 20,04% uit van de uitgegeven Aandelen. Als de Overtoewijzingsoptie volledig wordt uitgeoefend, maken de Aangeboden Aandelen maximaal 23,05% van de Aandelen uit. Een beslissing om te beleggen in de Aandelen dient pas te worden genomen na beoordeling door de belegger van het gehele Prospectus. Op grond van het nationale recht van de lidstaten kan in geval van een rechtsvordering in verband met de in het Prospectus opgenomen informatie worden bepaald dat het gehele Prospectus op kosten van de eiser/belegger moet worden vertaald alvorens de vordering in behandeling wordt genomen. Aansprakelijkheid rust uitsluitend op die personen die de samenvatting hebben ingediend – inclusief de eventuele vertaling daarvan – maar uitsluitend voor zover de samenvatting misleidend, onjuist, of inconsistent is indien gelezen in samenhang met de overige delen van het Prospectus, of indien deze, gelezen in samenhang met de overige gedeelten van het Prospectus, geen essentiële informatie bevat die de belegger behulpzaam kan zijn bij zijn overweging al dan niet in de Aandelen te investeren.</td></tr>
<tr><td>A.2</td><td>Toestemming, aanduiding, voorwaarden en aankondiging</td><td>Niet van toepassing. De Vennootschap verleent geen toestemming voor het gebruik van het Prospectus voor de verdere wederverkoop of definitieve plaatsing van de Aangeboden Aandelen door financiële tussenpersonen.</td></tr>
<tr><td colspan="3">Afdeling B – De Uitgevende Instelling</td></tr>
<tr><td>B.1</td><td>Statutaire en handelsnaam van de Vennootschap</td><td>GrandVision N.V. (de "Vennootschap"), per de datum van het Prospectus nog een besloten vennootschap met beperkte aansprakelijkheid, genaamd GrandVision B.V., die onmiddellijk na vaststelling van de aanbiedingsprijs van de Aangeboden Aandelen (de "Aanbiedingsprijs") wordt omgezet in een naamloze vennootschap.</td></tr>
</table>

B.2	Vestigingsplaats, rechtsvorm, toepasselijk recht en land van oprichting	De Vennootschap is een besloten vennootschap met beperkte aansprakelijkheid naar Nederlands recht en is gevestigd in Nederland. De Vennootschap wordt onmiddellijk na vaststelling van de Aanbiedingsprijs omgezet in een naamloze vennootschap. De Vennootschap heeft haar statutaire zetel in Haarlemmermeer.
B.3	Kerngegevens betreffende de aard van de huidige werkzaamheden en belangrijkste bedrijfsactiviteiten van de Groep	De Vennootschap en haar groepsmaatschappijen (zijnde rechtspersonen in de zin van artikel 2:24b van het Burgerlijk Wetboek) (elk afzonderlijk aangeduid als "**Groepsmaatschappij**" en samen met de Vennootschap, de "**Groep**") beschouwen zichzelf als het toonaangevende optiekwinkelbedrijf dat in vrijwel elk land waarin zij actief is winkelformules (*banners*) heeft die in deze sector marktleider zijn. De Groep meent marktleider te zijn in de optiekbranche in Europa en Latijns-Amerika gelet op haar marktaandeel op basis van *retail sales value*. De Groep richt zich hoofdzakelijk op de massaconsumentenmarkt, met kwalitatief hoogstaande, betaalbare en toegankelijke oogzorg. De Groep speelt binnen de groeiende wereldmarkt voor oplossingen in de oogzorg in op de toenemende vraag naar oogcorrectie en -bescherming. De Groep biedt een volledig assortiment optische producten, waaronder brillen op sterkte (monturen en glazen), contactlenzen en contactlensverzorgingsproducten, en zonnebrillen op sterkte. De Groep verkoopt in alle productcategorieën producten zowel onder haar eigen merknamen als bekende merken van anderen. Daarnaast biedt de Groep in de meeste landen waarin zij actief is oogonderzoek en/of oogmetingen aan, uitgevoerd door daartoe gekwalificeerde opticiens en optometristen. De Groep is per de datum van het Prospectus actief in 43 landen (inclusief landen waar geassocieerde deelnemingen actief zijn) in Europa, Latijns-Amerika, het Midden-Oosten en Azië. De activiteiten van de Groep zijn georganiseerd op geografische basis in drie segmenten: G4, Overig Europa en Latijns-Amerika & Azië. Het G4 segment bestaat uit de vier grootste Europese business units van de Groep: (i) Nederland en België; (ii) Frankrijk (zonder de Solaris zonnebrillenwinkels in Frankrijk, welke onderdeel uitmaken van het Overig Europa segment), Spanje, Luxemburg en Monaco (zonder de Solaris zonnebrillenwinkels in Monaco, welke onderdeel uitmaken van het Overig Europa segment); (iii) Duitsland en Oostenrijk; en (iv) het Verenigd Koninkrijk, Ierland en bepaalde ondernemingen in verschillende landen in het Midden-Oosten beheerst door een master franschise overeenkomst onder de winkelformule Vision Expres and Solaris, en die geleid worden door de business units in het Verenigd Koninkrijk. De drie segmenten worden ondersteund door een centrale organisatie die diensten aanbiedt op het gebied van onder andere algemeen management, financiën, belastingen, financieel beheer, juridische zaken, informatietechnologie ("**IT**"), personeelszaken, aanvoerketen en categoriebeheer. De Groep exploiteert 33 winkelformules (inclusief winkelformules van geassocieerde deelnemingen), waaronder Apollo-Optik in Duitsland, Pearle in Nederland, België en Oostenrijk, Eye Wish Opticiens in Nederland, Générale d'Optique en GrandOptical in Frankrijk en Vision Express in Groot-Brittannië, Ierland, Polen, Hongarije, het Midden-Oosten en India. De meeste van de winkelformules richten zich op de massamarkt. In sommige landen waarin de Groep met meerdere winkelformules actief is, waaronder Nederland, Frankrijk, Mexico en Finland, richt de Groep zich ook op het midden-hoge segment, met een afzonderlijke winkelformule. Daarnaast exploiteert de Groep de internationale zonnebrillen winkelformule "Solaris".

		De Groep exploiteert zowel winkels in eigen beheer als door middel van franchising. Per 30 september 2014 exploiteerde de Groep 4.485 eigen winkels en 1.062 franchisewinkels (in beide gevallen inclusief geassocieerde deelnemingen). Franchisewinkels worden geëxploiteerd op basis van afzonderlijke overeenkomsten of op basis van raamovereenkomsten waaronder meerdere winkels binnen een regio vallen. De winkels van de Groep zijn voor het merendeel gevestigd op A-locaties in winkelcentra of stadscentra. De Groep behaalde in 2013 een omzet van €2.6 miljard (2012: €2,5 miljard; 2011: €2,4 miljard), de EBITDA van de Groep bedroeg €400,5 miljoen (2012: €371,9 miljoen; 2011: €348,2 miljoen), en de totale nettowinkel-omzet van de Groep bedroeg €2,9 miljard (2012: €2,8 miljard; 2011: €2,7 miljard). In de negen maanden eindigend op 30 september 2014 behaalde de Groep een omzet van €2,1 miljard, bedroeg de EBITDA €320,0 miljoen en de totale nettowinkel-omzet €2,3 miljard. De Groep had per 30 september 2014 ca.24.500 *full time equivalents* in dienst. De Groep meent over de volgende concurrentievoordelen te beschikken: • wereldwijd platform met een positie als marktleider in vele landen en uiterst herkenbare lokale winkelformules; • uniek gebalanceerde geografische spreiding in zowel uiterst winstgevende en omzet genererende volwassen markten als sterk groeiende opkomende markten; • aantrekkelijke en gerichte commerciële aanbiedingen die tegemoetkomen aan de behoeften van de consument in de aantrekkelijke massaconsumptiemarkt; • sterk vermogen om wereldwijd ondersteuning te bieden bij het realiseren van synergiën en groei; • sterk bewezen capaciteit op het gebied van internationale uitbreiding, overnames en integratie; • ervaren en internationaal georiënteerd managementteam.
B.4a	Belangrijke trends die een impact hebben op de Groep en de sectoren waarin zij werkzaam is	Tot de belangrijkste trends die van invloed zijn op de wereldwijde optiekbranche behoren: • consolidatie van zeer gefragmenteerde markten • ontwikkeling van omnichannel • professionalisering van de retail activiteiten • verschuiving in marktpositie van leveranciers naar detailhandelaren • deregulering van de markt
B.5	Omschrijving van de Groep en de positie van de Vennootschap daarin	De Vennootschap is een houdstermaatschappij zonder een materiele eigen bedrijfsvoering. De belangrijkste activa van de Vennootschap zijn de belangen die zij direct of indirect houdt in haar Groepsmaatschappijen.
B.6	Aandeelhouders van de Vennootschap	De Verkopende Aandeelhouder is de enige houder van Aandelen (een "**Aandeelhouder**") die per de datum van het Prospectus (direct dan wel indirect) een substantiële deelneming bezit, dat wil zeggen ten minste 3% van het aandelenkapitaal of de stemrechten in de zin van de Wet op het financieel toezicht, in de Vennootschap. De Verkopende Aandeelhouder houdt per de datum van het Prospectus 250.814.200 Aandelen en is derhalve houdster van 98,57% van het totaal uitgegeven en geplaatste aandelenkapitaal van de Vennootschap. Elk Aandeel geeft recht op het uitbrengen van één stem en het preferente aandeel geeft recht op het uitbrengen van honderd stemmen op de algemene vergaderingen van aandeelhouders van de Vennootschap. Het

		preferente aandeel is momenteel in handen van de Verkopende Aandeelhouder. Door het verlijden van de Akte van Wijziging (zoals hierna gedefinieerd) wordt het preferente aandeel door de Vennootschap omgezet in 100 Aandelen. De Verkopende Aandeelhouder, de bestuurders van de Vennootschap en bepaalde senior managers zijn gezamenlijk eigenaar van de Vennootschap. De Vennootschap is niet op de hoogte van regelingen en/of afspraken die, op enig moment in de toekomst, een wijziging in de zeggenschap tot gevolg zullen hebben.
B.7	Geselecteerde belangrijke historische financiële informatie	

Geconsolideerde Winst-en-verliesrekening

	Negen maanden eindigend op 30 september		Ultimo 31 december		
In duizenden euro's	**2014**	**2013**	**2013**	**2012**	**2011**
	(niet gecontroleerd)				
Omzet	2.094.642	1.975.356	2.620.180	2.518.410	2.395.875
Kostprijs verkopen en direct daarmee samenhangende kosten	(557.021)	(520.890)	(671.743)	(642.955)	(607.291)
Brutowinst	**1.537.621**	**1.454.466**	**1.948.437**	**1.875.455**	**1.788.584**
Verkoop- en marketingkosten	(1069.343)	(1.027.650)	(1.376.839)	(1.344.414)	(1.292.278)
Algemene en administratieve kosten	(247.288)	(221.288)	(302.857)	(301.938)	(273.160)
Aandeel van het resultaat van deelnemingen	1.856	1.057	1.411	2.255	(1.472)
Bedrijfsresultaat	**222.846**	**206.585**	**270.152**	**231.358**	**221.674**
Financieel resultaat	(24.583)	(33.951)	(41.033)	(39.595)	(58.974)
Winst voor belastingen	**198.263**	**172.634**	**229.119**	**191.763**	**162.700**
Inkomstenbelasting	(62.818)	(56.137)	(73.204)	(74.266)	(60.915)
Winst over de periode	**135.445**	**116.497**	**155.915**	**117.497**	**101.785**
Toerekening resultaat					
Houders van gewone aandelen in de moedermaatschappij	124.678	106.327	141.473	101.039	97.554
Niet-controlerende belangen	10.767	10.170	14.442	16.458	4.231

Geconsolideerde Balans

	Per 30 september	Per 31 december		
In duizenden euro's	**2014**	**2013**	**2012**	**2011**
	(niet gecontroleerd)			
ACTIVA				
Vaste activa				
Materiële vaste activa	380.235	358.905	368.601	361.521
Goodwill	784.121	726.321	740.993	694.993
Overige immateriële activa	402.161	397.020	405.276	384.609
Latente belastingvorderingen.	65.347	48.356	55.258	46.838
Minderheidsdeelnemingen en joint ventures	33.963	33.584	35.169	52.506

In duizenden euro's	Per 30 september 2014	Per 31 december 2013	2012	2011
	(niet gecontroleerd)			
Overige vaste activa	51.771	44.923	46.574	53.792
Totaal vaste activa	**1.717.598**	**1.609.109**	**1.651.871**	**1.594.259**
Vlottende activa				
Voorraden	238.140	192.620	184.972	192.790
Debiteuren en overige vorderingen	266.075	228.951	266.713	238.873
Belastingen	6.671	7.813	14.583	19.028
Derivaten	289	143	143	1.174
Liquide middelen	126.678	102.562	91.045	162.126
Totaal vlottende activa	**637.853**	**532.089**	**557.456**	**613.991**
Totaal activa	**2.355.451**	**2.141.198**	**2.209.327**	**2.208.250**
PASSIVA				
Eigen vermogen				
Aandelenkapitaal	61.036	27.775	23.439	250
Overige reserves	(38.520)	(38.705)	(8.757)	(581)
Ingehouden winst	581.322	512.616	373.393	295.247
Eigen vermogen voor de aandeelhouders	**603.838**	**501.686**	**388.075**	**294.916**
Aandeel derden	46.350	44.366	42.444	33.064
Totaal vermogen	**650.188**	**546.052**	**430.519**	**327.980**
Langlopende verplichtingen				
Langlopende schulden	794.414	844.823	1.003.236	1.041.606
Latente belasting-verplichtingen	119.744	117.086	127.472	121.534
Derivaten	4.033	—	—	—
Pensioenen	76.193	54.641	54.958	38.706
Voorzieningen	41.066	31.931	35.489	36.251
Overige langlopende schulden	7.342	—	—	—
Totaal langlopende verplichtingen	**1.042.792**	**1.048.481**	**1.221.155**	**1.238.097**
Kortlopende verplichtingen				
Crediteuren en nog te betalen kosten	442.057	390.987	409.979	387.963
Belastingen	37.602	33.058	22.833	19.819
Kortlopende schulden	161.407	89.184	94.793	197.224
Derivaten	981	6.011	10.594	4.310
Voorzieningen	20.424	27.425	19.454	32.857
Totaal kortlopende verplichtingen	**662.471**	**546.665**	**557.653**	**642.173**
Totaal verplichtingen	**1.705.263**	**1.595.146**	**1.778.808**	**1.880.270**
Totaal passiva	**2.355.451**	**2.141.198**	**2.209.327**	**2.208.250**

Geselecteerde Geconsolideerd Kasstroomoverzicht

In duizenden euro's	Negen maanden eindigend op 30 september		Ultimo 31 december		
	2014	**2013**	**2013**	**2012**	**2011**
	(niet gecontroleerd)				
Netto kasstroom van operationele bedrijfsactiviteiten	260.656	232.404	333.197	321.980	252.874
Netto kasstroom van investeringssactiviteiten.	(218.987)	(64.268)	(113.387)	(188.989)	(140.093)
Netto kasstroom van financieringsactiviteiten	(87.023)	(238.213)	(258.792)	(98.186)	(130.054)
Netto toename/(afname) liquide middelen	**(45.354)**	**(70.077)**	**(38.982)**	**34.805**	**(17.273)**
Liquide middelen aan het begin van het boekjaar	22.161	55.090	55.090	20.970	39.056
Netto toename/(afname) liquide middelen	(45.354)	(70.077)	(38.982)	34.805	(17.273)
Valuta-omrekeningsverschillen	(3.295)	7.843	6.053	(685)	(813)
Liquide middelen aan het einde van de periode	**(26.488)**	**(7.144)**	**22.161**	**55.090**	**20.970**

Omzet per Segment

In duizenden euro's	Negen maanden eindigend op 30 september		Ultimo 31 december		
	2014	**2013**	**2013**	**2012**	**2011**
	(niet gecontroleerd)				
G4(1)	1.365.636	1.274.431	1.686.039	1.647.390	1.556.510
Overig Europa.	550.263	524.488	694.465	672.177	662.701
Latijns-Amerika & Azië	178.742	176.436	239.676	198.843	176.664
Totaal Omzet	**2.094.642**	**1.975.356**	**2.620.180**	**2.518.410**	**2.395.875**

(1) Het G4 segment bestaat uit de vier grootste Europese business units van de Groep: (i) Nederland en België; (ii) Frankrijk (zonder de Solaris zonnebrillenwinkels in Frankrijk, welke onderdeel uitmaken van het Overig Europa segment), Spanje, Luxemburg en Monaco (zonder de Solaris zonnebrillenwinkels in Monaco, welke onderdeel uitmaken van het Overig Europa segment); (iii) Duitsland en Oostenrijk; en (iv) het Verenigd Koninkrijk, Ierland en bepaalde activiteiten in verschillende landen in het Midden-Oosten uit hoofde van een master franschise overeenkomst onder de winkelformules Vision Expres and Solaris, en die geleid worden door de business unit in het Verenigd Koninkrijk.

Geselecteerde Overige Financiële Gegevens

De volgende tabellen bevatten onder andere financiële maatstaven die onder IFRS niet erkend zijn als maatstaven van financiële prestatie. Zie "Important Information-Presentation of Financial and Other Information".

Groep

In duizenden euro's (tenzij anders vermeld)	Negen maanden eindigend op 30 september 2014	2013	Ultimo 31 december 2013	2012	2011
Totale netto winkelomzet (€ miljoen)(1)	**2.340**	**2.207**	**2.927**	**2.822**	**2.686**
Omzet	**2.094.642**	**1.975.356**	**2.620.180**	**2.518.410**	**2.395.875**
Omzetgroei (%)	**6,0**		**4,0**	**5,1**	
Autonome groei (%)(2)	5,1		2,5	3,0	
Omzetgroei door overnames (%)(3)	1,9(4)		3,0	1,1	
Valutaschommelingen (%)(5)	(1,0)		(1,4)	1,0	
Vergelijkbare groei (%)(6)	**3,8**		**1,6**	**0,8**	
EBITA(7)(8)	**241.377**	**224.521**	**297.226**	**271.965**	**251.543**
EBITDA(9)	**319.756**	**301.439**	**400.454**	**371.875**	**348.233**
EBITDA Marge (%)(10)	15,3	15,3	15,3	14,8	14,5
Gecorrigeerde EBITDA(11)	**343.011**	**301.439**	**400.454**	**371.875**	**348.233**
Gecorrigeerde EBITDA Marge (%)(12)	16,4	15,3	15,3	14,8	14,5
Kapitaalinvesteringen (niet verband houdend met overnames)(13)	**94.316**	**64.817**	**113.168**	**114.043**	**133.401**
Investeringen in winkels(14)	71.750	48.735	84.563	91.260	
Overige kapitaalinvesteringen(15)	22.566	16.082	28.605	22.783	
Vrije kasstroom(16)	**166.340**	**167.587**	**220.029**	**207.937**	**119.473**
Cash Conversie (%)(17)	**52,0**	**55,6**	**54,9**	**55,9**	**34,3**
Netto werkkapitaal(18)	**62.158**		**30.584**	**41.706**	**43.700**
Nettoschuld(19)	**833.868**		**837.313**	**1.017.435**	**1.079.840**

(1) Totale netto winkelomzet omvat alle omzet (exclusief btw, retourzendingen, vergoedingen en kortingen) die wordt gegenereerd door de verkoop in de winkels van de Groep aan klanten, zowel via de eigen fysieke en webwinkels van de Groep als via de franchisewinkels, inclusief winkels die worden geëxploiteerd onder joint venture overeenkomsten (in elk geval exclusief geassocieerde deelnemingen). De omzet als IFRS maatstaf bevat niet de omzet die gegenereerd is door de verkoop aan klanten door de franchisewinkels van de Vennootshap (inclusief winkels die opereren onder *joint venture* overeenkomsten). Zie "Important Information—Presentation of Financial and Other Information".

(2) De Autonome groei (%) als percentage van de omzet in de voorgaande periode. De Autonome groei is de resterende verandering in omzet vergeleken met de voorgaande periode nadat wijzigingen in de omzet door overnames en het effect van fluctuaties in wisselkoersen (zoals hieronder uiteengezet) mee zijn genomen (groei op basis van gelijke wisselkoersen en vóór de invloed van overnames). Zie "Important Information—Presentation of Financial and Other Information".

(3) Omzetgroei door overnames (%) als percentage van de groepsomzet in de voorgaande periode. De omzetgroei door overnames is de groei die heeft plaatsgevonden door het overnemen van andere ondernemingen, en is berekend door de som van (A) omzet van ondernemingen die zijn overgenomen in het huidige jaar vanaf de datum van overname tot het einde van de verslagperiode, en (B) omzet van overnames in het jaar voorafgaand aan 1 januari van het daaropvolgende jaar tot het einde van de verslagperiode of, indien eerder, tot aan één jaar na de overnamedatum. Omzetgroei van overnames in 2013 en 2012 in het G4 segment bevat de verwachtingen van het management met betrekking tot het incrementele effect op omzet van de integratie van Het Huis winkels in de Eye Wish Banner (als gevolg van de overname van Optical Service Group B.V., met winkels die opereerden onder de merknaam "Het Huis", in juli 2012). Zie "Important Information—Presentation of Financial and Other Information".

(4) Voor de Turkije en China overnames is geen omzetgroei berekend (aangezien deze overnames plaatsvonden op 30 september 2014), en voor de Peru overname is enkel één maand omzetgroei berekend. Zie "Operating and Financial Review—Factors Affecting Results of Operations–Material Acquisitions" voor verdure informatie.

(5) Valutaschommelingen (%) houdt de omzet in die toe te rekenen is aan wisselkoersschommelingen, als percentage van de omzet in het voorgaande periode. Het effect van wisselkoersschommelingen is berekend door het verschil tussen de omzet over de gecontroleerde periode (op basis van de gangbare wisselkoers) en de omzet voor dezelfde periode op basis van de wisselkoers voorafgaand aan die periode. Zie "Important Information—Presentation of Financial and Other Information".

(6) Vergelijkbare groei houdt de wijzigingen in omzet in, uitgedrukt in procenten, van vergelijkbare eigen winkels op basis van gelijke wisselkoersen, tussen twee vergelijkbare opeenvolgende financiële verslagperiodes. Vergelijkbare eigen winkels gedurende een bepaalde verslagperiode omvatten de eigen winkels van de Groep (uitgezonderd franchisewinkels), inclusief fysieke winkels en webwinkels, die op of vóór 1 januari van de voorgaande verslagperiode in bedrijf waren en die niet permanent gesloten waren op de laatste dag van de lopende verslagperiode, en die onder de controle van de Groep vallen op of vóór 1 januari van de voorgaande verslagperiode en op de laatste dag van de lopende verslagperiode. Een significante wijziging aan een winkel, zoals *rebranding,* wordt behandeld als een sluiting en opening van een winkel, met als gevolg dat de wijziging niet wordt meegenomen in vergelijkbare eigen winkels over een bepaalde verslagperiode. Joint venture winkels in het Verenigd Koninkrijk zijn uitgesloten van de vergelijkbare groei voor alle verslagperiodes in het G4 segment. Vergelijkbare groei van Grupo Optico Lux S.A. in Mexico in het Latijns-Amerka & Azië segment is meegenomen

vanaf 1 januari 2013, aangezien de financiële cijfers van deze vennootschap volledig geconsolideerd zijn sinds 31 december 2012. Zie "Important Information—Presentation of Financial and Other Information".

(7) EBITA is het bedrijfsresultaat vóór afschrijvingen maar inclusief amortisatie van software. EBITA is geen IFRS-norm en mag niet worden vergeleken met soortgelijk luidende normen zoals gebruikt door andere ondernemingen. Zie "Important Information—Presentation of Financial and Other Information" voor een afstemming van het bedrijfsresultaat van de Groep aan EBITA.

(8) De EBITA was in de negen maanden eindigend op 30 september 2014 negatief beinvloed door verliezen van in totaal €12 miljoen in Spanje en de opkomende markten. In 2013, 2012 en 2011 was de EBITA negatief beinvloed door verliezen in Spanje, Griekenland en de opkomende markten van in totaal respectievelijk €22 miljoen, €28 miljoen en €25 miljoen.

(9) EBITDA is het bedrijfsresultaat vóór afschrijvingen, amortisatie en afboekingen. EBITDA is geen IFRS-norm en mag niet worden vergeleken met soortgelijk luidende normen zoals gebruikt door andere ondernemingen. Zie "Important Information—Presentation of Financial and Other Information" voor een afstemming van het bedrijfsresultaat van de Groep aan EBITDA.

(10) EBITDA Marge is de EBITDA als percentage van de omzet. Zie "Important Information—Presentation of Financial and Other Information".

(11) Gecorrigeerde EBITDA is de EBITDA voor buitengewone en eenmalige posten. In het derde kwartaal van 2014 werden de volgende buitengewone en eenmalige posten gerapporteerd (i) bepaalde niet-contante kosten met betrekking tot de boekhoudkundige methode van de werknemersparticipatieplannen (€19,9 miljoen); (ii) kosten met betrekking tot de Aanbieding (€1,9 miljoen); en (iii) kosten die verband houden met een BTW vordering in Italie in andere boekjaren (€1,4 miljoen). Met betrekking tot 2013, 2012 en 2011 zijn geen buitengewone en eenmalige posten in aanmerking genomen. Gecorrigeerde EBITDA is geen IFRS-norm en mag niet worden vergeleken met soortgelijk luidende normen zoals gebruikt door andere ondernemingen. Zie "Important Information—Presentation of Financial and Other Information" voor een afstemming van het bedrijfsresultaat van de Groep aan de Gecorrigeerde EBITDA.

(12) Gecorrigeerde EBITDA Marge is de Gecorrigeerde EBITDA als percentage van de omzet. Zie "Important Information—Presentation of Financial and Other Information".

(13) Kapitaalinvesteringen (niet verband houdend met overnames) zijn uitgaven in verband met de aankoop van materiële vaste activa en immateriële activa (voornamelijk software en sleutelgeld), uitgezonderd uitgaven in verband met overnames. Zie "Operationele en financiële gang van zaken—Kapitaalinvesteringen."

(14) Investeringen in winkels betreffen grotendeels uitgaven in verband met het onderhoud van bestaande winkelpanden middels modernisatie, verbouwing en/of herinrichting en in mindere mate uitgaven in verband met winkelinrichting en winkel-IT met betrekking tot nieuwe winkels. "Operating and Financial Review—Capital expenditures".

(15) Overige kapitaalinvesteringen betreffen grotendeels uitgaven die geen verband houden met winkels, zoals uitgaven in verband met distributie, IT-infrastructuur, centrale magazijnen and TechCenters. Zie "Operating and Financial Review—Capital expenditures".

(16) Vrije kasstroom is de netto kasstroom uit operationele bedrijfsactiviteiten na aftrek van kapitaalinvesteringen (uitgezonderd in verband met overnames). Zie "Important Information—Presentation of Financial and Other Information".

(17) Cash conversie is de vrije kasstroom gedeeld door EBITDA, uitgedrukt in een percentage. Zie "Important Information—Presentation of Financial and Other Information".

(18) Het Netto werkkapitaal bestaat uit de inventaris plus handels- en overige vorderingen en andere schulden.

(19) Nettoschuld is het totaal aan leningen o.g. en afgeleide instrumenten (passiva), na aftrek van kasmiddelen en equivalenten en afgeleide instrumenten (activa). Het totaal aan leningen in 31 december 2013, 2012 en 2011 omvat leningen aan aandeelhouders gedurende de verslagperiode, voor een totaal uitstaand bedrag van €325 miljoen, €400 miljoen en €400 miljoen. Er staan sinds 30 september 2014 geen leningen aan aandeelhouders uit. Zie "Operating and Financial Review—Liquidity and Capital Resources—Historical financing—Shareholder loans".

Per segment

G4

In duizenden euro's (tenzij anders vermeld)	Negen maanden eindigend op 30 september 2014	2013	Ultimo 31 december 2013	2012	2011
Omzet	**1.365.636**	**1.274.431**	**1.686.039**	**1.647.390**	**1.556.510**
Omzetgroei (%)	**7,2**		**2,3**	**5,8**	
Autonome groei (%)	4,1		1,8	3,4	
Omzetgroei door overnames (%)	2,0		1,4(1)	1,1(1)	
Valutaschommelingen (%)	1,1		(0,9)	1,4	
Vergelijkbare groei (%)(2)	**3,0**		**0,6**	**0,9**	
Gecorrigeerde EBITDA(3)	**276.760**	**249.336**	**325.680**	**314.701**	**294.677**
Gecorrigeerde EBITDA Marge (%)	20,3	19,6	19,3	19,1	18,9

(1) Omzetgroei door overnames in 2013 en 2012 bevat de verwachtingen van het management met betrekking tot het incrementele effect op omzet van de integratie van Het Huis winkels in de Eye Wish winkelformule (als gevolg van de overname van Optical Service Group B.V., met winkels die opereerden onder de merknaam "Het Huis", in juli 2012). Zie "Important Information—Presentation of Financial and Other Information".

(2) De *joint venture* winkels in het Verenigd Koninkrijk zijn uitgesloten van de vergelijkbare groei in alle verslagperiodes.

(3) Gecorrigeerde EBITDA is geen IFRS-norm en mag niet worden vergeleken met soortgelijk luidende normen zoals gebruikt door andere ondernemingen. Zie "Important Information—Presentation of Financial and Other Information" voor een afstemming van de sector gecorrigeerde EBITDA aan de EBITDA van de Groep en van de EBITDA van de groep aan bedrijfsresultaten als IFRS-norm.

Overig Europa

In duizenden euro's (tenzij anders vermeld)	Negen maanden eindigend op 30 september		Ultimo 31 december		
	2014	2013	2013	2012	2011
Omzet	**550.263**	**524.488**	**694.465**	**672.177**	**662.701**
Omzetgroei (%)	**4,9**		**3,3**	**1,4**	
Autonome groei (%)	5,7		3,5	0,3	
Omzetgroei door overnames (%)	1,1		0,6	0,7	
Valutaschommelingen (%)	(1,9)		(0,8)	0,4	
Vergelijkbare groei (%)	**3,9**		**3,3**	**(0,9)**	
Gecorrigeerde EBITDA(1)	**86.189**	**68.868**	**92.170**	**83.681**	**86.082**
Gecorrigeerde EBITDA Marge (%)	15,7	13,1	13,3	12,4	13,0

(1) Gecorrigeerde EBITDA is geen IFRS-norm en mag niet worden vergeleken met soortgelijk luidende normen zoals gebruikt door andere ondernemingen. Zie "Important Information—Presentation of Financial and Other Information" voor een afstemming van de sector gecorrigeerde EBITDA aan de EBITDA van de Groep en van de EBITDA van de groep aan bedrijfsresultaten.

Latijns-Amerika & Azië

In duizenden euro's (tenzij anders vermeld)	Negen maanden eindigend op 30 september		Ultimo 31 december		
	2014	2013	2013	2012	2011
Omzet	**178.742**	**176.436**	**239.676**	**198.843**	**176.664**
Omzetgroei (%)	**1,3**		**20,5**	**12,6**	
Autonome groei (%)	10,9		4,8	9,3	
Omzetgroei door overnames (%)	4,1(1)		23,6	3,0	
Valutaschommelingen (%)	(13,7)		(7,9)	0,2	
Vergelijkbare groei (%)(2)	**8,9**		**3,1**	**5,8**	
Gecorrigeerde EBITDA(3)	**4.265**	**2.237**	**5.594**	**(3.215)**	**(4.042)**
Gecorrigeerde EBITDA Marge (%)	2,4	1,3	2,3	(1,6)	(2,3)

(1) Voor de Turkije en China overnames is geen omzetgroei berekend (aangezien deze overnames plaatsvonden op 30 september 2014), en voor de Peru overname is enkel één maand omzetgroei berekend. Zie "Operating and Financial Review—Factors Affecting Results of Operations—Material Acquisitions" voor verdure informatie.

(2) De vergelijkbare groei van Grupo Optico Lux S.A. de C.V. in Mexico is meegenomen vanaf 1 januari 2013, aangezien zij sinds 31 december 2012 volledig is meegnomen in de consolidatie.

(3) Gecorrigeerde EBITDA is geen IFRS-norm en mag niet worden vergeleken met soortgelijk luidende normen zoals gebruikt door andere ondernemingen. Zie "Important Information—Presentation of Financial and Other Information" voor een afstemming van de sector gecorrigeerde EBITDA aan de EBITDA van de Groep en van de EBITDA van de groep aan bedrijfsresultaten.

Geselecteerde Operationele Gegevens

Groep

	Per 30 september	Per 31 december		
	2014	2013	2012	2011
Totaal aantal winkels(1)	**5.547**	**4.993**	**4.876**	**4.646**
Aantal eigen winkels	4.485	3.982	3.893	3.348
Aantal franchisewinkels	1.062	1.011	983	998
Totaal aantal landen actief(2)	**43**	**40**	**40**	**40**
Totaal aantal winkelformules(3)	**32**	**25**	**24**	**24**
Aantal FTE's	**24.598**	**22.235**	**21.487**	**20.211**

(1) Het totaal aantal winkels omvat ook de winkels van geassocieerde deelnemingen van de Groep.

(2) Het totaal aantal landen actief omvat ook de landen waar geassocieerde deelnemingen van de Groep opereren. Frankrijk en Monaco behoren zowel tot het G4 segment (behalve de Solaris zonnebrillenwinkels in in deze landen) als het segment Overig Europa (enkel de Solaris zonnebrillenwinkels in deze landen).

(3) Het totaal aantal winkelformules omvat ook de winkelformules van geassocieerde deelnemingen van de Groep. Een aantal winkelformules valt onder meerdere segmenten.

Per segment

	Per 30 september	Per 31 december		
	2014	**2013**	**2012**	**2011**
Totaal aantal winkels[1]	**5.547**	**4,993**	**4.876**	**4.566**
G4	2.936	2,823	2.759	2.612
Overig Europa	1.453	1.412	1.373	1.358
Latijns-Amerika & Azië	1.158	758	744	676
Totaal aantal landen actief[2]	**43**	**40**	**40**	**40**
G4	16	16	16	16
Overig Europa	18	18	18	18
Latijns-Amerika & Azië	11	8	8	8
Totaal aantal winkelformules[3]	**32**	**25**	**24**	**24**
G4	10	9	8	8
Overig Europa	14	14	14	14
Latijns-Amerika & Azië	17	9	9	8

(1) Het totaal aantal winkels omvat ook de winkels van geassocieerde deelnemingen van de Groep.

(2) Het totaal aantal landen actief omvat ook de landen waar geassocieerde deelnemingen van de Groep opereren. Frankrijk en Monaco behoren zowel tot het G4 segment (behalve de Solaris zonnebrillenwinkels in in deze landen) als het segment Overig Europa (enkel de Solaris zonnebrillenwinkels in deze landen).

(3) Het totaal aantal winkelformules omvat ook de winkelformules van geassocieerde deelnemingen van de Groep. Een aantal winkelformules valt onder meerdere segmenten.

B.8	Geselecteerde belangrijke pro forma financiële informatie	Niet van toepassing. Het prospectus bevat geen pro forma financiële informatie.
B.9	Winstprognose	Niet van toepassing. De Vennootschap heeft geen winstprognose afgegeven.
B.10	Voorbehouden in de afgifte van verklaring van accountant betreffende de historisch financiële informatie	Niet van toepassing. De accountantsverklaring bevat geen voorbehouden ten aanzien van de historische financiële informatie voor de jaren eindigend op 31 december 2011, 2012 en 2013.
B.11	Verklaring in geval van onvoldoende werkkapitaal	De Vennootschap meent dat het voor de Groep beschikbare werkkapitaal voldoende toereikend is om tegemoet te komen aan de huidige financiële verplichtingen van de Groep te voldoen, ten minste voor de periode van twaalf maanden vanaf de datum van het Prospectus.
	Afdeling C – Effecten	
C.1	Soort en klasse , en het security identification number	Alle Aandelen zijn gewone aandelen in geplaatste aandelenkapitaal van de Vennootschap, met een nominale waarde van €0,02 per aandeel. Er is een aanvraag ingediend voor een notering van alle Aandelen onder het symbool "GVNV" aan Euronext Amsterdam, met ISIN Code: NL0010937066
C.2	Valuta van de Aangeboden Aandelen	De Aangeboden Aandelen worden verhandeld in euro's.
C.3	Aantal Aandelen en nominale waarde per Aandeel	Voorafgaand aan het verlijden van de notariële akte van wijziging van de statuten van de Vennootschap en de omzetting van de Vennootschap, welke akte onmiddellijk na vaststelling van de Aanbiedingsprijs zal worden verleden (de "**Akte van Wijziging**"), bestaat het aandelenkapitaal van de

		Vennootschap uit 254.443.740 Aandelen en één prioriteitsaandeel. Na verlijden van de Akte van Wijziging bedraagt het maatschappelijk kapitaal van de Vennootschap €1.000.000.000,00, bestaande uit 50.000.000.000 Aandelen met een nominale waarde van €0,02 per aandeel en bestaat het geplaatste aandelenkapitaal uit 254.443.840 Aandelen. Per de datum van het Prospectus worden er geen Aandelen gehouden door de Vennootschap. Alle uitgegeven Aandelen en het prioriteitsaandeel, waarop het Nederlandse recht van toepassing is, zijn volledig volgestort. Het prioriteitsaandeel wordt middels het verlijden van de Akte van Wijziging omgezet in 100 Aandelen.
C.4	Rechten verbonden aan de Aandelen	Elke verwijzing hieronder naar de "**Statuten**" is een verwijzing naar de statuten van de Vennootschap zoals deze luiden na het verlijden van de Akte van Wijziging. Op de Aandelen rust een dividendrecht. Elk Aandeel geeft recht tot het uitbrengen van één stem tijdens de algemene vergadering van aandeelhouders van de Vennootschap (de "**Algemene Vergadering**"). Het stemrecht is niet aan beperkingen onderhevig. Bij de uitgifte van Aandelen of het verlenen van een recht tot het nemen van Aandelen, wordt aan elke Aandeelhouder een voorkeursrecht toegekend in verhouding tot de nominale waarde van zijn totale aandelenbezit. Het voorkeursrecht geldt niet ten aanzien van Aandelen die tegen inbreng in natura worden uitgegeven, Aandelen die worden uitgegeven aan werknemers van de Vennootschap of van een Groepsmaatschappij, of Aandelen die worden uitgegeven aan een persoon die een eerder toegekend recht tot het nemen van Aandelen uitoefent. De Algemene Vergadering kan besluiten, met goedkeuring van de raad van commissarissen van de Vennootschap (de "**RvC**"), het voorkeursrecht te beperken of uit te sluiten. De RvC is gerechtigd het voorkeursrecht te beperken of uit te sluiten indien en voor zover de RvC door de Algemene Vergadering daartoe is aangewezen. Deze aanwijzing is uitsluitend van kracht gedurende een bepaalde periode, die van tijd tot tijd door de Algemene Vergadering kan worden verlengd, doch telkens met maximaal vijf jaar. Tenzij anders bepaald in de aanwijzing, kan de aanwijzing niet worden ingetrokken. Zoals eerder opgemerkt, is de RvC op grond van het verlijden van de Akte van Wijziging door de Algemene Vergadering gemachtigd te besluiten tot het beperken en/of uitsluiten van het voorkeursrecht met betrekking tot de uitgifte van Aandelen of het verlenen van het recht tot het nemen van Aandelen. De genoemde machtiging van de RvC is beperkt tot 10% van het totaal aantal geplaatste Aandelen per de datum van verlijden van de Akte van Wijziging en is geldig voor een periode van achttien maanden na deze datum. Een gedeelte van deze machtiging mag gebruikt worden om aandelen toe te kennen aan het senior management van de Groep, niet zijnde de leden van het bestuur van de Vennootschap (het "**Bestuur**" en elk een "**Bestuurder**"), onder het 2015 aandelenparticipatieplan. De RvC is daarnaast voor een periode van vijf jaar gemachtigd te besluiten tot uitgifte, of het verlenen van het recht tot het nemen, van Aandelen aan de Bestuurders onder het 2015 aandelenparticipatieplan tot een maximum van 240.000 Aandelen per jaar en tot het beperken en/of uitsluiten van voorkeursrechten met betrekking tot dergelijke uitgiftes.
C.5	Beperkingen op de overdraagbaarheid van de Aandelen	De Statuten bevatten geen beperkingen ten aanzien van de overdraagbaarheid van de Aangeboden Aandelen. De Aanbieding aan personen die zich bevinden of woonachtig zijn in of die inwoner zijn van, of die geregistreerd staan op een adres in een ander land

		dan Nederland, alsmede de overdracht van Aangeboden Aandelen naar een ander rechtsgebied dan het Nederlandse kan aan specifieke regels en beperkingen onderworpen zijn.
C.6	Notering en toelating tot de handel van de Aangeboden Aandelen	Er bestaat voorafgaand aan de Aanbieding geen openbare markt voor de Aandelen. Er is een aanvraag ingediend voor een notering van alle Aandelen aan Euronext Amsterdam onder het symbool "GVNV". Afhankelijk van eventuele inkorting of verlenging van het tijdschema van de Aanbieding, wordt verwacht dat de handel in de Aandelen aan Euronext Amsterdam zal beginnen, op een *as-if-when-delivered* basis, op of omstreeks 6 februari 2015 (de "**Eerste Handelsdag**").
C.7	Dividendbeleid	De Vennootschap is voornemens om in 2015 dividend van €35 miljoen uit te keren, welke in september 2015 aan de Aandeelhouders betaalbaar wordt gesteld. Voor het besluit van het Bestuur om dividend uit te keren is de voorafgaande goedkeuring van de RvC vereist. Een eventueel resterend dividend met betrekking tot 2015 wordt vastgesteld door de Algemene Vergadering in 2016 en betaalbaar gesteld in mei 2016. De Vennootschap streeft ernaar in de daaropvolgende jaren, vanaf 2016, jaarlijks een gewoon dividend uit te keren, overeenkomstig de financiële resultaten van de Groep op de middellange en lange termijn en streeft ernaar het dividend per Aandeel over de jaren te verhogen. Als gevolg van dit beleid voorziet de Vennootschap een jaarlijkse uitkering van gewoon dividend met een ratio van 25-50%. De voornemens van de Vennootschap met betrekking tot dividend is onderhevig aan talloze aannames, risico's en onzekerheden, waarvan vele buiten de macht van de Vennootschap kunnen liggen.
		Afdeling D – Risico's
D.1	Belangrijkste risico's die kenmerkend zijn voor de Groep	**Bedrijfsrisico's** • Er zouden wezenlijke veranderingen kunnen optreden in de toepasselijke wet- en regelgeving en in de uitleg of het toezicht op de naleving daarvan. • Het zou moeilijk kunnen zijn voor de Groep om zich aan te passen aan teruglopende verkoopvolumes als gevolg van relatief hoge exploitatiekosten, die verder kunnen oplopen door kosteninflatie. • De activiteiten van de Groep zouden nadelig kunnen worden beïnvloed door het verlies van toeleveranciers of door handelingen van toeleveranciers of door wijzigingen in de inhoud van contractuele afspraken met toeleveranciers. • De optiekbranche is een uiterst competitieve markt; sommige grote lokale concurrenten van de Groep zouden concurrerender kunnen zijn in lokale markten dan de Groep. • De Groep slaagt er mogelijk niet in geschikte overnamekandidaten of investeringsmogelijkheden te vinden en/of te verkrijgen of zou ongeschikte overnames of investeringen kunnen doen. De Groep zou ook niet in staat kunnen blijken te zijn (toekomstige) overnames goed te integreren in de organisatie of te profiteren van de verwachte voordelen. • De Groep slaagt er mogelijk niet in om haar groeistrategie in opkomende markten succesvol te implementeren. • De activiteiten van de Groep zouden nadelig kunnen worden beïnvloed door het beschikbaar komen van alternatieve zichtcorrectiemethodes, ten koste van brillen op sterkte en contactlenzen.

		• De Groep zou nadelig kunnen worden beïnvloed door veranderingen in de distributiekanalen voor bepaalde optische producten, zoals online distributie, als de Groep er niet in slaagt zich aan deze veranderingen aan te passen. • Het succes van de Groep is afhankelijk van de reputatie en naamsbekendheid van haar winkelformules; het risico bestaat dat deze nadelig worden beïnvloed als gevolg van een eventuele verslechtering van de marketingkracht van de Groep of eventuele negatieve publiciteit met betrekking tot de Groep of de optiekbranche in het algemeen. • Het succes van de Groep is afhankelijk van haar vermogen haar winkelformules en overige intellectuele eigendomsrechten te beschermen. • De franchisenemers van de Groep zijn zelfstandige ondernemers en de Groep kan slechts beperkt invloed op hen en hun bedrijfsactiviteiten uitoefenen. Het risico bestaat dat de franchisenemers van de Groep de voorwaarden van de franchiseovereenkomsten niet langer aanvaarden. • Het is mogelijk dat de Groep niet kan voldoen aan de prestatienormen van haar klanten en franchisenemers. • De reputatie van de Groep en haar relatie met haar klanten en franchisenemers zou kunnen worden beschadigd door onderbrekingen in de activiteiten van de technische laboratoria van de Groep of andere tekortkomingen in de prestaties van de Groep of andere partijen in de aanvoerketen. • De Groep blijkt mogelijk niet in staat haar voorraad te beheren als gevolg van een onjuiste inschatting van de ontwikkelingen in de markt door de Groep of onverwachte gebeurtenissen. • De Groep loopt het risico dat vorderingen op grond van productaansprakelijkheid worden ingesteld tegen de Groep of dat zij gedwongen wordt producten terug te roepen. • Het is mogelijk dat de Groep niet in staat is haar nieuwe IT-strategie met succes in te voeren. De activiteiten van de Groep kunnen verstoord worden door storingen in de informatiesystemen of als haar databases beschadigd raken of verloren gaan. • Tekortkomingen in de managementinformatie en interne controlesystemen kunnen de mogelijkheid van de Groep om risico's te signaleren of daarop te anticiperen, en haar vermogen om adequaat te reageren op ongunstige veranderingen binnen de Groep, nadelig beïnvloeden. • De Groep vertrouwt op de bekwaamheid en ervaring van haar leidinggevenden en ander sleutelpersoneel; het is mogelijk dat de Groep er niet in slaagt geschikte managers en ander sleutelpersoneel aan te trekken of te behouden, waaronder gekwalificeerd optisch personeel, zowel voor wat betreft de uitbreiding van de bedrijfsactiviteiten van de Groep als ter vervanging van werknemers die de Groep verlaten. • De Groep zou er niet in kunnen slagen om te veranderen in een meer gecentraliseerde organisatie. • De resultaten van de Groep zijn onderhevig aan schommelingen in de vraag en andere macro-economische ontwikkelingen. • De Groep staat vanwege de internationale aard van haar activiteiten bloot aan verschillende economische, politieke, juridische en andere aanverwante risico's.

		• De Groep staat bloot aan het risico van stakingen, werkonderbrekingen en andere collectieve acties. • De Groep zou er niet in kunnen slagen of slechts na aanzienlijke vertraging om overheids- of andere voorgeschreven goedkeuringen, licenties, certificaten of vergunningen met betrekking tot haar activiteiten te verkrijgen, te verlengen of in stand te houden. • Op de Groep is strikte privacywetgeving van toepassing; het is mogelijk dat zij wordt blootgesteld aan hogere nalevingskosten of dat vertrouwelijkheids- en veiligheidsvoorschriften worden geschonden. • De activiteiten en gerapporteerde resultaten van de Groep kunnen van het ene op het andere jaar wijzigen als gevolg van valutakoersschommelingen. Het is mogelijk dat de Groep er niet in slaagt het vreemde-valutarisico afdoende af te dekken, met name ten aanzien van de Amerikaanse dollar, en dat een hedging tegenpartij zijn verplichtingen niet nakomt. • De Groep staat bloot aan betalingsrisico van tegenpartijen, zoals zorgverzekeraars, franchisenemers en toeleveranciers. • De Groep kan aansprakelijk worden gesteld voor zaken waarvoor zij niet is verzekerd. • Het is mogelijk dat de uitleg van de Groep van belastingwet- en regelgeving of het fiscaal advies waarop de Groep vertrouwt onderwerp wordt van vragen of betwisting door de autoriteiten. • De Groep is betrokken of kan betrokken raken bij rechtszaken of gerechtelijke onderzoeken. • De onderneming en de activiteiten van de Groep in India zouden nadelig kunnen worden beïnvloed door handelingen van de HAL Groep in India. **Risico's die Samenhangen met de Kapitaalstructuur van de Groep** • Indien de kasstroom van de Groep ontoereikend is voor het uitvoeren van haar groeistrategie, wordt zij afhankelijk van externe kapitaalmiddelen; toegang tot deze middelen kan om verschillende redenen beperkt zijn. • De Groep staat bloot aan renterisico's. **Risico's die Samenhangen met de Groepsstructuur** • De Verkopende Aandeelhouder blijft ook na de Aanbieding in een positie waarin zij aanzienlijke invloed kan uitoefenen op de Vennootschap en haar belangen komen niet per se overeen met die van de andere Aandeelhouders van de Vennootschap. • De Groep bezit in bepaalde ondernemingen een belang van minder dan 100%, wat bepaalde risico's met zich meebrengt. • De Vennootschap is een houdstermaatschappij die zelf geen cash genererende activiteiten ontplooit; zij is voor het genereren van middelen welke nodig zijn om haar financiële verplichtingen na te komen afhankelijk van haar werkmaatschappijen.
D.3	Belangrijkste risico's verbonden aan de Aanbieding en de Aandelen	**Risico's die Samenhangen met de Aandelen** • Of in de toekomst dividend wordt uitgekeerd hangt af van de financiële staat van de Groep en van de resultaten, en van de uitkeringen aan de Vennootschap door de werkmaatschappijen binnen de Groep.

		• De marktprijs van de Aandelen kan nadelig beïnvloed worden door toekomstige uitgifte van Aandelen of schuldinstrumenten of andere effecten door de Vennootschap die converteerbaar zijn in Aandelen, of de toekomstige verkoop van een aanzienlijk aantal Aandelen door de Verkopende Aandeelhouder of de verwachting dat dit gaat gebeuren, en door een toekomstige uitgifte van Aandelen kan het aandelenbezit van bestaande Aandeelhouders verwateren. Hoewel verwacht wordt dat de Vennootschap en de Verkopend Aandeelhouder in de Underwriting Overeenkomst instemmen met bepaalde beperkingen ten aanzien van de uitgifte, verkoop of overdracht van Aandelen gedurende een periode van 180 dagen na de Afwikkelingsdatum, zijn de Joint Global Coordinators gerechtigd om, geheel naar eigen inzicht en op elk moment, afstand te doen van die beperkingen. • Houders van Aandelen buiten Nederland zijn mogelijk niet in staat om hun voorkeursrecht uit te oefenen bij toekomstige aanbiedingen, en kunnen als gevolg daarvan verwatering ervaren. **Risico's die Samenhangen met de Aanbieding en de Aangeboden Aandelen** • De Aandelen zijn niet eerder op de publieke markt verhandeld en er is geen enkele garantie dat er een actieve en liquide markt voor de Aandelen ontstaat. • De marktprijs van de Aandelen van de Vennootschap kan aanzienlijk fluctueren en het risico bestaat dat beleggers hun gehele inleg of een deel ervan kwijtraken. • Als de closing van de Aanbieding niet plaatsvindt worden inschrijvingen op de Aangeboden Aandelen buiten beschouwing gelaten en gaan transacties in de Aangeboden Aandelen welke reeds zijn uitgevoerd teniet.
	Afdeling E – Aanbieding	
E.1	Netto opbrengst en geschatte kosten	De Vennootschap zal geen opbrengsten van de Aanbieding ontvangen; de netto opbrengst is bestemd voor de Verkopende Aandeelhouder. Na aftrek van de met de Aanbieding verband houdende kosten, commissies en belastingen van circa €29 miljoen, die de Verkopende Aandeelhouder verschuldigd is, verwacht de Verkopende Aandeelhouder een netto-opbrengst te ontvangen van €965.500.000. Dit is gebaseerd op een Aanbiedingsprijs in het midden van de Bandbreedte van de Aanbiedingsprijs (zoals hierna gedefinieerd) en op basis van de verwachting dat alle Aangeboden Aandelen door de Verkopende Aandeelhouder worden verkocht en dat de door de Verkopende Aandeelhouder in verband met de Aanbieding verleende overtoewijzingsoptie (de "**Overtoewijzingsoptie**") niet wordt uitgeoefend. De door de Vennootschap verschuldigde kosten, commissies en belastingen in verband met de Aanbieding bedragen naar schatting €5 miljoen.
E.2a	Redenen voor de Aanbieding en bestemming van de opbrengsten	De Vennootschap meent dat de Aanbieding een logische volgende stap is in de ontwikkeling van de Groep mede gegeven het huidige profiel en de positie waarin de Groep zich bevindt. De Vennootschap verwacht dat de Aanbieding de bekendheid van de Groep onder beleggers, zakelijke partners en klanten zal vergroten en daarmee dat de succesvolle internationale uitbreiding van de Groep, met name in opkomende markten, en de mogelijkheid om getalenteerde medewerkers aan te trekken, verder wordt versterkt. Doordat toegang wordt verkregen tot de kapitaalmarkten, resulteert de Aanbieding daarnaast in extra financiële flexibiliteit en armslag.

		De Vennootschap zal geen opbrengsten van de Aanbieding ontvangen. De Verkopende Aandeelhouder is van plan na het afronden van de Aanbieding een aanzienlijke lange termijn aandeelhouder van de Vennootschap te blijven.
E.3	Algemene Voorwaarden van de Aanbieding	**Aangeboden Aandelen** De Verkopende Aandeelhouder zal maximaal 51.000.000 Aandelen aanbieden. De Aanbieding bestaat uit: (i) een openbare aanbieding aan institutionele en particuliere beleggers in Nederland en (ii) een onderhandse plaatsing bij bepaalde institutionele beleggers in verschillende andere jurisdicties. De Aangeboden Aandelen worden aangeboden: (i) in de Verenigde Staten ("**VS**"): aan personen waarvan in redelijkheid kan worden gemeend dat zij "*qualified institutional buyers*" zijn, zoals gedefinieerd in en op grond van Rule 144A van de *US Securities Act of 1933*, zoals gewijzigd (de "**US Securities Act**"), en (ii) buiten de VS in "*offshore transactions*" zoals bedoeld in en met inachtneming van Regulation S van de US Securities Act. De Aanbieding vindt uitsluitend plaats in die jurisdicties waarin en uitsluitend aan personen aan wie de Aanbieding rechtsgeldig gedaan mag worden. De Vennootschap zal in de Aanbieding 2.500.000 Aangeboden Aandelen van de Verkopende Aandeelhouder tegen de Aanbiedingsprijs kopen om het prijsrisico van de toekenningen onder de aandelenparticipatieplannen af te dekken. **Overtoewijzingsoptie** De Verkopende Aandeelhouder verwacht de Stabilisatiemanager (zoals hierna gedefinieerd), handelend namens de Underwriters (zoals hierna gedefinieerd), een Overtoewijzingsoptie toe te kennen, die binnen 30 kalenderdagen na de Eerste Handelsdag moet worden uitgeoefend en op grond waarvan de Stabilisatiemanager van de Verkopende Aandeelhouder kan eisen dat hij maximaal 7.650.000 Overtoewijzingsaandelen, die maximaal 15% van het totaal aantal Aangeboden Aandelen dat verkocht wordt in de Aanbieding (de "**Overtoewijzingsaandelen**"), verkoopt tegen de Aanbiedingsprijs om eventuele short posities te dekken die ontstaan zijn door overtoewijzing in verband met de Aanbieding. **Aanbiedingsperiode** Behoudens inkorting of verlenging van het tijdschema voor de Aanbieding, kunnen toekomstige beleggers zich inschrijven op Aangeboden Aandelen vanaf 9:00 CET op 26 januari 2015 tot 14:00 CET op 5 februari 2015 (de "**Aanbiedingsperiode**"). De Aanbiedingsperiode voor Nederlandse particuliere beleggers (zoals hierna gedefinieerd) sluit om 17.30 CET op 4 februari 2015. **Aanbiedingsprijs en Aantal Aangeboden Aandelen** De Aanbiedingsprijs zal naar verwachting liggen tussen €17,50 en €21,50 per Aangeboden Aandeel (de "**Bandbreedte van de Aanbiedingsprijs**"). De Aanbiedingsprijs en het exacte aantal Aangeboden Aandelen zal bepaald worden op basis van een *book building* proces. De Aanbiedingsprijs kan hoger of lager dan de Bandbreedte van de Aanbiedingsprijs worden gesteld. De Bandbreedte van de Aanbiedingsprijs is een indicatieve bandbreedte. De Aanbiedingsprijs en het daadwerkelijke aantal Aangeboden Aandelen dat wordt aangeboden zal worden bepaald nadat de Aanbiedingsperiode voorbij is, behoudens eventuele inkorting of verlenging daarvan, door de Verkopende Aandeelhouder, na overleg met de Vennootschap en de Joint Global Coordinators (zoals hierna gedefinieerd) op basis van het *book building* proces en met inachtneming van economische en marktfactoren, een kwalitatieve en kwantitatieve beoordeling van de vraag naar de Aangeboden Aandelen en overige toepasselijk geachte factoren. De Aanbiedingsprijs, het daadwerkelijke

		aantal te verkopen Aangeboden Aandelen en het maximum aantal Overtoewijzingsaandelen worden vermeld in een prijs verklaring die wordt bekendgemaakt in een persbericht dat tevens wordt gepubliceerd op de website van de Vennootschap en wordt ingediend bij de Stichting Autoriteit Financiële Markten (de "**AFM**"). De Bandbreedte van de Aanbiedingsprijs is een indicatieve bandbreedte. De Verkopende Aandeelhouder behoudt zich het recht voor, na overleg met de Vennootschap en de Joint Global Coordinators, de Bandbreedte van de Aanbiedingsprijs te wijzigen en/of het maximum aantal Aangeboden Aandelen vóór het einde van de Aanbiedingsperiode te verhogen. Een dergelijke wijziging wordt vóór het einde van de Aanbiedingsperiode bekendgemaakt door middel van een persbericht (dat tevens wordt gepubliceerd op de website van de Vennootschap). **Toewijzing** Toewijzing van de Aangeboden Aandelen vindt naar verwachting plaats na afloop van de Aanbiedingsperiode, op of omstreeks 5 februari 2015, behoudens eventuele inkorting of verlenging van het tijdschema voor de Aanbieding. Toewijzing aan beleggers die hebben aangegeven te willen inschrijven op Aangeboden Aandelen geschiedt door de Verkopende Aandeelhouder, na overleg met de Vennootschap en de Joint Global Coordinators. De Verkopende Aandeelhouder kan geheel naar eigen inzicht bepalen of en hoe de Aangeboden Aandelen worden toegewezen. Er is geen minimum of maximum aantal Aangeboden Aandelen waarop toekomstige beleggers kunnen inschrijven en het is toegestaan om meerdere (aanvragen voor) inschrijvingen in te dienen. Ingeval op meer Aandelen wordt ingeschreven dan Aandelen worden aangeboden, kunnen beleggers minder Aangeboden Aandelen ontvangen dan waarop zij ingeschreven hebben. **Preferente toewijzing aan particuliere beleggers** In aanmerking komende particuliere beleggers in Nederland hebben voorrang bij het toekennen van de Aangeboden Aandelen, in overeenstemming met de toepasselijke wet- en regelgeving (de "**Preferente toewijzing aan particuliere beleggers**"). Aan elke in aanmerking komende particuliere belegger in Nederland (een "**Nederlandse particuliere belegger**") worden de eerste 250 (of minder) Aangeboden Aandelen toegewezen waarop hij heeft ingeschreven. Als het totaal aantal Aangeboden Aandelen waarop Nederlandse particuliere beleggers hebben ingeschreven meer bedraagt dan 10% van het totaal aantal Aangeboden Aandelen (en ervan uitgaand dat de Overtoewijzingsoptie niet wordt uitgeoefend), kan de preferente toewijzing aan elke Nederlandse particuliere belegger verhoudingsgewijs worden verlaagd tot minder dan 250 (of minder) Aangeboden Aandelen waarop de betreffende belegger heeft ingeschreven. Dit houdt in dat aan Nederlandse particuliere beleggers mogelijk niet alle eerste 250 (of minder) Aangeboden Aandelen waarop zij hebben ingeschreven worden toegewezen. Het exacte aantal Aangeboden Aandelen dat wordt toegewezen aan Nederlandse particuliere beleggers wordt vastgesteld na afloop van de Aanbiedingsperiode. Om in aanmerking te komen voor Preferente toewijzing aan particuliere beleggers, moeten Nederlandse particuliere beleggers hun inschrijving indienen tussen 9:00 CET op 26 januari 2015 en 17:30 CET op 4 februari 2015 via financiële tussenpersonen. Financiële tussenpersonen kunnen verschillende deadlines toepassen voor de inschrijving voor het einde van de Aanbiedingsperiode. ABN AMRO Bank N.V. ("**ABN AMRO**"), de Retail Coordinator (zoals hierna gedefinieerd), bundelt alle door

Nederlandse particuliere beleggers bij financiële tussenpersonen ingediende inschrijvingen en stelt de Joint Global Coordinators daarvan in kennis.

Betaling

Het voor de Aangeboden Aandelen verschuldigde bedrag dient te worden voldaan (in euro's) en de Aangeboden Aandelen worden geleverd op de afwikkelingsdatum, die naar verwachting 10 februari 2015 zal zijn (de "**Afwikkelingsdatum**"). Mogelijke verschuldigde belastingen en kosten zijn voor rekening van de belegger. Daarnaast kunnen financiële tussenpersonen hun particuliere beleggers kosten in rekening brengen. De Aanbiedingsprijs dient op of voor de Afwikkelingsdatum (of eerder ingeval de Aanbiedingsperiode eerder sluit en vaststelling van de prijs en toewijzing worden vervroegd en de handel en afwikkeling eerder begint) te worden voldaan in euro's in liquide middelen.

Levering van de Aandelen

De Aangeboden Aandelen worden giraal geleverd met gebruikmaking van de faciliteiten van het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.

Indien de afwikkeling niet zoals gepland plaatsvindt op de Afwikkelingsdatum, of helemaal niet plaatsvindt, kan de Aanbieding worden ingetrokken. In dat geval worden alle inschrijvingen op Aandelen als niet gedaan beschouwd, worden alle toewijzingen geacht niet te hebben plaatsgevonden en worden eventueel bij de inschrijving betaalde gelden geretourneerd, zonder rente of andere vergoeding. Alle handel in Aandelen voorafgaand aan de afwikkeling vindt plaats voor het uitsluitende risico van de betrokken partijen.

Underwriting Overeenkomst

De Vennootschap, HAL Investments B.V. (hoofdelijk handelend met de Verkopende Aandeelhouder), de Verkopende Aandeelhouder en de hierna genoemde Underwriters gaan op of omstreeks 5 februari 2015 een underwriting overeenkomst aan met betrekking tot de aanbieding en de verkoop van de Aangeboden Aandelen (de "**Underwriting Overeenkomst**"). De Verkopende Aandeelhouder zal de Aangeboden Aandelen die deel uitmaken van de Aanbieding onder de voorwaarden en met inachtneming van de Underwriting Overeenkomst verkopen aan de Underwriters tegen de Aanbiedingsprijs, en iedere Underwriter, hoofdelijk maar niet gezamenlijk, zal de Aangeboden Aandelen van de Verkopende Aandeelhouder kopen tegen de Aanbiedingsprijs.

De Underwriting Overeenkomst zal bepalen dat de verplichting van de Underwriters om Aangeboden Aandelen te kopen, onderworpen is aan onder andere de volgende voorwaarden: (i) de goedkeuring door de AFM van het Prospectus is van kracht, (ii) opinies van juridische adviseurs over bepaalde juridische zaken is verkregen, (iii) de gebruikelijke certificaten zijn afgegeven door daartoe bevoegde personen, (iv) de afwezigheid van wezenlijke onvoorziene omstandigheden ten aanzien van de bedrijfsvoering, financiële positie, bedrijfsresultaat of de vooruitzichten van de Vennootschap en de aan haar verbonden ondernemingen als groep of in de financiële markt, vanaf de datum van ondertekening van de Underwriting Overeenkomst, (v) het toelaten tot de handel van de Aandelen op Euronext Amsterdam vindt niet later plaats dan om 9:00 CET op de Eerste Handelsdag, en (vi) bepaalde andere gebruikelijke voorwaarden.

Tot de Afwikkelingsdatum hebben de Underwriters, indien zich bepaalde specifieke gebeurtenissen voordoen, zoals (i) wezenlijke onvoorziene omstandigheden ten aanzien van de bedrijfsvoering, financiële positie, bedrijfsresultaten of de vooruitzichten van de Vennootschap en de aan haar verbonden ondernemingen als groep of in de financiële markten,

		vanaf de datum van ondertekening van de Underwriting Overeenkomst, (ii) het niet naleven van de Underwriting Overeenkomst of (iii) een onware, onjuiste, of misleidende verklaring in het Prospectus, in de prijs verklaring, en in elke andere wijziging of supplement van het Prospectus, het recht de Underwriting Overeenkomst te beëindigen. **Joint Global Coordinators en Joint Bookrunners** ABN AMRO en J.P. Morgan Securities plc ("**J.P. Morgan**") treden op als joint global coordinators (de "**Joint Global Coordinators**") en gezamenlijk met Barclays Bank PLC, BNP Paribas en HSBC Bank plc als de joint bookrunners (de "**Joint Bookrunners**"). **Joint Lead Managers** ING Bank N.V. en Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. treden op als joint lead manager (de "**Joint Lead Managers**"). **Co-Lead Managers** Crédit Agricole Corporate and Investment Bank en Kempen & Co N.V.treden op als co-lead manager (de "**Co-Lead Managers**"). **Underwriters** De Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers en Co-Lead Managers vormen gezamenlijk de underwriters (de "**Underwriters**"). **Noteringsagent en betaalkantoor** ABN AMRO treedt op als noteringsagent en betaalkantoor met betrekking tot de notering van de Aandelen aan Euronext Amsterdam. **Retail Coordinator** ABN AMRO treedt op als retail coördinator met betrekking tot de Preferente toewijzing aan particuliere beleggers. **Stabilisatiemanager** J.P. Morgan treedt op als stabilisatiemanager (de "**Stabilisatiemanager**") met betrekking tot de notering van de Aandelen aan Euronext Amsterdam.
E.4	Materiële belangen bij de Aanbieding (waaronder begrepen tegenstrijdige belangen)	Bepaalde Underwriters en/of sommige van de met hen verbonden ondernemingen waren in het verleden betrokken bij en kunnen in de toekomst van tijd tot tijd betrokken worden bij, het verlenen van verschillende commerciële bankdiensten, investeringsbankdiensten en financieel advies of andere diensten in de normale uitoefening van hun bedrijfsvoering aan de Vennootschap en/of de Verkopende Aandeelhouder of aan hen verbonden ondernemingen. De Underwriters hebben of zullen gebruikelijke vergoedingen en commissies voor deze transacties en diensten ontvangen. De meeste Underwriters verstrekken de Vennootschap krediet uit hoofde van de doorlopend krediet overeenkomst. Daarnaast kunnen de Underwriters, in de normale uitoefening van hun bedrijfsvoering, in de toekomst effecten van de Vennootschap houden voor beleggingsdoeleinden. In verband met het voorgaande wordt het uitwisselen van informatie om redenen van vertrouwelijkheid in zijn algemeen beperkt door interne procedures of door wet- en regelgeving. Het is mogelijk dat de belangen van de Underwriters als gevolg van de voorgenomen transactie niet gelijk zijn, of zelfs tegenstrijdig kunnen zijn, aan die van beleggers of de Vennootschap.
E.5	Persoon of entiteit die de Aangeboden Aandelen aanbiedt en lock-up afspraken	De Joint Global Coordinators zijn gerechtigd om, geheel naar eigen inzicht en op elk moment, afstand te doen van de hierna vermelde beperkingen, waaronder die op de verkoop, uitgifte en overdracht van Aandelen.

		Lock-up Vennootschap Verwacht wordt dat de Vennootschap met de Underwriters, overeenkomt dat gedurende een periode vanaf de datum van ondertekening van de Underwriting Overeenkomst tot 180 dagen na de Afwikkelingsdatum (de vennootschap lock-up periode), zij niet, behoudens voor zover hierna anders bepaald, zonder de voorafgaande toestemming van de Joint Global Coordinators (handelend namens de Underwriters): (i) enig Aandeel of ander aandeel in de Vennootschap, of enig effect converteerbaar in, uitoefenbaar of inwisselbaar voor Aandelen of andere aandelen in de Vennootschap rechtstreeks of indirect, zal uitgeven, aanbieden, verpanden, verkopen, aannemen om te verkopen, een optie daarop zal verkopen of verlenen, een recht daarop zal verlenen, een warrant of overeenkomst tot de aankoop ervan zak overeenkomen, een optie zal uitoefenen om deze te verkopen, enige optie of overeenkomst tot verkoop zal sluiten, of zal lenen of op andere wijze zal overdragen of afstoten of enige registratieverklaring zal verrichten onder de US Securities Act of enig ander vergelijkbaar document bij een andere financiële toezichthouder, aandelenbeurs of noteringsautoriteit met betrekking tot het voorgaande zal registreren; (ii) enige swap of andere overeenkomst of transactie aan zal gaan die in het geheel of ten dele, rechtstreeks of indirect het economisch eigendom van enig Aandeel of ander aandeel van de Vennootschap overdraagt, ongeacht of een dergelijke transactie gesetteld moet worden door de levering van Aandelen of dergelijke andere aandelen, in contanten of op andere wijze; of (iii) een dergelijke intentie tot het verrichten van een dergelijke transactie publiekelijk zal aankondigen. Het bovenstaande is niet van toepassing op: (i) enige overdracht van Aandelen of enig ander aandeel in de Vennootschap ingeval van een overname, reorganisatie, een fusie, splitsing of vergelijkbare transactie of vergelijkbaar proces, in elk geval voor zover de Vennootschap daarbij betrokken is; of (ii) het toekennen van een beloning in opties of Aandelen door de Vennootschap of de uitgifte van Aandelen in het geval dat toegekende opties door de Vennootschap op basis van aandelenparticipatieplannen beschreven in het Prospectus worden uitgeoefend. **Lock up Verkopende Aandeelhouder** Verwacht wordt dat de Verkopende Aandeelhouder met de Underwriters, overeenkomt dat gedurende een periode vanaf de datum van ondertekening van de Underwriting Overeenkomst tot 180 dagen na de Afwikkelingsdatum (de verkopende aandeelhouder lock-up periode), zij niet, behoudens voor zover hierna anders bepaald, zonder de voorafgaande toestemming van de Joint Global Coordinators (handelend namens de Underwriters): (i) enig Aandeel of ander aandeel in de Vennootschap, of enig effect converteerbaar in, uitoefenbaar of inwisselbaar voor Aandelen of andere aandelen in de Vennootschap rechtstreeks of indirect, zal aanbieden, verpanden, verkopen, aannemen om te verkopen, een optie daarop zal verkopen of verlenen, een recht daarop zal verlenen, een warrant of overeenkomst tot de aankoop ervan zal overeenkomen, een optie zal uitoefenen om deze te verkopen, enige optie of overeenkomst tot verkoop zal sluiten, of zal lenen of op andere wijze zal overdragen of afstoten of enige registratieverklaring van de Vennootschap zal eisen onder de US Securities Act of enig ander vergelijkbaar document bij een andere financiële toezichthouder, aandelenbeurs of noteringsautoriteit met betrekking tot het voorgaande zal registreren; (ii) enige swap of andere overeenkomst of transactie aan zal gaan die in het geheel of ten dele, rechtstreeks of indirect het economisch eigendom van enig Aandeel of ander aandeel van de Vennootschap overdraagt, ongeacht of een dergelijke transactie gesetteld moet worden door de levering van Aandelen of

		dergelijke andere aandelen, in contanten of op andere wijze; of (iii) een dergelijke intentie tot het verrichten van een dergelijke transactie publiekelijk zal aankondigen. Het bovenstaande is niet van toepassing op: (i) de verkoop van de Aangeboden Aandelen; (ii) het uitlenen van Aandelen aan de Joint Global Coordinators (handelend namens de Underwriters) op grond van de aandelenleningsovereenkomst die naar verwachting wordt gesloten tussen de Verkopende Aandeelhouder en de Stabilisatiemanager; (iii) enige overdracht van Aandelen of enig ander aandeel in de Vennootschap ingeval van een overname, reorganisatie, een fusie, splitsing of vergelijkbare transactie of vergelijkbaar proces waarbij de Vennootschap betrokken is; of (iv) enige overdracht aan verbonden ondernemingen, werknemers, Bestuurders, (senior) managers, dochtervennootschappen, aandeelhouders, of aan een beleggingsfonds of aan een onderneming die (gedeeltelijk) gecontroleerd of bestuurd wordt, door de Verkopende Aandeelhouder, met als voorwaarde dat de ontvanger van dergelijke Aandelen of andere aandelen instemt met de ontvangst daarvan en de Joint Global Coordinators (handelend namens de Underwriters) in redelijkheid tevreden zijn met de manier waarop de overdracht plaatsvindt, mits een dergelijke ontvanger gebonden zal blijven aan de bovenstaande restricties voor de resterende termijn van de verkopende aandeelhouder lock-up periode. **Management lock-up** De Bestuurders zullen op of omstreeks 5 februari 2015 een lock-up overeenkomst aangaan met de Vennootschap. Volgens deze overeenkomst dienen de Bestuurders hun Aandelen in ieder geval vast te houden tot 180 dagen na de Afwikkelingsdatum. Deze lock-up is niet van toepassing op (i) de verkoop door de heer Kiesselbach van 10% van zijn Aandelen op of kort na de Afwikkeling aan de Verkopende Aandeelhouder tegen de Aanbiedingsprijs; of (ii) enige verkoop ter voldoening van inkomstenbelasting verschuldigd ten tijde van het vesten van enige (optie op) Aandelen op basis van bestaande toekenningen onder de optie- of aandelenparticipatieplannen van de Vennootschap. Verwacht wordt dat de Vennootschap, HAL Investments B.V. en de Verkopende Aandeelhouder met de Underwriters, overeenkomen dat gedurende een periode vanaf de datum van ondertekening van de Underwriting Overeenkomst tot 180 dagen na de Afwikkelingsdatum, zij de Bestuurders niet, behoudens voor zover de Joint Global Coordinators (handelend namens de Underwriters) schriftelijke toestemming hebben gegeven, zullen vrijstellen van de bepalingen opgenomen in de lock-up overeenkomsten.
E.6	Verwatering	Niet van toepassing. De Aanbieding heeft geen verwaterend effect, aangezien uitsluitend bestaande Aandelen worden aangeboden.
E.7	Geraamde kosten die de Vennootschap of de Verkopende Aandeelhouder aan de beleggers in rekening brengt	Niet van toepassing. De Vennootschap en de Verkopende Aandeelhouder brengen de beleggers geen kosten in rekening in verband met de Aanbieding.

RISK FACTORS

Before investing in the Shares, prospective investors should carefully consider the risks and uncertainties described below, together with the other information contained or incorporated by reference in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, could have a material adverse effect on the Group's (as defined below) business, results of operations, financial condition and prospects. In that event, the value of the Shares could decline and an investor might lose part or all of its investment.

All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of these risks described below simultaneously and one or more risks described below may be interdependent. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to the business, results of operations, financial condition and prospects of the Group.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although the Group believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and the Shares, they are not the only risks and uncertainties relating to the Group and the Shares. Other risks, facts or circumstances not presently known to the Group, or that the Group currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The value of the Shares could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.

Prospective investors should read and carefully review the entire Prospectus and should reach their own views before making an investment decision with respect to any Shares. Furthermore, before making an investment decision with respect to any Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Shares and consider such an investment decision in light of their personal circumstances.

Risks Relating to the Group's Business

Applicable laws and regulations and their interpretation or enforcement, could materially change.

In many countries where the Company together with its subsidiaries within the meaning of Section 2:24b of the Dutch Civil Code ("**DCC**") (each a "**Group Company**", and together with the Company, the "**Group**") is present, the sale of the Group's products and the Group's provision of services are subject to regulation and oversight. In certain countries requirements and restrictions of a medical nature apply (*e.g.*, limiting the performance of eye tests and examinations to ophthalmologists or licensed optometrists, as is currently still the case in Portugal and Brazil, regulating relationships between ophthalmologists or licensed optometrists on the one hand and opticians on the other hand, imposing diploma requirements for staff performing eye tests and examinations in-store, or restricting advertising by healthcare professionals, including optical retailers, as is the case in Turkey). In addition, in some national markets there are social security and health insurance reimbursement systems, which may affect pricing structures. For instance, this is the case in Italy due to partial reimbursement of eyewear related costs by the government and in Portugal where the purchase of eyewear may be income tax deductible. Other regulatory requirements relevant to the Group's business relate, among others, to distribution channels (*e.g.*, online sales), consumer protection laws, antitrust, financial and tax laws.

These laws and regulations vary from one jurisdiction to another. The Group's ability to comply with existing laws and regulations applicable to its business across the multiple jurisdictions in which it operates and to predict and adapt to changes in those, is important to its success. Any uncertainty or changes in the applicable laws and regulations in one or more countries in which the Group operates may delay or prevent its ability to achieve its strategic plans or increase the cost of implementing such plans or its compliance costs.

Changes in laws or regulations could lead to deregulation (*e.g*, possible limitations on reimbursements for optical products in France), which could result in increased competition or otherwise alter the competitive landscape in which the Group operates, or could, for instance, impact eyewear reimbursement rights which could result in a decrease in market demand or increased price competition, influence the Group's product assortment or pricing schemes, result in a deferral of payments to the Group, or otherwise materially adversely affect the Group's business.

In addition, changes in the laws and regulations applicable to the Group could result in higher compliance costs, and in actual future expenditures being different from the amounts the Group currently anticipates, particularly if the complexity and number of regulations should increase.

Thus if a material change in applicable laws and regulations, or in their interpretation or enforcement, were to occur, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

It may be difficult for the Group to adjust to a decrease in sales volumes due to relatively high operating costs which may be subject to further cost inflation.

A relatively high percentage of the Group's operating costs are fixed in the short term, which limits the Group's flexibility to lower its costs quickly if its sales volumes were to decrease. If the Group is then not able to lower its operating costs in a timely manner, this could have a material adverse effect on the Group's business, results of operations and financial condition.

The main components of the Group's operating costs, not taking into account direct materials which are directly related to revenues, are employee and operating lease costs, which have been increasing in absolute terms during the periods under review primarily due to the growth of the Group and salary and rent inflation. Total employee costs in 2013 were € 857.4 million, or 32.7%, of revenue, €825.3 million, or 32.8%, of revenue in 2012 and €780.2 million, or 32.6%, of revenue in 2011. Total operating lease costs in 2013 were €401.2 million, or 15.3%, of revenue, €387.8 million, or 15.4%, of revenue in 2012 and €363.6 million or 15.2% of revenue in 2011. The Group may not manage to offset increases in labor and operating lease costs through productivity gains. A further increase in the Group's operating costs could, if the Group cannot incorporate these cost increases in its commercial offers or offset them through productivity gains or other measures, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business may be adversely affected by the loss or actions of its suppliers and changes to the merits of its contractual arrangements with them.

The Group may not be able to continue to retain and find new qualified suppliers who meet the Group's standards and supply products in a timely and efficient manner. Certain of the Group's suppliers also enjoy commanding market positions and the Group may be unable to secure products of sufficient quality or quantity if one of such suppliers ceases trading, demands higher prices or more stringent payment terms, is unable to meet the Group's requirements or reduces its business with the Group for any other reason. For the nine months ended 30 September 2014, the Group's three main suppliers of lenses supplied 82% of the Group's total expenditure for lenses; the Group's three main suppliers of contact lenses supplied 85% of the Group's total expenditure for contact lenses; and the Group's three main suppliers of third party branded frames and sunglasses supplied 72% of the Group's total expenditure for third party branded frames and sunglasses. The Group's suppliers may decide to alter the commercial terms, conditions, discounts and rebates the Group has negotiated with them. The Group may also be adversely affected if its suppliers consolidate, thereby increasing their bargaining power, or if competitors sign exclusive supply agreements with, or take over, the Group's current or future suppliers, diverting their manufacturing capacity away from servicing the Group's needs.

Particularly, certain of the Group's competitors in the retail domain are also key suppliers to the Group and the Group may be unable to secure products of certain third party brands in case the Group's competitors reduce their business with the Group. Even if the Group does identify new suppliers, the Group may experience increased costs and product shortages as it transitions to purchasing supplies from them. Finally, the Group cannot guarantee that any new supplier with which the Group does business would not be subject to similar or greater quality- and quantity-related risks as the Group's existing suppliers. Changes to the Group's contractual arrangements with suppliers or its access to collections from third party brands, may divert customers to the Group's competitors and have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The eyewear industry is highly competitive, and certain of the Group's principal local competitors may be more competitive in local markets than the Group.

The retail market for the Group's products is highly competitive. Competition is based on, among other things, local marketing activities, the quality of service provided, the range of products and brands offered, the price of prescription eyeglasses, contact lenses and sunglasses and the breadth of distribution networks. Certain of the Group's local competitors may have greater resources for competitive activities on a local level, such as marketing, store network optimization, and recruiting. The Group's local competitors may enter into business combinations or alliances (*e.g.*, alliances with insurance companies whereby the insurance company selects the competitor as its preferential partner or sets customer reimbursement levels at a higher level for the competitor's customers) that strengthen their competitive positions or prevent the Group from taking advantage of such opportunities. They may also be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or consumer preferences. Competitors may also possess broader distribution networks, with more extensive e-commerce and/or geographic reach, including large networks of directly or indirectly operated stores. Accordingly, these local competitors may be more competitive (*e.g.*, be able to maintain lower costs, be more attractive for customers, or be able to attract and retain more skilled employees). Moreover, increased competition from these companies could require price reductions or increased spending on marketing or sales. If many of the Group's principal local competitors should become more competitive in local markets than the Group, this could adversely affect the Group's business, results of operations and financial condition.

The Group may fail to identify and/or acquire suitable acquisition candidates or investment opportunities or may make unsuitable acquisitions or investments. The Group may also be unable to successfully integrate or achieve the expected benefits from past or future acquisitions.

Execution of the Group's strategy will require the continued pursuit of acquisitions and investments and will depend on the Group's ability to identify suitable acquisition candidates and investment opportunities, either as single stores or larger corporate acquisitions. Acquisitions and investments involve risks, including inaccurate assumptions about revenues and costs, the inability to achieve synergies, unknown liabilities, inaccurate assumptions about the overall costs of equity or debt financing, lack of management control, particularly when minority stakes are taken, customer or key employee losses at the acquired businesses, impairment of goodwill and/or other immaterial fixed assets, and may potentially have a negative impact on the Company's earnings per share. The Group may not achieve the competitive advantage, increased market share in relevant markets, cost savings or other benefits that it expects to achieve from acquisitions, and the acquisitions may not perform in line with the Group's assumptions or expectations or otherwise complement the Group's business or strategy.

The Group cannot be certain that it will be able to identify and acquire, on reasonable terms, if at all, suitable acquisition candidates or investment opportunities. With continuing consolidation being a likely industry trend, the Group could be faced with increasing competition for attractive acquisition candidates. Failure to identify and/or acquire suitable candidates or investment opportunities or the acquisition of unsuitable candidates or the making of unsuitable investments could impair the Group's ability to achieve its strategic objectives. Compliance with antitrust or any other regulations may delay proposed acquisitions or prevent the Group from closing acquisitions or investments in the manner proposed, if at all. The manifestation of any of these risks could adversely affect the Group's business, results of operations and financial condition.

The Group cannot guarantee that the on-going integration of recently acquired operations or the integration of any future acquisitions will generate benefits for the Group that are sufficient to justify the expenses it incurred or will incur in completing such acquisitions. The Group could also incur extraordinary or unexpected legal, regulatory, contractual or other costs as a consequence of acquisitions. The Group cannot exclude the possibility that, in spite of the due diligence it performs or has performed, it will inadvertently or unknowingly acquire or have acquired actual or potential liabilities or defects. In addition, the Group's future acquisitions might not be as successful as the acquisitions it has completed in the past. The Group cannot guarantee that it will continue to grow successfully, as both future acquisition opportunities and the successful future integration of any acquired companies are inherently uncertain. As a result, the Group's growth strategy might fail to achieve the anticipated benefits for the Group's future earnings and profitability, which could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may not be able to successfully implement its growth strategy in emerging markets.

The Group is pursuing further growth through store expansion and acquisitions in emerging markets through its Latin America & Asia segment where markets are growing faster on average than in Europe. In emerging markets, ''economies of scale'' and the related costs savings resulting from a dense store network and a combined experience and resource base, may not always be present. Primarily as a result of the foregoing, the Group's stores in the Latin America & Asia segment generally have had lower gross profit margins than stores in the Group's G4 segment and in most countries in the Other Europe segment during the periods under review. The Group believes that improving profitability in emerging markets is important for the Group to improve its overall profitability and that this depends, in part, on its ability to realize economies of scale on a local level in emerging markets, which would allow general and administrative costs to be spread over a more extensive store network and create marketing and advertising synergies.

While the Group intends to invest in strengthening its store network and its local organizational capabilities in the Latin America & Asia segment, the Group may not be able to achieve the benefits from ''economies of scale'' and realize the related costs savings that it expects to achieve, which may mean that the Group's business, results of operations, financial condition or prospects may not improve to the extent the Group anticipates, or at all. In addition, any prolonged delay in realizing profits in emerging markets may lead to impairments of goodwill and could have an adverse effect on the Group's results of operations and financial condition.

The Group's business could be adversely affected by the availability of vision correction alternatives to prescription eyeglasses and contact lenses.

The Group's future performance could be negatively impacted if vision correction alternatives to prescription eyeglasses and contact lenses, such as refractive surgery, and potentially even genetic manipulation, were to become widely available and accepted. While the Group does not believe that currently available vision correction alternatives such as refractive surgery will in the foreseeable future materially adversely impact the Group's business, there can be no assurance that there will not be important technological advances or innovations in vision correction alternatives resulting in wide adoption by customers. Increased demand for such vision correction alternatives could result in decreased demand for the Group's prescription eyewear products, which could have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group may be adversely impacted by changes in the distribution channels for certain optical products, including on-line distribution, if the Group fails to adapt to these changes.

Some of the optical products sold in the Group's store network, such as contact lenses and contact lens care products, sunglasses and ready readers, are to an important extent distributed through other channels than optical retail stores. These products, which represent approximately one-quarter of the Group's network sales, may be distributed by pharmacists (primarily contact lens care solutions), fashion retailers, department stores or other points of sale, as well as through e-commerce websites. While the Group believes that the value-added services provided by opticians in its stores are not available in the same manner through such alternative distribution channels, an increasing popularity of alternative distribution channels and the Group's failure to adapt to such trends may negatively impact the Group's market share and adversely affect the Group's business, results of operations, financial condition and prospects.

In particular, the online distribution channel is growing especially among the more commoditized optical retail products (such as contact lenses and sunglasses), and it is also starting to attract more prescription eyeglass buyers. As online sales of optical products may entail lower fixed and operational costs than operating stores, prices for optical products sold online may be lower than optical products sold through other distribution channels. Although online sales of optical products represented only approximately 4% of the aggregate optical retail market globally in 2013 (source: Euromonitor International), sales through this channel are expected to have increased to 4.4% of the global market in 2014 and to keep increasing in the future, especially of contact lenses.

A failure by the Group to adapt to this trend could impact the Group's market share and have an adverse effect on its business, results of operations, financial condition and prospects.

The Group's success depends on the reputation and consumer awareness of its banners, which may be negatively impacted by either a decrease in the Group's marketing ability or by negative publicity relating to the Group or the optical industry in general.

The Group operates 33 different banners (*i.e.*, retail store brands) (including banners of associates). The reputation and consumer awareness of the Group's banners are essential for ensuring the success and performance of its business model. The reputation of the Group's banners depends primarily on commercial offers, but also on the Group's ability to convey its standards of quality to the general public through the implementation of effective marketing and communication strategies.

The Group can provide no assurance that its marketing and communication campaigns will be successful in promoting and maintaining brand awareness of its banners, resonate with consumers, generate traffic into its stores and encourage potential purchases, and maintain customer loyalty. Also, the Group's competitors may be more successful in their marketing and communication efforts than the Group. Consumer awareness of the Group's banners may also be negatively impacted by constraints on media coverage (*e.g.*, changes in consumers' use of media) that could impede the Group's ability to have effective marketing and communication campaigns.

Furthermore, the Group's reputation may be harmed by negative publicity relating to it or even the optical industry in general, as, for example, was the case when the German Competition Authority imposed fines on five manufacturers of ophthalmic lenses for participating in a price fixing scheme in 2010 or as could be the case if the French competition authority should impose fines on certain optical suppliers and optical retailers active in the branded sunglasses and branded frames sector in France (see ''Business–Legal and Arbitration Proceedings–French competition authorities''). Any such incident, whether or not involving the Group, may impact the reputation of the optical retail industry thereby adversely affecting the Group's reputation.

If an event harming the Group's reputation or banners, undermining its reputation or giving rise to negative publicity were to occur, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's success depends on its ability to protect its banners and other intellectual property rights.

The Group believes that its banners and other intellectual property rights that cover the products and services it offers, including trademarks, domain names and certain registered designs and models, are key assets that are fundamental to the Group's success and position. The Group is therefore dependent on its ability to protect and promote its banners and other intellectual property rights. The Group cannot guarantee that it is aware of all intellectual property rights of third parties that its products and services may infringe upon, and that its intellectual property rights may not in the future be challenged by third parties, including the Group's competitors. If a court were to determine that one or more of the Group's products or services infringe upon intellectual property rights held by others, the Group could be required to cease providing these products or services or pay damages or royalties to holders of such intellectual property rights. The Group also cannot guarantee that third parties will not infringe upon the Group's intellectual property rights, for instance by using its trademarks. In addition, the Group may be unable to adequately register and protect its intellectual property rights as the Group enters into new markets. Should the Group's intellectual property rights be challenged or infringed upon, or should the Group be unable to adequately register and protect its intellectual property rights when entering new markets, or should the Group infringe upon intellectual property rights of others, this may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's franchisees are independent operators and the Group has limited influence over them and their operations. The Group's franchisees may not continue to accept the terms of franchise agreements.

As of 30 September 2014, the Group operated 1,062 franchises. Revenue generated by its franchisees, such as franchise fees and contributions, accounted for 6.4% of the Group's total revenue in 2013 (6.4% for the nine months ended 30 September 2014). However, the franchisees are independent operators and the Group cannot control all factors that impact the performance of their stores. Although the Group seeks to identify low performing franchisees and to work with such franchisees towards improving their performance, the Group cannot impose budgetary constraints on its franchisees that would otherwise help ensure that their performance is maximized.

The Group's strategy has been to implement common policies and procedures for the use by franchisees in order to improve commercial practices within their stores and with respect to their relationships with customers. Franchisees may be reluctant to accept any such changes, as well as the Group's involvement in their day-to-day operations.

Pursuant to the Group's franchise agreements, franchisees are required to report certain performance indicators, including sales levels, relating to their business on a regular basis through, for example, the Group's Point-of-Sale-system. Although franchisees are also required to provide the Group with a copy of their annual audited accounts, some franchisees may report sales levels that are lower than the actual sales levels. As a result, such franchisees may be charged lower royalties and communications fees than they would have been charged had they reported their actual sales levels. In addition, if franchisees do not report their actual sales, the Group's network sales numbers will not be accurate, reducing the utility of system wide sales as a key performance indicator to assist in strategic planning. Any difficulties in monitoring and overseeing the Group franchisees' operations may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's reputation and the reputation of its banners may also be harmed by franchisees that operate their stores in a manner which is not consistent with the Group's professional standards or regulatory requirements. While the Group may terminate its commercial relationships with franchisees that do not comply with such standards or requirements, any delay in identifying and addressing an incident may harm the Group's reputation. The Group has been and may from time to time be subject to allegations of failure to adequately monitor its franchisees, particularly in the context of allegations that such franchisees committed fraud with regards to health insurance reimbursements. Any such claims may undermine the Group's reputation, result in the imposition of fines, and have an adverse effect on the Group's business, results of operations, financial condition and prospects.

There can be no assurance that the Group's franchisees will continue to accept the terms of the franchise agreements when the contracts are up for renewal, and in particular the levels of fees and commissions that the Group charges them in exchange for the services the Group provides as franchisor. Any such non-renewal of the franchise agreement may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may be unable to meet the performance standards of its customers and franchisees.

The Group's failure to meet standards (*e.g.*, quality standards of prescription eyeglasses, contact lenses, and sunglasses) or service levels in the provision of its products and services – including through performance failure by the Group's suppliers – could lead to customer and franchisees disputes or claims for compensation, which may have a negative effect on the reputation of the Group and could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's reputation and relationship with its customers and franchisees could be harmed by disruptions in the operations of the Group's technology laboratories and other performance failures by the Group or other service providers in the supply chain.

The Group's technology laboratories ("**TechCenters**") for finishing lenses, edging lenses and assembling prescription eyeglasses and the availability of stock and of individualized products play a key role and, in the future, the Group intends for them to play an even greater role in the Group's supply chain.

The Group may be harmed by any prolonged disruptions in the operations of its TechCenters. The use of TechCenters as opposed to store based edging facilities is expected to grow as the Group is constructing additional TechCenters to further improve and ensure quality and reduce operating costs, thereby further enhancing the risk of such a disruption to the Group.

The Group has concentrated its supplier base and the Group is dependent on its suppliers to develop and supply the product portfolio that the Group markets, sells and distributes. As the Group maintains limited levels of stock, failures in the supply of products to the Group could adversely affect the Group's business, results of operations and financial conditions. In some cases, products, including lenses, are produced in a limited number of third party manufacturing facilities, and as such a disruption at a single facility could have a material adverse effect on the Group's business, financial condition and results of operations. For example, in 2012, the Group experienced lens supply shortages as a consequence of the flooding of the Thailand based factories of a major lens supplier.

If performance failures by the Group or other service providers in the supply chain were to occur, the Group's reputation and relationship with its customers and franchisees could be harmed, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may be unable to manage its inventory due to inadequate market trend predictions by the Group or unexpected events.

While the Group must maintain sufficient inventory levels to operate its business successfully and meet its customers' preferences and demands, the Group must also guard against the risk of accumulating excess inventory. As of 31 December 2013 the Group had €192.6 million of inventory on its balance sheet, and as of 30 September 2014 it had €238.1 million. The Group is exposed to inventory risks as a result of changes in product cycles, changes in consumer preferences, changes in wholesale pricing, import conditions and exchange rates, changes in the general consumer economic environment, uncertainty of product launches, manufacturer backorders and other vendor related problems. In order to be successful, the Group must accurately predict these trends and events, which it may be unable to do successfully, and avoid over stocking or under stocking products. Excess inventory could lead to inventory obsolescence, while insufficient inventory could harm the Group's customer relationships and sales and therefore profits. In case of insufficient inventory, the Group may, for example, be required to make split shipments for backordered items or pay for expedited delivery from the manufacturer. Any failure by the Group to manage its inventory could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to potential product liability claims and product recalls.

The sale and manufacturing of eyewear products by the Group involves an inherent risk of exposure to product liability claims, product recalls, product seizures and related adverse publicity. A product liability claim or judgment against the Group could also result in substantial and unexpected expenditures, affect customer confidence in the Group's products, and divert management's attention from other responsibilities. Although the Group maintains product liability insurance and seeks to obtain relevant indemnities from its suppliers, there can be no assurance that the type or the level of coverage is adequate or that the Group will be able to continue to maintain its existing insurance or obtain comparable insurance at a reasonable cost, if at all, or that it will be able to enforce and collect upon its indemnities. A product recall or a partially or completely uninsured product liability judgment against the Group could have a material adverse effect on its reputation, business, results of operations and financial condition.

The Group may not be able to successfully implement its new IT strategy. The Group's business may be disrupted if its information systems fail or if its databases were destroyed or damaged.

As part of its overall business strategy, the Group is in the process of implementing a new information technology ("**IT**") strategy – the "2020 IT Vision" (see "Business—Information Technology"). While implementation plans, back-up recovery systems and contingency plans are and will be in place, the Group cannot give any assurance that the new IT strategy will be successfully completed and that interruptions, failures or breaches in the security of these systems will not occur or, if they do occur, that they will be adequately addressed. Any such inability to successfully implement the IT systems, or any interruptions, failures or breaches of the IT systems, even for a limited period of time, could result in, for example:

- interruptions in the services offered or information provided to customers or franchisees, or inability to serve customers' or franchisees' needs in a timely fashion;
- interruptions or errors in supply chain management;
- interruptions or errors in management information, which could lead to loss of efficiency and of opportunities, as well as to delays in the implementation of strategy;
- considerable costs in terms of, for example, information retrieval, reconstruction and verification; or
- an impact on the Group's internal and financial control system.

If any of these risks were to materialize, it could result in remediation costs, reduced sales due to an inability to adequately process information and increased costs of operation of the Group's business, any of which, alone or in the aggregate, could have an adverse effect on the Group's business, results of operations and financial condition.

Any failure of management information and internal control systems may adversely affect the ability of the Group to identify or anticipate risks and to adequately respond to unfavorable developments within the Group.

The Group has implemented and is in the process of further harmonizing management information and internal control systems, to ensure that the Group's business strategy and internal policies are implemented throughout the Group and to be able to adequately identify and respond to unfavorable developments within the Group. There can be no assurance, however, that these management information and internal control systems are and will be at all times adequate and fully effective, particularly if the Group is confronted with risks that it has not fully or adequately identified or anticipated. In addition, the Group's risk management and internal control systems may not always able to detect inadequate, fraudulent, negligent or unauthorized dealings or acts by employees or third-parties, such as product theft or antitrust violations. This risk may be further enhanced as a result of the cultural differences between the countries in which the Group has a presence which may result in different sensitivity levels to adherence to internal policies. Any such failures of the Group's control systems could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group relies on the skills and experience of its managerial staff and other key personnel, and may fail to retain individuals or fail to recruit suitable managers and other key personnel, including qualified optical personnel, both for expanding the Group's operations and for replacing employees who leave the Group.

The Group believes that its performance, success and ability to fulfil its strategic objectives are substantially dependent on retaining its current executives and members of its managerial staff who are experienced in the markets and business in which the Group operates. In particular, the Group is dependent on the skills and experience of country level operational leaders. In addition, the Group's business results depend substantially upon the experience with optical know-how and experience with and knowledge of, local market dynamics of the Group's qualified store personnel such as optometrists, opticians and optical sales experts. There can be no assurance that the Group will be able to retain these executives, members of its managerial staff and qualified store personnel. The loss of their services could have a material adverse effect on the Group's business, results of operations and financial condition.

In addition, the Group may not be able to recruit and retain, at acceptable costs or at all, suitable and sufficient numbers of executives, managers and qualified store personnel in the future, both for the expansion of its operations and for replacing employees who leave the Group. The market for qualified employees, including for individuals with the required technical and sales expertise to succeed in the optical retail business, is highly competitive in many countries. Recruiting suitable directors, managers and qualified store personnel may thus entail substantial costs both in terms of salaries and other compensation as well as training activities. If the Group does not succeed in attracting and retaining experienced and skilled staff in sufficient numbers at acceptable costs or at all, this could have a material adverse effect on the Group's strategic goals, as well as on the Group's business, results of operations and financial condition.

The Group may fail to complete its transformation into a more centralized organization.

The Group is in the process of completing its transformation into a more centrally managed group with more globally harmonized capabilities, including, for example, in assortment planning, supply chain management, information systems, human resources management and finance and internal controls. Furthermore, the Group has established a global commercial policy. Until completion of the transformation, a higher number of operational decisions are left to the discretion of local country management (*e.g.*, broader decisions on assortment or IT systems).

The execution of this transformation plan is important for the Group to realize revenue growth and to improve its profitability. The Group believes that its future financial performance and success depend, in part, on its ability to continue and further execute this transformation. If the Group is unable to successfully complete the transformation, there may be a delay in, and additional costs involved with, the Group's execution of its business strategies, which could mean that the Group's business, results of operations, financial condition or prospects may not improve to the extent the Group anticipates, or at all.

The Group is affected by demand fluctuations and other developments in the broader economy.

A deterioration of economic conditions in any of the markets in which the Group operates, but specifically in its largest markets (*i.e.*, Benelux, Germany, France and the United Kingdom), may have an adverse effect on the Group. Consumer purchases of certain products that the Group sells tend to decline during economic downturns when consumer confidence and disposable income tend to be lower. Such circumstances can be expected to influence consumers' purchasing behaviors. For example, customers may delay their purchases or may choose to purchase products of lesser price and quality. These changes in consumer's purchasing behaviors may lead to lower overall sales of the Group or to changes in the mix of products that the Group sells in ways that impact the Group's overall profitability. In addition, changes in economic conditions may lead to higher costs associated with the Group's operations, such as in relation to the products it purchases, the transportation and energy utilized and the labor it employs, which could affect the Group's ability to cost-efficiently maintain its broad sales networks. In addition, there can be no assurance that macroeconomic conditions will not impair the Group's ability to obtain financing in the future, to expand its store network or refurbish existing stores.

The Group is exposed to a variety of economic, political, legal and other related risks due to the international nature of its business.

The Group faces certain inherent risks due to the international nature of its business. As of the date of this Prospectus, the Group operates in 43 countries (including countries where associates are active) around the world, and plans to expand further geographically. Some of the regions in which the Group operates or may be planning to operate, have recent histories of economic, social and political instability. In addition, the Group may develop a new key market or decide to make additional investments in existing higher-risk markets, and may as a result be exposed to additional or increased social, political and economic instability, among other risks. These risks relate to a wide range of factors, including but not limited to the following: currency restrictions and exchange controls, other restrictive or protectionist policies and actions; diverse systems of law and regulation; the imposition of unexpected taxes or other payment obligations on the Group; changes in political, regulatory and economic frameworks; economic sanctions (*e.g.*, the current economic sanctions imposed on Russia, which may impact customer demand as well as the supply chain); risks relating to political unrest and terrorism; exposure to possible expropriation, nationalization, nullification or modification of contract terms, import regulations (*e.g.*, import restrictions impacting the supply chain in Argentina) or other government actions, restrictions on the Group's ability to transfer cash to or repatriate cash from its subsidiaries; restrictions in certain countries on investments by foreign companies; divergent labor regulations and cultural expectations regarding employment, and divergent cultural expectations regarding industrialization, international business and business relationships. Specific major events affecting the markets in which the Group operates, including natural disasters, could also have an adverse impact on the Group's regional business or results of operations.

No predictions can be made as to governmental regulations applicable to the Group's operations that may be enacted in the future, changes in political regimes or other political, social and economic instability, or as to risk of wars, terrorism, sabotage, other armed conflicts and general unrest.

In addition, it may prove difficult for the Group to achieve its goals or take advantage of growth and acquisition opportunities in emerging markets due to incorrect assumptions of the Group as to regulations, market practices and other economic and political features of countries or markets in such regions.

A materialization of any of the risks mentioned above could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to the risk of strikes, work stoppages and other industrial action.

The Group may experience lengthy consultations with labor unions and works councils, strikes, work stoppages or other industrial actions, as well as the negotiation of new collective bargaining agreements or salary increases in the future, which could disrupt the Group's operations. In addition, strikes by employees of any of the Group's key suppliers or services contractors could result in business interruptions. The occurrence of any or all of the above risks could disrupt the Group's business, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may fail to obtain, renew or maintain, or may experience material delays in obtaining, requisite governmental or other relevant approvals, licenses, certificates or permits for the conduct of its business.

The Group requires various approvals, licenses and certificates to manufacture and distribute frames and lenses, contact lenses and sunglasses, and permits (*e.g.*, for conducting eye examinations, eye tests and refractive surgery) (collectively, "**Approvals**") in the conduct of its business. There can be no assurance that the Group will not encounter significant obstacles or delays in obtaining, or be unable to obtain, new or renewing existing Approvals required for the conduct of its business, or that it will continue to satisfy the conditions under which such Approvals are granted. Although the Group seeks to actively monitor the status of Approvals in all locations where it operates and pro-actively files applications to retain or obtain such Approvals, there may be delays on the part of the regulatory, administrative or other relevant bodies in reviewing the Group's applications and granting Approvals. In certain countries, the procedures for acquiring or renewing Approvals may become more complicated and/or costly. If the Group fails to obtain, renew or maintain the necessary Approvals required for the conduct of its business, it may lose customers or be required to incur substantial costs, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to stringent data privacy laws and may therefore be exposed to increased compliance costs and to confidentiality and security breaches.

The Group and its franchisees are subject to complex and evolving European, and other jurisdictions' laws and regulations regarding the collection, retention, sharing and protection of data which the Group receives from, and which concern, customers, as well as its employees and franchisees. Many of these laws and regulations are subject to change and new, additional requirements may result in necessary modifications of the Group's business practices and increased cost of operations due to the necessary development of new systems and processes to meet such requirements, which could have an adverse effect on the Group's business, results of operations and financial condition.

In addition, optometrists and opticians in the Group's network receive and store confidential, personal and sensitive data, such as medical, social security and health insurance information with respect to customers, and are therefore subject to privacy and security regulations with respect to the use and disclosure of protected health and personal information. If the Group or optometrists and opticians in its network do not adequately safeguard confidential customer data or other protected health information, or if such information or data is wrongfully used by the Group or its franchisees, or disclosed to an unauthorized person or entity, or if the Group's data storage systems are compromised, the Group's reputation may suffer and the Group may be subject to fines, penalties and legal proceedings. Any failure to comply with privacy laws and regulations or data protection policies may undermine the Group's reputation and could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

Currency exchange rate fluctuations could affect the Group's operations and its reported results from year to year. The Group may not be able to successfully hedge its foreign currency exchange risk particularly against the US dollar or a hedging counterparty could default.

While the Group's functional and reporting currency is the euro, substantial portions of the Group's revenues and expenses are denominated in currencies other than the euro due to the international nature of its business. The Group is exposed to exchange rate risks in several ways, particularly with respect to foreign exchange translation effects, arising mainly from the relative value of the euro compared to the value of the functional currencies of the countries where the Group operates. In 2013, approximately 36.1% of the Group's revenues were generated by entities with a functional currency other than the euro. Significant fluctuations in exchange rates between the euro and such other currencies could materially and adversely affect the Group's reported results from year to year.

In some of its businesses, the Group incurs costs in currencies other than those in which revenues are earned. For example, the Group purchases certain products in US dollars and in some countries, such as in Russia and Argentina, pays rents indexed to the US dollar. The Group is therefore particularly exposed to foreign currency exchange risk against the US dollar, which the Group seeks to hedge through foreign currency forward contracts and currency options. These hedging arrangements, however, expose the Group to both the risk that the costs of the hedge outweigh the benefits of the hedge and the risk of default by the counterparties to such arrangements. While the Group seeks to manage its counterparty risk by looking to transact only with counterparties who have a minimum Standard & Poor's rating of A (or equivalent) or a Moody's rating of A2 (or equivalent) and by using master agreements of the International Swaps and Derivatives Association (ISDA) and qualitative and financial limits on such counterparties, there can be no assurance that the Group will be able to successfully manage its counterparty credit risk. To the extent that currency fluctuation risks are insufficiently hedged, or if there is a default by a hedging counterparty, such events could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the relative fluctuations between the exchange rates in the currencies in which costs are incurred and the currencies in which revenues are earned can materially and adversely affect the profits of those businesses. Furthermore, prolonged periods of appreciation of the euro or the US dollar against the dominant functional or operating currencies of the Group's competitors could adversely affect the Group's ability to purchase or distribute products on competitive terms, which could materially and adversely affect its business, results of operations and financial condition.

The Group is exposed to payment risks from counterparties, such as health insurance companies, franchisees and suppliers.

The Group is and may become further exposed to risks of non-payment or late payment from its counterparties such as health insurance companies, franchisees or suppliers.

Customers purchasing optical products from a store may benefit from their health insurance companies directly paying the optician. In these cases, the Group will generally be exposed to counterparty risk on these insurance companies for large numbers of sales.

The Group charges fees and commissions to franchisees in connection with the services the Group provides. Also, the Group's central purchasing units aggregate franchisee purchase orders of, for example, lenses and the Group makes the related payments to suppliers prior to collecting the payments from franchisees. In addition, for a fairly large number of franchises, a Group Company sublets the store to the franchisee that pays rent to the Group Company. Furthermore the Group provides guarantees to certain suppliers in relation to payments from franchisees. Although the Group has implemented close monitoring of its franchisees' financial performance and position, the Group is still exposed to risks on accounts receivable in respect of payments owed by its franchisees.

The Group's suppliers currently provide the Group with various revenue streams such as rebates, as well as early payment allowances. Also the Group has contractual arrangements in place with its suppliers providing for indemnification of the Group Companies in case of product liability claims or product recalls. Consequently, the Group is also exposed to counterparty risk in relation to its suppliers.

Any loss or expense incurred due to defaults by the Group's counterparties, including health insurance companies, franchisees and suppliers, may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may incur liabilities that are not covered by insurance.

The Group carries insurance of various types, including general third-party liability, product liability, property damage, business interruption, directors' and officers' liability, and workers' compensation, which the Group believes are customary for its business and its risk profile.

While the Group believes it has made a proper assessment of the insurances the Group requires in light of its risk profile, it cannot ensure that all liabilities it incurs will be covered by insurance. Furthermore, while the Group seeks to maintain appropriate levels of insurance, not all claims are insurable and the Group may experience major incidents of a nature that are not covered by insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages within a calendar year may have an adverse effect on the Group's insurance premiums. The Group cannot guarantee that it will not incur losses beyond the limits, or outside the coverage, of its insurance policies. In addition, the Group's insurance costs may increase over time in response to any negative development in its claims history or due to material price increases in the insurance market in general. The Group may not be able to maintain its current insurance coverage or do so at a reasonable cost, which may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's interpretation of tax laws and regulations and the tax advice that the Group relies on, may be questioned or challenged by the authorities.

The Group has structured its commercial and financial activities in light of diverse legal and regulatory requirements and its commercial and financial objectives. Given that tax laws and regulations are subject to change and may not provide clear-cut or definitive doctrines, the tax regime applied to the Group's operations and intra-group transactions or reorganizations is sometimes based on the Group's interpretations of regulations. The Group cannot guarantee that such interpretations will not be questioned by the relevant governmental authorities such as tax authorities or supranational authorities. In case a dispute were to arise between the relevant Group Company and a governmental or supranational authority, the dissenting view of such governmental or supranational authority may prevail in court. More generally, any failure to comply with the tax laws or regulations applicable to the Group may result in reassessments, late payment interest, fines and penalties and may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's tax strategy is also affected by the laws and regulation of the jurisdictions in which it operates and their interpretation by governmental authorities such as tax authorities as well as supranational authorities. Such authorities may not agree with the tax advice that the Group relies on in the jurisdictions in which it operates. A material change in applicable laws and regulations, or in their interpretation or enforcement, could force the Group to alter its tax strategy, leading to additional costs or loss of revenue, which could materially adversely affect the Group's future business, results of operations and financial condition. Furthermore, these authorities may have a different position in respect of the past periods, which may retroactively result in additional costs or loss of revenue, which could materially adversely affect the Group's results of past operations and its financial condition.

The Group is involved or may become involved in legal proceedings and investigations.

The Group is exposed to legal and arbitration proceedings arising from disputes with various parties, including its suppliers, competitors, customers, service providers, contractors, and franchisees as well as to investigations by regulatory and governmental authorities (including anti-trust investigations). The Group may for instance receive a statement of objections (''*notification de griefs*'') during the first quarter of 2015 (see ''Business—Legal and Arbitration Proceedings–French competition authorities''). While the Group does not currently consider any of its existing legal proceedings and investigations to be material, the Group cannot exclude the possibility that pending or future legal proceedings and investigations may be resolved in ways detrimental to the Group and as such may lead to significant liabilities or damages, see ''Business-Legal and Arbitration Proceedings''. The outcome of such future, or a deterioration of pending, proceedings and investigations could have a material adverse effect on the Group's business, results of operations and financial condition.

Adverse judgments or determinations in one or more proceedings and investigations may require the Group to change the way it does business or use substantial resources to adhere to settlements or pay fines or other penalties. The costs related to such proceedings and investigations may be significant and even if the Group is successful in defending against claims and fines, the Group may still have to bear part or all of the Group's advisory and other costs to the extent they are not reimbursable by other litigants, insurance or otherwise. In addition, provisions made by the Group when threatened by actual or potential litigation may prove insufficient, which may undermine the Group's banners and reputation and have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's business and operations in India could be adversely affected by actions of the HAL Group in India.

HAL Trust and its group companies, including the Selling Shareholder but excluding the Group (the ''**HAL Group**''), has interests in companies active in the optical industry, see ''Existing Shareholders and Related Party Transactions—Involvement in the Optical Segment''. If the HAL Group or a company the HAL Group has invested in starts optical activities in India, this may qualify as a breach under the joint venture agreements between GrandVision Europe B.V. and Reliance Retail Limited and could mean that the Group may incur additional costs or be obligated to offer its stake in its Indian joint-ventures for sale to Reliance Retail Limited, which would negatively impact the Group's business and operations.

Risks Relating to the Group's Capital Structure

Where the Group's cash flow is insufficient for executing its growth strategy, it will be dependent on external sources of capital and access to such sources could be restricted for a variety of reasons.

While the Group relies on cash flow to fund its assets and operations and financial structure (*e.g.*, interest payments), it may not always generate sufficient cash flow to finance its acquisitions and major transitional projects, and consequently, the execution of the Group's growth strategy may sometimes require access to external sources of capital. Any limitations on the Group's access to capital on satisfactory terms or at all, could then impair the Group's ability to execute its strategy and could reduce its liquidity and ability to make dividend distributions.

Notwithstanding the fact that the Group entered into a senior unsecured multipurpose and multicurrency five year revolving credit facility of €1.2 billion on 18 September 2014 (with two one-year extension possibilities) (the "**Revolving Credit Facility**") (see "Operating and Financial Review—Liquidity and Capital Resources—Existing financing – banking facilities and loans—Revolving Credit Facility"), no assurance can be given that financing will continue to be available to the Group on acceptable terms, or at all. Limitations on the Group's access to capital, including on its ability to issue additional debt and equity, could result from events or causes beyond the Group's control, such decreases in its creditworthiness or profitability, significant increases in interest rates, increases in the risk premium generally required by investors, decreases in the availability of credit or the tightening of terms required by lenders. Any limitations on the Group's ability to secure additional capital, continue its existing finance arrangements or refinance existing obligations could limit the Group's liquidity, its financial flexibility or its cash flows and affect its ability to execute its strategic plans, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Revolving Credit Facility contains covenants that restrict or limit (subject to a number of customary exceptions and qualifications), among other things, the Group's ability to create liens, engage in sale-and-leaseback transactions, incur or guarantee additional indebtedness, merge or consolidate with other entities, and enter into transactions other than on arm's lengths terms. In addition, the Revolving Credit Facility contains financial covenants that require the Company to maintain, among other things, a maximum total leverage ratio and a minimum interest coverage ratio. If the Company or a Group Company, as the case may be, breaches any of the covenants contained in the Revolving Credit Facility and the Group is unable to cure the breach (to the extent the breach is capable of being cured) or to obtain a waiver from the lenders (to the extent the covenant is capable of being waived), the Company would be in default under the terms of such arrangement. In that case, there can be no assurance that the Company's assets would be sufficient to repay that indebtedness in full and continue to make other payments the Company is obligated to make.

The Group is exposed to interest rate risks.

Part of the Group's existing and future debt and borrowings carry, or may carry, floating interest rates. The fixed-to-floating ratio of the interest-bearing loans, including interest rate swaps, amounted to 49% fixed versus 51% floating as of 30 September 2014. The exposed portion of the Group's borrowings, being the floating part of these borrowings, amounted to €486 million as of 30 September 2014. The Group's financing costs are therefore subject to fluctuations in interest rates. When appropriate and in line with the Group's hedging policy, the Group seeks to minimize its interest rate risk exposure by entering into interest rate swap contracts to swap floating interest rates to fixed interest rates over the duration of certain of its debts and borrowings. Adverse fluctuations and increases in interest rates, to the extent that they are not hedged, could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to the Structure of the Group

Following the Offering, the Selling Shareholder will continue to have a position to exert substantial influence over the Company and its interests may differ from the interests of the Company's other Shareholders.

Immediately after the closing of the Offering, the Selling Shareholder will hold 75.60% of the Company's issued share capital (assuming full placement of the Offer Shares and full exercise of the

Over-Allotment Option). The Selling Shareholder will be in a position to exert substantial influence over the general meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders (the "**General Meeting**") and, consequently, on matters decided by the General Meeting, including the appointment and dismissal of members of the management board of the Company (the "**Management Board**", each member a "**Managing Director**") and supervisory board of the Company (the "**Supervisory Board**", each member a "**Supervisory Director**"), the distribution of dividends, the amendment of the articles of association of the Company as they will read immediately after determination of the Offer Price (the "**Articles of Association**") or any proposed capital increase.

Furthermore, certain important business and strategy related resolutions of the Management Board require prior approval of the Supervisory Board or the General Meeting. HAL Holding N.V. and the Company have entered into a relationship agreement (see "Existing Shareholders and Related Party Transactions—Related Party Transactions-Relationship Agreement") pursuant to which HAL Holding N.V. has the right to nominate one of the Supervisory Directors as vice-chairman, see "Management, Employees and Corporate Governance—Supervisory Board—Supervisory Board Rules". All resolutions of the Supervisory Board require the favorable vote of the chairman and the vice-chairman of the Supervisory Board. The resolution shall be rejected in case of a tie vote. As it may nominate the vice-chairman, the Selling Shareholder (and its sole shareholder HAL Holding N.V.) may therefore effectively be able to veto certain important business and strategy related decisions.

In any of the above instances, the interests of the Selling Shareholder could deviate from the interests of the Company's other holders of Shares (the "**Shareholders**"). As the major Shareholder, the Selling Shareholder may delay, postpone or prevent transactions that might be advantageous for investors. Furthermore, the concentration of ownership could adversely affect the trading volume and market price of the Shares.

The Group owns less than 100% in certain companies and this ownership structure carries certain risks.

In addition to its wholly-owned subsidiaries, the Group holds majority participating interests in certain companies and in certain cases participates in joint ventures (*i.e.*, 50% in Reliance-Vision Express Private Ltd and Reliance-GrandVision India Supply Private Ltd). The Group may furthermore make new acquisitions or investments whereby it will hold less than 100% in these companies. Owning such majority or 50/50 interests carries certain risks, including:

- Conflicts between the policies or objectives adopted by the Group's partners and those adopted by the Group or non-compliance by such partner with the policies or objectives adopted by the Group, particularly regarding insurance coverage and sanctions compliance
- Disagreement with the Group's partners over the performance of their obligations
- Disputes as to the scope of each party's responsibilities
- Financial difficulties encountered by the Group's partners affecting their ability to perform their obligations
- Financial or other obligations of joint ventures, which may be (partially) guaranteed by the Group in certain locations

These and other risks may result in a deadlock situation and an inability to distribute profits or make further necessary investments. In some cases, the Group may receive less information on the business activities of these companies than it would on one of its wholly-owned subsidiaries and it will typically not have full control over the companies' conduct of business as certain topics are reserved matters for which decision making requires unanimity of the joint venture participants. Rights of minority shareholders may negatively affect the Company's ability to control certain subsidiaries. If such conflicts or problems arise, they could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group furthermore holds a minority participating interest in Visilab S.A in Switzerland and may in the future make new acquisitions or investments whereby it will hold a minority participating interest in companies. As a result of being a minority shareholder, the Group will generally not be able to control or block the outcome of matters submitted for the vote of the general meeting of shareholders of that company and therefore will have limited influence on the operations of its minority participating interests.

The Company is a holding company with no direct cash generating operations and relies on operating subsidiaries to provide itself with funds necessary to meet its financial obligations.

The Company is a holding company with no material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from these subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of the Company's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations or the legal requirement of having distributable profit or distributable reserves. As an equity investor in its subsidiaries, the Company's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of their creditors. To the extent that the Company is recognized as a creditor of subsidiaries, the Company's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other (lease) obligations that are senior to the Company's claims.

Risks Relating to the Shares

The payment of future dividends will depend on the Group's financial condition and results of operations, as well as on the Group's operating subsidiaries' distributions to the Company.

Distribution of dividend will take place after the adoption of the annual accounts by the General Meeting which show that the distribution is allowed. The Company may only make distributions to its Shareholders insofar as the Company's equity exceeds the sum of the paid-in and called-up share capital increased by the reserves as required to be maintained by Dutch law or by the Articles of Association as they will read immediately after determination of the Offer Price. The Management Board determines whether the Company is able to make the distributions. Because the Company is a holding company that conducts its operational business mainly through its subsidiaries, the Company's ability to pay dividends depends directly on the Company's operating subsidiaries' distributions to the Company. The amount and timing of such distributions will depend on the laws of the operating companies' respective jurisdictions. The distribution by the Company of interim dividend and the distribution of dividend in the form of Shares is subject to the prior approval of the Supervisory Board. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends.

Future issuances of Shares or debt or equity securities convertible into Shares by the Company, or future sales of a substantial number of Shares by the Selling Shareholder or the perception thereof, may adversely affect the market price of the Shares, and any future issuance of Shares, may dilute investors' shareholdings. Although the Company and the Selling Shareholder are expected to agree in the Underwriting Agreement to certain restrictions on issuing, selling or transferring Shares for a period of 180 days after the Settlement Date, the Joint Global Coordinators may, in their sole discretion and at any time, waive such restrictions.

Prior to Settlement and on the Settlement Date, the Supervisory Board is expected to have the authority to issue Shares or rights to subscribe for Shares in the capital of the Company for a period of 18 months following the conversion into a limited liability company (*naamloze vennootschap*) and to limit or exclude the pre-emptive rights pertaining to such Shares. Pursuant to this designation, the Supervisory Board may resolve to issue Shares or grant rights to subscribe for Shares up to a maximum of 10% of the number of Shares issued as of the Settlement Date and to limit or exclude pre-emptive rights in relation thereto.

The Group may in the future seek to raise capital through public or private debt or equity financings by issuing additional Shares, debt or equity securities convertible into Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Shares. In addition, the Group may in the future seek to issue additional Shares as consideration for or otherwise in connection with the acquisition of new businesses. Furthermore, the Group may issue new Shares in the context of any new employment arrangement for involving employees in the capital of the Company. The issuance of any additional Shares may dilute an investor's shareholding interest in the Company. Furthermore, any additional debt or equity financing the Group may need may not be available on terms favorable to the Group or at all, which could adversely affect the Group's future plans and the market price of the Shares. Any additional offering or issuance of Shares by the Company or the perception that an offering or issuance may occur could also have a negative impact on the market price of the Shares and could increase the volatility in the trading price of the Shares.

The market price of the Shares could decline if a substantial numbers of Shares is sold by the Selling Shareholder in the public market or if there is a perception that such sales could occur. Furthermore, a sale of Shares by any or all of the Managing Directors could be considered as a lack of confidence in the performance and prospects of the Group and could cause the market price of the Shares to decline. Although the Selling Shareholder and the Company are expected to agree with the Underwriters, pursuant to the underwriting agreement expected to be dated 5 February 2015 among the Company, the HAL Group, the Joint Global Coordinators and the Joint Bookrunners (on behalf of the Co-Lead Managers) (the "**Underwriting Agreement**"), to restrictions on their ability to issue, sell or transfer Shares for a period of 180 days after the Settlement Date, and to agree that they will not, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, provide any waiver from the lock-up provisions agreed between the Company and each Managing Director, the Joint Global Coordinators may, in their sole discretion and at any time, waive such restrictions on issuances, sales or transfers. See "Plan of Distribution—Lock-up Arrangements".

Holders of Shares outside the Netherlands may suffer dilution if they are unable to exercise pre-emptive rights in future offerings.

In the event of an increase in the Company's Share capital, holders of Shares are generally entitled to full pre-emptive rights unless these rights are limited or excluded either by virtue of Dutch Law, a resolution of the General Meeting subject to the approval of the Supervisory Board, or by a resolution of the Supervisory Board (if the Supervisory Board has been designated by the General Meeting or the Articles of Association for this purpose). However, certain holders of Shares outside the Netherlands may not be able to exercise pre-emptive rights, and therefore suffer dilution, unless local securities laws have been complied with.

In particular, US holders of Shares may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless a registration statement under the US Securities Act of 1933, as amended, is effective with respect to such rights or an exemption from the registration requirements is available. The Group intends to evaluate at the time of any issue of Shares subject to pre-emptive rights or in a rights offer, as the case may be, the costs and potential liabilities associated with any such registration statement, as well as the indirect benefits to it of enabling the exercise of US holders of their pre-emptive rights to Shares or participation in a rights offer, as the case may be, and any other factors considered appropriate at the time and then to make a decision as to whether to file such a registration statement. The Group cannot assure investors that any registration statement would be filed as to enable the exercise of such holders' pre-emptive rights or participation in a rights offer.

Risks Relating to the Offering and Offer Shares

The Shares have not been publicly traded, and there is no guarantee that an active and liquid market for the Shares will develop.

Prior to the Offering, there has been no public trading market for the Shares. There can be no assurance that an active trading market for the Shares will develop after the Offering or, if it does develop, that it will be sustained or liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the Shares, as well as increase their price volatility. In addition, an illiquid market for the Shares may result in lower market prices and increased volatility, which could adversely affect the value of an investment in the Shares.

The Company's Share price may fluctuate significantly, and investors could lose all or part of their investment.

The Offer Price may not be indicative for the market price of the Shares after the Offering has been completed. The market price of the Shares could also fluctuate substantially due to various factors, some of which could be specific to the Group and its operations and some of which could be related to the industry in which the Group operates or equity markets generally. As a result of these and other factors, the Shares may trade at prices significantly below the Offer Price. The Company cannot assure that the market price of the Shares will not decline, and the Shares may trade at prices significantly below the Offer Price, regardless of the Group's actual operating performance.

If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled.

Application has been made to list the Offer Shares on Euronext Amsterdam under the symbol "GVNV". The Company expects that the Offer Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on an "as-if-and-when- delivered" basis. The closing of the Offering may not take place on the Settlement Date or at all, if certain conditions of events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date (see "Plan of Distribution"). Trading in the Offer Shares before the closing of the Offering will take place subject to the condition that, if closing of the Offering does not take place, the Offering will be withdrawn, all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions on Euronext Amsterdam will be annulled. All dealings in the Offer Shares prior to settlement and delivery are at the sole risk of the parties concerned. The Company, the HAL Group, the Listing and Paying Agent, the Underwriters and Euronext Amsterdam N.V. do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Euronext Amsterdam.

IMPORTANT INFORMATION

General

Prospective investors are expressly advised that an investment in the Shares entails certain risks and that they should therefore read and carefully review the content of this Prospectus. A prospective investor should not invest in the Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Shares will perform under changing conditions, the resulting effects on the value of the Shares and the impact this investment will have on its overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Shares.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the members of its Supervisory Board and Management Board, the Selling Shareholder or any of the Underwriters or any of their respective representatives that any recipient of this Prospectus should subscribe for or purchase any Offer Shares. Prior to making any decision whether to purchase the Offer Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarized within it. Each prospective investor should consult his or her own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares. In making an investment decision, prospective investors must rely on their own examination of the Company, the Shares and the terms of the Offering, including the merits and risks involved.

Prospective investors should rely only on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of Section 5:23 FMSA. The Company does not undertake to update this Prospectus, unless required pursuant to Section 5:23 FMSA, and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorized to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus, and, if given or made, any other such information or representations must not be relied upon as having been authorized by the Company, the members of the Management Board or Supervisory Board, the Selling Shareholder, the Listing and Paying Agent, any of the Underwriters or any of their respective representatives. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by the Listing and Paying Agent or on behalf of the Underwriters or any of their affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Listing or Paying Agent and the Underwriters or any of their respective affiliates as to the past or future. None of the Listing or Paying Agent and the Underwriters accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Selling Shareholder, the Group, the Offering or the Shares. Accordingly, the Listing or Paying Agent and the Underwriters disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has or might enter into a financing arrangement with the Company and/or the Selling Shareholder or any of their affiliates, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

The distribution of this Prospectus and the Offering may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of, or an invitation to, purchase any Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company, the Selling Shareholder and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. None of the Company, the Selling Shareholder or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Offer Shares, of any such restrictions. The Company, the Selling Shareholder and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that the Company, the Selling Shareholder, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

Responsibility Statement

This Prospectus is made available by the Company. The Company accepts responsibility for the information contained in this Prospectus. The Company declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Presentation of Financial and Other Information

IFRS information

This Prospectus contains consolidated financial information of the Group as of and for the years ended 31 December 2013, 31 December 2012 and 31 December 2011, which has been derived from the special purpose consolidated financial statements of the Group for the years ended 31 December 2013, 31 December 2012 and 31 December 2011 (the "**Special Purpose Consolidated Financial Statements**"), which are included elsewhere in this Prospectus. The Special Purpose Consolidated Financial Statements should be read in conjunction with the accompanying notes thereto and the auditor's report thereon. The Special Purpose Consolidated Financial Statements have been audited by PricewaterhouseCoopers Accountants N.V. ("**PricewaterhouseCoopers**"), independent auditors.

This Prospectus also contains interim financial information of the Group as of and for the nine-month period ended 30 September 2014 ("**9M 2014**") and as of and for the nine-month period ended 30 September 2013 ("**9M 2013**"). The 9M 2014 and 9M 2013 financial information are unaudited and have been derived from the unaudited consolidated financial information for the Group as of and for the nine-month period ended 30 September 2014 (the "**9M 2014 Financial Information**"), which is included elsewhere in the Prospectus and which also contains comparative financial information for 9M 2013. The 9M 2014 Financial Information should be read in conjuction with the accompanying notes thereto and the auditor's review report thereon. The 9M 2014 Financial Information has been prepared in accordance with IAS 34 and has been reviewed by PricewaterhouseCoopers, independent auditors.

The Special Purpose Consolidated Financial Statements and the 9M 2014 Financial Information have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). Financial information that the Group has previously filed with the Dutch Chamber of Commerce or that the HAL Group has previously published in respect of the Group for any financial period can differ from the Special Purpose Consolidated Financial Statements and the 9M 2014 Financial Information due to the retrospective implementation of changes in accounting policies (historically the Group's statutory financial statements were prepared under Dutch GAAP) and other retrospective adjustments made in accordance with IFRS. In particular, changes relating to the retrospective application of IFRS10 and new principles of control resulted in, among others, the full consolidation of the Group's activities in Denmark, Sweden and Norway within the Synoptik business unit (previously reported as joint ventures and proportionally consolidated) and the full consolidation of the franchise stores in the United Kingdom and Ireland (previously only the franchise fees from these stores were recognized) during the periods under review. See note 40 to the Special Purpose Consolidated Financial Statements for further detail.

Trading updates going forward

Going forward, the Group will not report in such detailed level in relation to the first quarter and third quarter of a financial year as it reports in this Prospectus with respect to the 9M 2014 Financial Information. Instead, it will publish trading updates providing an explanation of the important events and transactions that took place during the period between the start of the relevant period and publication of the interim statement and their impact on the financial position of the Company and its controlled undertakings. The trading updates will also include a general description of the financial position and the performance of the Group during that period.

Segments

The Group's business is organized and managed on a geographic basis and operates through three segments: G4, Other Europe and Latin America & Asia. The G4 segment comprises the Group's four largest European business units: (i) the Netherlands and Belgium; (ii) France (excluding the Solaris sunglass stores in France, which are part of the Other Europe segment), Spain, Luxembourg and Monaco (excluding the Solaris sunglass stores in Monaco, which are part of the Other Europe segment); (iii) Germany and Austria; and (iv) the United Kingdom, Ireland and operations in several Middle-Eastern countries which are governed by a master franchise agreement and operate under the banners Vision Express and Solaris, and are managed by the business unit in the United Kingdom. See "Operating and Financial Review—Overview—Description of segments" for further detail.

Non-IFRS financial measures and operating data

Certain parts of this Prospectus contain non-IFRS financial measures and ratios, such as System Wide Sales, organic growth, revenue growth from acquisitions, comparable growth, EBITA, EBITDA, Adjusted EBITDA, Free Cash Flow, Cash Conversion and Net Debt, which are not recognized measures of financial performance or liquidity under IFRS. This Prospectus also presents certain other operational data, such as number of stores, number of countries present and number of banners (*i.e.*, retail store brands).

The non-IFRS financial measures presented are not measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of the Group's business and operations and, accordingly, they have not been audited or reviewed. Further, they may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. These non-IFRS measures are presented in this Prospectus because management considers them important supplemental measures of the Group's performance and believes that they and similar measures are widely used in the industry in which the Group operates as a means of evaluating a company's operating performance and liquidity.

However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit for the year, cash flow or other financial measures computed in accordance with IFRS.

The presentation of the non-IFRS measures in this Prospectus should not be construed as an implication that the Group's future results will be unaffected by exceptional or non-recurring items.

System Wide Sales

The Group defines System Wide Sales as all revenue (net of value-added tax, returns, rebates and discounts) generated by sales of the Group's stores to customers, not only through the Group's physical and online own stores, but also through the Group's franchise-stores, including stores operated under joint venture agreements (in each case, excluding associates). Revenue as an IFRS measure excludes revenue generated by sales of the Group's franchise stores (including stores operated under joint venture agreements) to customers.

Organic growth

The Group defines organic growth as the remaining change in revenue as compared to the prior period, after changes in revenue attributable to acquired businesses and the effect of fluctuations in foreign exchange rates, in each case as described below, are taken into account (*i.e.*, growth on a constant currency basis and before the impact of acquisitions). Organic growth expressed as a percentage represents organic growth as a percentage of revenue for the prior period. The effect of foreign currency fluctuations on revenue is measured by calculating the difference between the revenue for the period under review (at prevailing exchange rates) and the revenue for the same period, but at prior period's exchange rates, in order to exclude the impact of movements in foreign currencies from the comparison. Foreign currency fluctuations expressed as a percentage represents revenue attributable to foreign currency fluctuations as a percentage of revenue for the prior period. Management monitors organic growth as a measure of business performance, which excludes the effect of acquisitions on the Group's operating results.

Revenue growth from acquisitions

The Group defines revenue growth from acquisitions as growth in revenue attributable to acquired businesses and is calculated as the sum of (A) revenue attributable to businesses that were acquired in the current year from the date of acquisition to the end of the period under review and (B) revenue attributable to businesses that were acquired in the prior year from 1 January in the subsequent year to the earlier of the end of the period under review and the first anniversary of their acquisition. Revenue growth from acquisitions for 2013 and 2012 in the G4 segment includes management's estimates as to the incremental effect on revenue from integration of the Het Huis stores into the Eye Wish banner (resulting from the acquisition of Optical Service Group B.V., which operated stores under the brand name "Het Huis", in July 2012). Revenue growth from acquisitions expressed as a percentage represents revenue growth from acquisitions as a percentage of revenue for the prior period. Management considers revenue growth from acquisitions as a useful measure of business performance as it allows the Group to monitor revenue performance from acquired businesses separately from revenue generated by the Group's already-existing businesses.

Comparable growth

The Group defines comparable growth as the percentage change in revenue from comparable own stores at constant currency between two comparable consecutive financial periods. Comparable own stores for a given financial period under review represents the Group's own stores (excluding franchise stores), including physical stores and online stores, that have been opened at or before 1 January of the prior financial period and have not been permanently closed at the last day of the financial period under review and over which the Group has had control at or before 1 January of the prior financial period and at the last day of the financial period under review. A significant change to a store, such as a rebranding, is treated as a closing and a new opening and as a consequence is excluded from comparable own stores for a given financial period under review. Comparable growth for all periods under review in the G4 segment excludes joint venture stores in the United Kingdom. Comparable growth of Grupo Optico Lux S.A. in Mexico is included in the Latin America & Asia segment starting from 1 January 2013 since it was fully consolidated as of 31 December 2012.

EBITA

The Group defines EBITA as operating result before amortization, but including amortization of software. Management uses EBITA to evaluate overall operational profitability of the Group as a whole.

EBITDA

The Group defines EBITDA as operating result before depreciation, amortization and impairments. Management considers EBITDA as a useful measure of operating performance and debt servicing as it provides insight into the cash contribution of business operations before taking into account the depreciation and amortization impact of investments already done. EBITDA Margin represents EBITDA as a percentage of revenue.

Adjusted EBITDA

The Group defines Adjusted EBITDA as EBITDA before exceptional and non-recurring items. Exceptional and non-recurring items recorded in 9M 2014 related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) costs associated with a VAT claim in Italy related to prior years (€1.4 million). No exceptional and non-recurring items have been taken into account for 2013, 2012 and 2011. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue.

Reconciliation of operating result as an IFRS measure for the periods to EBITA, EBITDA and Adjusted EBITDA

The reconciliation of operating result as an IFRS measure for the periods to EBITA, EBITDA and Adjusted EBITDA for the Group is as follows:

	Nine months ended 30 September		Year ended 31 December		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
Operating result	**222,846**	**206,585**	**270,152**	**231,358**	**221,674**
Amortization and impairments	18,531	17,936	27,074	40,607	29,869
EBITA	**241,377**	**224,521**	**297,226**	**271,965**	**251,543**
Depreciation & amortization software	78,379	76,918	103,228	99,910	96,690
EBITDA	**319,756**	**301,439**	**400,454**	**371,875**	**348,233**
Exceptional and non-recurring items(1)	23,255	–	–	–	–
Adjusted EBITDA	**343,011**	**301,439**	**400,454**	**371,875**	**348,233**

(1) The exceptional and non-recurring items recorded in 9M 2014 related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) costs associated with a VAT claim in Italy related to prior years (€1.4 million). No exceptional and non-recurring items have been taken into account for 2013, 2012 and 2011.

The reconciliation of Adjusted EBITDA by segment to EBITDA of the Group is as follows:

	Nine months ended 30 September		Year ended 31 December		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
Adjusted EBITDA G4	276,760	249,336	325,680	314,701	294,677
Adjusted EBITDA Other Europe	86,189	68,868	92,170	83,681	86,082
Adjusted EBITDA Latin America & Asia	4,265	2,237	5,594	(3,215)	(4,042)
Total Adjusted EBITDA segments	**367,214**	**320,441**	**423,444**	**395,167**	**376,717**
Reconciling items(1)	(24,203)	(19,002)	(22,990)	(23,292)	(28,484)
Total Adjusted EBITDA	**343,011**	**301,439**	**400,454**	**371,875**	**348,233**
Exceptional and non-recurring items(2)	(23,255)	–	–	–	–
Consolidated EBITDA	**319,756**	**301,439**	**400,454**	**371,875**	**348,233**

(1) Reconciling items represents corporate costs that are not allocated to a specific segment.

(2) The exceptional and non-recurring items recorded in 9M 2014 related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) costs associated with a VAT claim in Italy related to prior years (€1.4 million). No exceptional and non-recurring items have been taken into account for 2013, 2012 and 2011.

Free Cash Flow

The Group defines Free Cash Flow as net cash from operating activities less capital expenditures. Free Cash Flow is not a synonym for, and does not necessarily indicate or correspond with, discretionary cash. Management uses Free Cash Flow to monitor and manage the Group's cash performance.

Reconciliation of net cash flow from operating activities as an IFRS measure to Free Cash Flow.

The following table presents the reconciliation of net cash from operating activities as an IFRS measure for the periods to Free Cash Flow.

	Nine months ended 30 September		**Year ended 31 December**		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
Net cash from operating activities	**260,656**	**232,404**	**333,197**	**321,980**	**252,874**
Capital expenditure (not related to acquisitions)(1)	(94,316)	(64,817)	(113,168)	(114,043)	(133,401)
Free Cash Flow	**166,340**	**167,587**	**220,029**	**207,937**	**119,473**

(1) Capital expenditure (not related to acquisitions) is defined as cash outflows related to the purchase of property, plant and equipment and intangible assets (mainly software and key money), excluding cash outflows related to acquisitions. See "Operating and Financial Review—Capital expenditure."

Cash Conversion

The Group defines Cash Conversion as Free Cash Flow divided by EBITDA, expressed as a percentage. Management uses Cash Conversion to measure the Group's ability to convert EBITDA into cash.

Net Debt

The Group defines Net Debt as total borrowings and derivatives (liabilities), less cash and cash equivalents and derivatives (assets). Total borrowings included amounts outstanding under the shareholder loans during the periods under review. See "Operating and Financial Review—Liquidity and Capital Resources—Historical financing—Shareholder loans".

Rounding and negative amounts

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the 9M 2014 Financial Information and the Special Purpose Consolidated Financial Statements, most numerical figures are presented in thousands of euros. For the convenience of the reader of this Prospectus, certain numerical figures in this Prospectus are rounded to the nearest one million. As a result of this rounding, certain numerical figures presented herein may vary slightly from the corresponding numerical figures presented in the 9M 2014 Financial Information and the Special Purpose Consolidated Financial Statements.

The percentages (as a percentage of revenues or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information contained in the 9M 2014 Financial Information and the Special Purpose Consolidated Financial Statements. The computation of such percentages may be computed on the numerical figures expressed in thousands of euros in the 9M 2014 Financial Information and the Special Purpose Consolidated Financial Statements. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts may also be shown by "-" or "negative" before the amount.

Currency

All references in this Prospectus to "euro", "EUR" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time. All references to "US dollars", "US$", "USD" or "$" are to the lawful currency of the US. All references to "British pound sterling", "GBP" or "£" are to the lawful currency of the United Kingdom.

Exchange rates

The Group publishes its historical consolidated financial statements in euros. The table below sets forth, for the periods and dates indicated, period average (the average of the exchange rates on the last business day of each month for annual averages and the average of the exchange rates on each business day during the relevant period for monthly averages), high, low and period end exchange rates between the euro and the US dollar as published by Bloomberg. This exchange rate information is solely provided for your convenience. The exchange rate of the euro on 21 January 2015 (the latest practicable date before publication of this Prospectus) was $1.1574 = €1.00.

Date	Euro	US dollar (High)	US dollar (Low)	US dollar (Average)	US dollar (Period end)
2009	1	1.5134	1.2530	1.3952	1.4321
2010	1	1.4513	1.1923	1.3210	1.3384
2011	1	1.4830	1.2907	1.3982	1.2961
2012	1	1.3458	1.2061	1.2909	1.3193
2013	1	1.3802	1.2780	1.3300	1.3743
2014	1	1.3934	1.2098	1.3285	1.2098
2015 (through 21 January 2015)	1	1.2104	1.1550	1.1782	1.1574

Market and Industry Information

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organizations or analysts, of publicly available information or of the Group's own assessment of its sales and markets. Statements based on the Company's own proprietary information, insights, opinions or estimates contain words such as 'the Group believes', 'the Group expects', 'the Group sees', and as such do not purport to cite, refer to or summarize any third-party or independent source and should not be so read.

Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified. Third-party reports referenced in this Prospectus include a report on the global eyeglasses industry from Global Industry Analysts Inc titled 'Eyeglasses: A Global Strategic Business Report' dated May 2014 ("**Global Industry**") and different recent independent market research carried out by Euromonitor International Limited ("**Euromonitor**"). Unless indicated otherwise, numbers included in this Prospectus in reference of the eyewear and retail market have been derived from Euromonitor, but should not be relied upon in making or refraining from making any investment decisions.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In this Prospectus, the Group makes certain statements regarding the characteristics of the optical retail industry as well as its competitive and market position. The Group believes these statements to be true, based on market data and industry statistics, but the Group has not independently verified the information. The Group cannot guarantee that a third party using different methods to assemble, analyze or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Group's.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares, arises or is noted between the date of this Prospectus and the later of the end of the Offering Period and the start of trading of the Offer Shares on Euronext Amsterdam, a supplement to this Prospectus is required. Such a supplement will be subject to approval by the AFM in accordance with Section 5:23 FMSA and will be made public in accordance with the relevant provisions under the FMSA. The summary shall also be supplemented, if necessary to take into account the new information included in the supplement.

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances. Investors are not allowed to withdraw their acceptances in any other circumstances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Notice to Investors

The distribution of this Prospectus and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Offer Shares may, in certain jurisdictions other than the Netherlands, including, but not limited to, the US, be restricted by law. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus may not be used for, or in connection with, and does not constitute, an offer to sell, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation is not authorized or would be unlawful. Neither this Prospectus, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws or regulations.

None of the Company, the members of the Management Board or Supervisory Board, the Selling Shareholder, any of the Underwriters or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Investors who purchase Offer Shares will be deemed to have acknowledged that: (i) they have not relied on the Listing and Paying Agent or any of the Underwriters or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this Prospectus, and that no person has been authorized to give any information or to make any representation concerning the Company or its subsidiaries, the Selling Shareholder or the Offer Shares (other than as contained in this Prospectus) and, that if given or made, any such other information or representation has not been relied upon as having been authorized by the Company, the Selling Shareholder, the Listing and Paying Agent or any of the Underwriters.

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE US, CANADA, AUSTRALIA OR JAPAN.

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire, Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The distribution of this Prospectus, and the offer or sale of Offer Shares, is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell Offer Shares. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions. None of the Company, the Selling Shareholder or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions. The Company, the Selling Shareholder and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Shares that the Company, the Selling Shareholder, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

No action has been or will be taken to permit a public offer or sale of Offer Shares, or the possession or distribution of this Prospectus or any other material in relation to the Offering, in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. See "Selling and Transfer Restrictions". Subject to certain exceptions, this Prospectus should not be forwarded or transmitted in or into Australia, Canada or Japan.

Notice to Prospective Investors in the US

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US for offer or sale as part of their distribution and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. In the US the Offer Shares will be sold only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A. All offers and sales of the Offer Shares outside the US will be made in "offshore transactions" as defined in, and in compliance with, Rule 903 or 904 of Regulation S under the US Securities Act and in accordance with applicable law. See "Selling and Transfer Restrictions".

THE OFFER SHARES HAVE NOT BEEN RECOMMENDED BY ANY US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE US.

Notice to Prospective Investors in New Hampshire

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Enforcement of Civil Liabilities

The ability of Shareholders in certain countries other than the Netherlands, in particular in the US, to bring an action against the Company may be limited under law. The Company is incorporated in the Netherlands and has its statutory seat (*statutaire zetel*) in Haarlemmermeer, the Netherlands.

All of the members of the Management Board and Supervisory Board and other officers of the Group named herein are residents of countries other than the US, except for Supervisory Director Mr. J.A. Cole who is a resident of the US. All or a substantial proportion of the assets of these individuals are located outside the US. The Group's assets are located outside of the US. As a result, it may be impossible or difficult for investors to effect service of process within the US upon such persons or the Company or to enforce against them in US courts a judgment obtained in such courts. In addition, there is doubt as to the enforceability, in the Netherlands, or original actions or actions for enforcement based on the federal or state securities laws of the US or judgments of US courts, including judgments based on the civil liability provisions of the US federal or state securities laws.

The US and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the US will not be recognized and enforced by the Dutch courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the US which is enforceable in the US and files his claim with the competent Dutch court, the Dutch court will generally give binding effect to such foreign judgment insofar as it finds that the jurisdiction of the US court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Dutch public policy.

Forward-Looking Statements

This Prospectus contains forward-looking statements that reflect the Group's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. Forward-looking statements involve all matters that are not historical facts. The Group has tried to identify forward-looking statements by using words as "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "could", "hopes", "seeks", "plans", "aims", "objective", "potential", "goal" "strategy", "target", "continue", "annualized" and similar expressions or negatives thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Forward-looking statements may be found principally in sections in this Prospectus entitled "Risk Factors", "Dividend Policy", "Industry and Competition", "Business", "Operating and Financial Review" and also elsewhere.

The forward-looking statements are based on the Group's beliefs, assumptions and expectations regarding future events and trends that affect the Group's future performance, taking into account all information currently available to the Group, and are not guarantees of future performance. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to the Group or are within the Group's control. If a change occurs, the Group's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. In addition, the forward-looking estimates and forecasts reproduced in the Prospectus from third-party reports could prove to be inaccurate. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company and its Group Companies. Such risks, uncertainties and other important factors include, but are not limited to those listed in the section entitled "Risk Factors".

Investors or potential investors should not place undue reliance on the forward-looking statements in this Prospectus. The Group urges investors to read the sections of this Prospectus entitled "Risk Factors", "Business" and "Operating and Financial Review" for a more complete discussion of the factors that could affect the Group's future performance and the markets in which the Group operates. In light of the possible changes to the Group's beliefs, assumptions and expectations, the forward-looking events described in this Prospectus may not occur. Additional risks currently not known to the Group or that the Group has not considered material as of the date of this Prospectus could also cause the forward-looking events discussed in this Prospectus not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Group undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

Definitions

This Prospectus is published in English only. Definitions used in this Prospectus are defined in "Definitions".

Available Information

For so long as any ordinary shares of the Company are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act.

The Company is not currently subject to the periodic reporting and other information requirements of the Exchange Act.

Documents Incorporated by Reference

The Articles of Association are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Articles of Association (or copies thereof) may be obtained in electronic form free of charge from the Company's website at www.grandvision.com.

No Incorporation of Website

The contents of the Company's website, including any websites accessible form hyperlinks on the Company's website, do not form part of and are not incorporated by reference into this Prospectus.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Reasons for the Offering

The Company believes that the Offering is a logical next step in the development of the Group, and that the timing of the Offering is appropriate, given the Group's current profile and level of maturity. The Company expects that the Offering will increase the Group's business profile with investors, business partners and customers, and thereby further enhance the Group's success in its international expansion, particularly in emerging markets and the possibility to attract highly talented individuals. The Offering will also provide additional financial flexibility and diversity through access to capital markets.

The Selling Shareholder intends to remain a significant long-term shareholder of the Company after the closing of the Offering.

Use of Proceeds

The Company will not receive any proceeds from the Offering, the net proceeds of which will be received by the Selling Shareholder.

After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholder of approximately €29 million, the Selling Shareholder expects to receive approximately €965,500,000 in net proceeds from the Offering (based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares by the Selling Shareholder and no exercise of the Over-Allotment Option that is to be granted by the Selling Shareholder in connection with the Offering). The expenses, commissions and taxes related to the Offering payable by the Company are estimated to amount to approximately €5 million.

DIVIDEND POLICY

General

The Company may only make distributions to its Shareholders insofar as the Company's equity exceeds the sum of the paid-in and called-up share capital increased by the reserves as required to be maintained by Dutch law or by the Company's articles of association. The Management Board may, subject to the prior approval of the Supervisory Board and subject to Dutch law and the Articles of Association, resolve to pay a dividend on the Shares from one or more of the reserves which do not need to be maintained pursuant to Dutch law.

Under the Company's articles of association, distribution of profit, meaning the net earnings after taxes shown by the adopted annual accounts referred to in Section 2:391 of the DCC (the "**Annual Accounts**"), will be made after the adoption of the Annual Accounts from which it appears that they are permitted for the respective financial year, entirely without prejudice to any of the other provisions of the Company's articles of association.

Any amount remaining out of the profit after the distribution shall be added to the reserves as the Management Board, subject to the prior approval of the Supervisory Board, may deem necessary.

Any amount then remaining shall be at the free disposal of the General Meeting, which may resolve to add the profits to the reserves or to distribute it among the Shareholders.

Subject to the approval of the Supervisory Board and subject to Dutch law and the Articles of Association, the Management Board may resolve to distribute an interim dividend insofar as the Company's equity exceeds the amount of the paid-up and called-up part of the capital increased with the reserves that should be maintained pursuant to the law or the Company's articles of association. For this purpose, the Management Board must prepare an interim statement of assets and liabilities evidencing sufficient distributable equity.

Subject to the approval of the Supervisory Board, and subject to Dutch law and the Articles of Association, the Management Board may resolve to distribute a dividend in the form of Shares to the Shareholders.

According to the Articles of Association, dividends shall be due and payable no later than thirty days after the date when they have been declared, unless the Management Board determines another date.

Dividend History

The Company did not distribute any dividends over the financial years 2011, 2012 and 2013. In these years, the net result was allocated to the retained earnings of the Company. In 2012 and 2013, the Company's net result was partly used to repay part of the shareholder loans, see "Operating and Financial Review—Liquidity and Capital Resources—Shareholder loans".

Dividend Policy

For the financial year 2015, the Company intends to pay an interim dividend of €35 million, which is to be paid to the Shareholders in September 2015. The resolution of the Management Board to pay the interim dividend is subject to the prior approval of the Supervisory Board. The remainder of the dividend over the financial year 2015, if any, will be determined at the General Meeting in 2016 and paid in May 2016. In relation to future years, 2016 and beyond, the Company intends to pay an ordinary dividend annually in line with the Company's medium to long term financial performance and targets to increase dividends-per-Share over time. The Company envisages that, as a result of this policy, the ordinary dividend pay-out ratio will range between 25-50%.

The Company's intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond the Company's control. Please see "Important Information—Forward-Looking Statements".

Manner and Time of Dividend Payments

Payment of any dividend in cash will in principle be made in Euro. According to the Articles of Association, the Management Board may determine that distributions on Shares will be made payable either in euro or in another currency. Any dividends that are paid to Shareholders through Euroclear Nederland, will be automatically credited to the relevant Shareholders' accounts without the need for the Shareholders to present documentation proving their ownership of the Shares. Payment of dividends on the Shares in registered form (not held through Euroclear Nederland, but directly) will be made directly to the relevant Shareholder using the information contained in the Company's shareholders' register and records.

Uncollected Dividends

A claim for any declared dividend and other distributions lapses five years after the date those dividends or distributions were released for payment. Any dividend or distribution that is not collected within this period will be considered to have been forfeited to the Company.

Taxation

Dividend payments on the Shares are generally subject to withholding tax in the Netherlands. See "Taxation—Taxation in the Netherlands—Withholding tax".

CAPITALIZATION AND INDEBTEDNESS

The tables below set forth the Group's consolidated capitalization and indebtedness as of 30 September 2014. All information has been derived from the 9M 2014 Financial Information. These tables should be read in conjunction with the Group's 9M 2014 Financial Information, the Special Purpose Consolidated Financial Statements and the notes thereto included elsewhere in this Prospectus and the information included in "Selected Historical Financial and Operational Information" and "Operating and Financial Review". See "Description of Shares Capital" for information concerning the Company's share capital.

Capitalization	As of 30 September 2014
	(Unaudited) (*Euros thousands*)
Total current debt	**161,407**
Guaranteed[(1)]	76,020
Secured	–
Unguaranteed/unsecured	85,387
Total non-current debt (excluding current portion of long-term debt)	**794,414**
Guaranteed[(1)]	791,382
Secured	–
Unguaranteed/unsecured	3,032
Shareholder's equity[(2)]	**603,838**
Share capital[(3)]	61,036
Other reserves	(38,520)
Retained earnings	581,322
Total capitalization	**1,559,659**

(1) Includes borrowings under the Revolving Credit Facility, which are guaranteed by GrandVision B.V. See "Operating and Financial Review—Liquidity and Capital Resources—Existing financing" for more information. As of 30 September 2014, the amount drawn under the Revolving Credit Facility was €795 million. Excluding the positive cash flow generation in the fourth quarter of 2014, the Company drew an additional aggregate amount of €165 million under the Revolving Credit Facility between 30 September 2014 and 31 December 2014. This amount was used to refinance part of the outstanding current bank debt of the Company and to finance the acquisitions of Angelo Randazzo S.r.l. in Italy and Conlons & Sons (Opticians) Ltd. in the United Kingdom (see "Business—Recent Developments"). At Settlement, the Company expects to draw an additional amount under the Revolving Credit Facility sufficient to finance the purchase of 2,500,000 Offer Shares from the Selling Shareholder at the Offer Price in the Offering (see "The Offering").

(2) Shareholder's equity as presented in the table above excludes non-controlling interests in the amount of €46.4 million.

(3) Share capital consists of issued and paid up share capital (number of shares times nominal value) and share premium. On 20 January 2015 the Company issued 241,721,553 Shares with a nominal value of €0.02 each, resulting in a total issued share capital of 254,443,740 Shares with a nominal value of €0.02 each and one priority share with a nominal value of €2.00, amounting to an issued share capital of €5,088,876.80 as of the date of this Prospectus.

Indebtedness[1]	As of 30 September 2014
	(Unaudited) (*Euros thousands*)
Cash	122,358
Cash equivalent	4,319
Trading securities	–
Liquidity	**126,678**
Current receivables	–
Current bank debt	153,166
Current portion of non-current debt	–
Other current financial debt	8,241
Current debt	**161,407**
Net current indebtedness	**34,729**
Non-current bank loans[2]	791,382
Bonds issued	–
Other non-current loans	3,032
Non-current indebtedness[1]	**794,414**
Net indebtedness	**829,143**

(1) Data presented excludes derivative financial instruments.

(2) Includes borrowings under the Revolving Credit Facility, which are guaranteed by GrandVision B.V. See "Operating and Financial Review—Liquidity and Capital Resources—Existing financing" for more information. As of 30 September 2014, the amount drawn under the Revolving Credit Facility was €795 million. Excluding the positive cashflow generation in the fourth quarter of 2014, the Company drew an additional aggregate amount of €165 million under the Revolving Credit Facility between 30 September 2014 and 31 December 2014. This amount was used to refinance part of the outstanding current bank debt of the Company and to finance the acquisitions of Angelo Randazzo S.r.l. in Italy and Conlons & Sons (Opticians) Ltd. in the United Kingdom (see "Business—Recent Developments"). At Settlement, the Company expects to draw an additional amount under the Revolving Credit Facility sufficient to finance the purchase of 2,500,000 Offer Shares from the Selling Shareholder at the Offer Price in the Offering (see "The Offering").

See "Operating and Financial Review—Off-Balance Sheet Arrangements and Contingent Liabilities" for a discussion of the Group's indirect and contingent indebtedness.

Other than as disclosed above, and excluding the positive cash flow generation in the fourth quarter of 2014, there have been no material changes to the Company's capitalization and indebtedness since 30 September 2014.

SELECTED HISTORICAL FINANCIAL AND OPERATIONAL INFORMATION

The selected unaudited consolidated financial information of the Group as of and for the nine-month periods ended 30 September 2014 and 30 September 2013 set forth below, have been derived from the 9M 2014 Financial Information (containing comparative financial information for 9M 2013) included elsewhere in this Prospectus, which has been prepared in accordance with IAS 34 and reviewed by PricewaterhouseCoopers, independent auditors.

The selected audited consolidated financial information of the Group as of and for the years ended 31 December 2013, 31 December 2012 and 31 December 2011 set forth below, have been derived from the Special Purpose Consolidated Financial Statements included elsewhere in this Prospectus, which have been prepared in accordance with IFRS and audited by PricewaterhouseCoopers, independent auditors.

The following information should be read in conjunction with the information contained in "Important Information—Presentation of Financial and Other Information", "Capitalization and Indebtedness", "Operating and Financial Review", the 9M 2014 Financial Information (containing comparative financial information for 9M 2013), including the notes thereto and the auditor's review report thereon, the Special Purpose Financial Statements, including the notes thereto and the auditor's report thereon and other financial data appearing elsewhere in this Prospectus.

The following tables present the Group's consolidated income statement, the Group's consolidated balance sheet and the Group's selected consolidated cash flows statement for the periods or as of the dates indicated.

Consolidated Income Statement

	Nine months ended 30 September		Year ended 31 December		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
	(unaudited)				
Revenue	2,094,642	1,975,356	2,620,180	2,518,410	2,395,875
Cost of sales and direct related expenses	(557,021)	(520,890)	(671,743)	(642,955)	(607,291)
Gross profit	**1,537,621**	**1,454,466**	**1,948,437**	**1,875,455**	**1,788,584**
Selling and marketing costs	(1,069,343)	(1,027,650)	(1,376,839)	(1,344,414)	(1,292,278)
General and administrative costs	(247,288)	(221,288)	(302,857)	(301,938)	(273,160)
Share of result of associates	1,856	1,057	1,411	2,255	(1,472)
Operating result	**222,846**	**206,585**	**270,152**	**231,358**	**221,674**
Financial result	(24,583)	(33,951)	(41,033)	(39,595)	(58,974)
Result before tax	**198,263**	**172,634**	**229,119**	**191,763**	**162,700**
Income tax	(62,818)	(56,137)	(73,204)	(74,266)	(60,915)
Result for the period	**135,445**	**116,497**	**155,915**	**117,497**	**101,785**
Attributable to:					
Equity holders of the parent company	124,678	106,327	141,473	101,039	97,554
Non-controlling interests	10,767	10,170	14,442	16,458	4,231

Consolidated Statement of Financial Position

Euros thousands	As of 30 September 2014	As of 31 December 2013	2012	2011
	(unaudited)			
ASSETS				
Non-current assets				
Property, plant and equipment	380,235	358,905	368,601	361,521
Goodwill	784,121	726,321	740,993	694,993
Other intangible assets	402,161	397,020	405,276	384,609
Deferred income tax assets	65,347	48,356	55,258	46,838
Associates	33,963	33,584	35,169	52,506
Other non-current assets	51,771	44,923	46,574	53,792
Total non-current assets	**1,717,598**	**1,609,109**	**1,651,871**	**1,594,259**
Current assets				
Inventories	238,140	192,620	184,972	192,790
Trade and other receivables	266,075	228,951	266,713	238,873
Current income tax receivables	6,671	7,813	14,583	19,028
Derivative financial instruments	289	143	143	1,174
Cash and cash equivalents	126,678	102,562	91,045	162,126
Total current assets	**637,853**	**532,089**	**557,456**	**613,991**
Total assets	**2,355,451**	**2,141,198**	**2,209,327**	**2,208,250**
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital	61,036	27,775	23,439	250
Other reserves	(38,520)	(38,705)	(8,757)	(581)
Retained earnings	581,322	512,616	373,393	295,247
Total equity attributable to equity holders of the parent company	**603,838**	**501,686**	**388,075**	**294,916**
Non-controlling interests	46,350	44,366	42,444	33,064
Total equity	**650,188**	**546,052**	**430,519**	**327,980**
Non-current liabilities				
Borrowings	794,414	844,823	1,003,236	1,041,606
Deferred income tax liabilities	119,744	117,086	127,472	121,534
Derivative financial instruments	4,033	—	—	—
Post-employment benefit	76,193	54,641	54,958	38,706
Provisions	41,066	31,931	35,489	36,251
Other non-current liabilities	7,342	—	—	—
Total non-current liabilities	**1,042,792**	**1,048,481**	**1,221,155**	**1,238,097**
Current liabilities				
Trade and other payables	442,057	390,987	409,979	387,963
Current income tax liabilities	37,602	33,058	22,833	19,819
Borrowings	161,407	89,184	94,793	197,224
Derivative financial instruments	981	6,011	10,594	4,310
Provisions	20,424	27,425	19,454	32,857
Total current liabilities	**662,471**	**546,665**	**557,653**	**642,173**
Total liabilities	**1,705,263**	**1,595,146**	**1,778,808**	**1,880,270**
Total equity and liabilities	**2,355,451**	**2,141,198**	**2,209,327**	**2,208,250**

Selected Consolidated Statement of Cash Flows

Euros thousands	Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2013**	**2012**	**2011**
	(unaudited)				
Net cash from operating activities	260,656	232,404	333,197	321,980	252,874
Net cash used in investing activities	(218,987)	(64,268)	(113,387)	(188,989)	(140,093)
Net cash used in financing activities	(87,023)	(238,213)	(258,792)	(98,186)	(130,054)
Inflow/(outflow) in cash and cash equivalents	**(45,354)**	**(70,077)**	**(38,982)**	**34,805**	**(17,273)**
Cash and cash equivalents at beginning of period	22,161	55,090	55,090	20,970	39,056
Inflow/(outflow) in cash and cash equivalents	(45,354)	(70,077)	(38,982)	34,805	(17,273)
Exchange gains/(losses) on cash and cash equivalents	(3,295)	7,843	6,053	(685)	(813)
Cash and cash equivalents at end of period	**(26,488)**	**(7,144)**	**22,161**	**55,090**	**20,970**

Revenues by Segment

Euros thousands	Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2013**	**2012**	**2011**
G4[(1)]	1,365,636	1,274,431	1,686,039	1,647,390	1,556,510
Other Europe	550,263	524,488	694,465	672,177	662,701
Latin America & Asia	178,742	176,436	239,676	198,843	176,664
Total Revenue	**2,094,642**	**1,975,356**	**2,620,180**	**2,518,410**	**2,395,875**

(1) The G4 segment comprises the Group's four largest European business units: (i) the Netherlands and Belgium; (ii) France (excluding the Solaris sunglass stores in France, which are part of the Other Europe segment), Spain, Luxembourg and Monaco (excluding the Solaris sunglass stores in Monaco, which are part of the Other Europe segment); (iii) Germany and Austria; and (iv) the United Kingdom, Ireland and operations in several Middle-Eastern countries which are governed by a master franchise agreement and operate under the banners Vision Express and Solaris, and are managed by the business unit in the United Kingdom. See "Operating and Financial Review—Overview—Description of segments".

Selected Other Financial Data

The following tables include financial measures which are not recognized measures of financial performance or liquidity under IFRS. See "Important Information-Presentation of Financial and Other Information".

Group

	Nine months ended 30 September		Year ended 31 December		
Euros thousands (unless stated otherwise)	**2014**	**2013**	**2013**	**2012**	**2011**
System Wide Sales (€ million)[(1)]	**2,340**	**2,207**	**2,927**	**2,822**	**2,686**
Revenue	**2,094,642**	**1,975,356**	**2,620,180**	**2,518,410**	**2,395,875**
Revenue growth (%)	**6.0**		4.0	**5.1**	
Organic growth (%)[(2)]	5.1		2.5	3.0	
Revenue growth from acquisitions (%)[(3)]	1.9[(4)]		3.0	1.1	
Foreign currency fluctuations (%)[(5)]	(1.0)		(1.4)	1.0	
Comparable growth (%)[(6)]	**3.8**		**1.6**	**0.8**	
EBITA[(7)(8)]	**241,377**	**224,521**	**297,226**	**271,965**	**251,543**
EBITDA[(9)]	**319,756**	**301,439**	**400,454**	**371,875**	**348,233**
EBITDA Margin (%)[(10)]	15.3	15.3	15.3	14.8	14.5
Adjusted EBITDA[(11)]	**343,011**	**301,439**	**400,454**	**371,875**	**348,233**
Adjusted EBITDA Margin (%)[(12)]	16.4	15.3	15.3	14.8	14.5
Capital expenditure (not related to acquisitions)[(13)]	**94,316**	**64,817**	**113,168**	**114,043**	**133,401**
Store capital expenditure[(14)]	71,750	48,735	84,563	91,260	
Non-store capital expenditure[(15)]	22,566	16,082	28,605	22,783	
Free Cash Flow[(16)]	**166,340**	**167,587**	**220,029**	**207,937**	**119,473**
Cash Conversion (%)[(17)]	**52.0**	**55.6**	**54.9**	**55.9**	**34.3**
Net working capital[(18)]	**62,158**		**30,584**	**41,706**	**43,700**
Net Debt[(19)]	**833,868**		**837,313**	**1,017,435**	**1,079,840**

(1) System Wide Sales is defined as all revenue (net of value-added tax, returns, rebates and discounts) generated by sales of the Group's stores to customers, not only through the Group's physical and online own stores, but also through the Group's franchise-stores, including stores operated under joint venture agreements (in each case, excluding associates). Revenue as an IFRS measure excludes revenue generated by sales of the Group's franchise stores (including stores operated under joint venture agreements) to customers. See "Important Information—Presentation of Financial and Other Information".

(2) Organic growth (%) represents organic growth as a percentage of revenue for the prior period. Organic growth represents the remaining change in revenue as compared to the prior period, after changes in revenue attributable to acquired businesses and the effect of fluctuations in foreign exchange rates, in each case as described below, are taken into account (*i.e.*, growth on a constant currency basis and before the impact of acquisitions). See "Important Information—Presentation of Financial and Other Information".

(3) Revenue growth from acquisitions (%) represents revenue growth from acquisitions as a percentage of revenue for the prior period. Revenue growth from acquisitions represents growth in revenue attributable to acquired businesses and is calculated as the sum of (A) revenue attributable to businesses that were acquired in the current year from the date of acquisition to the end of the period under review and (B) revenue attributable to businesses that were acquired in the prior year from 1 January in the subsequent year to the earlier of the end of the period under review and the first anniversary of their acquisition. Revenue growth from acquisitions for 2013 and 2012 in the G4 segment includes management's estimate as to the incremental effect on revenue from integration of the Het Huis stores into the Eye Wish banner (resulting from the acquisition of Optical Service Group B.V., which operated stores under the brand name "Het Huis", in July 2012). See "Important Information—Presentation of Financial and Other Information".

(4) No revenue growth from acquisitions has been included for the Turkey and China acquisitions (as these acquisitions were completed as of 30 September 2014) and only one month of revenue growth has been included for the Peru acquisition. See "Operating and Financial Review—Factors Affecting Results of Operations—Material Acquisitions" for further detail.

(5) Foreign currency fluctuations (%) represents revenue attributable to foreign currency fluctuations as a percentage of revenue for the prior period. The effect of foreign currency fluctuations on revenue is measured by calculating the difference between the revenue for the period under review (at prevailing exchange rates) and the revenue for the same period, but at prior period's exchange rates. See "Important Information—Presentation of Financial and Other Information".

(6) Comparable growth (%) represents the percentage change in revenue from comparable own stores at constant currency between two comparable consecutive financial periods. Comparable own stores for a given financial period under review represents the Group's own stores (excluding franchise stores), including physical stores and online stores, that have been opened at or before 1 January of the prior financial period and have not been permanently closed at the last day of the financial period under review and

over which the Group has had control at or before 1 January of the prior financial period and at the last day of the financial period under review. A significant change to a store, such as a rebranding, is treated as a closing and a new opening and as a consequence is excluded from comparable own stores for a given financial period under review. Comparable growth for all periods under review in the G4 segment excludes joint venture stores in the United Kingdom. Comparable growth of Grupo Optico Lux S.A. in Mexico is included in the Latin America & Asia segment starting from 1 January 2013 since it was fully consolidated as of 31 December 2012. See "Important Information—Presentation of Financial and Other Information".

(7) EBITA is defined as operating result before amortization, but including amortization of software. EBITA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of the Group's operating result to EBITA.

(8) In 9M 2014, EBITA was negatively affected by losses in Spain and in the emerging markets, which amounted to €12 million in the aggregate. In 2013, 2012 and 2011, EBITA was negatively affected by losses in Spain, Greece and the emerging markets, which amounted to €22 million, €28 million and €25 million in the aggregate, respectively.

(9) EBITDA is defined as operating result before depreciation, amortization and impairments. EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of the Group's operating result to EBITDA.

(10) EBITDA Margin represents EBITDA as a percentage of revenue. See "Important Information—Presentation of Financial and Other Information".

(11) Adjusted EBITDA is defined as EBITDA before exceptional and non-recurring items. Exceptional and non-recurring items recorded in 9M 2014 related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) costs associated with a VAT claim in Italy related to prior years (€1.4 million). No exceptional and non-recurring items have been taken into account for 2013, 2012 and 2011. Adjusted EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of the Group's operating result to Adjusted EBITDA.

(12) Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue. See "Important Information-Presentation of Financial and Other Information".

(13) Capital expenditure (not related to acquisitions) is defined as cash outflows related to the purchase of property, plant and equipment and intangible assets (mainly software and key money), excluding cash outflows related to acquisitions. See "Operating and Financial Review—Capital expenditure".

(14) Store capital expenditure consists largely of cash outflows related to maintenance of the existing store base through modernization, renovation and/or refurbishments and, to a lesser extent, cash outflows related to store fittings and furniture and store IT in relation to new store openings. See "Operating and Financial Review—Capital expenditure."

(15) Non-store capital expenditure consists largely of cash outflows not related to stores, including cash outflows related to distribution, information technology infrastructure, central warehouses and TechCenters. See "Operating and Financial Review—Capital expenditure".

(16) Free Cash Flow is defined as net cash from operating activities less capital expenditures (not related to acquisitions). See "Important Information—Presentation of Financial and Other Information".

(17) Cash Conversion is defined as Free Cash Flow divided by EBITDA, expressed as a percentage. See "Important Information—Presentation of Financial and Other Information".

(18) Net working capital consists of inventories plus trade and other receivables less trade and other payables.

(19) Net Debt is defined as total borrowings and derivatives (liabilities), less cash and cash equivalents and derivatives (assets). Total borrowings as of 31 December 2013, 2012 and 2011 included shareholder loans, with aggregate principal amounts outstanding of €325 million, €400 million and €400 million, respectively. As of 30 September 2014, no shareholder loans were outstanding. See "Operating and Financial Review—Liquidity and Capital Resources—Historical financing—Shareholder loans".

By segment

G4

Euros thousands (unless stated otherwise)	Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2013**	**2012**	**2011**
Revenue	**1,365,636**	**1,274,431**	**1,686,039**	**1,647,390**	**1,556,510**
Revenue growth (%)	**7.2**		2.3	**5.8**	
Organic growth (%)	4.1		1.8	3.4	
Revenue growth from acquisitions (%)	2.0		1.4(1)	1.1(1)	
Foreign currency fluctuations (%)	1.1		(0.9)	1.4	
Comparable growth (%)(2)	**3.0**		**0.6**	**0.9**	
Adjusted EBITDA(3)	**276,760**	**249,336**	**325,680**	**314,701**	**294,677**
Adjusted EBITDA Margin (%)	20.3	19.6	19.3	19.1	18.9

(1) Revenue growth from acquisitions for 2013 and 2012 includes management's estimate as to the incremental effect on revenue from integration of the Het Huis stores into the Eye Wish banner (resulting from the acquisition of Optical Service Group B.V., which operated stores under the brand name "Het Huis", in July 2012). See "Important Information—Presentation of Financial and Other Information".

(2) Comparable growth for all periods under review excludes joint venture stores in the United Kingdom.

(3) Adjusted EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of segment Adjusted EBITDA to EBITDA of the Group and of EBITDA of the Group to operating results as an IFRS measure.

Other Europe

Euros thousands (unless stated otherwise)	Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2013**	**2012**	**2011**
Revenue	**550,263**	**524,488**	**694,465**	**672,177**	**662,701**
Revenue growth (%)	**4.9**		**3.3**	**1.4**	
Organic growth (%)	5.7		3.5	0.3	
Revenue growth from acquisitions (%)	1.1		0.6	0.7	
Foreign currency fluctuations (%)	(1.9)		(0.8)	0.4	
Comparable growth (%)	**3.9**		**3.3**	**(0.9)**	
Adjusted EBITDA[(1)]	**86,189**	**68,868**	**92,170**	**83,681**	**86,082**
Adjusted EBITDA Margin (%)	15.7	13.1	13.3	12.4	13.0

(1) Adjusted EBITDA is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of segment Adjusted EBITDA to EBITDA of the Group and of EBITDA of the Group to operating results.

Latin America & Asia

Euros thousands (unless stated otherwise)	Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2013**	**2012**	**2011**
Revenue	**178,742**	**176,436**	**239,676**	**198,843**	**176,664**
Revenue growth (%)	**1.3**		**20.5**	**12.6**	
Organic growth (%)	10.9		4.8	9.3	
Revenue growth from acquisitions (%)	4.1[(1)]		23.6	3.0	
Foreign currency fluctuations (%)	(13.7)		(7.9)	0.2	
Comparable growth (%)[(2)]	**8.9**		**3.1**	**5.8**	
Adjusted EBITDA[(3)]	**4,265**	**2,237**	**5,594**	**(3,215)**	**(4,042)**
Adjusted EBITDA Margin (%)	2.4	1.3	2.3	(1.6)	(2.3)

(1) No revenue growth from acquisitions has been included for the Turkey and China acquisitions (as these acquisitions were completed as of 30 September 2014) and only one month of revenue growth for the Peru acquisition. See "Operating and Financial Review—Factors Affecting Results of Operations-Material Acquisitions" for further detail.

(2) Comparable growth of Grupo Optico Lux S.A. de C.V. in Mexico is included starting from 1 January 2013 since it was fully consolidated as of 31 December 2012.

(3) Adjusted EBITDA is a non—IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information-Presentation of Financial and Other Information" for a reconciliation of segment Adjusted EBITDA to EBITDA of the Group and of EBITDA of the Group to operating results.

Selected Operational Data

Group

	As of 30 September	As of 31 December		
	2014	2013	2012	2011
Total number of stores[(1)]	**5,547**	**4,993**	**4,876**	**4,646**
Number of own stores	4,485	3,982	3,893	3,648
Number of franchise stores	1,062	1,011	983	998
Total number of countries present[(2)]	**43**	**40**	**40**	**40**
Total number of banners[(3)]	**32**	**25**	**24**	**24**
Number of FTEs	**24,598**	**22,235**	**21,487**	**20,211**

By segment

	As of 30 September	As of 31 December		
	2014	2013	2012	2011
Total number of stores[(1)]	**5,547**	**4,993**	**4,876**	**4,646**
G4	2,936	2,823	2,759	2,612
Other Europe	1,453	1,412	1,373	1,358
Latin America & Asia	1,158	758	744	676
Total number of countries present[(2)]	**43**	**40**	**40**	**40**
G4	16	16	16	16
Other Europe	18	18	18	18
Latin America & Asia	11	8	8	8
Total number of banners[(3)]	**32**	**25**	**24**	**24**
G4	10	9	8	8
Other Europe	14	14	14	14
Latin America & Asia	17	9	9	8

(1) Data presented for number of stores include stores of the Group's associates.

(2) Data presented for number of countries present include countries in which the Group's associates or franchisees operate. France and Monaco are included in both G4 (which includes all operations in these countries except for the Solaris sunglass stores) and Other Europe (which includes the Solaris sunglass stores in these countries).

(3) Data presented for number of banners include banners of the Group's associates. Several banners that the Group employs across segments are included in more than one segment.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set forth in ''Selected Historical Financial and Operational Information'' and the 9M 2014 Financial Information, including the notes thereto, and the auditor's review report thereon, as well as the Special Purpose Consolidated Financial Statements, including the notes thereto and the auditor's report thereon, which are reproduced elsewhere in this Prospectus.

Except as otherwise stated, this Operating and Financial Review is based on the 9M 2014 Financial Information (containing comparative financial information for 9M 2013) and the Special Purpose Consolidated Financial Statements, which have been prepared in accordance with IFRS. For a discussion of the presentation of the Group's historical financial information included in this Prospectus, see ''Important Information—Presentation of Financial and Other Information''.

The following discussion contains forward-looking statements that involve risks and uncertainties. The Group's future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in particular in the sections entitled ''Risk Factors'' and ''Business'' and elsewhere in this Prospectus. See ''Important Information—Forward Looking Statements'' for a discussion of the risks and uncertainties related to those statements.

Overview

Description of the Group

The Group believes it is the leading global optical retailer that has market-leading banners (*i.e.*, retail store brands) in almost every country in which it operates. In addition, the Group believes it has the leading market position in the optical retail markets in Europe and Latin America in terms of market share measured by retail sales value.

The Group primarily targets the mass market customer segment by providing providing high quality, affordable and accessible eye care. Within the overall growing global market for eye care solutions, the Group's aim is to serve the underlying fundamental and growing customer demand for eyesight correction and protection.

The Group offers a full range of optical products, including prescription eyeglasses (frames and lenses), contact lenses and contact lens care products, and sunglasses, including prescription sunglasses. The Group sells a comprehensive portfolio of exclusive in-house brands as well as well-known third party brands in all of its product categories. In addition, in most of the countries where the Group is active, the Group offers eyesight examination and/or measurement and prescription services delivered by optometrists or opticians.

As of the date of this Prospectus, the Group is active in 43 countries (including countries where associates are active) throughout Europe, Latin America, the Middle East and Asia. The Group's business is organized and managed on a geographic basis and operated through three segments: G4 (the four largest European business units); Other Europe and; Latin America & Asia. These three segments are supported by centralized shared services with respect to, among others, general management, finance, tax, treasury, legal, IT, human resources, supply chain and category management.

The Group operates 33 banners (including banners of associates), including Apollo-Optik in Germany, Pearle in the Netherlands, Belgium and Austria, Eye Wish Opticiens in the Netherlands, Générale d'Optique and GrandOptical in France, and Vision Express in the United Kingdom, Ireland, Poland, Hungary, the Middle East and India. The majority of the Group's banners are targeted at the mass market segment. In certain countries where the Group operates multiple banners, such as the Netherlands, France, Mexico and Finland, the Group also addresses the mid-high market segment with a separate banner. In addition, the Group operates the international sunglass banner ''Solaris''.

The Group operates directly-owned stores and franchise stores. As of 30 September 2014, the Group operated 4,485 directly-owned stores and 1,062 franchise stores (in each case, including stores of associates). Franchise stores are governed by individual contracts or master contracts concerning multiple stores in a region. The Group's stores are mostly located at prime retail sites, either in commercial centers, retail parks or in town centers.

The Group's revenue for the year 2013 was €2.6 billion (2012: €2.5 billion; 2011: €2.4 billion), the Group's EBITDA was €400.5 million. (2012: €371.9 million; 2011: €348.2 million), and System

Wide Sales were €2.9 billion (2012: €2.8 billion; 2011: €2.7 billion). For the nine-month period ended 30 September 2014, the Group generated €2.1 billion in revenues, EBITDA was €320.0 million and System Wide Sales were €2.3 billion. As of 30 September 2014, the Group employed approximately 24,500 full time equivalent personnel (''**FTEs**'').

Description of segments

The Group's business is organized and managed on a geographic basis and operates through three operating segments: G4; Other Europe and Latin America & Asia. The Group does not divide its business into operating segments based on type of business as it operates almost exclusively in the business of optical retailing.

The G4 segment comprises the Group's four largest European business units: (i) the Netherlands and Belgium; (ii) France (excluding the Solaris sunglass stores in France, which are part of the Other Europe segment), Spain, Luxembourg and Monaco (excluding the Solaris sunglass stores in Monaco, which are part of the Other Europe segment); (iii) Germany and Austria; and (iv) the United Kingdom, Ireland and operations in several Middle-Eastern countries which are governed by a master franchise agreement and operate under the banners Vision Express and Solaris, and are managed by the business unit in the United Kingdom.

The Other Europe segment comprises the Group's business units that operate in the Nordics (including Denmark, Estonia, Finland, Norway and Sweden), Eastern Europe (including Bulgaria, Cyprus, Czech Republic, Hungary, Poland and Slovakia), Greece, Italy, Malta, Portugal and Switzerland. This segment also includes the Solaris sunglass stores in France and Monaco. The business unit in Switzerland (Visilab S.A.) is owned 30% by the Group and is reported under ''share of results of associates'' in the consolidated income statement.

The Latin America & Asia segment comprises the Group's business units in Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay, China, India, Russia and Turkey. The business unit in India is a joint venture, owned 50% by the Group, and is reported under ''share of results of associates'' in the consolidated income statement.

All three segments predominantly operate in optical retailing through a network of directly owned and franchise stores as well as through the internet, under multiple brand names. The main product categories for each of the segments are prescription eyeglasses (frames and lenses), contact lenses and contact lens care products, and sunglasses. In addition, eye tests and examinations and other related services are offered. See ''Business—Services and Product Range—Products''.

Factors Affecting Results of Operations

The Group's results of operations have been affected in the periods under review, and are expected to continue to be affected, by the following factors.

Factors affecting revenue

The development of the Group's revenue is the result of organic growth, revenue growth from acquisitions and foreign currency fluctuations. These factors are described in further detail below. The Group's revenue for 9M 2014 increased by €119.3 million, or 6.0%, from €1,975.4 million in 9M 2013 to €2,094.6 million in 9M 2014. The Group's revenue for 2013 increased by €101.8 million, or 4.0%, from €2,518.4 million in 2012 to €2,620.2 million in 2013. The Group's revenue for 2012 increased by €122.5 million, or 5.1%, from €2,395.9 million in 2011 to €2,518.4 million in 2012.

Organic growth: Organic growth is a key operational priority for the Group. Organic growth represents the remaining change in revenue as compared to the prior period, after changes in revenue attributable to acquired businesses and the effect of fluctuations in foreign exchange rates, in each case as described below, are taken into account (*i.e.*, growth on a constant currency basis and before the impact of acquisitions). Organic growth expressed as a percentage represents organic growth as a percentage of revenue for the prior period. For 9M 2014, the increase in the Group's revenue attributable to organic growth amounted to €101.5 million, or 5.1%. For 2013 and 2012, the increase in the Group's revenue attributable to organic growth amounted to €62.6 million, or 2.5%, and €71.4 million, or 3.0%, respectively. For principal factors affecting the Group's organic growth, see ''—Expansion of store network'' and ''—Performance of store network'' below.

Revenue growth from acquisitions: Acquisitions have played an important role in the growth of the Group during the periods under review. Revenue growth from acquisitions is a measurement of the growth in revenue attributable to acquired businesses and is calculated as the sum of (A) revenue attributable to businesses that were acquired in the current year from the date of acquisition to the end of the period under review and (B) revenue attributable to businesses that were acquired in the prior year from 1 January in the subsequent year to the earlier of the end of the period under review and the first anniversary of their acquisition. Revenue growth from acquisitions expressed as a percentage represents revenue growth from acquisitions as a percentage of revenue for the prior period. For 9M 2014, the Group's revenue growth from acquisitions amounted to €38.4 million, or 1.9%. For 2013 and 2012, the Group's revenue growth from acquisitions amounted to €74.5 million, or 3.0% and €26.9 million, or 1.1%, respectively. For information on the Group's material acquisitions and their contribution to the Group's revenue during the periods under review, see "—Material acquisitions" below. Revenue growth from acquisitions for 2013 and 2012 in the G4 segment includes management's estimate as to the incremental effect on revenue from integration of the Het Huis stores into the Eye Wish banner (resulting from the acquisition of Optical Service Group B.V., which operated stores under the brand name "Het Huis", in July 2012).

Foreign currency fluctuations: The Group's revenues are denominated in a large number of currencies, including for the periods under review: euro, British pound, Norwegian krone, Danish krone, Swedish krone, Mexican peso, Polish zloty, Russian ruble, Chilean peso and Brazilian real. The Group's revenue is therefore affected by fluctuations in exchange rates between the euro and the currencies in which the transactions giving rise to revenue are denominated. In the discussion of the Group's results of operations set forth elsewhere in this section, revenue is compared on a constant currency basis. The effect of foreign currency fluctuations on revenue is measured by calculating the difference between the revenue for the period under review (at prevailing exchange rates) and the revenue for the same period, but at prior period's exchange rates, in order to exclude the impact of movements in foreign currencies from the comparison. Foreign currency fluctuations expressed as a percentage represents revenue attributable to foreign currency fluctuations as a percentage of revenue for the prior period. For 9M 2014, the impact of foreign currency fluctuations on the Group's revenue amounted to €(20.6) million, or (1.0)%. For 2013 and 2012, the impact of foreign currency fluctuations on the Group's revenue amounted to €(35.2) million, or (1.4)%, and €24.3 million, or 1.0%, respectively. The Group's results of operations are affected by both translational and transactional foreign exchange effects, see "—Foreign exchange" below for further detail.

Organic growth, revenue growth from acquisitions and foreign currency fluctuations are non-IFRS measures and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information".

Expansion of store network

The Group's ability to increase its revenue and its profitability is affected by the strength and size of the Group's store network, as well as the Group's geographical reach. The Group's store network includes directly owned stores and franchise stores, including stores operated under joint venture agreements, and comprises both physical and online stores. As of 30 September 2014, the Group operated 4,485 directly owned stores and 1,062 franchise stores (in each case, including stores of associates). Franchise stores are operated under individual contracts or under master contracts governing multiple stores in a region. For 9M 2014 and the financial years 2013, 2012 and 2011, only 6.4%, 6.4%, 6.5% and 6.5%, respectively, of the Group's revenue was derived from franchise stores. See "Business—Store Network" for more information on the Group's store network.

During the periods under review, the Group has strengthened its store network and expanded its geographical reach, both in existing and new markets, by opening new own stores and franchise stores, acquiring individual stores, as well as through acquiring and subsequently integrating retail chains or businesses. The Group expanded its total number of stores from 4,646 as of 31 December 2011 to 5,547 as of 30 September 2014. The Group successfully expanded through acquisitions in Italy, Colombia, Greece and Cyprus in 2011, the Netherlands and Mexico in 2012, the United Kingdom in 2013 and Germany, the United Kingdom, Colombia and Peru in 9M 2014. In addition, the Group acquired the remaining directly owned optical retail activities of the HAL Group in Turkey and China in the third quarter of 2014. See "—Material acquisitions" below and "Business—Key Historical Developments—Material acquisitions" for further detail on the Group's material acquisitions during the periods under review, including on the number of stores of each acquired business at the time of acquisition. See "Business—Recent Developments" for detail on the Group's acquisitions in Italy and the United Kingdom in the fourth quarter of 2014. The Group expects to further expand its geographical reach as and when opportunities present themselves. In particular, the Group is pursuing further growth through store expansion and acquisitions in the Other Europe segment, as well as in the Latin America & Asia segment where the cost of new store openings is substantially lower than the cost in Europe. For further detail on the Group's strategy, see "Business—Strategy".

The expansion of the Group's store network as shown by the table below has been a strong source of revenue growth during the periods under review. In addition, the increased size of the Group's store network together with the combined experience and resource base of the Group as a whole, have resulted in economies of scale within the Group's system, for example by allowing general and administrative costs to be spread over a more extensive store network and by creating marketing and advertising efficiencies. The Group believes that this has had a positive impact on the Group's profitability during the periods under review. See also "Business—Competitive Strengths—Strong and proven international acquisition, integration and expansion capabilities".

Besides store network expansion, the Group has focused on optimizing its store network through refurbishment, reformatting, relocation or resizing of existing stores and store closures. The Group believes this has resulted in a strengthened store network, which has contributed to revenue growth during the periods under review.

In addition to the positive impact of the improved store network, the Group believes that the strength of the Group's banners (*i.e.*, retail store brands), in terms of brand equity, brand recognition and brand awareness, has had a positive impact on the Group's profitability during the periods under review as they contributed to customer attraction and retention. During 9M 2014, the Group added four banners in Peru, two banners in China, one banner in Turkey and one banner in Germany. See "Business—Group Overview and Banners—Banners" for further detail.

The following table sets forth the number of stores, number of countries in which the Group operates and the number of banners on a Group level and by segment as of the dates indicated.

	As of 30 September	As of 31 December		
	2014	**2013**	**2012**	**2011**
Total number of stores[(1)]	**5,547**	**4,993**	**4,876**	**4,646**
Total number of own stores	4,485	3,982	3,893	3,648
Total number of franchise stores	1,062	1,011	983	998
Total number of stores by segment				
G4	2,936	2,823	2,759	2,612
Other Europe	1,453	1,412	1,373	1,358
Latin America & Asia	1,158	758	744	676
Total number of countries present[(2)]	**43**	**40**	**40**	**40**
G4	16	16	16	16
Other Europe	18	18	18	18
Latin America & Asia	11	8	8	8
Total number of banners[(3)]	**32**	**25**	**24**	**24**
G4	10	9	8	8
Other Europe	14	14	14	14
Latin America & Asia	17	9	9	8

(1) Data presented for number of stores include stores of the Group's associates.

(2) Data presented for number of countries present include countries in which the Group's associates or franchisees operate. France and Monaco are included in both G4 (which includes all operations in these countries except for the Solaris sunglass stores) and Other Europe (which includes the Solaris sunglass stores in these countries).

(3) Data presented for number of banners include banners of the Group's associates. Several banners that the Group employs across segments are included in more than one segment.

Performance of store network

The Group believes that comparable growth (as defined in "Important Information—Presentation of Financial and Other Information") is an appropriate metric to capture the like-for-like growth and the underlying trading performance of its own stores. For 2013, the Group's comparable own stores included 87% of the Group's total number of own stores at year end. Comparable growth for the Group has been steadily increasing during the periods under review, with some normal quarter-on-quarter variances, primarily driven by increased overall sales volumes in prescription eyeglasses (in particular in respect to its exclusive in-house brands). For a discussion of the impact of sunglasses and contact lenses sales growth on the comparable growth for the Group, see ''—Product category mix-Sunglasses and contact lenses category development'' below. Sales volumes in the Group's product categories have generally been positively influenced by the implementation of the Group's commercial proposition that was rolled out during the periods under review and which offers a value-for-money proposition built around price transparency and simplicity. The Group's focus on strengthening its commercial proposition generally resulted in higher sales volumes in 2012 and 2013, the positive effects of which were partly offset by a transition to lower average product prices. In addition, sales volumes have been positively impacted by improvements in the Group's store traffic (which represents the number of customers entering physical own stores or accessing the Group's online stores' websites) and in-store conversion rates in the Group's own stores.

Store traffic is used as a metric to measure store attractiveness, which is primarily affected by how effectively the Group markets and promotes its own stores and products. During the periods under review, the Group has focused on maintaining and increasing store traffic through an integrated approach of promotions and advertising (through direct marketing as well as mass media campaigns) in order to increase awareness of the Group's profile and brands. In addition, the Group has been focusing on increasing its in-store conversion rates, which represents the percentage of store traffic that proceeds to make a purchase in the Group's own stores. In-store conversion rates are generally impacted by how effectively the Group operates its customer services and implements its commercial proposition in its own stores. The Group believes that the roll-out of the commercial proposition during the periods under review, together with the Group's focus on customer service and optimization of staff productivity, contributed to improved in-store conversion rates and sales volumes, and, consequently, had a positive impact on the Group's overall comparable growth during these periods. The Group seeks to further increase comparable growth in the coming years through raising the average consumer spending through the increased sale (as a percentage of overall sales) of value-added products and the cross-selling of products such as sunglasses (including prescription sunglasses) and insurance products, as well as increasing the frequency with which customers purchase a second pair of frames and glasses with their initial purchase.

Further, the Group has been developing its omnichannel approach (where online services are combined with the services provided in physical stores) to stay aligned with evolving customer behavior and preferences in general, and to further enhance its professionalized customer journey. The Group's customer journey is currently being deployed internationally for prescription eyeglasses, and a comparable approach is being implemented for the contact lens category, which has had a substantial positive impact on comparable growth in 9M 2014. The customer journey is aimed at further improving the customer experience, with a focus on higher in-store conversion and longer-term customer loyalty, which the Group believes will, together with its omnichannel approach, continue to positively impact comparable growth in the coming years. For a description of the customer journey and the Group's initiatives to drive comparable growth going forward, see ''Business—Strategy—Drive further comparable growth''.

During the periods under review, the Group has also been increasingly focused on improving customer loyalty by using its extensive customer database to target customers at appropriate times in the repurchasing cycle to increase the frequency of customer contact, and through improving customer satisfaction after purchase with after-sales services (such as a 100% satisfaction guarantee and a life-long free prescription eyeglasses service). The Group believes that this also has had a positive impact on operating performance during the periods under review, and that maintaining and further improving customer loyalty will continue to be an important factor in driving overall sales volumes and comparable growth going forward.

Various additional factors affect, whether directly or indirectly, store traffic, in-store conversion rates, customer loyalty, sales volumes, and ultimately comparable growth, including the prevailing economic climate and trends and changes in the disposable income of its customers; buying trends and the Group's ability to anticipate and respond effectively to customer preferences; changes in the competitive environment, changes in the regulation of the markets in which the Group operates; changes in the Group's product category mix and pricing; changes in the mix of countries in which the Group operates; and the Group's ability to source and distribute products efficiently. Furthermore, as the Group operates stores with various opening days and hours depending on local regulations and holidays, the number of trading days may vary by quarter, and such differences between quarters may positively or negatively impact comparable growth. See "Industry and Competition" for trends in the industry, markets and competitive environment in which the Group operates that have influenced, or are expected to influence, the Group's results of operations. See also "—Product category mix", "—Country mix", and "—Improvement of supply chain" below, and "Risk Factors" for more information on these factors.

The table below presents the comparable growth on Group level and by segment for the periods indicated. Comparable growth is not a recognized measure of financial performance under IFRS. See "Important Information—Presentation of Financial and Other Information".

	Nine months ended 30 September	**Year ended 31 December**	
	2014	**2013**	**2012**
Comparable growth (%)			
Group(1)(2)	**3.8**	**1.6**	**0.8**
G4(1)	3.0	0.6	0.9
Other Europe	3.9	3.3	(0.9)
Latin America & Asia(2)	8.9	3.1	5.8

(1) Comparable growth for all periods under review excludes joint venture stores in the United Kingdom.

(2) Comparable growth of Grupo Optico Lux S.A. de C.V. in Mexico is included starting from 1 January 2013 since it was fully consolidated as of 31 December 2012.

In the G4 segment, the Group experienced modest comparable growth in 2013 and 2012 as the positive effect of higher sales volumes resulting from the implementation of the new commercial proposition were partly offset by related adjustment to lower average product prices at the initial stage of the process. In 9M 2014, comparable growth in G4 increased strongly primarily driven by favorable market conditions and improved commercial and operational execution in Germany (in particular in the latter part of the period) and the United Kingdom.

The Other Europe segment has been characterized by a lower level of maturity than the G4 segment, especially in the southern and eastern European countries. During the periods under review, the Group believes it has been able to take advantage of growth opportunities in this segment contributing to the strong increase in comparable growth between 2012 and 9M 2014. In 9M 2014, comparable growth in Other Europe increased in the first half year. In the third quarter, comparable growth was somewhat lower than in the first half year, primarily as a result of unseasonal weather conditions during the European summer period, which had a negative effect on sunglasses sales in particular in most southern European countries.

The Latin America & Asia segment has experienced the lowest level of maturity as compared to the Group's other two segments during the periods under review and markets have been growing faster on average than in Europe. In 9M 2014, most key markets in Latin America & Asia performed well and comparable growth increased strongly. Brazil, Russia, Colombia, Argentina and Uruguay all reported double digit comparable growth. The relatively low comparable growth in 2013 primarily reflected decreasing sales in Brazil and in the sunglasses stores in Mexico.

Product category mix

The Group offers a broad range of optical products, including prescription eyeglasses (frames and lenses), contact lenses and contact lens care products, and sunglasses. Within these product categories, the Group sells a value-for-money assortment of exclusive in-house brands as well as well-known third party brands in all product categories. As of 30 September 2014, the contribution of exclusive in-house brands in terms of volume sold by the Group was approximately 90% for lenses, 75% for contact lenses, 66% for frames and 33% for sunglasses.

Changes in the mix of product categories and brands the Group sells may impact its revenue and operating profit as profit margins for different categories of products may vary. Such margins may vary for a number of reasons, including supply and demand factors as well as the economics associated with developing, producing, launching and marketing new and existing products. For example, the Group's prescription eyeglasses generally carry higher margins than its sunglasses and contact lenses, and the Group's exclusive in-house brand products generally carry substantially higher margins than the third-party brands it offers. Sales of exclusive in-house brands have represented, and are expected to continue to represent, a significant component of the Group's sales volumes. Furthermore, the more technologically advanced an optical product is, the higher generally the price point is at which it can be sold. For instance, average retail selling prices are generally higher for progressive lenses than for monofocal lenses and increases in volumes of progressive lenses within the Group's product category mix may positively impact revenues and gross margins.

Sunglasses and contact lenses category development

During the periods under review, the Group has taken global initiatives to seek to grow sunglasses and contact lenses sales faster than average comparable growth. Sunglasses category management has been centralized, the product portfolio adjusted, and through the Solaris store-in-store concept, the presentation of the category within optical and standalone sunglasses stores has been significantly improved. The number of Solaris' points of sales has strongly increased during the periods under review and reached 737 as of 30 September 2014. The Group believes that the sunglass category business presents a further opportunity for growth in the coming years, as it believes there will be an increased demand for sunglasses with functional aspects (such as sunglasses with prescription lenses) that it can respond to, while sunglasses are currently predominantly marketed as accessory or fashion items.

For contact lenses, the focus has been on converting prescription eyeglass users to contact lens users as the average annual customer spending on contact lenses is substantially higher than that on prescription eyeglasses (in particular due to the higher frequency with which contact lenses are repurchased and the need for complimentary contact lens care products in some cases), as well as upgrading contact lens users to better quality lenses. Moreover, contact lens users generally also buy prescription eyeglasses and sunglasses thereby providing various cross-selling opportunities.

During the periods under review, revenue derived from sunglasses and contact lenses categories increased in absolute terms, primarily driven by volume growth while at the same time maintaining a high level of price competitiveness. As the incremental operating costs at store level are relatively small for these product categories, the Group believes that this has had a positive impact on its operating performance during the periods under review.

Country mix

The mix of countries in which the Group operates and, in particular, the extent to which the Group operates in these countries over any given period can affect the Group's EBITDA Margin, as well as the Adjusted EBITDA Margin in several ways. For example, costs savings resulting from economies of scale, such as in respect of general and administrative costs, as well as marketing and advertising expenditures, are not always present on a local level. In Latin America, the Group operates in certain countries with a level of store contribution (gross margin minus direct store operating cost, advertising contribution and depreciation as a percentage of revenue) comparable to Europe, but the profitability in these countries has been lower than in Europe during the periods under review due to higher general and administrative costs compared to the size of the Group's local store network. The stores in countries with higher store density, such as in large European countries, that can benefit significantly from economies of scale, generally have, and are expected to continue to have in the near-term, higher contributions to the Group's operating performance. In addition, while prices of the Group's products are based on various factors including the cost of living in a particular country, price levels of a comparable product are generally similar across the markets in which the Group operates, with the exception of India, where such price levels are generally substantially lower. However, average product prices tend to be lower in emerging markets, because the product category mix is more weighted towards lower priced products, as customers generally have lower purchasing power in these markets. Furthermore, while the Group's cost of sales per product is largely unaffected by the country in which such product is sold, costs of sales per product in emerging countries may in certain circumstances be greater due to higher distribution and other logistics related costs, which may place pressure on profitability per product in emerging markets. As a result of the foregoing, stores operated in the G4 segment and in most countries in the Other Europe segment generally have had higher gross profit margins than the stores operated in the Latin America & Asia segment during the periods under review. In G4 and in Other Europe, Adjusted EBITDA Margin for 9M 2014 was 20.3% (9M 2013: 19.6%) and 15.7% (9M 2013: 13.1%), respectively, while in Latin America & Asia, Adjusted EBITDA Margin was 2.4% in 9M 2014 (9M 2013: 1.3%). In G4 and in Other Europe, Adjusted EBITDA Margin for 2013 was 19.3% (2012: 19.1% and 2011: 18.9%) and 13.3% (2012: 12.4% and 2011: 13.0%), respectively, while in Latin America & Asia, Adjusted EBITDA Margin improved to 2.3% in 2013 (2012: (1.6)% and 2011: (2.3%)).

The relatively high level of cash generation by the G4 segment has been used to fund network optimization and expansion, including expansion activities in the Group's other two segments, and for debt repayment. The Group is pursuing further growth through ongoing comparable growth, network expansion and additional acquisitions mostly in the Latin America & Asia and Other Europe segments. The Group intends to grow its store network in emerging markets (where stores tend to have lower than average gross profit margins) at a faster rate than in the more mature markets in the coming years, which may have a negative effect on the Group's overall gross profit margin in the short term. The Group believes that as a result of its investments in local store network expansion and its continued focus on operational efficiencies in emerging markets, average gross profit margins of stores in these markets have started to improve, as illustrated by the good performance in most countries in the Latin America & Asia segment since 2013. The Group expects that the contribution of stores in emerging markets to the Group's overall profitability will increase over the coming years. For further detail on the Group's strategy, see "Business—Strategy". See also "Risk Factors—The Group may not be able to successfully implement its growth strategy in emerging markets".

Improvement of supply chain

During the periods under review, the Group has been focused on improving its supply chain. The suppliers of the Group's exclusive in-house brands are suppliers that in general also produce the third party brands that the Group offers. During 2012 and 2013, the Group entered into a number of global supply contracts with its key suppliers for third party brands. During 2013 and 2014, the Group streamlined its supply chain in respect of its exclusive in-house brands on a global scale. Up to 2012, the Group offered over 436 active private labels for frames and sunglasses, with 46,000 stock-keeping units supplied by 220 suppliers. As from September 2014, the Group sells a comprehensive portfolio of 21 clearly segmented exclusive in-house brands with a selection of 6,000 stock keeping units supplied by 30 suppliers. For the nine months ended 30 September 2014, the Group's three main suppliers of third party branded frames and sunglasses supplied 72% of the Group's total expenditure for third party branded frames and sunglasses, and the Group's three main suppliers of lenses supplied 82% of the Group's total expenditure for lenses. The Group believes that the global supply agreements and the streamlining of both stock-keeping units and suppliers, combined with the increase in the size of its store network, have contributed to important efficiency gains in its purchasing function, faster replenishment cycles, relatively lower inventory levels and, accordingly, have positively impacted its operating performance mainly in 2013 and 2014. In addition, during 2013, the Group successfully negotiated on a global scale its supply of lenses. At the end of 2013, the Group entered into new global contracts for the supply of lenses. This has led to a significant reduction in purchase prices of lenses, which positively impacted operating performance in the latter part of 2013 and 2014. For the nine months ended 30 September 2014, the Group's three main suppliers for contact lenses supplied 85% of the Group's total expenditure for contact lenses. The Group regularly tenders its purchasing volume in all of its product categories (every three years on average).

The Group is further transitioning to a more globally shared logistics platform and is increasingly distributing its products from central warehouses. In addition, it is currently developing a network of industrialized large scale cut, edge and fit facilities in Europe, the so-called GrandVision TechCenters. The large, built-for-purpose industrial factories have a maximum production capacity of approximately 2.5 million prescription eyeglasses per year per facility. The Group believes that these TechCenters contribute to EBITDA Margin enhancements as they provide benefits over store-based edging facilities in terms of production quality and speed, while at the same time reducing store level operating costs with respect to labor and occupancy costs. As of the date of this Prospectus, three TechCenters are operational. One was opened in France in 2009, one in Portugal in 2014, and a third TechCenter started full scale production in the United Kingdom at the end of 2014.

The Group believes that the improvement of its supply chain combined with its focus on operational discipline has contributed to its generally low and improving working capital requirements during the periods under review. See also "—Liquidity and Capital Resources—General" below.

Material acquisitions

Acquisitions have played an important role in the growth of the Group during the periods under review. Revenue attributable to acquired businesses is a substantial component of the Group's overall revenue. The results of operations of these acquired businesses are reflected in the Group's consolidated income statement only from their date of acquisition.

The following table presents the contribution to revenue and net result from acquired businesses from their date of acquisition to the end of the period in which they were acquired.

	Nine months ended 30 September	Year ended 31 December		
Euros thousands	**2014**	**2013**	**2012**	**2011**
	(unaudited)			
Revenue[(1)]	24,564[(2)]	5,827	23,616	16,626
Net result[(1)]	(1,174)[(2)]	1,526	(45)	(3,110)

(1) See note 11 to the 9M 2014 Financial Information and note 10 to the Special Purpose Consolidated Financial Statements, as applicable, for the contribution to revenue and net result from acquired businesses if the acquired businesses would have been consolidated for the full period in which they were acquired.

(2) The 2014 acquisitions in Turkey and China did not contribute to revenue and net result in 9M 2014 as these acquisitions were completed as of 30 September 2014.

Major acquisitions in 9M 2014 included the acquisitions of Rayner Opticians in the United Kingdom and MultiOpticas in Colombia, both in the first quarter of 2014, the acquisition of 100% of the shares of Robin Look GmbH in Germany in the second quarter of 2014 and 62% of the shares of Topsa Productos Opticos S.A. in Peru in the third quarter of 2014. The Group has an option to acquire the remaining shares in Topsa Productos Opticos S.A. five years after the acquisition. In addition, the Group acquired the remaining directly owned optical retail activities of the HAL Group in Turkey and China through the acquisition of 100% of the shares of HAL Optical Turkey B.V., which owned 100% of the shares in Atasun Optik Sanayi ve Ticaret Ltd. Sti. ("**Atasun**") in Turkey and 100% of the shares of HAL Investments Asia B.V., which owned 78% of the shares of Shanghai Red Star Optical Co. Ltd. ("**Red Star**") and 100% of the shares in GrandVision Shanghai Co. Ltd. ("**GrandVision Shanghai**") in China at the time of acquisition. The Turkey and China acquisitions were completed on 30 September 2014. Atasun, Red Star and GrandVision Shanghai reported combined annual revenue in 2013 of approximately €52 million. The Group expects to acquire the remaining shares in Red Star within the coming half year. For further detail on the acquisitions in 9M 2014, see note 11 to the 9M Financial Information.

Since the results of operations of acquired businesses are only reflected in the Group's results from their date of acquisition, no revenue growth from acquisitions has been included in the 9M 2014 results for the Turkey and China acquisitions, and only one month of revenue growth has been included for the Peru acquisition. The Peru, Turkey and China acquisitions contributed to revenue growth for the full fourth quarter of 2014, but are expected to have a negative impact on the Group's underlying Adjusted EBITDA Margin in the near-term as these businesses are in an initial investment phase and have relatively low or negative Adjusted EBITDA Margins.

See "Business—Recent Developments" for detail on the Group's acquisitions in Italy and the United Kingdom in the fourth quarter of 2014.

Major acquisitions in 2013 included the acquisition of 100% of the shares in LGL Ltd, an online retailer of contact lenses in the United Kingdom operating under the brand name "Lenstore.co.uk". In early 2013, the Group acquired the remaining 50% of shares of Central Lab VE Ltd in the United Kingdom. The Group acquired a further 19 stores in France, the Netherlands, the United Kingdom, Italy, Portugal, Poland, the Nordics and Argentina.

Major acquisitions in 2012 included the acquisition of 100% of the shares in Optical Service Group B.V., a company that operated 89 own optical retail stores in the Netherlands under the brand name "Het Huis". In addition, in December 2012, the Group acquired 45% of the shares of Grupo Optico Lux S.A. de C.V. in Mexico, bringing the Group's shareholding in this entity to 70%. In 2012, the Group also acquired 29 stores in the United Kingdom from former franchisees, as well as 29 stores in France, Germany, the Netherlands and the Nordics.

Major acquisitions in 2011 included the acquisition of 100% of the shares in LAFAM S.A.S., Opti Productos S.A.S. and Vision 2020 s.a. in Colombia, 80.5% of the shares of GrandVision Marinopoulos s.a.r.l in Luxemburg with activities in Greece and Cyprus and 100% of the shares of Ottica Tirreno Srl Unipersonale in Italy. Further, the Group made several individual store acquisitions throughout Europe (mainly in the Netherlands, Germany, Italy and the Nordics).

Financing

During the periods under review, the Group has substantially deleveraged its balance sheet, which contributed to a decrease in the Group's financial costs over these periods and had a positive impact on the Group's results. Net Debt amounted to €833.9 million as of 30 September 2014, and to €837.3 million, €1,017.4 million, and €1,079.8 million as of 31 December 2013, 2012 and 2011, respectively. Net Debt expressed as a multiple of Adjusted EBITDA (last twelve months) (also referred to as the leverage ratio) decreased from 3.1 times as of 31 December 2011 to 1.9 times as of 30 September 2014.

Net Debt historically included shareholder loans, with aggregate principal amounts outstanding of €325 million, €400 million and €400 million as of 31 December 2013, 2012 and 2011, respectively. As of 30 September 2014, the Group's financial indebtedness principally comprised bank borrowings in the form of a Revolving Credit Facility. The Group entered into the Revolving Credit Facility, a multipurpose and multicurrency €1.2 billion credit facility on 18 September 2014. That same day, with borrowings under the Revolving Credit Facility, the Group fully repaid and terminated the €800 million former revolving credit facility of GrandVision B.V. and settled the aggregate principal amount of €275 million that remained outstanding under the shareholder loans. The interest rate applicable to the Revolving Credit Facility is considerably lower than the interest rate that was applicable to the shareholders loans (5.545% per annum). The settlement of the shareholder loans, refinanced with the Revolving Credit Facility, is expected to lower interest expenses substantially.

See "—Liquidity and Capital Resources—Existing financing" and "—Liquidity and Capital Resources—Historical financing" for further detail.

Tax

The Group is subject to income taxes in numerous jurisdictions. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. For 9M 2014 and 9M 2013, the Group's effective tax rate amounted to 31.7% and 32.5%, respectively. For 2013, 2012 and 2011, the Group's effective tax rate amounted to 31.9%, 38.7% and 37.4%, respectively. The significant reduction in the Group's effective tax rate in 2013 primarily resulted from the Group's legal restructuring executed at the end of 2012, in which Dutch and French holdings were combined into Dutch holdings following the integration of GrandVision S.A. and Pearle Europe B.V. at year-end 2010. The weighted average applicable tax rate for these years amounted to 30.5%; 28.7% and 30.0%, respectively. See note 16 to the Special Purpose Consolidated Financial Statements for further detail.

See also "Risk Factors—The Group's interpretation of tax laws and regulations and the tax advise that the Group relies on, may be questioned or challenged by the authorities" and "—Other Considerations Relating to the Group's Results—Accumulated non-recognized tax losses" below.

Foreign exchange

The Group operates internationally and conducts its business in multiple currencies. While the Group's reporting currency is the euro, substantial portions of the Group's revenues and expenses are denominated in currencies other than the euro due to the international nature of the Group's business. As a result, the Group's results of operations may be affected by both transactional and translational foreign exchange risk, which may affect the comparability of the Group's consolidated financial results. In 2013, 64% of the Group's revenue was earned in euro, 13% was earned in British pounds, 10% was earned in Danish, Swedish and Norwegian krone together and 13% was earned in other currencies. In some of its businesses, the Group incurs costs in currencies other than those in which revenues are earned. The Group, for instance, purchases some of its products in US dollars and pays rents indexed to US dollars in certain countries, for example in Russia and Argentina. The Group is therefore particularly exposed to foreign currency exchange risk on the US dollar, which the Group seeks to hedge by making use of foreign currency forward contracts and currency options. The Group does not hedge its currency translation risk.

For more information on foreign exchange risks, see ''Risk Factors—Currency exchange rate fluctuations could affect the Group's operations and its reported results from year to year. The Group may not be able to successfully hedge its foreign currency exchange risk particularly against the US dollar or a hedging counterparty could default.''

Other Considerations Relating to the Group's Results

Developments in cost structure

The main components of the Group's operating costs, not taking into account direct materials costs which are directly related to revenues, are employee and operating lease costs. Total employee costs and operating lease costs have been increasing in absolute levels during the periods under review primarily resulting from the growth of the Group and salary and rent inflation, but have remained fairly stable as a percentage of revenue primarily as a result of comparable store operating expenses discipline, improved staff planning, a combination of operational leverage and efficiency, and economies of scale achieved in the Group's employee and operating lease costs in the back-office. The Group expects this trend to continue in the near-term.

Total employee costs were €684.4 million (which represented 32.7% of revenue) in 9M 2014 compared to €632.5 million (32.0% of revenue) in 9M 2013. Total employee cost in 9M 2014 included an exceptional and non-recurring item relating to certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) of €19.9 million, which was recognized in general and administrative costs. The anticipated listing of the Company's ordinary shares in connection with the Offering resulted in the LTIP falling under the scope of IFRS 2 instead of IAS 19. See note 21 to the 9M 2014 Financial Information for further detail. Excluding this exceptional and non-recurring item, total employee costs represented 31.7% of revenue. For 2013, 2012 and 2011, total employee costs were €857.4 million (32.7% of revenue), €825.3 million (32.8% of revenue) and €780.2 million (32.6% of revenue), respectively. Total operating lease costs were €311.6 million (14.9% of revenue) in 9M 2014 compared to €300.1 million (15.2% of revenue) in 9M 2013. For 2013, 2012 and 2011, total operating lease costs were €401.2 million (15.3% of revenue), €387.8 million (15.4% of revenue) and €363.6 million (15.2% of revenue), respectively.

The Group's marketing and publicity costs principally relate to the costs of media advertising, point-of-sale display materials and direct marketing activities. Marketing and publicity costs were €112.4 million (5.4% of revenue) in 9M 2014 compared to €109.5 million (5.5% of revenue) in 9M 2013. For 2013, 2012 and 2011, marketing and publicity costs were €148.3 million (5.7% of revenue), €148.5 million (5.9% of revenue) and €151.7 million (6.3% of revenue), respectively. The decrease in the Group's marketing and publicity costs as a percentage of revenue during the periods under review was principally the result of economies of scale. The net marketing costs during the periods under review did not have a material impact on the Group's profitability.

Goodwill

In connection with acquisitions accounted for by applying the acquisition method of accounting, the Group has recognized significant intangible assets relating to goodwill. Goodwill represents the excess of the consideration transferred over the fair value of the Company's share of the net identifiable assets, liabilities and contingent liabilities of the acquired investment in an associate or subsidiary at the date of obtaining control. Any negative goodwill resulting from acquisitions is recognized directly in the Group's consolidated income statement. The Group's goodwill as of 30 September 2014 was €784.1 million, which represented 45.7% of its total non-current assets as of 30 September 2014. The Group's goodwill as of 31 December 2013, 2012 and 2011 was €726.3 million, €741.0 million and €695.0 million, respectively, which represented 45.1%, 44.9% and 43.6% of its total non-current assets as of 31 December 2013, 2012 and 2011, respectively. Such goodwill primarily comprises acquired customer base, skilled employees and locations of acquired stores and other assets that could not be recognized as separately identifiable assets. A substantial part of the Group's goodwill reflects goodwill allocated to the Group's business units in France, Luxembourg, the United Kingdom, Ireland and its business units in the Nordics.

Goodwill is not amortized but is subject to annual impairment testing. Accordingly, on at least an annual basis, the Group assesses whether there have been impairments in the carrying value of its goodwill (see note 9.3 to the Special Purpose Consolidated Financial Statements). For the purpose of impairment testing, goodwill is allocated to the group of cash-generating units (representing the Group's investments in a country) expected to benefit from the acquisition. Any impairment is recognized immediately as an expense in the consolidated income statement. The Group recorded impairments of goodwill in the amounts of €3.2 million, €8.4 million, €21.3 million and €9.4 million in 9M 2014 and in 2013, 2012 and 2011, respectively. Impairments in 9M 2014 reflected further impairments related to the sunglass business (Sunglass Island) in Mexico, where revenue continued to decline. Impairments in 2013 reflected an impairment related to operations in Brazil (€5.5 million), where it took longer than anticipated to realize profits, and on the sunglass business (Sunglass Island) in Mexico (€2.9 million) due to strong competition and loss of a significant contract which had a negative impact on expected future revenue. The impairments in 2012 reflected impairments related to operations in Brazil (€14.3 million) and Chile (€6.6 million) and on some stores closed and to be closed in different countries (€0.4 million). The 2011 impairment mainly related to the activities in Greece and Cyprus. Any future impairments could potentially have a negative impact on the Company's results of operations and financial condition.

For further detail see note 14 to the 9M 2014 Financial Information and note 19 to the Special Purpose Consolidated Financial Statements.

Accumulated non-recognized tax losses

Historically, the Group has accumulated non-recognized tax losses that could be utilized to offset potential future earnings for purposes of determining its liability for income taxes in the countries where the Group operates and generates taxable income. As of 30 September 2014, the Group had accumulated non-recognized tax losses amounting to €217 million, of which €175 million are offsettable for an unlimited period. These non-recognized tax losses mainly relate to the Group's operations in emerging markets and southern Europe. The Group has not been able to recognize these accumulated non-recognized tax losses as deferred income tax assets because it did not assume the related tax benefits through future taxable profits "probable". The Group assumes future taxable profits "probable" if a taxable entity has been profitable for two consecutive years and is expected to remain profitable in the future. In the future, the Group may be able to recognize some of its historical non-recognized tax losses as deferred tax assets if it can be shown that future taxable profits against which they can be offset are "probable" either at the same taxable entity or at different taxable entities where there is an intention to settle the balances on a net basis. No assurance can be given that the Group will be able to recognize a deferred income tax asset, or if it is able to recognize a deferred income tax asset, that it will be able to utilize the deferred income tax asset. The recognition of a deferred income tax asset for non-recognized tax losses in the future would have a one-off positive effect on the Group's income tax expense and hence on the Group's effective tax rate as set forth in the consolidated income statement and, consequently, on the Group's reported results for the financial year in which the above deferred income tax asset would be recognized. To the extent not fully used in any period, the deferred income tax asset would be subject to annual impairment testing. For more information, see notes 7.21 and 30 to the Special Purpose Consolidated Financial Statements.

Seasonality

While the Group has historically experienced some variations in its results by quarter, the Group's revenue shows limited seasonal patterns due to the nature of its business (eye care solutions are for most customers a necessity and have steady repurchase cycles), its diversified product portfolio and the different geographic regions in which the Group operates. There is a seasonal effect in the sales of sunglasses during the European summer months in the third quarter of the financial year, during which sunglasses sales volumes tend to increase, in particular in the Other Europe segment. Sunglasses generally carry lower gross margins than optical products. Accordingly, the Group's 9M gross margins (which include the product category mix of the sunglasses season in the third quarter) are generally lower on average than the Group's full year gross margins. Increased sunglasses sales volumes generally have a positive impact on the Group's Adjusted EBITDA Margin, as the incremental operating costs are relatively small for the sunglasses product category. Due to the relatively small size of the sunglasses category in the Group's overall portfolio, these effects do not significantly influence the Group's overall performance. However, for countries that have a relatively high share of sunglasses in their product portfolio, these effects may influence quarterly results during the summer period. The Group's revenue during the European winter months may be impacted by severe weather conditions, which can negatively affect in-store traffic and, consequently, comparable growth. Seasonality has also limited impact on the Group's use of working capital. To the extent there is any seasonal change on the Group's working capital, it is typically the result of the buildup of inventory for the sunglasses season in the European summer.

Recent Developments and Trends

The Group's overall performance in 2014 is broadly in line with the Group's expectations.

Comparable growth for the fourth quarter of 2014 is expected to amount to 6.1%, and comparable growth for the full-year ended 31 December 2014 is expected to amount to 4.3% compared to 1.6% for 2013.

As a result of the factors described below, the Company believes that the results of the Group for 9M 2014 should not be extrapolated to estimate the Group's expected results for the full-year ended 31 December 2014.

In 9M 2014, the Group recorded several exceptional and non-recurring items, which related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) costs associated with a VAT claim in Italy related to prior years (€1.4 million). The Group has incurred and will record further costs associated with the Offering, albeit in a lesser amount, in the fourth quarter of 2014. These exceptional and non-recurring items will impact the Group's reported results for the fourth quarter of 2014 and for the full year ended 31 December 2014.

The Company believes that its performance in the six months ended 30 June 2014 was exceptionally strong compared with its performance in the six months ended 30 June 2013, primarily due to less trading days and severe weather conditions in the first quarter of 2013, resulting in higher in-store traffic and, consequently, comparable growth, in the first quarter of 2014 compared to the first quarter of 2013.

Furthermore, the third quarter of 2014 benefitted from 0.7 more trading days than the third quarter of 2013, which positively impacted comparable growth by 1.0% in the third quarter of 2014 and by 0.2% in 9M 2014.

Revenue growth from acquisitions in the fourth quarter of 2014 is expected to increase compared to the third quarter of 2014 as a result of the first time full quarter contribution of the acquisitions in Peru, Turkey and China. The Group's underlying Adjusted EBITDA Margin in the fourth quarter of 2014 is expected to slightly decrease compared to the third quarter of 2014 primarily as a result of the acquisitions in Peru, Turkey and China, as these businesses are in an initial investment phase and have relatively low or negative Adjusted EBITDA Margins.

See ''Business—Recent Developments'' for detail on the Group's acquisitions in Italy and the United Kingdom in the fourth quarter of 2014.

Description of Line Items

Set forth below is a brief description of the composition of certain line items of the consolidated income statement. This description must be read in conjunction with the significant accounting policies elsewhere in this section and in the 9M 2014 Financial Information and the Special Purpose Consolidated Financial Statements.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of products or services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating revenue within the Group. The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each agreement.

The Group operates multiple chains of retail outlets for selling optical products including insurance related to those products. Revenue is recognized only when the earning process is complete. This indicates that any prepayments made by customers are not considered as revenue yet and should be accounted for as deferred income. The earning process is considered complete upon delivery of the product or service to the customer. Retail revenue is usually in cash or by debit or credit card. Insurance related income is recognized based upon historical data regarding claim ratios and upon the duration of the insurance contracts.

Merchandise revenue mainly comprises sales to franchisees. The earning process is considered complete upon delivery of the product or service to the franchisee and the Group has transferred the significant risks and rewards of ownership of the products to the buyer and the Group does not retain continuing managerial involvement or control over the products sold.

Franchise royalty is recognized on an accrual basis in accordance with the substance of the relevant agreements.

Other revenues represent supplier allowances and other revenue. Supplier allowances are only recognized as revenue if there is no direct relationship with a purchase transaction; otherwise the supplier allowance is deducted from cost of revenue.

Cost of sales and direct related expenses

Cost of sales and direct related expenses are mainly comprised of direct materials and other direct cost. Direct materials include cost of purchasing frames, lenses, contact lenses and sunglasses from suppliers, import and inbound distribution cost of such purchases and the cost of assembly of lenses and frames. Other direct cost includes warehousing cost, distribution cost to stores and other logistics related costs such as cost related to inventory adjustments.

Selling and marketing costs

Selling and marketing costs are mainly comprised of costs directly related to operating the Group's store network and include employee costs of store personnel, store operating leases and other costs related to occupancy of stores, marketing and publicity costs and depreciation, amortization and impairment of non-current assets of stores.

General and administrative costs

General and administrative costs are mainly comprised of costs not directly related to operating the Group's store network and includes employee cost of non-store personnel, general and office related expenses, depreciation, amortization and impairment of non-store non-current assets. It also includes costs for general management and management of sales, marketing, purchasing, logistics, human resources, finance and administration and information technology.

Share of result of associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of 20% to 50% of the voting rights. For 9M 2014 and for 2011 through to 2013, share of result of associates reflected the Group's share of the result of its 50% interest in the joint venture in India and its 30% interest in Visilab S.A. in Switzerland. For 2011 and 2012 up to, and including, 30 November 2012, share of result of associates also reflected the Group's share of the result of its 70% interest in Grupo Optico Lux S.A. de C.V. in Mexico, which has been fully consolidated since 1 December 2012.

Financial income

Financial income comprises interest received on outstanding monies and upward adjustments to the fair value and realized value of derivative financial instruments and foreign exchange gains.

Financial costs

Financial costs comprise interest due on funds drawn, downward adjustments to the fair value and realized value of derivative financial instruments, other interest paid, commitment fees and the amortization of transaction fees related to borrowings and foreign exchange losses.

Income tax

Income tax includes current as well as deferred income taxes. Current income taxes are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. It includes expenses for provisions where appropriate on the basis of amounts expected to be paid to the various tax authorities. Deferred income taxes are recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Results of Operations

The following table sets out the Group's consolidated results of operations for the periods indicated.

	Nine months ended 30 September		Year ended 31 December		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
	(unaudited)				
Revenue	2,094,642	1,975,356	2,620,180	2,518,410	2,395,875
Cost of sales and direct related expenses	(557,021)	(520,890)	(671,743)	(642,955)	(607,291)
Gross profit	**1,537,621**	**1,454,466**	**1,948,437**	**1,875,455**	**1,788,584**
Selling and marketing costs	(1,069,343)	(1,027,650)	(1,376,839)	(1,344,414)	(1,292,278)
General and administrative costs	(247,288)	(221,288)	(302,857)	(301,938)	(273,160)
Share of result of associates	1,856	1,057	1,411	2,255	(1,472)
Operating result	**222,846**	**206,585**	**270,152**	**231,358**	**221,674**
Financial result	(24,583)	(33,951)	(41,033)	(39,595)	(58,974)
Result before tax	**198,263**	**172,634**	**229,119**	**191,763**	**162,700**
Income tax	(62,818)	(56,137)	(73,204)	(74,266)	(60,915)
Result for the period	**135,445**	**116,497**	**155,915**	**117,497**	**101,785**

Operating segments

The following table sets forth the Group's revenue by segment for the periods indicated.

	Nine months ended 30 September		Year ended 31 December		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
	(unaudited)				
Revenue					
G4	1,365,636	1,274,431	1,686,039	1,647,390	1,556,510
Other Europe	550,263	524,488	694,465	672,177	662,701
Latin America & Asia	178,742	176,436	239,676	198,843	176,664
Total for Group	**2,094,642**	**1,975,356**	**2,620,180**	**2,518,410**	**2,395,875**

Comparison Results of Operations for the Nine-Month Periods Ended 30 September 2014 and 30 September 2013

The Group's consolidated results of operations in 9M 2014 compared with 9M 2013 are discussed below. The discussion includes the results of the geographical segments.

Revenue

Revenue increased by €119.2 million, or 6.0%, from €1,975.4 million in 9M 2013 to €2,094.6 million in 9M 2014.

The increase in revenue attributable to organic growth amounted to €101.5 million, or 5.1%, primarily driven by overall comparable growth of 3.8% and by expansion of the store network. Revenue growth from acquisitions amounted to €38.4 million, or 1.9%, mainly as a result of an acquisition completed in the fourth quarter of 2013 in the United Kingdom and acquisitions in 2014 in the United Kingdom, Colombia and Germany. The 2014 acquisitions in Turkey and China were completed as of 30 September 2014 and, consequently, no revenue growth from these acquisitions has been included in the 9M 2014 results. Foreign currency fluctuations had a negative impact of €20.6 million, or 1.0%, primarily due to the weakening of currencies across Latin America and in Russia, as well as in Sweden and Norway, partly offset by a stronger British pound against the euro. Comparable growth was positively impacted by favorable market conditions and primarily driven by increased sales volumes of prescription eyeglasses and above average revenue growth in sunglasses and contact lenses. The third quarter of 2014 included 0.7 more trading days than the third quarter of 2013, which positively impacted comparable growth in all segments. On a Group level, the positive impact of the additional trading day on comparable growth was 1.0% in the third quarter of 2014 and 0.2% in 9M 2014.

G4. Revenue increased by €91.2 million, or 7.2%, from €1,274.4 million in 9M 2013 to €1,365.6 million in 9M 2014.

The increase in revenue attributable to organic growth amounted to €52.2 million, or 4.1%, primarily driven by comparable growth of 3.0%, mainly attributable to Germany, Austria, the United Kingdom and Spain, and by the expansion of the store network in France and the Netherlands. The strong comparable growth achieved by Apollo-Optik in Germany (in particular in the latter part of the period) and Vision Express in the United Kingdom was primarily driven by improved commercial and operational execution and favorable market conditions. Revenue growth from acquisitions amounted to €25.5 million, or 2.0%, mainly as a result of the acquisition of the online retailer Lenstore.co.uk in the United Kingdom in the fourth quarter of 2013, the acquisition of Rayner in the United Kingdom in the first quarter of 2014 and the acquisition of Robin Look in Germany in the second quarter of 2014. Foreign currency fluctuations had a positive impact of €13.5 million, or 1.1%, due to the strengthening of the British pound against the euro in particular in the latter part of the period.

Other Europe. Revenue increased by €25.8 million, or 4.9%, from €524.5 million in 9M 2013 to €550.3 million in 9M 2014.

The increase in revenue attributable to organic growth amounted to €30.0 million, or 5.7%, primarily driven by comparable growth of 3.9% across most of the segment's markets, with strong performances in Scandinavia, Hungary, Czech Republic and Poland as a result of more efficient operational execution, while Italy, Portugal and the Solaris sunglass stores in France had flat or negative comparable growth. In 9M 2014, comparable growth in Other Europe increased in the first half year. In the third quarter, comparable growth was somewhat lower than in the first half year, primarily as a result of unseasonal weather conditions during the European summer period, which had a negative effect on sunglasses sales in particular in most southern European countries. Revenue growth from acquisitions amounted to €5.8 million, or 1.1%, mainly as a result of individual store acquisitions in 2013 and 2014 in several countries, including Sweden, Norway and Italy. Foreign currency fluctuations had a negative impact of €10.1 million, or 1.9%, primarily due to the weakening of the Norwegian krone and the Swedish krone against the euro.

Latin America & Asia. Revenue increased by €2.3 million, or 1.3%, from €176.4 million in 9M 2013 to €178.7 million in 9M 2014. Although there was strong organic growth (including comparable growth) and growth from acquisitions, foreign currency fluctuations had a significant negative impact of €24.1 million, or 13.7%, primarily due to the substantial weakening of all relevant currencies in Latin America as well as the Russian ruble against the euro, in particular in the beginning of the period.

The increase in revenue attributable to organic growth amounted to €19.2 million, or 10.9%, primarily driven by comparable growth of 8.9% coming from all markets across the segment, and by expansion of the store network mainly in Chile and Mexico. Brazil, Russia, Colombia, Argentina and

Uruguay all reported double digit comparable growth. Comparable growth in Mexico reflected strong comparable growth in Opticas Lux, but this was for a substantial part offset by a decrease in revenue in the Sunglass Island sunglasses stores. Revenue growth from acquisitions amounted to €7.2 million, or 4.1%, mainly as a result of the acquisition in the first quarter of 2014 of MultiOpticas S.A.S. in Colombia. In 9M 2014, no revenue growth from acquisitions has been included for the Turkey and China acquisitions (as these acquisitions were completed as of 30 September 2014) and only one month of revenue growth has been included for the Peru acquisition.

Cost of sales and direct related expenses

Cost of sales and direct related expenses increased by €36.1 million, or 6.9%, from €520.9 million (which represented 26.4% of revenue) in 9M 2013 to €557.0 million (which represented 26.6% of revenue) in 9M 2014. This increase was in line with the increase in revenue and primarily reflected increased direct material cost resulting from the purchase of finished products. Direct material cost increased at a slightly slower rate than revenue due to cost savings achieved in purchasing, especially in lenses. Other costs increased at a faster rate than revenue and were related to warehousing, distribution and other supply chain and inventory related items.

Gross profit

Gross profit increased by €83.2 million, or 5.7%, from €1,454.5 million in 9M 2013 to €1,537.6 million in 9M 2014. This increase was primarily due to the increase in revenue of 6.0%. Gross margin (gross profit as a percentage of revenue) decreased from 73.6% in 9M 2013 to 73.4% in 9M 2014, which was primarily due to significantly weaker currencies in emerging markets, resulting in increased cost of importing products, investments in higher customer discounts, almost fully offset by cost savings achieved in purchasing, especially from the implementation of new global contracts for the supply of lenses at the end of 2013.

Gross margin decreased in the United Kingdom mainly due to the impact of the acquisition of the online retailer Lenstore.co.uk, which has a business model with a significantly lower gross margin than the rest of the business unit in the United Kingdom. In Germany, the gross margin was slightly lower due to strong price promotions which led to lower average product prices, but at the same time higher sales volumes contributing to high comparable growth. In other European markets, most noticeably the Netherlands, France, Belgium, Finland, Sweden and Poland, gross margins increased mainly as a result of purchasing savings. In Latin America & Asia, the gross margins decreased in most markets due to significantly weaker currencies, resulting in increased cost of importing products, as prices of imported products are often set in US dollars or euros. Overall, gross margin remained almost stable as the aforementioned developments offset each other. The 9M results include the European summer period during which there is a negative product category mix effect from the sunglasses season, as sunglasses generally carry lower margins than optical products, and as a result, the 9M gross margins are generally lower on average than full year gross margins for the periods under review.

Selling and marketing costs

Selling and marketing costs increased by €41.7 million, or 4.1%, from €1,027.7 million (which represented 52.0% of revenue) in 9M 2013 to €1,069.3 million (which represented 51.1% of revenue) in 9M 2014. This increase was primarily due to increases in employee expenses for store personnel and store operating lease costs. Store employee expenses increased by 5.2% in 9M 2014 compared to 9M 2013 and store operating lease costs increased by 3.9% in 9M 2014 compared to 9M 2013. These increases primarily reflected acquisitions and store expansion, and were partly offset by fluctuations in currency exchange rates, mainly in Latin America & Asia. In addition, salary inflation and rent inflation in comparable stores contributed to the increase in store employee expenses and store operating lease costs, respectively. Depreciation and amortization related to stores increased by 0.4% in 9M 2014 compared to 9M 2013. Marketing and publicity costs, which primarily relate to the costs of media advertising, point-of-sale display materials and direct marketing activities, increased by 2.6% in 9M 2014 compared to 9M 2013. As a percentage of revenue, selling and marketing cost decreased to 51.1% in 9M 2014 from 52.0% in 9M 2013, primarily as a result of revenue increasing at a faster rate than store operating costs, mainly driven by the strong comparable growth in all segments.

General and administrative costs

General and administrative costs increased from €221.3 million (which represented 11.2% of revenue) in 9M 2013 to €247.3 million (which represented 11.8% of revenue) in 9M 2014.

General and administrative costs increased primarily as a result of the inclusion of €23.3 million exceptional and non-recurring items relating to certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); costs associated with the Offering (€1.9 million); and costs associated with a VAT claim in Italy related to prior years (€1.4 million). Costs associated with the Offering consisted mainly of legal and accountancy fees.

Excluding the exceptional and non-recurring items, general and administrative costs were €224.0 million (which represented 10.7% of revenue) in 9M 2014, reflecting an increase of €2.7 million compared to 9M 2013. This increase was primarily driven by slightly higher employee costs.

Share of result of associates

Share of result of associates increased by €0.8 million, or 75.6%, from €1.1 million in 9M 2013 to €1.9 million in 9M 2014. This increase was primarily due to the improved financial performance of Visilab in Switzerland and a decrease in the amount of losses generated by the joint venture in India.

Operating result

Operating result increased by €16.3 million, or 7.9%, from €206.6 million in 9M 2013 to €222.8 million in 9M 2014, despite the inclusion of the exceptional and non-recurring items of €23.3 million. The increase in operating result was primarily due to increased revenue and the achievement of cost synergies as a result of strong comparable growth, network expansion and cost control in support functions. EBITA was negatively affected by losses in Spain and in the emerging markets, which amounted to €12 million in the aggregate in 9M 2014.

Financial result

Financial result improved by €9.4 million, or 27.6%, from negative €34.0 million in 9M 2013 to negative €24.6 million in 9M 2014. This improvement was primarily due to lower financial costs as a result of lower borrowings and lower interest rates. Average interest costs decreased, as the average principal amount of shareholder loans outstanding during the period was lower in 9M 2014 compared to 9M 2013. The shareholder loans (with a 5.545% annual interest rate) were fully settled and refinanced on 18 September 2014 with bank borrowings with a significantly lower interest rate.

Income tax

Income tax increased from €56.1 million in 9M 2013 to €62.8 million in 9M 2014, which primarily reflected the increase in result before tax. The effective tax rate decreased from 32.5% in 9M 2013 to 31.7% in 9M 2014, primarily due to the tax accounting effects from tax losses carry forward positions: on the one hand, the recognition of a portion of previously unrecognized tax losses, and on the other hand, a lower share of loss making countries with unrecognized tax losses in the Group's total result before tax.

Result for the period

For the reasons outlined above, result for the period was €135.4 million compared to €116.5 million in 9M 2013.

Comparison EBITDA/Adjusted EBITDA for the Nine-Month Periods Ended 30 September 2014 and 30 September 2013

The following table sets forth Adjusted EBITDA for each of the segments, as well as Adjusted EBITDA and EBITDA for the Group. These financial measures are not recognized measures of financial performance or liquidity under IFRS and are not a substitute for any IFRS measure. See "Important Information—Presentation of Financial and Other Information".

	Nine months ended 30 September	
Euros thousands (unless stated otherwise)	**2014**	**2013**
	(unaudited)	
Adjusted EBITDA G4	**276,760**	**249,336**
Adjusted EBITDA Margin G4 (%)	20.3	19.6
Adjusted EBITDA Other Europe	**86,189**	**68,868**
Adjusted EBITDA Margin Other Europe (%)	15.7	13.1
Adjusted EBITDA Latin America & Asia	**4,265**	**2,237**
Adjusted EBITDA Margin Latin America & Asia (%)	2.4	1.3
Total Adjusted EBITDA segments	**367,214**	**320,441**
Reconciling items(1)	(24,203)	(19,002)
Consolidated Adjusted EBITDA	**343,011**	**301,439**
Consolidated Adjusted EBITDA Margin (%)	16.4	15.3
Exceptional and non-recurring items(2)	(23,255)	–
Consolidated EBITDA(3)	**319,756**	**301,439**
Consolidated EBITDA Margin (%)	15.3	15.3

(1) Reconciling items represents corporate costs that are not allocated to a specific segment.

(2) In 9M 2014, the exceptional and non-recurring items recorded related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) other costs associated with a VAT claim in Italy related to prior year (€1.4 million). No exceptional and non-recurring items have been taken into account in 9M 2013.

(3) For a reconciliation of consolidated operating result to consolidated EBITDA for the periods indicated, see "Important Information—Presentation of Financial and Other Information".

EBITDA increased by €18.3 million, or 6.1%, from €301.4 million in 9M 2013 to €319.8 million in 9M 2014. This increase primarily reflected increased revenues in all segments underpinned by good comparable growth, partly offset by the inclusion of the exceptional and non-recurring items of €23.3 million, which primarily reflected certain non-cash charges associated with the LTIP and costs associated with the Offering. Currency fluctuations impacted EBITDA positively by €0.5 million, or 0.2%, primarily due to the strengthening of the British pound offset by weaker northern European currencies. EBITDA Margin was maintained at 15.3% of revenue in 9M 2014. Adjusted EBITDA Margin increased to 16.4% in 9M 2014 from 15.3% in 9M 2013.

G4. Adjusted EBITDA increased by €27.4 million, or 11.0%, from €249.3 million in 9M 2013 to €276.8 million in 9M 2014. This increase primarily reflected good comparable growth and a smaller positive impact from acquisitions in the United Kingdom and Germany. Currency fluctuations positively impacted Adjusted EBITDA by €1.9 million, or 0.8%, primarily due to a stronger British pound. Adjusted EBITDA Margin increased to 20.3% in 9M 2014 from 19.6% in 9M 2013.

Other Europe. Adjusted EBITDA increased by €17.3 million, or 25.1%, from €68.9 million in 9M 2013 to €86.2 million in 9M 2014. This increase primarily reflected good comparable growth with a small positive impact from store expansion. Currency fluctuations negatively impacted Adjusted EBITDA by €1.8 million, or 2.6%, primarily due to weaker northern European currencies. Adjusted EBITDA Margin increased to 15.7% in 9M 2014 from 13.1% in 9M 2013 with the third quarter (which includes the sunglasses season) increasing above the average for the period.

Latin America & Asia. Adjusted EBITDA increased by €2.0 million, or 90.7%, from €2.2 million in 9M 2013 to €4.3 million in 9M 2014. This increase primarily reflected high comparable growth, a negative impact from acquisitions as the acquisitions in Colombia and Peru were loss making, and a smaller positive impact of store expansion. Currency fluctuations negatively impacted Adjusted EBITDA by €0.1 million, or 2.5%, primarily due to weaker currencies across the segment, which negatively impacted operations with positive Adjusted EBITDA and positively impacted operations with negative Adjusted EBITDA. During 9M 2014, most key markets in Latin America & Asia performed well and showed increasing Adjusted EBITDA Margins. Adjusted EBITDA Margin increased to 2.4% in 9M 2014 from 1.3% in 9M 2013. The 2014 acquisitions in Turkey and China did not impact Adjusted EBITDA Margin for 9M 2014 as these acquisitions were completed as of 30 September 2014.

Reconciling items in Adjusted EBITDA comprise corporate costs that are not allocated to a specific segment and increased by €5.2 million to €24.2 million in 9M 2014 from €19.0 million in 9M 2013. This increase, which primarily related to the third quarter, was principally driven by one-off cost items relating to corporate projects and to a lesser extent a slightly higher headcount in corporate functions.

Comparison Results of Operations for the Years Ended 31 December 2013 and 31 December 2012

The Group's consolidated results of operations for the year ended 31 December 2013 compared with the year ended 31 December 2012 are discussed below. The discussion includes the results of the geographical segments.

Revenue

Revenue increased by €101.8 million, or 4.0%, from €2,518.4 million in 2012 to €2,620.2 million in 2013.

The increase in revenue attributable to organic growth amounted to €62.6 million, or 2.5%, with increases in almost all countries in which the Group operates. This increase was primarily driven by overall comparable growth of 1.6% and by the expansion of the store network. Revenue growth from acquisitions amounted to €74.5 million, or 3.0%, mainly as a result of the full year impact of acquisitions completed in the second half of 2012 in the Netherlands and Mexico and from an acquisition in the United Kingdom late in 2013. Foreign currency fluctuations had a negative impact of €35.2 million, or 1.4%, primarily due to the weakening of the British pound and several Latin American currencies against the euro.

G4. Revenue increased by €38.6 million, or 2.3%, from €1,647.4 million in 2012 to €1,686.0 million in 2013.

The increase in revenue attributable to organic growth amounted to €29.7 million, or 1.8%, primarily driven by comparable growth of 0.6% and the expansion of the store network. Germany, Austria, Belgium, the United Kingdom and Spain showed increases in comparable growth, while France and the Netherlands were negatively impacted by lower sales in GrandOptical and store closures associated with the integration of the Het Huis stores, respectively. Revenue growth from acquisitions amounted to €24.2 million, or 1.4%, as a result of the full year effect of the 2012 acquisition of Optical Service Group B.V. in the Netherlands and the acquisition of the online retailer Lenstore.co.uk and several franchise stores in the United Kingdom in 2013. Foreign currency fluctuations had a negative impact of €14.4 million, or 0.9%, primarily due to the weakening of the British pound against the euro.

Other Europe. Revenue increased by €22.3 million, or 3.3%, from €672.2 million in 2012 to €694.5 million in 2013.

The increase in revenue attributable to organic growth amounted to €23.5 million, or 3.5%. This increase was primarily driven by comparable growth of 3.3% and the expansion of the store network. The Group achieved high growth in the Nordics and Hungary primarily due to more efficient operational execution and increasing store traffic which resulted in positive comparable growth. Italy grew mainly from the expansion of its store network, while Portugal improved comparable growth and expanded its store network. Revenue from the Solaris stores in France decreased, primarily as a result of the loss of a contract with a department store. Revenue growth from acquisitions amounted to €4.1 million, or 0.6%, mainly due to the acquisition of several individual stores in the Nordics. Currency fluctuations negatively impacted revenue by €5.2 million, or 0.8%, primarily due to the weakening of the Norwegian krone and the Hungarian forint against the euro.

Latin America & Asia. Revenue increased by €40.8 million, or 20.5%, from €198.8 million in 2012 to €239.7 million in 2013.

The increase in revenue attributable to organic growth amounted to €9.5 million, or 4.8%. This increase was primarily driven by comparable growth of 3.1% and strong expansion of the store network. Despite positive comparable growth trends in Russia, Chile, Argentina and Uruguay, overall growth in the segment was negatively impacted by lower sales in Brazil and in the sunglasses stores in Mexico. Revenue growth from acquisitions amounted to €47.0 million, or 23.6%, as a result of the full year effect of the acquisition of a majority stake in Grupo Optico Lux S.A. de C.V. in Mexico at the end of 2012. Foreign currency fluctuations had a negative impact of €15.6 million, or 7.9%, primarily due to the weakening of most currencies in the countries where the Group operates against the euro, particularly the Brazilian real, the Argentinean peso and the Russian ruble.

Cost of sales and direct related expenses

Cost of sales and direct related expenses increased by €28.8 million, or 4.5%, from €643.0 million (which represented 25.5% of revenue) in 2012 to €671.7 million (which represented 25.6% of revenue) in 2013. This increase was in line with the increase in revenue and primarily reflected an increase in direct material cost resulting from the purchase of finished products. Other costs also increased in line with revenue and included distribution and other supply chain and inventory related cost. The increase in employee cost within cost of sales and direct related expenses was also in line with the increase in revenue as these employee costs are directly related to sales.

Gross profit

Gross profit increased by €73.0 million, or 3.9%, from €1,875.5 million in 2012 to €1,948.4 million in 2013. This increase was primarily due to the increase in revenue of 4.0%. Gross margin decreased from 74.5% in 2012 to 74.4% in 2013.

Gross margin decreased slightly in France and the Benelux, while it improved marginally in the United Kingdom, Germany and some other countries in Europe. Gross margins also increased in emerging markets, although the absolute level of gross margin in these markets remained lower than that in developed markets and the high growth in emerging markets therefore resulted in a small negative mix effect on the overall gross margin. Overall, the gross margin stayed almost stable as the benefits from purchasing savings, reinvestments into lower prices for consumers, positive and negative product category and country mix effects had neutralizing effects within the portfolio.

Selling and marketing costs

Selling and marketing costs increased by €32.4 million, or 2.4%, from €1,344.4 million (which represented 53.4% of revenue) in 2012 to €1,376.8 million (which represented 52.5% of revenue) in 2013. This increase was primarily due to increases in employee expenses for store personnel, store operating leases and occupancy costs of stores. Store employee expenses increased by 2.0% in 2013 compared to 2012 as a result of both salary inflation and store network expansion. Store operating lease cost increased by 4.3% in 2013 compared to 2012, driven by rent inflation as well as store network expansion. Depreciation and amortization related to stores remained almost at the same level as in 2012. Marketing and publicity costs were maintained in absolute terms, but decreased as a percentage of revenue, as the larger store network benefitted from marketing and publicity synergies.

General and administrative costs

General and administrative costs remained almost stable at €302.9 million (which represented 11.6% of revenue) in 2013 compared with €301.9 million (which represented 12.0% of revenue) in 2012.

General and administrative costs primarily reflected lower impairment costs, which were offset by increases in employee costs and general expenses in the ordinary course of business. In 2012, an impairment of €14.3 million was taken on intangible assets in Brazil as well as an impairment of €6.6 million in Chile. In 2013, a further impairment was taken in Brazil of €5.5 million as well as an impairment of the sunglass business in Mexico of €2.9 million. Other items such as non-store related depreciation and operating lease costs and other costs did not show material movements.

Share of result of associates

Share of result of associates decreased by €0.8 million, or 37.4%, from €2.3 million in 2012 to €1.4 million in 2013. This decrease was primarily due to Grupo Optico Lux S.A. de C.V. (Mexico) being fully consolidated after the purchase of a majority share at the end of 2012 and therefore no longer being recorded under "share of result of associates".

Operating result

Operating result increased by €38.8 million, or 16.8%, from €231.4 million in 2012 to €270.2 million in 2013, primarily due to €101.8 million higher revenue. Gross margins were maintained and, consequently, gross profit increased in line with revenue with €73.0 million. The increase in gross profit was offset by higher selling and marketing costs of €32.4 million, mainly related to the expansion of the store network, while general and administrative costs and share of result of associates increased by only €1.8 million. EBITA was negatively affected by losses in Spain, Greece and the emerging markets, which amounted to €22 million in the aggregate in 2013 compared to €28 million in the aggregate in 2012.

Financial result

Financial result in 2013 was negative €41.0 million, a decrease of €1.4 million, or 3.6%, compared to negative €39.6 million in 2012. This decrease was primarily due to lower financial income in 2013 as a one-off gain from the change in fair value of a liability relating to the banner Lensmaster in Russia was included in 2012. Financial costs decreased, primarily due to lower interest charges on bank financing as borrowings decreased by €164.0 million from €1.1 billion in 2012 to €934.0 million in 2013. This decrease was partly offset by foreign exchange losses that were incurred on euro denominated intercompany financing in Russia and the United Kingdom, as both the British pound and the Russian ruble weakened against the euro.

Income tax

Income tax remained almost stable at €73.2 million in 2013, compared to €74.3 million in 2012. The slight decrease primarily reflected a significantly reduced effective tax rate, principally as a result of the Group's legal restructuring executed at the end of 2012, in which Dutch and French holdings were combined into Dutch holdings following the integration of GrandVision S.A and Pearle Europe B.V. at year end 2010, combined with lower tax losses in emerging markets for which no deferred tax assets were recognized. This was almost completely offset by an increase in result before tax and an increase in the weighted average applicable tax rate from 28.7% in 2012 to 30.5% in 2013.

Result for the year

For the reasons outlined above, result for the year was €155.9 million compared to €117.5 million in 2012.

Comparison EBITDA/Adjusted EBITDA for the Years Ended 31 December 2013 and 31 December 2012

The following table sets forth Adjusted EBITDA for each of the segments, as well as Adjusted EBITDA and EBITDA for the Group. These financial measures are not recognized measures of financial performance or liquidity under IFRS and are not a substitute for any IFRS measure. See "Important Information—Presentation of Financial and Other Information".

Euros thousands (unless stated otherwise)	Year ended 31 December	
	2013	2012
Adjusted EBITDA G4	**325,680**	**314,701**
Adjusted EBITDA Margin G4 (%)	19.3	19.1
Adjusted EBITDA Other Europe	**92,170**	**83,681**
Adjusted EBITDA Margin Other Europe (%)	13.3	12.4
Adjusted EBITDA Latin America & Asia	**5,594**	**(3,215)**
Adjusted EBITDA Margin Latin America & Asia (%)	2.3	(1.6)
Total Adjusted EBITDA segments	**423,444**	**395,167**
Reconciling items(1)	(22,990)	(23,292)
Consolidated Adjusted EBITDA	**400,454**	**371,875**
Exceptional and non-recurring items(2)	—	—
Consolidated EBITDA(3)	**400,454**	**371,875**
Consolidated EBITDA Margin (%)	15.3	14.8

(1) Reconciling items represents corporate costs that are not allocated to a specific segment.

(2) No exceptional and non-recurring items have been taken into account in 2013 and 2012.

(3) For a reconciliation of consolidated operating result to consolidated EBITDA for the periods indicated, see "Important Information—Presentation of Financial and Other Information".

EBITDA increased by €28.6 million, or 7.7%, from €371.9 million in 2012 to €400.5 million in 2013. This increase primarily reflected increases in comparable growth across all segments, while maintaining gross margins and keeping store operating costs and general and administrative costs under control. While store expansion and acquisitions contributed substantially to the revenue growth, the effect on EBITDA was smaller as new stores in general are not highly profitable in the first few years. The full year effect of 2012 acquisitions in the Netherlands and Mexico also contributed to the increase in EBITDA, but to a much lesser extent than revenue growth. Currency fluctuations impacted EBITDA negatively by €1.6 million, or 0.4%, primarily due to the weakening of the British pound against the euro. EBITDA Margin remained almost stable at 15.3% in 2013 as compared with 14.8% in 2012.

G4. Adjusted EBITDA increased by €11.0 million, or 3.5%, from €314.7 million in 2012 to €325.7 million in 2013. This increase primarily reflected the increase in comparable growth in Germany and Austria and the partial recovery in Spain. Currency fluctuations negatively impacted Adjusted EBITDA by €2.0 million, or 0.6%, primarily due to the weakening of the British pound against the euro. The acquisitions in the Netherlands in 2012 and the United Kingdom in 2013 did not contribute significantly to the Adjusted EBITDA growth in 2013. Adjusted EBITDA Margin increased to 19.3% in 2013 from 19.1% in 2012.

Other Europe. Adjusted EBITDA increased by €8.5 million, or 10.1%, from €83.7 million in 2012 to €92.2 million in 2013. This increase primarily reflected strong comparable growth particularly in the Nordics and Hungary, while Solaris, Italy and Poland were impacted by negative comparable growth. Currency fluctuations negatively impacted Adjusted EBITDA by €0.9 million, or 1.1%. Adjusted EBITDA Margin increased to 13.3% in 2013 from 12.4% in 2012.

Latin America & Asia. Adjusted EBITDA increased by €8.8 million, from negative €3.2 million in 2012 to €5.6 million in 2013. This increase primarily reflected the full year impact of the 2012 acquisition of a majority interest in Mexico which accounted for €6.2 million of the Adjusted EBITDA growth. In addition, this increase reflected strongly improved sales performance in Russia and strong sales growth in Chile, partly offset by poor performance in Brazil primarily reflecting negative sales growth principally due to a decline in store traffic and in-store conversion rates in comparable stores, and certain operational issues, as well as by negative sales growth in Mexico principally due to strong competition in the sunglass business and the loss of a significant contract for one of the Group's sunglasses stores.

Currency fluctuations positively impacted Adjusted EBITDA by €1.3 million, as loss positions reduced from weaker currencies in the segment. Adjusted EBITDA Margin increased to 2.3% in 2013 from negative 1.6% in 2012.

Comparison Results of Operations for the Years Ended 31 December 2012 and 31 December 2011

The Group's consolidated results of operations for the year ended 31 December 2012 compared with the year ended 31 December 2011 are discussed below. The discussion includes the results of the geographical segments.

Revenue

Revenue increased by €122.5 million, or 5.1%, from €2,395.9 million in 2011 to €2,518.4 million in 2012.

The increase in revenue attributable to organic growth amounted to €71.4 million, or 3.0%, with increases in almost all countries in which the Group operates. This increase was primarily driven by comparable growth of 0.8% and strong expansion of the store network. Revenue growth from acquisitions amounted to €26.9 million, or 1.1%, mainly as a result of the impact of acquisitions of companies in the Netherlands and Mexico and individual store acquisitions in several important markets. Foreign currency fluctuations had a positive impact of €24.3 million, or 1.0%, primarily due to the strengthening of the British pound against the euro.

G4. Revenue increased by €90.9 million, or 5.8%, from €1,556.5 million in 2011 to €1,647.4 million in 2012.

The increase in revenue attributable to organic growth amounted to €52.6 million, or 3.4%. This increase was primarily driven by comparable growth of 0.9%, strong expansion of the store network and wholesales. France, the Netherlands, Belgium and Austria were positively impacted by modest increases in comparable growth, as well as network expansion through store openings and acquisitions. Revenues in the United Kingdom and Germany grew moderately and primarily as a result of store expansion. Revenue growth from acquisitions amounted to €17.1 million, or 1.1%, due to the acquisition of Optical Service Group B.V. in the Netherlands and the acquisition of several individual stores in France, Germany and the Netherlands. Foreign currency fluctuations had a positive impact of €21.2 million, or 1.4%, primarily due to the strengthening of the British pound against the euro.

Other Europe. Revenue increased by €9.5 million, or 1.4%, from €662.7 million in 2011 to €672.2 million in 2012.

The increase in revenue attributable to organic growth amounted to €2.3 million, or 0.3%. Comparable growth declined by 0.9%, which was offset by the expansion of the store network. The Nordics exhibited strong comparable growth, with the exception of Finland. Southern Europe and Poland were negatively impacted by poor market conditions. Revenue growth from acquisitions amounted to €4.4 million, or 0.7%, as a result of the acquisition of several individual stores in Norway and the full year effect of the 2010 acquisition of the business in Greece and Cyprus. Foreign currency fluctuations had a positive impact of €2.8 million, or 0.4%, primarily due to the strengthening of currencies in Sweden and Norway against the euro, despite weaker currencies in Hungary and Poland.

Latin America & Asia. Revenue increased by €22.2 million, or 12.6%, from €176.7 million in 2011 to €198.8 million in 2012.

The increase in revenue attributable to organic growth amounted to €16.5 million, or 9.3%. This increase reflected an increase in comparable growth of 5.8%, and was supported by the expansion of the store network. Brazil, Chile, Argentina and Russia showed increased sales, with high comparable growth and store expansions driving their overall performance. Revenue growth from acquisitions amounted to €5.4 million, or 3.0%, primarily due to the acquisition of a majority stake in Grupo Optico Lux S.A. de C.V. in Mexico at the end of 2012. Foreign currency fluctuations had a positive impact of €0.3 million, or 0.2%, primarily due to the strengthening of currencies in Chile, Russia and Colombia against the euro, despite a weaker currency in Brazil.

Cost of sales and direct related expenses

Cost of sales and direct related expenses increased by €35.7 million, or 5.9%, from €607.3 million (which represented 25.3% of revenue) in 2011 to €643.0 million (which represented 25.5% of revenue) in 2012. This increase was in line with the increase in revenue and primarily reflected an increase in direct material cost resulting from the purchase of finished products. Other costs also increased in line with revenue and included distribution and other supply chain and inventory related costs. Employee costs within cost of sales and direct related expenses slightly declined.

Gross profit

Gross profit increased by €86.9 million, or 4.9%, from €1,788.6 million in 2011 to €1,875.5 million in 2012. This increase was primarily due to the increase in revenue of 5.1%, which had an impact of €122.5 million, and the limited impact from a slightly lower gross margin of 74.5%.

Gross margin decreased from 74.7% in 2011 to 74.5% in 2012, which was primarily due to high sales growth and slightly lower gross margins in the emerging markets, including the effect of acquisitions. Because emerging markets generally have lower margins than the Group's average, the high sales growth resulted in a negative country mix effect. In other key markets such as France, Benelux, Denmark and Hungary, gross margins improved slightly or remained flat.

Selling and marketing costs

Selling and marketing costs increased by €52.1 million, or 4.0%, from €1,292.3 million (which represented 53.9% of revenue) in 2011 to €1,344.4 million (which represented 53.4% of revenue) in 2012. This increase was primarily due to an increase of 5.4% in employee expenses of store personnel, and a 6.7% increase in store operating leases and occupancy costs of stores, as a result of salary and rent inflation and expansion of the Group's store network and currency fluctuations. Marketing and publicity costs increased slightly in absolute terms, but decreased as a percentage of revenue, as the larger store network benefitted from marketing and publicity synergies. Depreciation and amortization increased by 0.4% in 2012 due to store expansion and currency effects.

General and administrative costs

General and administrative costs increased by €28.8 million, or 10.5%, from €273.2 million (which represented 11.4% of revenue) in 2011 to €301.9 million (which represented 12.0% of revenue) in 2012. This increase was primarily due to increases in employee costs and general expenses in the ordinary course of business, higher impairment costs and the acquisitions of Optical Service Group B.V. in the Netherlands and Grupo Optico Lux S.A. de C.V. in Mexico. In 2012, an impairment of €14.3 million was taken on intangible assets relating to Brazil as well as an impairment of €6.6 million in Chile, while in 2011, an impairment was taken in Greece and Cyprus of €9.2 million.

Share of result of associates

Share of result of associates increased by €3.7 million, from negative €1.5 million in 2011 to €2.3 million in 2012. This increase was primarily due to increased results of Visilab in Switzerland and Grupo Optico Lux S.A. de C.V. in Mexico and a one-off impairment on an investment in Greece in 2011. The Group acquired a majority stake in Grupo Optico Lux S.A. de C.V. at the end of 2012, following which it was fully consolidated instead of being recorded under "share of results of associates".

Operating result

Operating result increased by €9.7 million, or 4.4%, from €221.7 million in 2011 to €231.4 million in 2012, primarily due to €122.5 million higher revenue. As gross margins declined only slightly, gross profit increased in line with revenue by €86.9 million. The increase in gross profit was offset by higher selling and marketing costs of €52.1 million, which mainly related to the expansion of the store network, while general and administrative costs and share of result of associates increased by €25.1 million. EBITA was negatively affected by losses in Spain, Greece and the emerging markets, which amounted to €28 million in the aggregate in 2012 compared to €25 million in the aggregate in 2011.

Financial result

Financial result improved by €19.4 million, or 32.9%, from negative €59.0 million in 2011 to negative €39.6 million in 2012. This improvement was primarily due to the refinancing of the Group in June 2011, which reduced interest and interest swap costs on external debt.

Income tax

Income tax increased by €13.4 million, or 22.0%, from €60.9 million in 2011 to €74.3 million in 2012. This increase was primarily due to increased result before tax. The effective tax rate increased in 2012 mainly as a result of higher tax losses for which no deferred tax assets were recognized, primarily in emerging markets, Spain and Greece. The weighted average applicable tax rate decreased from 30.0% in 2011 to 28.7% in 2012.

Result for the year

For the reasons outlined above, result for the year was €117.5 million in 2012 compared to €101.8 million in 2011.

Comparison EBITDA/Adjusted EBITDA for the Years Ended 31 December 2012 and 31 December 2011

The following table sets forth Adjusted EBITDA for each of the segments, as well as Adjusted EBITDA and EBITDA for the Group. These financial measures are not recognized measures of financial performance or liquidity under IFRS and are not a substitute for any IFRS measure. See "Important Information—Presentation of Financial and Other Information".

	Year ended ended 31 December	
Euros thousands (unless stated otherwise)	**2012**	**2011**
Adjusted EBITDA G4	**314,701**	**294,677**
Adjusted EBITDA Margin G4 (%)	19.1	18.9
Adjusted EBITDA Other Europe	**83,681**	**86,082**
Adjusted EBITDA Margin Other Europe (%)	12.4	13.0
Adjusted EBITDA Latin America & Asia	**(3,215)**	**(4,042)**
Adjusted EBITDA Margin Latin America & Asia (%)	(1.6)	(2.3)
Total Adjusted EBITDA segments	**395,167**	**376,717**
Reconciling items(1)	(23,292)	(28,484)
Consolidated Adjusted EBITDA	**371,875**	**348,233**
Exceptional and non-recurring items(2)	—	—
Consolidated EBITDA(3)	**371,875**	**348,233**
Consolidated EBITDA Margin (%)	14.8	14.5

(1) Reconciling items represents corporate costs that are not allocated to a specific segment.

(2) No exceptional and non-recurring items have been taken into account in 2012 and 2011.

(3) For a reconciliation of consolidated operating result to consolidated EBITDA for the periods indicated, see "Important Information—Presentation of Financial and Other Information".

EBITDA increased by €23.6 million, or 6.8%, from €348.2 million in 2011 to €371.9 million in 2012. This increase was primarily due to a moderate level of comparable growth achieved in 2012 whilst maintaining gross margins and keeping store operating costs and general and administrative costs at relatively low levels and was partly offset by the impact of acquisitions in the Netherlands and Mexico of negative €1.4 million. Currency fluctuations positively impacted EBITDA by €4.4 million, or 1.3%. EBITDA Margin increased to 14.8% in 2012 from 14.5% in 2011.

G4. Adjusted EBITDA increased by €20.0 million, or 6.8%, from €294.7 million in 2011 to €314.7 million in 2012. This increase was primarily due to good sales performance across the segment, primarily resulting from a combination of positive comparable growth and store network expansion, in particular in the United Kingdom, Germany, Austria, the Netherlands and France. Currency fluctuations positively impacted Adjusted EBITDA by €3.2 million, or 1.1%, primarily due to the strengthening of the British pound against the euro. The acquisition in the Netherlands impacted EBITDA negatively by 0.6%. Adjusted EBITDA Margin in the G4 increased to 19.1% in 2012 from 18.9% in 2011.

Other Europe. Adjusted EBITDA decreased by €2.4 million, or 2.8%, from €86.1 million in 2011 to €83.7 million in 2012. This decrease was primarily due to macroeconomic conditions in Mediterranean countries and weak sales performance in Finland and Poland, partially offset by strong operational performance in other Nordic countries. Currency fluctuations positively impacted Adjusted EBITDA by €0.3 million, or 0.3%. Adjusted EBITDA Margin decreased to 12.4% in 2012 from 13.0% in 2011.

Latin America & Asia. Adjusted EBITDA increased by €0.8 million from negative €4.0 million in 2011 to negative €3.2 million in 2012. This increase primarily reflected poor performance in Brazil as a result of operational issues and poor performance in Russia due to a lower gross margin and an increased cost base, partially offset by a positive acquisition effect in Mexico of €0.3 million and good sales performance in Chile. Currency fluctuations positively impacted Adjusted EBITDA by €0.9 million. Adjusted EBITDA Margin improved to negative 1.6% in 2012 from negative 2.3% in 2011.

Liquidity and Capital Resources

General

The Group's liquidity requirements primarily relate to investments in existing and new stores, the payment of interest and funding its working capital requirements and acquisitions. The Group primarily relies on cash flows from operating activities to finance its operations. Another source of liquidity for the Group is borrowings under its Revolving Credit Facility.

The most significant components of the Group's working capital are inventories, trade and other receivables and trade and other payables. Inventories comprise mainly frames, lenses, sunglasses and contact lenses. Trade and other receivables include receivables from franchisees, from health insurance providers for customer claims, customer credit from credit cards, subscriptions and other customer credit facilities, prepaid rent and other prepayments in the course of business and VAT receivable. Trade and other payables include payables to suppliers, accrued expenses, VAT and payroll related taxes payable, customer prepayments on products ordered but not yet delivered, and deferred insurance income from selling customer insurance plans.

The Group's net working capital, which consists of inventories plus trade and other receivables less trade and other payables, has represented approximately 1.2-2.2% of the Group's revenue during the periods under review. In 9M 2014 and the financial years 2013, 2012 and 2011, the Group's net working capital amounted to €62.2 million, €30.6 million, €41.7 million and €43.7 million, respectively. Seasonality has limited impact on the Group's net working capital. To the extent there is any seasonal change, it is typically the result of the buildup of inventory for the sunglasses season in the European summer.

Inventories as of 30 September 2014 increased by €45.5 million from €192.6 million as of 31 December 2013 to €238.1 million, primarily driven by acquisitions, store expansion and remaining sunglasses inventory for the European summer, normally sold out at a discount following the end of the summer season. Inventories as of 31 December 2013 increased by €7.6 million from €185.0 million as of 31 December 2012 to €192.6 million, primarily driven by the effect of acquisitions in the United Kingdom, store expansion in most markets and seasonal effects in France and Chile. Inventories as of 31 December 2012 decreased by €7.8 million from €192.8 million as of 31 December 2011 to €185.0 million, primarily driven by focused efforts across the Group to reduce days of inventory as part of a supply chain project, offset by the effect of acquisitions in the Netherlands and Mexico and store expansion in most markets.

Trade and other receivables as of 30 September 2014 increased by €37.1 million from €229.0 million as of 31 December 2013 to €266.1 million, primarily driven by the effect of acquisitions in 2014 and, to a lesser extent, the pattern of prepaid rent and other receivables at quarter end compared to year end. Trade and other receivables as of 31 December 2013 decreased by €37.8 million from €266.7 million as of 31 December 2012 to €229.0 million, primarily driven by lower VAT receivables and supplier credit note receivables in G4 and currency fluctuations in emerging markets. Trade and other receivables as of 31 December 2012 increased by €27.8 million from €238.9 million as of 31 December 2011 to €266.7 million, primarily driven by increased receivables in the G4 relating to deferred insurance income from selling customer insurance plans.

Trade and other payables as of 30 September 2014 increased by €51.1 million from €391.0 million as of 31 December 2013 to €442.1 million, primarily driven by the effect of acquisitions in 2014 and, to a lesser extent, the pattern of employee related accrued expenses at quarter end compared to year end. Trade and other payables as of 31 December 2013 decreased by €19.0 million from €410.0 million as of 31 December 2012 to €391.0 million, primarily driven by lower VAT payable in G4 and lower accrued expenses. Trade and other payables as of 31 December 2012 increased by €22.0 million from €388.0 million as of 31 December 2011 to €410.0 million, primarily driven by higher payroll tax liabilities in G4 and acquisitions.

The relatively low and generally improving working capital requirements of the Group during the periods under review reflect the Group's focus on operational discipline and the improvements of its supply chain, among the results of which were better payment and delivery terms with its suppliers. See "—Factors Affecting Results of Operations—Improvement of supply chain" for further detail.

Working capital statement

The Company believes that the working capital available to the Group is sufficient for the Group's present requirements, that is for at least twelve months following the date of this Prospectus.

Free Cash Flow and Cash Conversion

The following table presents the Group's Free Cash Flow and Cash Conversion for the periods indicated. The Group uses Free Cash Flow and Cash Conversion to monitor and manage the Group's cash performance.

	Nine months ended 30 September		Year ended 31 December		
	2014	2013	2013	2012	2011
			(unaudited)		
Free Cash Flow (euros thousands)[(1)]	166,340	167,587	220,029	207,937	119,473
Cash Conversion (%)[(2)]	52.0	55.6	54.9	55.9	34.3

(1) Free Cash Flow is defined as net cash from operating activities less capital expenditure (not related to acquisitions). Free Cash Flow is not a synonym for, and does not necessarily indicate or correspond with, discretionary cash. See "Important Information—Presentation of Financial and Other Information" for a reconciliation of IFRS net cash flows from operating activities to Free Cash Flow.

(2) Cash Conversion is defined as Free Cash Flow divided by EBITDA, expressed as a percentage. Cash Conversion is a non-IFRS measure and may not be comparable to similarly titled measures used by other companies. See "Important Information—Presentation of Financial and Other Information".

The Group's strong historical cash performance as shown in the table above primarily reflects the expansion of the Group's store network, the improving working capital requirements as discussed above, and the Group's asset-light business model (since the Group leases almost all of its own stores). For a discussion of the Group's historical capital expenditure (not related to acquisitions), see "—Capital expenditure" below.

Cash flows

The following table presents primary components of the Group's cash flows for each of the periods indicated.

	Nine months ended 30 September		Year ended 31 December		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
	(unaudited)				
Net cash from operating activities ..	260,656	232,404	333,197	321,980	252,874
Net cash used in investing activities.	(218,987)	(64,268)	(113,387)	(188,989)	(140,093)
Net cash used in financing activities	(87,023)	(238,213)	(258,792)	(98,186)	(130,054)
Inflow/(outflow) in cash and cash equivalents	**(45,354)**	**(70,077)**	**(38,982)**	**34,805**	**(17,273)**
Cash and cash equivalents at beginning of year(1)	22,161	55,090	55,090	20,970	39,056
Inflow/(outflow) in cash and cash equivalents	(45,354)	(70,077)	(38,982)	34,805	(17,273)
Exchange gains/(losses) on cash and cash equivalents	(3,295)	7,843	6,053	(685)	(813)
Cash and cash equivalents at end of period..	**(26,488)**	**(7,144)**	**22,161**	**55,090**	**20,970**

(1) Cash and cash equivalent amounts as shown in the cash flows statement include amounts in bank overdrafts.

Net cash from operating activities

The Group's net cash from operating activities increased by €28.3 million to an inflow of €260.7 million in 9M 2014 from an inflow of €232.4 million in 9M 2013. The movement is primarily a result of the increase in Adjusted EBITDA, partly offset by higher working capital and higher taxes paid. The exceptional and non-recurring items included in 9M 2014 are mostly of a non-cash nature and, consequently, did not materially affect net cash from operating activities.

The Group's net cash from operating activities increased by €11.2 million to an inflow of €333.2 million in 2013 from an inflow of €322.0 million in 2012. The movement is primarily a result of higher operating results and lower taxes paid, offset by negative effects on cash flows from changes in working capital (as shown in the table below), which resulted in a cash outflow of €26.4 million.

The Group's net cash from operating activities increased by €69.1 million to an inflow of €322.0 million in 2012 from an inflow of €252.9 million in 2011. The movement is primarily a result of improvements in working capital, higher operating results and lower taxes paid. Changes in working capital resulted in a cash inflow of €4.7 million in 2012 compared to a cash outflow of €19.7 million in 2011 (as shown in the table below).

The following table presents changes in the Group's working capital for the periods indicated.

Euros thousands	Nine months ended 30 September		Year ended 31 December		
	2014	2013	2013	2012	2011
	(unaudited)				
Inventories	(32,425)	(21,100)	(19,688)	25,135	3,504
Trade and other receivables	(28,454)	10,364	26,748	(9,838)	(26,295)
Trade and other payables	39,505	(5,760)	(33,465)	(10,632)	3,136
Changes in working capital[1]	**(21,374)**	**(16,496)**	**(26,405)**	**4,665**	**(19,655)**

(1) Changes in working capital exclude exchange differences and the effect of acquisitions and are corrected for the effects of the acquisition of subsidiaries.

Net cash used in investing activities

The Group's cash used in investing activities principally relate to the acquisition of subsidiaries, purchase of property, plant and equipment and the purchase of intangible assets.

The Group's net cash used in investing activities increased by €154.7 million to an outflow of €219.0 million in 9M 2014 from an outflow of €64.3 million in 9M 2013. The movement is primarily a result of the substantially higher number of, and amounts spent on, acquisitions, and higher capital expenditure.

The Group's net cash used in investing activities decreased by €75.6 million to an outflow of €113.4 million in 2013 from an outflow of €189.0 million in 2012. The movement is primarily a result of lower expenditure on acquisitions in 2013.

The Group's net cash used in investing activities increased by €48.9 million to an outflow of €189.0 million in 2012 from an outflow of €140.1 million in 2011. The movement is primarily a result of higher expenditure on acquisitions in 2012 in the Netherlands and Mexico, partially offset by lower purchases of property, plant, equipment and intangibles.

For further detail on the Group's capital expenditure (not related to acquisitions) and cash outflows related to acquisitions during the periods under review, see "—Capital expenditure" and "—Cash outflows related to acquisitions" below.

Net cash used in financing activities

The Group's cash used in financing activities principally relates to proceeds from borrowings, repayments of borrowings (including repayments of the shareholder loans during the periods under review) and interest payments.

The Group's net cash used in financing activities decreased by €151.2 million to an outflow of €87.0 million in 9M 2014 from an outflow of €238.2 million in 9M 2013. The movement is primarily a result of the higher level of acquisitions and capital expenditure in 9M 2014 compared to 9M 2013, leaving less cash available for the reduction of borrowings. In September 2014, refinancing of the Group's main bank facility took place and the shareholder loans were fully settled.

The Group's net cash used in financing activities increased by €160.6 million to an outflow of €258.8 million in 2013 from an outflow of €98.2 million in 2012. The movement is primarily a result of higher repayments on the Group's revolving credit facility and a €75.0 million repayment on the shareholder loans in 2013, which was agreed with the Selling Shareholder instead of issuing a dividend.

The Group's net cash used in financing activities decreased by €31.9 million to an outflow of €98.2 million in 2012 from an outflow of €130.1 million in 2011. The movement is primarily a result of the higher level of acquisitions in 2012, leaving less cash flow available to reduce the external debt.

Capital expenditure

The Group defines capital expenditure (not related to acquisitions) as cash outflows related to the purchase and maintenance of property, plant and equipment and intangible assets (mainly software and key money), excluding cash outflows related to acquisitions. The majority of the Group's capital expenditure (not related to acquisitions) is maintenance capital expenditure. Capital expenditure (not related to acquisitions) is split between store capital expenditure and non-store capital expenditure. Store capital expenditure consists largely of cash outflows related to the maintenance of the existing store base through modernization, renovation and/or refurbishments and, to a lesser extent, cash outflows related to store fittings, and furniture and store IT in relation to new store openings. Non-store capital expenditure consists largely of cash outflows not related to stores, including cash outflows related to distribution, information technology infrastructure, central warehouses and TechCenters. Capital expenditure associated with the building of a new TechCenter is approximately €5 million to €6 million.

The Group's capital expenditure (not related to acquisitions) as a percentage of revenue amounted to 4.5%, 4.3%, 4.5% and 5.6% for 9M 2014 and the financial years 2013, 2012 and 2011, respectively. Due to the nature of the Group's business and its operational model, the Group has relatively few assets compared to the size of its operations and therefore capital expenditure (not related to acquisitions) is limited. Such capital expenditure incurred in the ordinary course of business is generally funded by the Group's cash flows. The Group has no investments in progress or to which the Group is currently committed outside of the ordinary course of business that the Group considers to be material.

The Group intends to continue to invest in optimizing its store network, including through the opening of new stores. Cash outflows related to the opening of new stores are expected to have, on average, a pre-tax payback time of approximately three to five years.

The following table shows the Group's historical levels of capital expenditure (not related to acquisitions).

	Nine months ended 30 September		**Year ended 31 December**		
Euros thousands	**2014**	**2013**	**2013**	**2012**	**2011**
			(unaudited)		
Capital expenditure (not related to acquisitions)	**94,316**	**64,817**	**113,168**	**114,043**	**133,401**
Store capital expenditure	71,750	48,735	84,563	91,260	
Non-store capital expenditure	22,566	16,082	28,605	22,783	

Store capital expenditure increased by €23.0 million in 9M 2014 compared with 9M 2013, which primarily reflected optimization of existing stores through renovations and the implementation of the standardized commercial proposition and new store openings. During 2014, the Group began to focus on standardization of store format and procurement, as well as on the reduction of its average store footprint compared with historical levels. The Group believes that these initiatives will have a reducing effect on store capital expenditure on a per store basis going forward. Non-store capital expenditure increased by €6.5 million in 9M 2014 compared with 9M 2013, which primarily reflected the implementation of the Group's new TechCenters.

Store capital expenditure decreased by €6.7 million in 2013 compared with 2012, although the number of new stores opened remained approximately at the same levels as in 2012. This decrease can be explained by a different mix of stores opened, namely proportionally larger numbers of stores opened in Latin America & Asia, where the capital expenditure per store opening is significantly lower than in the G4 and Other Europe segments. Non-store capital expenditure increased by €6.0 million in 2013 compared with 2012, which was mainly attributable to global IT projects.

Store capital expenditure decreased in 2012 compared with 2011, which reflected a reduction in the number of new store openings in 2012 as compared with 2011. Non-store capital expenditure did not show a significant change between 2012 and 2011.

Cash outflows related to acquisitions

In 9M 2014, cash outflows related to acquisitions of companies (net of cash) was €136.2 million, which mainly related to acquisitions in the United Kingdom, Colombia, Germany, Peru, Turkey and China. In 2013, cash outflows related to acquisitions of companies (net of cash) was €13.9 million, which mainly related to acquisitions in the United Kingdom. In 2012, cash outflows related to acquisitions of companies (net of cash) was €79.5 million, which primarily related to acquisitions in the Netherlands and Mexico. In 2011, cash outflows related to acquisitions of companies (net of cash) was €15.1 million, which primarily related to acquisitions in Colombia and Italy.

Financial indebtedness

The following table sets forth the Group's borrowings as of the dates indicated.

	As of 30 September	As of 31 December		
Euros thousands	**2014**	**2013**	**2012**	**2011**
	(unaudited)			
Non-current borrowings				
Bank borrowings[1]	793,516	518,977	602,612	640,758
Financial lease	898	846	624	848
Shareholder loans	—	325,000	400,000	400,000
Total non-current borrowings	**794,414**	**844,823**	**1,003,236**	**1,041,606**
Current borrowings				
Bank overdrafts	153,166	80,401	35,955	141,156
Current portion long-term debt	—	757	30,907	43,383
Financial lease	1,992	1,071	1,367	1,842
Other	6,249	6,955	26,564	10,843
Total current borrowings	**161,407**	**89,184**	**94,793**	**197,224**
Total borrowings	**955,821**	**934,007**	**1,098,029**	**1,238,830**

(1) Bank borrowings as of 30 September 2014 principally comprised the €1.2 billion Revolving Credit Facility that the Group entered into on 18 September 2014. The Group received proceeds of €750 million under the Revolving Credit Facility, of which it used €475 million to fully repay and terminate the €800 million revolving credit facility of GrandVision B.V. and €275 million to settle the aggregate principal amount of €275 million that remained outstanding under the shareholder loans, in each case on 18 September 2014. As of 30 September 2014, the amount drawn under the Revolving Credit Facility was €795 million. As of that date, the Group also had borrowings under multiple bank guarantee facilities in the aggregate amount of €22 million. See "—Existing financing" and "—Historical financing" for further detail on bank borrowings during the periods under review.

The following table presents the maturity of the borrowings of the Group as of 30 September 2014.

Euros thousands	**Total**	**Within one year**	**Between one and two years**	**Between two and five years**	**More than five years**
Borrowings at fixed rates	—	—	—	—	—
Borrowings at variable rates	952,931	159,415	2,134	791,381	—
Capital (financial) leases[1]	2,890	1,992	898	—	—
Total	**955,821**	**161,407**	**3,032**	**791,381**	—

(1) Capital (financial) lease obligations primarily relate to the central lab equipment in the United Kingdom and leased cars in Poland and Portugal.

The Group generally borrows at variable rates and uses interest rate swaps to achieve the economic effect of converting borrowings from variable rates to fixed rates. The Group's aim is to have a minimum of 60% of net interest costs on a fixed rate basis. As of 30 September 2014, the notional amount of the Group's outstanding interest rate swaps amounted to €470 million.

For a table presenting the maturity of the Group's operating leases, see "—Off Balance Sheet Arrangements and Contingent Liabilities".

The following table presents the Group's Net Debt, as well as the Group's leverage ratio, as of and for the periods indicated. Excluding the impact of any borrowings associated with, and any

Adjusted EBITDA amounts attributable to, any major acquisition, the Group aims to maintain a leverage ratio (Net Debt over Adjusted EBITDA (last twelve months)) of equal to or less than 2.0.

	As of and for the nine months ended 30 September	As of and for the year ended 31 December		
Euros thousands (unless otherwise stated)	**2014**	**2013**	**2012**	**2011**
	(unaudited)			
Total borrowings[1]	**955,821**	**934,007**	**1,098,029**	**1,238,830**
Cash and cash equivalents	126,678	102,562	91,045	162,126
Derivatives (liabilities)	5,014	6,011	10,594	4,310
Derivatives (assets)	289	143	143	1,174
Net Debt[2]	**833,868**	**837,313**	**1,017,435**	**1,079,840**
Adjusted EBITDA[3](last twelve months)	**442,026**	**400,454**	**371,875**	**348,233**
Leverage ratio[4]	**1.9x**	**2.1x**	**2.7x**	**3.1x**

(1) Total borrowings as of 31 December 2013, 2012 and 2011 include the shareholder loans, with aggregate principal amounts outstanding of €325 million, €400 million and €400 million, respectively. As of 30 September 2014, no shareholder loans were outstanding. See "—Existing financing" and "—Historical financing" for further detail on borrowings during the periods under review.

(2) Net Debt is defined as total borrowings and derivatives (liabilities), less cash and cash equivalents and derivatives (assets).

(3) Adjusted EBITDA is defined as EBITDA before exceptional and non-recurring items. In 9M 2014, the exceptional and non-recurring items recorded related to (i) certain non-cash charges associated with the accounting treatment of the long term employee incentive plans (LTIP) (€19.9 million); (ii) costs associated with the Offering (€1.9 million); and (iii) costs associated with a VAT claim in Italy related to prior years (€1.4 million). No exceptional and non-recurring items have been taken into account in 2013, 2012 and 2011. See "Important Information—Presentation of Financial and Other Information".

(4) Leverage ratio is defined as Net Debt expressed as a multiple of Adjusted EBITDA (last twelve months).

Existing financing

As of 30 September 2014, the Group's financial indebtedness principally comprised bank borrowings in the form of the Revolving Credit Facility. In addition, the Group had borrowings under multiple bank guarantee facilities in an aggregate amount of €22 million.

Revolving Credit Facility

On 18 September 2014, the Group entered into a senior unsecured multipurpose and multicurrency Revolving Credit Facility of €1.2 billion with ABN AMRO Bank N.V., Banque Européenne du Crédit Mutuel, Crédit Industriel et Commercial, BNP Paribas Fortis SA/NV, Netherlands Branch, Caisse Regionale de Credit Agricole Mutuel de Paris et d'Ile de France, Le Crédit Lyonnais, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., HSBC France, ING Bank N.V., J.P. Morgan Limited, Barclays Bank PLC, BRED Banque Populaire, Citigroup Global Markets Limited and Merchant Banking, Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers, and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as facility agent. The sole borrower under the Revolving Credit Facility is GrandVision Finance B.V. under the sole guarantee of GrandVision B.V.

The Revolving Credit Facility includes an uncommitted accordion feature of €100 million, at each lender's discretion. The purpose for entering into the Revolving Credit Facility was (i) to fully repay and terminate the €800 million revolving credit facility of GrandVision B.V.; and (ii) to settle the aggregate principal amount outstanding of €275 million under the shareholder loans (the Group completed both (i) and (ii) on 18 September 2014) and for general corporate purposes.

As of 30 September 2014, the amount drawn under the Revolving Credit Facility was €795 million. Excluding the positive cash flow generation in the fourth quarter of 2014, the Company drew an additional aggregate amount of €165 million under the Revolving Credit Facility between 30 September 2014 and 31 December 2014. This amount was used to refinance part of the outstanding current bank debt of the Company and to finance the acquisitions of Angelo Randazzo S.r.l. in Italy and Conlons & Sons (Opticians) Ltd. in the United Kingdom (see "Business—Recent Developments"). At Settlement, the Company expects to draw an additional amount under the

Revolving Credit Facility sufficient to finance the purchase of 2,500,000 Offer Shares from the Selling Shareholder at the Offer Price in the Offering (see "The Offering").

Interest on drawn amounts under the Revolving Credit Facility will be payable at an annual rate of the sum of EURIBOR (or LIBOR or such other reference rate as may be determined by the facility agent, as applicable, in relation to advances in any other denomination than euro) and the applicable base margin as per the pricing grid outlined below.

Total leverage ratio(1) (Consolidated Total Net Borrowings(2)/Consolidated EBITDA(3))	**Base Margin (Bps)**
Less than or equal to 0.5	35
More than 0.5 but less than or equal to 1	40
More than 1 but less than or equal to 1.5	45
More than 1.5 but less than or equal to 2	55
More than 2 but less than or equal to 2.5	70
More than 2.5 but less than or equal to 3	95
More than 3	105

(1) The total leverage ratio used for purposes of the Revolving Credit Facility differs from leverage ratio as defined in this Prospectus.

(2) For purposes of the Revolving Credit Facility, Consolidated Total Net Borrowings means consolidated total borrowings less consolidated cash and cash equivalents, in each case, as defined in the Revolving Credit Facility.

(3) For purposes of the Revolving Credit Facility, Consolidated EBITDA will be taken at an aggregated consolidated level on a trailing twelve months basis. Consolidated EBITDA as defined in the Revolving Credit Facility differs from EBITDA and Adjusted EBITDA as defined in this Prospectus.

The initial base margin of 55 basis points applied until the first testing period at 31 December 2014, after which the above margin grid became applicable.

A utilization fee of 20 basis points or 40 basis points per annum is payable in addition to the base margin if the facility is drawn for more than 33% or 66%, respectively. In addition, a commitment fee computed at the rate per annum of 35% of the applicable base margin is payable on amounts available, but undrawn under the Revolving Credit Facility.

The Revolving Credit Facility requires the Group to comply with certain financial covenants, including maintenance of a maximum total leverage ratio of less than or equal to 3.25 times and a minimum interest coverage ratio (the ratio of Consolidated EBITDA to Total Net Interest Payable, in each case as defined in the Revolving Credit Facility) of 5 times.

In addition, the Revolving Credit Facility contains certain customary information and affirmative covenants, including, among others, with respect to obtaining and maintaining authorizations and complying with laws, and certain customary negative covenants that restrict or limit (subject to a number of customary exceptions and qualifications), among others, the Group's ability to create liens, engage in sale-and-leaseback transactions, incur or guarantee additional indebtedness, merge or consolidate with other entities, and enter into transactions other than on arm's length terms.

The Revolving Credit Facility also contains certain customary events of default, including, but not limited to, and subject to certain exceptions, qualifications and grace periods: payment defaults; breach of covenants; misrepresentations; cross-defaults; certain events of insolvency; certain expropriation or analogous events; cessation of business; unlawfulness, invalidity or repudiation with respect to financing documents; certain litigation; and material adverse change.

The Revolving Credit Facility has an initial term of five years with two one-year extension options that may be exercised, subject to each lender's consent in respect of its commitment, a specified number of days prior to the first and second anniversary of the date of the Revolving Credit Facility.

The Revolving Credit Facility allows for voluntary prepayments (subject to de minimus amounts) and requires mandatory prepayment in full or in part, as the case may be, upon the occurrence of certain events, including, but not limited to, and subject to certain exceptions and qualifications: if a lender becomes aware that it is unlawful for that lender to perform its obligations under the Revolving Credit Facility; if there is a change of control of the Company other than pursuant to the Offering and if the majority lenders so require; and if the Group receives net proceeds from certain disposals of assets and certain insurance recoveries exceeding certain threshold amounts.

The Group currently does not expect to have to rely on significant amounts of financing from external sources beyond the Revolving Credit Facility for purposes of implementing the Group's business strategy in the near-term.

Historical financing

Syndicated bank facilities

At the end of June 2011, GrandVision B.V. entered into an unsecured senior revolving credit facility agreement of €800 million (cross-guaranteed by each of the Group's main subsidiaries excluding the Synoptik Group) to replace the syndicated credit facilities of GrandVision Europe B.V. (€270 million) and MultiBrands S.A.S. (€275 million). The revolving credit facility of GrandVision B.V. was fully repaid and terminated when it was replaced by the €1.2 billion Revolving Credit Facility in September 2014.

During the periods under review, the Group also repaid its other syndicated bank facilities: the Synoptik facility of DKK 320 million (€43 million) was fully repaid in October 2012, and the Chile Holding Optico facility (€29 million) was fully repaid in August 2013.

The following table sets forth the weighted average effective interest rates for the bank borrowings as of 31 December 2013, 2012 and 2011. Interest rates on variable rate loans are EURIBOR based increased by a certain margin. This margin is determined based on the interest cover and the senior leverage ratio as were agreed under the relevant bank borrowings.

	Year ended 31 December		
	2013	**2012**	**2011**
Weighted average effective interest rate (%)................................	2.2	2.7	4.2

Shareholder loans

Historically, the Group was also financed by shareholder loans. Multibrands SAS (in 2007 a subsidiary of HAL Holding N.V.), which was acquired by the Group in 2011, entered into a shareholder loan with the HAL Group on June 28, 2007, in the amount of €800 million. The shareholder loan was subsequently restructured into multiple shareholder loans. In June 2011, an aggregate principal amount of €718 million was still outstanding, and with the closing of the €800 million unsecured revolving credit facility of GrandVision B.V., an aggregate principal amount of €318 million was repaid to the HAL Group, reducing the loan from €718 million to €400 million. Further repayments followed in 2013 (€75 million) and 2014 (€50 million), reducing the aggregate principal amount outstanding to €275 million. The Group settled the remaining aggregate principal amount outstanding of €275 million in September 2014 with borrowings under the €1.2 billion Revolving Credit Facility. The interest rate on the shareholder loans was fixed at 5.545% per annum.

Off-Balance-Sheet Arrangements and Contingent Liabilities

The Group has no material off-balance sheet arrangements, as defined in accordance with IFRS.

The Group has certain contingent liabilities relating to guarantees issued by the Group to secure bank borrowings to franchisers of the Group. The guarantees given are secured with the activities, store rental contracts, the inventories and store furniture of the franchisers. For these guarantees, no net outflow of cash is expected. As of 30 September 2014, no other guarantees had been given by the Group.

The following table sets forth the future aggregate minimum lease payments under non-cancellable operating leases as of the dates indicated.

	Year ended 31 December		
Euros thousands	**2013**	**2012**	**2011**
Not later than one year	176,322	191,893	222,857
Later than 1 year and not later than 5 years	473,900	522,172	514,975
Later than 5 years	144,865	170,456	195,599
Total	**795,087**	**884,521**	**933,431**

The Group's operating lease commitments are mainly related to the lease of stores and offices. Approximately three quarters of the Group's store leases are provided on a fixed-rate basis and one quarter on a variable-rate basis. For commitments related to the Group's joint ventures, see note 23 to the Special Purpose Consolidated Financial Statements. The amounts recognized in the Group's income statement as annual rental lease expenses were €329.9 million, €317.5 million, €301.8 million for 2013, 2012 and 2011, respectively. Part of the operating lease commitments are secured with Group guarantees (generally securing two months' worth of lease payments).

Financial Risk Management

See note 8 to each of the 9M 2014 Financial Information and the Special Purpose Consolidated Financial Statements for a discussion of the Group's risk management, foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The Group recently updated its treasury policy on financial risk management, which was adopted by the Supervisory Board in October 2014.

Significant Accounting Policies

See note 7 to the 9M 2014 Financial Information and notes 7 and 9 to the Special Purpose Consolidated Financial Statements for a discussion of the Group's significant accounting policies and estimates and judgments.

INDUSTRY AND COMPETITION

Sources of Information Presented in this Section

The information presented in this section is taken or derived from a number of third party sources where indicated. Certain statements are based on the Group's own proprietary information, insights, opinions or estimates, see "Important Information—Market and Industry Information". Unless indicated otherwise, numbers included in this section referring to the optical retail industry or eyewear retail market (for purposes of this Prospectus also referred to as the global eyewear market) have been sourced from Euromonitor. When referring to eyewear retail market sizes and growth by value, Euromonitor data is defined as retail value retail selling price (RSP) in current terms with fixed exchange rates, as of November 2014.

Eyewear Market

Introduction

Products in the eyewear market can be divided into (i) corrective solutions (*e.g.*, prescription glasses, which include lenses and frames, and contact lenses, including contact lens care products), and (ii) protection glasses (*e.g.*, sunglasses and specialty glasses). The aggregate global eyewear market measured by retail sales value is expected to amount to approximately €88 billion in 2014, having grown at a 4.5% compound annual growth rate over the past five years. Growth of the global eyewear market is expected to continue over the period from 2014 to 2019 with a compound annual growth rate of 6.5%.

The need for eyesight correction is diagnosed through eye tests and eye examinations. Generally, the need for eyesight correction results from the following five vision conditions:

- nearsightedness (myopia)
- farsightedness (hyperopia)
- age-related loss of ability to focus on near-distance objects (presbyopia or "short arms syndrome")
- blurred vision due to an irregular shape of the cornea (astigmatism)
- ultraviolet burn and glare

These vision impairments are not eye diseases which must be treated by ophthalmologists but rather physical conditions or imperfections of the eye, which can be measured and corrected by optometrists and opticians in addition to ophthalmologists. Optometrists and opticians are well-trained experts who perform refractions and examinations of the condition of the eye, and prescribe corrective lenses and prepare eyeglasses according to prescriptions.

Solutions

The need for eyesight correction is diagnosed through eye tests and eye examinations, which may be performed in-store by optical retailers or by ophthalmologists. The choice between these is driven by local market conditions, including local regulation and consumer preferences.

Prescription eyeglasses: lenses and frames

Prescription eyeglasses are expected to represent approximately 68% of the global eyewear market in 2014. Generally, prescription lenses and frames are purchased as a single unit. However, due to changes in lens prescriptions over time, consumers may replace only the lenses in their existing frame. Consequently, lens replacements are more frequent than frame replacements.

Lenses provide two main types of solutions for several optical conditions: (i) single vision lenses, which are used for correction of a single vision shortcoming (*e.g.*, nearsightedness or farsightedness and astigmatism) and (ii) multifocal lenses (*i.e.*, bifocal, trifocal and progressive lenses), which are engineered to correct multiple vision shortcomings at the same time (*e.g.*, nearsightedness, farsightedness or presbyopia). In addition to basic prescription lenses, optical retailers generally offer consumers the option of value adding, individualized features and lens designs, which provide, for example, customization in fields of vision, lightness and thinness, special coatings (*e.g.*, ultraviolet protection, anti-reflective, anti-scratch, anti-dirt or anti-fog coatings) and robustness of the lenses.

Frames need to be compatible both with the shape of the consumer's head and with the required and selected lens type. Frames can also offer a number of technical features and are available in extensive ranges of materials, styles, designs and brands.

Contact lenses

Contact lenses are expected to represent approximately 13% of the 2014 global eyewear market and provide a solution to the above described vision conditions. The key product differentiators are the material and re-usability of the contact lens (conventional, monthly re-usable or daily disposable). These differentiators correspond with ease of handling, comfort and hygiene levels. Re-usable contact lenses require the use of cleaning fluids or tablets on a daily basis to maintain cleanliness of the contact lenses.

Most contact lens purchasers tend to buy prescription eyeglasses in addition to their contact lenses and also tend to purchase sunglasses within two weeks of buying their contact lenses (Source: Global Industry).

Ready readers

Ready readers *(i.e.*, readymade reading glasses) are expected to represent approximately 3% of the global eyewear market in 2014. Ready readers are pre-produced complete prescription glasses, which are generally used as reading glasses for age related near-sightedness (presbyopia). They are not individualized to consumer needs but offer a quick and relatively inexpensive solution to presbyopia.

Sunglasses

Sunglasses are expected to account for approximately 15% of the global eyewear market in 2014. They are a protection product, which can block ultraviolet radiation and protect the eye from glare, but also serve as a fashion product. The sunglasses product segment can be divided into (i) "plano" or plain non-prescription sunglasses for general consumer use, and (ii) prescription sunglasses, which simultaneously provide sun protection and eyesight correction. As prescription sunglasses require a corrective solution element, they are generally purchased from optical retailers. Plano sunglasses, including the frame with pre-assembled non-prescription lenses, are also distributed through other channels, including specialized sunglass stores, commercial retail outlets and online retail channels.

Refractive surgery

The optical eyewear market is part of the broader eye care market, which includes refractive surgery as an alternative solution for eyesight impairments. Refractive surgery includes laser surgery and intraocular lens transplants. Laser surgery corrects near- and farsightedness using a laser to cut and to remove tissue. It is a technique that must be performed by surgeons in dedicated facilities. An intraocular lens is a lens which is transplated into the eye. It is used to treat the above described conditions of the eye and cataract. Intraocular lens transplants are performed by specialized surgeons in clinics and hospitals.

The number of refractive surgeries is marginally increasing on a global level (Source: Global Industry). A decrease in value share in the mature US eyewear market can however be observed, decreasing from 6.8% in 2012 to 6.1% in 2013 (Source: VisionWatch, Jobson Research) with procedure volumes having declined to approximately 700,000 procedures in the US in 2012 from its peak in 2000 at approximately 1.5 million procedures (Source: Marketscope). The Group believes that the still existing limitations of refractive surgery from a customer perspective in combination with the relatively substantial investments required for this solution compared to the investments required for selling eyewear products are a barrier to strong market penetration of refractive surgery.

Market Characteristics, Competition

The eyewear market consists of predominantly national markets, with varying market conditions, regulatory requirements and competition. Supranational market competition is limited, as consumers generally purchase optical products, with the exception of sunglasses, at relatively high proximity to their homes. However, generally speaking, underlying consumer needs and key market drivers are very similar across markets, see "—Market Growth Drivers" and "—Market Trends" below.

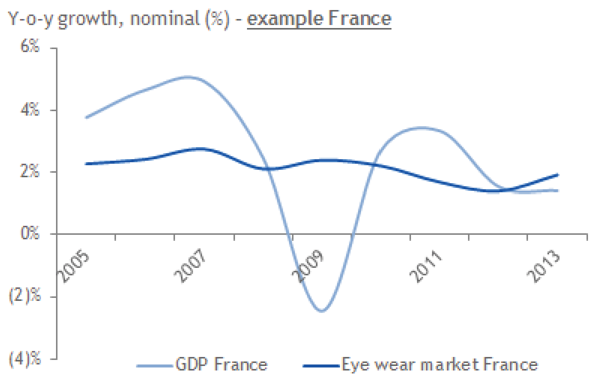
Demand

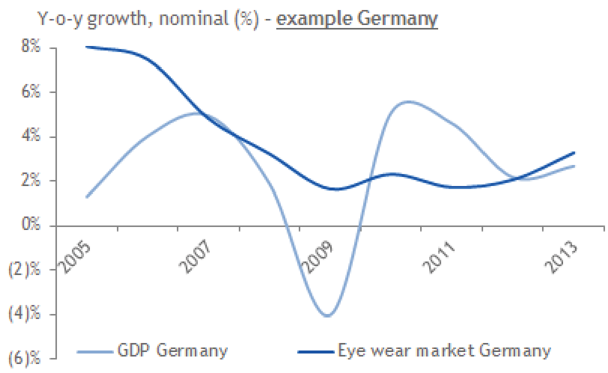
Resilience

Consumer demand for eyesight correction is generally non-discretionary. The primary need arises for instance due to imperfect or further diminishing eyesight capabilities or to eye glasses being lost or broken. The demand for a corrective solution cannot be significantly postponed by consumers.

The impact of eyesight impairments on consumers is strongly influenced by economic and social developments, and lifestyle changes, which increase the need for good eyesight, and therefore corrective solutions. These developments include, for example, the availability of education and the growing number of people working in factories or offices and driving cars in developing countries, the increasing need to access written information and the rising penetration of computers and smartphone usage. These and other drivers of consumer demand contribute to the relative resilience of the eyewear market to fluctuations in the general economic environment.

As an example, the graphs below illustrate the relative stability of the eyewear market (in terms of value growth) in relation to changes in the economic environment (expressed as change in nominal gross domestic product) in France and Germany.





Source: Euromonitor, International Monetary Fund.

Repurchase cycle

The repurchase cycle of prescription eyeglasses is mainly driven by changes in prescription, wear and tear and fashion trends. Repurchase periods are generally shortening when economic development and urbanization increases. For example, in the US, the repurchase cycle of eyeglasses has shortened from three to five years, to one to two years. The average replacement cycle of eyeglasses in rural China is once every five years, while Chinese urbanites replace their eyeglasses once every two years, on average (Source: Global Industry). The table below shows the average replacement cycle for frames in five European markets as of 2013.

Country	**Replacement cycle (in years)**
Germany	4.10 – 4.50
Spain	4.15 – 4.35
France	3.20 – 3.80
United Kingdom	2.85 – 3.05
Italy	2.55 – 2.70

Source: Global Industry.

Sales channels

As eye tests and examinations and the fitting of prescription eyeglasses require personal interaction, eyewear products are primarily sold through "bricks and mortar" retail stores of

(i) independent optical retailers, (ii) retailers that are part of eyewear chains such as the Group, and (iii) other retailers such as department stores.

After determination of the required prescription and the first fitting of contact lenses in an optical retail store, they can relatively easily be purchased through other channels such as online distribution channels, notwithstanding that a periodic re-examination of appropriate fit and prescription level is still needed.

Competition and market position

Retail competition is generally on a national level and is driven by local competitors and local banners, which are easily identifiable for consumers in those separate national retail markets. The Group believes it holds at least a top three position in terms of retail sales value in most countries in which it is active and that it operates the largest global network of optical retail stores (excluding sunglass specialty stores).

The Group's competition is generally characterized by a high level of fragmentation with still a large portion of the market share held by independent retailers. This is primarily due to a traditionally high level of regulation and subsidization in local eyewear markets which protects smaller players, see "—Regulation" below. The level of fragmentation differs per country.

The table below illustrates the market share percentages of the regional top-three optical retail chains, other chains and independents in the Group's G4 segment in 2012.

Country	Top 3	Other Chains	Independents	Total
Germany	31%	1%	68%	100%
Belgium	39%	7%	54%	100%
France	40%	11%	49%	100%
The Netherlands	42%	10%	48%	100%
Austria	55%	3%	42%	100%
United Kingdom	59%	6%	35%	100%
Spain	40%	28%	32%	100%

Source: Internal research by the Group.

In the Group's Other Europe segment, the Group observes that the market share held by independents shows a high degree of variance, varying for instance from 90% in Greece to 17% in Finland in 2012. In the Group's Latin America & Asia segment, the market share of independent optical retailers is typically above 75%, with the exception of Chile where 37% of the eyewear market was held by independents in 2012.

There are a number of regional and national optical retail chains, and only a few multi-country chains in addition to the Group. The table below sets forth the geographical presence of the Group and a number of other multi-country chains. These can be competitors in some of the markets in which the Group operates.

	Nationality	Europe	North America	Latin America(1)	Asia Pacific	Africa & Middle East
The Group	The Netherlands	✓	×	✓	✓	✓
Luxottica	Italy	✓	✓	✓	✓	✓
WalMart	US	Not available	✓	Not available	Not available	Not available
Specsavers	United Kingdom	✓	×	×	✓	×
Alain Afflelou	France	✓	×	×	×	×
Paris Miki	Japan	✓	✓	×	✓	×
Fielmann	Germany	✓	×	×	×	×

(1) Including Mexico.
Source: Annual reports fiscal year 2013 and websites of the companies listed in this table.

The table below sets forth a comparison of a number of these multi-country eyewear market chains based on the latest reported financial and operational results for the fiscal year 2013.

All figures (full year 2013)	Number of total stores excluding sunglass specialty stores	Number of stores including sunglass specialty stores	Percentage of eyewear retail sales of total(1)	Number of countries present (eyewear retail excluding sunglass specialty stores)	Top country by eyewear retail sales	Percentage of eyewear retail sales in top country of total(1)
The Group	4,815	4,993	100.0%	40	France	20.9%
Luxottica	3,941	7,051	59.1%	18	North America(2)	78.0%(2)
WalMart(3)	3,202	3,202	0.3%	Not available	Not available	Not available
Specsavers	1,519	1,519	100.0%	10	United Kingdom	55.8%
Alain Afflelou	1,164	1,164	100.0%	11	France	79.4%
Paris Miki	887	887	100.0%	12	Japan	86.8%
Fielmann	679	679	100.0%	8	Germany	79.8%

(1) Figures include sunglass specialty stores.
(2) North America, as country split is not available.
(3) US figures only, others not available.
Source: Annual reports fiscal year 2013 and websites of the companies listed in this table. In addition for WalMart: VM's 2014 Top 50 US Optical Retailers.

The Group believes it has the number one market position in Europe measured by retail sales value, with a market share of approximately 11% as of year-end 2013, which still offers potential for further market share growth. The Group also believes it has the number one market position in the eyewear market in Latin America measured by retail sales value, with a market share of approximately 4% as of year-end 2013. The Group is not active in the North American market (consisting of the US and Canada).

Suppliers

Products supplied in the eyewear industry can be divided into four key product categories, being (i) lenses, (ii) frames, (iii) contact lenses and contact lens care products, and (iv) sunglasses. In the markets in which the Group is active, suppliers either deliver branded or unbranded products.

In the branded segment, large suppliers are present in all four product categories: lenses (Essilor, Hoya, Seiko and Carl Zeiss Vision), frames and sunglasses (Luxottica, Safilo and Marchon) and contact lenses and contact lens care products (Johnson & Johnson, Alcon and Ciba, Bausch and Lomb, Cooper Vision). The market power of these large suppliers has traditionally been high compared to the power of the more fragmented retailers. Suppliers have consequently taken a relatively high share of value creation in the supply chain. The unbranded segment is characterized by a higher number of suppliers and a more competitive market in which retailers have a stronger negotiation position.

The Group believes that the increasing professionalization and size of optical retail companies in both the branded and unbranded segments may lead to more negotiation power for these optical retail companies and consequently to more affordable products for consumers, see "—Market Trends—Professionalization" and "—Market Trends—Shift from suppliers to retailers".

Regulation

National eyewear markets are subject to various laws and regulations, regulating or restricting (i) market access or division (*e.g.*, by limiting the performance of eye tests and examinations to ophthalmologists or licensed optometrists and by regulating relationships between ophthalmologists or licensed optometrists on the one hand and opticians on the other hand), (ii) distribution channels (*e.g.*, restrictions on online sales), and (iii) communication, marketing and advertising (*e.g.*, restrictions on advertising by healthcare professionals, including optical retailers), across jurisdictions. In addition, some national markets are influenced by social security and health insurance reimbursement systems, which may affect price flexibility. For instance, price pressure is limited in markets such as France and Italy, where partial reimbursement of eyewear purchases is provided by the government or health insurance providers, or in Portugal, where the purchase of eyewear is deductible from income tax depending income.

Laws and regulations in relation to industrial property rights matters, such as trademarks and the protection of trademarks, and data protection are also of importance. Furthermore, optical retail companies active in the European Union are subject to European regulations, such as the European Directive 1999/44/EC on the sale and warranties of consumer goods and the European Directive 2001/95/EC with regard to general product safety. Optical retailers are also subject to complex and evolving European, and other jurisdictions' laws and regulations regarding privacy, and the collection, retention, sharing and protection of data which retailers receive from, and which concern, customers, as well as employees.

Market Growth Drivers

The global eyewear market is expected to amount to approximately €88 billion in 2014, displaying a 4.5% compound annual growth rate for the period from 2005 through 2013. The global eyewear market is expected to grow with a compound annual growth rate of 6.5% over the period from 2014 to 2019. The Group sees growth potential in both mature and emerging markets as these markets benefit from a number of underlying drivers that support market growth, see "—Growth developments in regional markets" and "—Market trends" below. In 2013, emerging markets accounted for approximately 60% of the annual 570 million consumers in the global eyewear market and are expected to grow by 10-11% per year. Mature markets accounted for approximately 40% of consumers in 2013 and are expected to grow by 2-3% per year.

Growth developments in regional markets

Although the eyewear market is expected to grow globally, the Group believes that drivers of growth vary across the principal eyewear markets.

Europe and Middle East & Africa (EMEA)

The European market is the largest market in the world, with the retail value of sales estimated to increase from an estimated €29.5 billion in 2014 to €34.9 billion by 2019. This increase represents a compound annual growth rate of 3.4% over the period 2014 to 2019. This market contributes to over a third of global optical retail sales revenue. The Group believes the growth of prescription eyeglasses sales is primarily driven by an ageing population as aging people are more prone to visual disorders and have higher demand for higher value products. With respect to sunglasses, the European market, together with the North American market, has the highest sales in the global sunglasses market. Due to the high consumer affinity for premium and higher-priced sunglasses, Europe is a low volume, but high revenue market for sunglasses (Source: Global Industry).

Within Europe, the Group observes differences in levels of market maturity. Western Europe is, for example, a relatively mature optical market due to the higher levels of awareness of vision correction solutions and the prescription driven nature of the market and a higher demand for sunglasses (Source: Global Industry). A large share of the Western European market consists of sales by independent retailers. In 2015, the demographic class of persons above 45 years of age is expected to account for approximately 44% of the total population in the big five Western European economies (Germany, France, United Kingdom, Italy and Spain). The outlook for the eyewear market in Europe is therefore optimistic (see "—Market Growth Drivers—Ageing" below). Of the approximately 50% of the population in these countries requiring vision correction, the majority is expected to choose prescription eyeglasses (Source: Global Industry).

The eyewear market in the Middle East & Africa region is expected to represent approximately €2 billion in 2014 with a compound annual growth rate of 5.0% over the last five years. This market growth is expected to continue over the period of 2014 to 2019 with a compound annual growth rate of 6.5%.

North America

The US is the largest eyewear market by country in the world. In terms of retail sales value, the North American market (consisting of the US and Canada) is estimated at €25.4 billion in 2014 and is expected to reach €32.2 billion by 2019 (compound annual growth rate over the period 2014 to 2019: 4.8%), with growth primarily driven by both a growing and ageing population. Although prescription eyeglasses are the primary choice amongst US consumers, with lenses and frames contributing more than 50% to eyewear value sales, contact lenses show the strongest relative growth in the US eyewear market.

Latin America

In terms of retail sales value, the Latin American prescription eyeglasses market is estimated at €9.4 billion in 2014 and is estimated to reach €15.4 billion by 2019 (compound annual growth rate: 10.5% over the period 2014 to 2019). The Group believes that the emerging middle class population will continue to contribute to the market growth in Latin America.

Asia Pacific

The Asian market (including Australasia) for prescription eyeglasses is expected to amount to €22.1 billion in 2014 and is expected to reach €36.1 billion by 2019 (compound annual growth rate of 10.3% over the period 2014 to 2019). Asia accounted for more than 55% of the world population in 2013. Due to genetic disposition, approximately 70% of the Asian population requires some form of vision correction, and generally already at a relatively younger age. 90% of the people in Asia using eyewear products wear prescription eyeglasses. The Group believes that growth is also driven by an emerging middle class and rising penetration of eyewear products.

China is the largest Asian market for prescription eyeglasses, with sales anticipated to increase from an estimated 572.2 million units in 2014 to 817.7 million units in 2020, registering a compound annual growth rate of 6% during the period 2013-2020. India is a fast-expanding regional market with sales of prescription eyeglasses expected to show a compound annual growth rate of 9.4% in the period 2013-2020, reaching 392.3 million units by the end of 2020 (Source: Global Industry).

Population growth

The current global demographic trend shows a growing population. The global population is estimated to increase from 7.2 billion in 2013 to 7.7 billion in 2020 (Source: United Nations). This population growth projection varies per region, with higher compound annual growth rate in Latin America (1.0%) and Asia (0.9%) as compared to Europe (0.0%). With an estimated 59.7% of the current global population requiring some form of vision correction solution (*i.e.*, 4.3 billion people), there is a strong addressable global eyewear market (source: Global Industry), especially in Asia where the percentages of populations needing eyesight correction are generally higher (Source: Global Industry).

Ageing

Ageing demographies are more prone to visual disorders, which stimulates demand for vision correction. The need for eye-sight solutions for myopia, hyperopia and astigmatism is present from early childhood and develops with age. The percentage of individuals requiring vision correction is over 70% for persons at the age of 45, being the average age of persons beginning to use presbyoptic eyeglasses (*i.e.*, reading glasses) (Source: Global Industry), and to approximately 95% for persons at the age of 70, as the age-related ability to focus on near objects (presbyopia) continues to deteriorate.

Between 2010 and 2030, the percentage of the population above 60 years of age is expected to increase two to three times faster than the rate of global population growth, increasing from 0.8 billion in 2010 to 1.4 billion in 2050 (Source: United Nations). Currently, an estimated 26.6% of the global population is above the age of 45, which percentage is expected to increase to 33.5% in 2030 (Source: United Nations). The growth of elderly population in densely populated countries such as China and India is expected to accelerate the growth of demand for eyewear products in emerging markets (Source: Global Industry).

Consequently, both the number of individuals requiring eyesight correction and the demand for higher value solutions such as multifocal rather than single focal lenses are expected to increase.

Under penetration

In 2013, approximately 4.3 billion people had eyesight impairments. An estimated 57% of that group does not have (proper) access to eye care. Therefore, there is a strong potential for the eyewear market to address the under penetration of eyesight correction, particularly in emerging markets. For example, the population per certified optician in North America was 4,888 in 2013, while in Latin America that number was 15,476 in the same year. Growth of the global eyewear market in the short to medium term is therefore expected to be driven strongly by emerging markets, given that these markets represent over 85% of the global population requiring prescription eyeglasses, while the penetration there is currently significantly lower (Source: Global Industry).

The Group believes that reasons of under penetration in mature markets are the low level of consumer engagement and the high level of in-transparency. In emerging markets, low penetration of prescription eyeglasses is partially the consequence of the fundamental high price structure of the eyeglass industry as well as the low density of quality optical stores, leaving a large portion of the population with limited access to eye care. Other factors include a lack of awareness of the importance of eye care, cultural biases and social stigma associated with wearing prescription eyeglasses (Source: Global Industry).

Emerging middle class

The global middle class population is rapidly growing and is estimated to amount to 42.1% of the global population by 2020, increasing from an estimated 27% in 2009 (Source: OECD, Middle Class—Global Development Outlook 2013). The size of the eyewear market and its development correlate strongly with economic developments. As societies develop in emerging markets such as Latin America and Asia, the intrinsic need for eyesight correction and eye protection described above transforms in consumer demand. In a more developed society, the need for vision correction solutions becomes more acute as day-to-day activities such as reading, driving and the use of digital displays, and changes in labor and education conditions require good eyesight. Asia's share of the global middle class population is currently 35% and is expected to increase to over 65% by 2030 (Source: Global Industry).

Higher value products

Technical innovations in the eyewear market include both innovations in quality of lens material as well as functionality and design features (*e.g.*, progressive, light, thin, anti-reflective, shock proof, photochromatic, scratch resistant, polarized and ultraviolet protective lenses). Increasing awareness and penetration of these innovations contribute to increased demand for higher value eyewear products (Source: Global Industry). Additionally, needs for vision correction increase in complexity as a person ages. This leads to a demand for higher value solutions such as multi-focal lenses. During the twenty year period from 1990 to 2010, the sales volume of bifocal lenses increased with a 2.9% compound annual growth rate and the sales volume of the progressive lens market grew with a 4.8% compound annual growth rate, while the sale of single vision lenses grew with a 4.9% compound annual growth rate during that same period. In the period 2010 to 2030, it is estimated that the sales volume of bifocal lenses will grow with a 3.2% compound annual growth rate, progressive lenses with a 5.3% compound annual growth rate and single vision lenses with a 5.5% compound annual growth rate (Source: Global Industry).

These more complex lenses generally have a higher retail price. In Germany, for example, progressive lenses accounted for approximately 31% of volume of sales, but approximately 61% of retail sales value in 2013 (Source: GfK Handelspanel Optik).

Increasing demand for contact lenses and sunglasses

Contact lenses

The global market value of contact lenses is expected to be €11.6 billion in 2014 with a compound annual growth rate of 4.9% over the five year period from 2009 to 2014. The market value share of disposable contact lenses is expected to amount to 86.5% of the global contact lenses market in 2014, partly due to their inherent short repurchase cycles. The contact lenses share of the total eyewear sales value however varies strongly throughout different eyewear markets. For example, the market value share of contact lenses is expected to amount to approximately 63% of the eyewear market in Singapore in 2014, while in Brazil contact lenses contribute 1% of the eyewear market.

The Group observes a higher average annual consumer spend of contact lens customers than prescription eyeglass customers. This primarily results from shorter repurchase cycles of disposable contact lenses, the share of which has increased from 82.9% to 86.5% of the total contact lens market value globally over the period 2009 to 2014. Contact lens purchasers generally also buy prescription glasses and sunglasses in addition to their contact lenses (Source: Global Industry). Furthermore, consumer engagement is generally higher for contact lenses, which also increases consumer loyalty potential.

Sunglasses

The current level of eyesight protection from ultraviolet radiation is relatively low in both mature and emerging markets: in 2014, approximately 340 million pairs of sunglasses are expected to be sold globally. The percentage of prescription sunglasses versus plano sunglasses is also relatively low: in 2013, only 17% of the European sunglasses sales volume were prescription sunglasses (Source: Global Industry). The sunglasses market is estimated to amount to €13.6 billion in 2014 and is expected to grow with a compound annual growth rate of 7.0% to €19.1 billion by 2019 (Source: Global Industry). The Group has observed an increasing demand for sunglasses, with consumers owning multiple pairs of sunglasses.

The expected growth of the sunglasses market is driven by the increased awareness of the harm caused by ultraviolet rays (protected against by ultraviolet protective lenses) and glare (protected against by polarized lenses), the increased number of prescription sunglasses, and the increased popularity of sunglasses as a fashion item. As the awareness on harmful effects of ultraviolet rays increases, it is expected that demand for high-quality sunglasses, including ultraviolet-protective prescription sunglasses, will further increase, especially amongst consumers working outdoors and living in sunny weather conditions (Source: Global Industry). Consumers also use sunglasses to enhance facial features or to make a fashion statement. The shift to quality sunglasses and the constant innovation of design and lenses (*e.g.*, lighter weights or improved fit) have contributed to a reduction in the average lifespan of sunglasses.

Market Trends

Consolidation

Independent optical retailers are under increased pressure as leading retail chains, such as the Group, expand. Consumer preference has been shifting to purchase optical products from these retail chains due to their innovative and more aggressive marketing and pricing strategies (Source: Global Industry).

Given the still high level of fragmentation on a global scale, the Group expects further concentration to occur and to result in further growth of the more effective and efficient retail formats. The Group believes that larger and multinational players in the eyewear market have a more substantial resource base, which better allows for developing or adapting retail best practices and consumer service concepts.

In the Group's view, consolidation offers competitive advantages for large optical retail players over independent and other smaller retailers, as they will benefit from these competitive advantages notwithstanding the national character of eyewear markets. Benefits include (i) greater purchasing power towards suppliers, (ii) the development of best practices in consumer approach and assistance, (iii) the attraction and retention of talent, and (iv) other economies of scale such as the development of centralized product finishing laboratories and execution of marketing campaigns.

Omnichannel development

The (pure) online eyewear market has grown over the past ten years from approximately 1% to 4% of total eyewear sales globally as of 2013, following increasing online retail penetration. Generally, contact lenses after their initial fitting, ready readers and plano sunglasses are more suitable for purchase through pure online channels.

The need for personal interaction with consumers for eye tests and examinations and to fit prescription eyeglasses creates a higher barrier limiting successful penetration of multichannel or pure play e-commerce activities. Additionally, the Group has observed that consumers generally prefer selecting and trying optical products in physical retail stores and that personal contact with opticians creates trust and loyalty. There are also other factors hindering pure online business models to be successful in the eyewear market. These include the highly customized nature of prescription eyeglasses leading to returns which cannot be reused, and the relatively low repurchase cycle, which make it more challenging to recoup high online consumer acquisition cost and to create consumer loyalty. Therefore, the Group believes that an omnichannel approach to the market, where online services are aligned and integrated with the services provided in the physical store network, offers opportunities for the eyewear market, as consumers expect broader and more flexible forms of retail interaction and service.

In 2012, an estimated 87% of the eyewear products were sold through stores only in France, Germany, Netherlands and the United Kingdom, 3% through online channels with the remainder through a combination or both channels, *i.e.,* omnichannel (11%). In 2015, approximately 4% of optical products are expected to be sold through online channels, 23% through omnichannel, and 72% through stores only in these countries. In 2017, approximately 6% of optical products are expected to be sold through online channels, 31% through omnichannel, and 64% through stores only in these countries (Source: Javelin research, commissioned by the Group).

Retail professionalization

Increasingly, optical retail stores are becoming commercial retailers of eyewear products instead of fragmented individual stores acting as healthcare providers. The Group believes that the increasing professionalization and the size of optical retail companies, including the Group, allow for the implementation of more advanced retail business principles. Commercial and management capabilities, coordinated marketing, targeted assortment management and staff training contribute to overall consumer awareness and engagement, and therefore to the possibility for more attractive category development. Implementation of modern and therefore more effective and cost efficient retail business models lead to more affordable and higher quality eye care solutions.

Shift from suppliers to retailers

As a result of the consolidation and professionalization trends, the Group has observed that large retail companies become comparable in size to suppliers and, as a consequence, negotiation power is shifting from the suppliers to these retailers. This results in further significant efficiency gains. In addition, large optical retailers increasingly create and source their own in-house branded products from smaller suppliers, contributing to increased competitive pressure in the eyewear suppliers market. In case of the Group, for example, the ratio between the Group's aggregated optical revenue and the average aggregated optical revenue realized by its top-five suppliers was 1 to 1.1 in 2013, while this ratio used to be 1 to 1.7 in 2003.

Market deregulation

Market regulation in various countries has slowly decreased over the past decades. The Group expects this market liberalization process to continue. The easing of restrictions on eye test and measurement services and on cooperation between optometrists and opticians is expected to facilitate market access by full-service optical retailers, including optical retail chains such as the Group. In addition, changes to social security and health insurance reimbursements systems, may increase the possibility of price competition, as it removes subsidization of smaller optical retailers, favoring large-scale optical retail chains and further consolidation. In Switzerland, for example, the elimination of eyewear subsidies from the basic obligatory health insurance in 2011 was a significant contributor to reduced optical retail sales in 2012, resulting in increased pricing pressure in the eyewear market favoring the larger optical retailers with their ability to offer more competitive pricing as a result of scale advantages.

BUSINESS

Overview

The Group believes it is the leading global optical retailer that has market-leading banners (*i.e.*, retail store brands) in almost every country in which it operates. In addition, the Group believes it has the leading market position in the optical retail markets in Europe and Latin America in terms of market share measured by retail sales value.

The Group primarily targets the mass market customer segment by providing providing high quality, affordable and accessible eye care. Within the overall growing global market for eye care solutions, the Group's aim is to serve the underlying fundamental and growing customer demand for eyesight correction and protection.

The Group offers a full range of optical products, including prescription eyeglasses (frames and lenses), contact lenses and contact lens care products, and sunglasses, including prescription sunglasses. The Group sells a comprehensive portfolio of exclusive in-house brands as well as well-known third party brands in all of its product categories. In addition, in most of the countries where the Group is active, the Group offers eyesight examination and/or measurement and prescription services delivered by optometrists or opticians.

As of the date of this Prospectus, the Group is active in 43 countries (including countries where associates are active) throughout Europe, Latin America, the Middle East and Asia. The Group's business is organized and managed on a geographic basis and operated through three segments: G4 (the four largest European business units); Other Europe and; Latin America & Asia. These three segments are supported by centralized shared services with respect to, among others, general management, finance, tax, treasury, legal, IT, human resources, supply chain and category management.

The Group operates 33 banners (including banners of associates), including Apollo-Optik in Germany, Pearle in the Netherlands, Belgium and Austria, Eye Wish Opticiens in the Netherlands, Générale d'Optique and GrandOptical in France, and Vision Express in the United Kingdom, Ireland, Poland, Hungary, the Middle East and India. The majority of the Group's banners are targeted at the mass market segment. In certain countries where the Group operates multiple banners, such as the Netherlands, France, Mexico and Finland, the Group also addresses the mid-high market segment with a separate banner. In addition, the Group operates the international sunglass banner "Solaris".

The Group operates directly-owned stores and franchise stores. As of 30 September 2014, the Group operated 4,485 directly-owned stores and 1,062 franchise stores (in each case, including stores of associates). Franchise stores are governed by individual contracts or master contracts concerning multiple stores in a region. The Group's stores are mostly located at prime retail sites, either in commercial centers, retail parks or in town centers.

The Group's revenue for the year 2013 was €2.6 billion (2012: €2.5 billion; 2011: €2.4 billion), the Group's EBITDA was €400.5 million. (2012: €371.9 million; 2011: €348.2 million), and System Wide Sales were €2.9 billion (2012: €2.8 billion; 2011: €2.7 billion). For the nine-month period ended 30 September 2014, the Group generated €2.1 billion in revenues, EBITDA was €320 million and System Wide Sales were €2.3 billion. As of 30 September 2014, the Group employed approximately 24,500 FTEs.

Key Historical Developments

The history of the Group goes back to 1996 when the HAL Group acquired a majority stake in the Dutch and Belgian business of Pearle Vision, Inc., a large US optical retail chain. At the time, this Dutch and Belgian business included a network of 47 own stores and 81 franchise stores in the Netherlands and a master franchise agreement with a Belgian company that operated 62 franchise stores in Belgium under the Pearle banner; total revenues amounted to approximately €46 million.

Thereafter, this business was brought into Pearle Europe B.V., which then with the backing of the HAL Group, embarked on a fast paced buy and build strategy throughout Europe. Optical retail businesses were acquired in Belgium in 1997, Germany and Austria in 1998, Italy in 1999, the Netherlands, Portugal and Poland in 2000, Finland, Sweden and Estonia in 2001, and Denmark, Sweden, Norway, Poland and Germany in 2003. During the same period, the existing and acquired store networks expanded through new store openings and strong business development. By the end of

2004, Pearle Europe B.V. had grown to an international organization with a presence in 12 European countries, with approximately 1,500 stores and revenues of approximately €700 million.

In 2005, the HAL Group also acquired full ownership of the French company GrandVision S.A. GrandVision S.A. was incorporated in 1986 and operated, amongst others, a French optical retail chain under the banner GrandOptical. GrandVision S.A. had expanded internationally by introducing the banner GrandOptical into other European countries, including Belgium, Spain, Italy, Portugal and Switzerland, and by launching new banners, including Générale d'Optique and Solaris. In addition, in 1996 GrandVision S.A. acquired Vision Express Ltd which operated optical retail businesses, among others in the United Kingdom, Ireland, Poland and Hungary. A number of these businesses were sold in the years thereafter. GrandVision S.A. also established a master franchise agreement for the Middle East in 2003.

From 2005 onwards, Pearle Europe B.V. and GrandVision S.A. initially operated and developed to a large extent independently of each other. Pearle Europe B.V. acquired most of the operations of GrandVision S.A. in Italy, Czech Republic, Belgium and Portugal in 2006. Pearle Europe B.V. expanded further in Europe, entered the Latin American market through various acquisitions (Brazil and Chile in 2008, Argentina and Uruguay in 2009 and Mexico in 2010) and entered the Asian market by establishing a joint venture in India in 2008. GrandVision S.A. acquired the banner Lensmaster in Russia from the HAL Group in 2010. By the end of 2010, Pearle Europe B.V. and GrandVision S.A. combined had a presence in 39 countries (including countries where associates are active) with approximately 4,300 stores and approximately €2.2 billion in revenues.

In 2010, the decision was taken to combine all activities of Pearle Europe B.V. and GrandVision S.A., as the combined scale, skill and resource base would enable the development of a set of shared global capabilities. These capabilities would support the next phase of growth, while at the same time maintaining and further expanding the established market positions.

As of 1 January 2011, all operations of Pearle Europe B.V. and GrandVision S.A. were combined under GrandVision B.V., headquartered at Schiphol, the Netherlands. The acquisition and network expansion continued with, among others, acquisitions in Colombia, Greece and Cyprus in 2011, the Netherlands and Mexico in 2012, the United Kingdom in 2013, and Colombia, the United Kingdom, Germany and Peru in 2014. Also, the remaining directly owned optical retail activities of the HAL Group in Turkey and China were acquired as of 30 September 2014. In December 2014, the Group completed an additional acquisition in the United Kingdom and an acquisition in Italy, after which the Group believes it has the number one market position in Italy in terms of 2013 sales.

Material acquisitions

The following table provides an overview of the Group's material acquisitions since 2011.

Closing Date	Entity	Banners	Country	Stake	Number of stores at time of purchase
27 January 2011	LAFAM S.A.S, Opti Productos S.A.S., Vision 2020 S.A.	Lafam	Colombia	100%	38
5 April 2011	GrandVision Marinopoulos S.á.r.l.	GrandOptical and Solaris	Greece and Cyprus	100%(1)	13
30 July 2012	Optical Service Group B.V.	Het Huis (rebranded to Eye Wish)	The Netherlands	100%	89
7 December 2012	Grupo Óptico Lux S.A. de C.V.	Opticas Lux	Mexico	70%(2)	89
25 October 2013	LGL Ltd.	Lenstore.co.uk	United Kingdom	100%	online store
1 February 2014	Rayner Opticians	Rayners (rebranded to Vision Express)	United Kingdom	Asset deal: not applicable	65
28 February 2014	MultiOpticas S.A.S.	MultiOpticas	Colombia	Asset deal: not applicable	71
1 April 2014	Robin Look GmbH	Robin Look	Germany	100%	20
29 August 2014	Topsa Productos Opticos S.A.	Vision Center, Econolentes, Óptica Xpress, and Maniac	Peru	62%	176
30 September 2014	HAL Optical Turkey B.V.	Atasun	Turkey	100%	96
30 September 2014	HAL Investments Asia B.V.	Red Star, Grand Optical	China	100%(3)	52
2 December 2014(4)	Conlons & Sons (Opticians) Ltd.	Conlons (rebranded to Vision Express)	United Kingdom and Ireland	Asset deal: not applicable	19
22 December 2014(5)	Angelo Randazzo S.r.l.	Optissimo	Italy	100%	101(6)

(1) Former joint venture in which the Group held 19.5%. On 5 April 2011, the Group acquired 100% of the shares in GrandVision Marinopoulos S.á.r.l.

(2) The Group acquired 25% of Grupo Óptico Lux S.A. de C.V. in 2010. On 7 December 2012, it exercised its option to increase the ownership interest from 25% to 70%.

(3) The Group acquired 100% of HAL Investments Asia B.V. HAL Investments Asia B.V. holds 78% of the shares in the capital of Shanghai Red Star Optical Co., Ltd (a direct subsidiary of HAL Investments Asia B.V. which operates the Red Star banner) and the unconditional right to acquire the remaining 22% of the shares in Shanghai Red Star Optical Co., Ltd.

(4) See also "—Recent Developments".

(5) See also "—Recent Developments".

(6) Angelo Randazzo S.r.l. operated 101 optical retail stores and 89 points of sale in super-/hypermarkets.

Competitive Strengths

The Group believes that it possesses the following competitive strengths:

Global platform with market leading positions and highly recognizable local banners

The Group is the world's largest optical retailer (excluding sunglass specialty stores) with the widest geographical reach and the biggest optical retail store network with over 5,600 stores (including stores of associates) in Europe, Latin America, the Middle East and Asia. The Group believes it has the leading position in Europe and Latin America and at least a top three position in most of the countries in which the Group operates (in both cases measured by retail sales value). The size of the Group's store network and its geographical reach provide high customer proximity and enable the Group to identify new trends early and respond quickly to them. This broad geographical spread also adds to the resilience of the Group's business model. The Group is not dependent on one geographical market and is therefore relatively resistant against country specific economic and political developments. In addition, the Group's size, and its broad skill and resource base allow for significant economies of scale, including procurement advantages, and the ongoing development and deployment of global best practices.

This global platform is enhanced by the Group's 33 highly recognizable local banners (including banners of associates). In most cases, these banners have a leading market position in their respective markets, not only by number of stores and market share but also through the strength of the banners in terms of brand recognition, brand awareness and brand equity. The Group's banners are primarily positioned in the largest and fast growing mass market customer segment. Its stores are mostly located at prime sites, either in commercial centers, retail parks or in town centers which further increases brand awareness of its banners and proximity to customers. The strength of the Group's banners, its dense store network and its marketing power provide a strong advantage in attracting and retaining customers, enable further growth and form an effective differentiator from its competitors.

Uniquely balanced geographical presence in highly profitable and cash generating mature markets as well as strongly growing emerging markets

The geographic diversification of the Group's business, with a strong presence in both mature and emerging markets, places the Group in a unique position to take advantage of opportunities residing in both types of markets. The Group's retail operations in its mature markets, most notably in its largest G4 segment, are characterized by high levels of profitability, strong cash generation and robust underlying growth. The Group's operation in its Other Europe segment are characterized by a lower level of maturity than the G4 segment, especially in the southern and eastern European countries, which the Group believes will allow for further growth opportunities and profitability improvements. The Group's retail operations in its Latin America & Asia segment are characterized by relatively high growth rates supported by a large and growing potential customer base and a high level of fragmentation of local optical retailers.

The strong cash generating nature of the Group's business in its high performing G4 segment allows for a self-funding expansion model to finance growth opportunities in both its Other Europe segment and especially its Latin America & Asia segment.

Harmonized commercial proposition tailored to the customer needs of the attractive mass market customer segment

The Group's differentiating and customer centric approach with a primary focus on the largest and fast growing mass market customer segment offers a value-for-money proposition built around transparency and simplicity. The Group's high quality and comprehensive eye care solutions are offered at affordable prices through a transparent customer journey concept secured by a combination of superior optical services and comprehensive after sales services.

This customer centric approach is characterized by a number of key elements for which the Group's size and global reach offer competitive advantages. These include the flexibility that a 'retail-only' model (*i.e.*, independence of any particular supplier) brings, which allows for a wide and fully mass market customer oriented product and brand assortment ranging from high quality and affordable exclusive in-house brands to well-known third party brands. Furthermore, the Group does not have a vertically integrated own production base and has a proven track record of switching suppliers if it deems fit to better meet its customers' preferences, thereby creating a reliable supply chain without limitations in respect of innovation and assortment flexibility.

The Group's size and global reach also give it procurement advantages in product range and quality as well as purchase prices, which allows for a more competitive consumer offering and pricing. The Group's distribution and marketing power enable strong and effective communications and therefore customer recognition of the Group's value-for-money proposition as well as strengthened customer loyalty in its target markets.

Global capabilities geared to further support both the realization of synergies and strong growth

The Group has strong and growing global capabilities to support its customer centric approach. These global capabilities are embedded in an organizational structure that uses the power of size as well as the combined experience and resource base of the Group as a whole, while at the same time maintaining consumer proximity and a focus on specific country circumstances and target group profiles in the countries in which the Group operates. Global capabilities are being developed and deployed centrally, or locally following the so-called lead-country approach. This means that country level know-how and resources are leveraged throughout the Group. Consistent implementation is safeguarded by means of a central coordination or an alignment within clearly defined frameworks. The Group believes that this organizational structure ensures the realization of synergies and at the same time supports a high level of organizational effectiveness and efficiency. Moreover, the strong and growing global capabilities provide a platform for further growth and expansion.

Strong and proven international acquisition, integration and expansion capabilities

The Group believes it has demonstrated its strength in acquiring and integrating optical retail businesses both through in-market and new market-entry acquisitions over the last 18 years. The Group has the capability and international experience to source potential acquisition opportunities. Once identified, the Group continuously monitors these targets, occasionally with external support. The transaction execution process has been professionalized over the years with standardized due diligence procedures and sophisticated operating models to run valuations and forecast performance potential. The Group has proven to be disciplined on price as well as in maintaining a continuous acquisition pipeline.

Following an acquisition, the Group applies a clearly defined integration model to fully capitalize on potential synergies. In the case of smaller store acquisitions, the acquired business is generally rapidly integrated into the Group's existing local banner and business platform and the new stores have proven to achieve similar store profitability levels as the Group's mature stores relatively quickly. In the case of sizeable acquisitions or a new market-entry, the initial focus is on establishing full internal and financial control over the acquired business and full alignment with the Group's general operating model, including the Group's commercial proposition, marketing, assortment, supply chain and IT systems. Once a target is fully integrated, complies with the Group's operational standards, and has proven its performance potential, the business becomes a platform for further expansion in terms of comparable growth and new store openings.

Finally, the Group has in place strong capabilities for expanding its existing store network. To that effect the Group has developed a self-funding expansion model. In this model, a store format must first be proven by generating at least a 20% store contribution (being gross margin minus direct store operating cost, advertising contribution and depreciation as a percentage of revenue) after an initial ramp-up period. As soon as a store format is proven, investments are increased to build a local operational platform while leveraging the global capabilities of the Group. Once such a local operational platform has been established, the Group moves into a fast expansion mode.

Experienced and international management team

The Group has a highly skilled international senior management team with a broad range of relevant international, industry and functional knowledge and experience, the combination of which forms a key enabler for the implementation of the Group's international growth strategy. The strength of the Group's senior management team is demonstrated by the Group's track record in terms of performance and growth. See "Management, Employees and Corporate Governance—Management Board—Managing Directors" and "Management, Employees and Corporate Governance—Supervisory Board—Supervisory Directors" for a description of the experience of the Management Board and the Supervisory Board. In addition, the Group believes it is successful in attracting and retaining experienced and talented senior management on both group and country levels. The Group believes that the members of its organization are aligned as far as ambition, strategy, focus and operational standards are concerned.

Strategy

The Group's vision is to provide superior eye care and customer benefits for eyesight correction and protection throughout the world. In order to achieve this objective, the Group's mission is to further grow and achieve a market leading position in each country in which it operates. For this purpose, the Group has identified a clear set of strategic growth drivers and has established strategic initiatives to further enhance and capitalize on its global capabilities to improve efficiency and profits.

The Group's strategy has five strategic pillars:

- Strengthen and deploy global capabilities to realize efficiency and profit improvements through operational leverage
- Drive further comparable growth

- Optimize the Group's existing store network
- Consolidate in the Group's current markets through bolt-on acquisitions
- Enter new markets through acquisitions or greenfield operations

Strengthen and deploy global capabilities to realize efficiency and profit improvements through operational leverage

While the Group has observed varying local optical retail market conditions, the Group believes that the underlying customer needs and key drivers of optical retail are very similar in most markets around the world. Based on this insight and supported by its strong resource base, the Group can build and then leverage its global capabilities to realize efficiency and profit improvements. Examples include standardization and harmonization of the supply chain and integration of IT systems, and the development and global deployment of global best practices in, for example, sales processes as well as marketing, category management, and omnichannel strategies.

The Group believes that further enhancement of operational leverage through efficiency improvements and an ongoing focus on reducing complexity will allow for a faster and more cost effective development of the Group's business. In addition, the Group's global capabilities can be leveraged in markets in which it would otherwise be difficult if not impossible to develop such capabilities on a local level, due to either their size or level of maturity.

Drive further comparable growth

The Group considers comparable growth to be the most sustainable and most profitable source of growth as it best leverages the existing operating cost base. The key underlying drivers of comparable growth are:

- Volume growth in prescription eyeglasses based on increased in-store traffic and in-store conversion rates
- Growth of contact lenses and sunglasses sales
- Increase of average consumer spend through value added products and cross-selling
- Transition to omnichannel approach
- Improvement of customer loyalty

Prescription eyeglasses

The Group has developed a professionalized customer journey concept for its prescription eyeglasses. This harmonized customer journey concept, which is being internationally deployed, is aimed at delivering a significantly improved customer experience with a focus on higher in-store conversion, higher customer satisfaction, resulting in longer-term customer loyalty. The customer journey concept includes a clearly structured commercial offering, transparent pricing schedule, and unique assortment logic focused on functionality and quality. This customer journey concept is increasingly supplemented by omnichannel features. For its prescription eyeglass category, the Group predominately targets volume growth and therefore market share growth, also by establishing a price leading position.

Contact lenses

Contact lens sales have proven to be a strong driver of customer loyalty due to the higher repurchase frequency of disposable contact lenses in particular. Moreover, contact lens customers generally also buy prescription eyeglasses and sunglasses thereby providing various cross-selling opportunities. The short repurchase cycle and need for complementary contact lens care products and prescription eyeglasses also result in a higher average annual spend by contact lens customers than prescription eyeglass customers. The market penetration of the contact lens category differs considerably across countries, as a result of lack of marketing and distribution of the product in some countries and regions. The Group believes that its global capabilities place it in a good position to capitalize on this unrealized potential residing in many markets. A comparable approach as to the professionalized customer journey concept for its prescription eyeglasses is now also being deployed for the contact lens category, including a new way of merchandizing, presenting and selling contact lenses.

Sunglasses

The Group considers the sunglass business to be an underdeveloped category from an optical perspective, as sunglasses are predominantly marketed as an accessory or fashion item. The Group believes that the functional aspects of sunglasses, (such as protection against ultraviolet radiation and glare, sunglasses with prescription lenses and improving sight in various situations, including sports) offer a still largely untapped potential. To systematically strengthen the sunglass business, the Group has developed and is deploying a centrally managed sunglass category model under the banner "Solaris—The Ultimate Sunglass Collection", see "—Services and Product Range—Sunglasses". The Group believes that Solaris offers customers a complete product range in terms of price depth, brand variety, and functionality, starting from high quality, affordable exclusive in-house brands to well-known third party fashion brands.

Omnichannel approach

The Group is actively pursuing an omnichannel approach by integrating new technologies and applications for customer engagement and interaction, both online and in-store. The omnichannel approach helps the Group to stay aligned with evolving customer behavior and preferences in general, further enhances its customer journey concept and drives comparable growth. Many omnichannel functionalities are already incorporated in the websites of various Group Companies, such as initial online eye tests, real-time appointment booking, frame selection, contact lens subscriptions and sunglass e-commerce sales. As a next step, the Group intends to combine these omnichannel functionalities into a comprehensive end-to-end omnichannel customer journey concept.

Optimize the Group's existing store network

Market share growth is one of the Group's key ambitions. Expansion of the Group's store network through the opening of new stores is a key element for achieving this goal. In addition, the Group focusses on the systematic optimization of its current store base through relocations, resizings, refurbishments, but also the closings of existing stores.

Generally, the Group pursues expansion of its existing store network in countries where a proven and profitable store format with a low density of stores exists (for example in France and the United Kingdom) and countries where a strategic growth ambition exists (for example Latin America and Italy). In other countries, store openings and acquisitions are more selective when so-called 'white spots' opportunities become available.

As a prerequisite for expanding its store portfolio, the Group carefully assesses each business case with a focus on the potential return on investment, the existence of an operational and organizational platform to support the growth, and the establishment of financial and internal control and good governance.

Consolidate in the Group's current markets through bolt-on acquisitions

The optical retail market in general is characterized by a high level of fragmentation and a high proportion of smaller or single store independent retailers. The Group therefore sees further opportunities for in-market consolidation through smaller or larger bolt-on acquisitions. The Group's size and geographic reach, combined with its broad skill and resource base, render it well positioned to capitalize on these growth opportunities. The Group continuously tracks potential acquisition candidates and pursues opportunities once a sound business case has been established for such acquisitions. These opportunities are pursued both in mature and emerging markets and the Group has a strong track record of successfully closing and integrating such bolt-on acquisitions. Furthermore, the Group also pursues pure-play online propositions, such as Lenstore.co.uk in the United Kingdom, if and when the Group believes there is an added value for its customers, and service and quality levels are not compromised.

Enter new markets through acquisitions or greenfield operations

While the Group is currently present in 43 countries (including countries where associates are active), it is pursuing further expansion into new markets on a continuous basis. This includes potential expansion into both significant and smaller developed markets and into emerging markets, for which the Group is actively exploring opportunities.

The Group recently entered the Peruvian market, and, by acquiring the previously independently managed optical retail business of the HAL Group in Turkey and China, the Turkish and Chinese markets. As a result of the Group's growing capability to provide a more structured and supported market entry approach, the Group has decided to progress with the next phase of a market entry into China. In addition, the Group has developed a perspective on potential entries into other new territories. The requirements for such an entry into a new territory are among others: (i) a minimum level of maturity of the market, (ii) a sufficient market and target group potential (*i.e.*, market size) to justify the increase in organizational complexity and management attention, and (iii) a favorable regulatory landscape.

The Group expects to further expand its geographical reach if and when opportunities present themselves. These opportunities may be pursued through acquisitions or greenfield market entries. The Group is increasingly comfortable with greenfield market entries if and when there is a lack of acquisition opportunities available.

Medium Term Objectives

The Group has established the medium term financial objectives set forth below to measure its operational and managerial performance on a group-wide level. The Group has not defined, and does not intend to define, "medium term", and these financial objectives should not be read as indicating that the Group is targeting such metrics for any particular fiscal year. These financial objectives are internal objectives against which the Group measures its operational performance, and they should not be regarded as forecasts or expected results or otherwise as a representation by it or any other person that the Group will achieve these objectives in any time period. The Group's ability to achieve these financial objectives is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Group's control, and upon assumptions with respect to future business decisions that are subject to change. As a result, the Group's actual results may vary from the financial objectives set forth below, and those variations may be material. Many of these business, economic and competitive uncertainties and contingencies are described in "Risk Factors". The Group does not intend to publish revised financial objectives to reflect events or circumstances existing or arising after the date of this Prospectus or to reflect the occurrence of unanticipated events.

Subject to the foregoing, the Group is targeting the following for purposes of measuring operational and managerial performance on a group-wide level:

- Annual revenue growth rate of at least 5% at constant exchange rate in the medium term
- Average annual EBITDA growth in the high single digits in the medium term

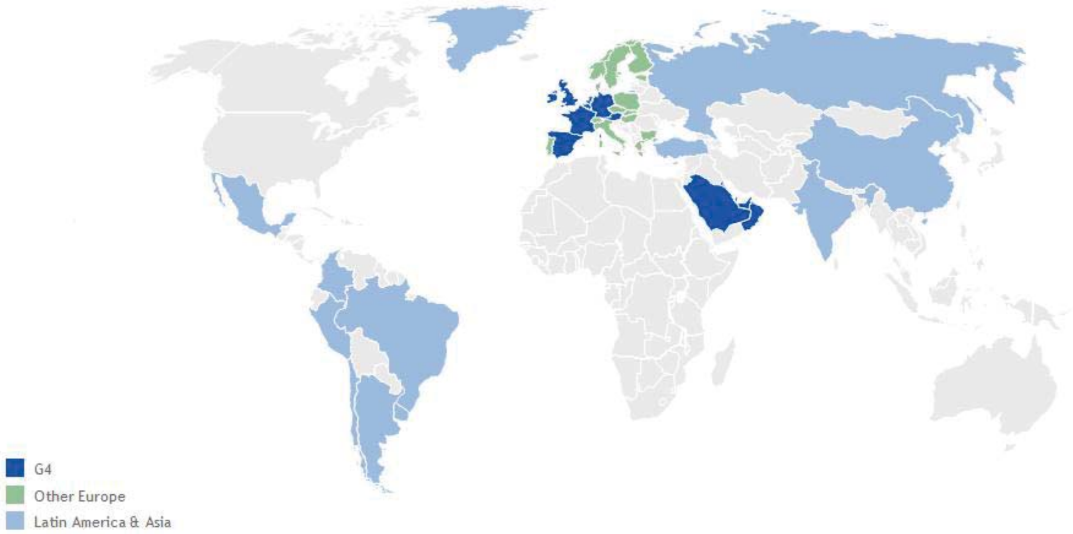
The PricewaterhouseCoopers reports included in this Prospectus relate solely to the Special Purpose Consolidated Financial Statements and the 9M 2014 Financial Information and do not extend to the financial objectives included in this Prospectus and should not be read to do so. As the financial objectives were prepared to measure the Group's operational performance, they were not prepared with a view toward compliance with published guidelines of the US Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information.

Group Overview and Banners

The Group

The Group is a leading worldwide optical retailer in terms of geographic reach. As of the date of this Prospectus, the Group is present in 43 countries (including countries where associates are present) throughout Europe, Latin America, the Middle East and Asia with a network of 5,547 stores as of 30 September 2014 (including stores of associates).

The following map illustrates the Group's presence worldwide.



The Group's business is organized and managed on a geographic basis and operated through three segments: G4 (the four largest European business units), Other Europe and Latin America & Asia. These three operating segments are supported by centralized shared services with respect to, among others, general management, finance, tax, treasury, legal, information technology, human resources, supply chain and assortment planning.

Total Consolidated (as of 30 September 2014):

Countries	43
Banners	32[(1)]
Stores (30 September 2014)	5,547
Revenue (€ million, 2013)	2,620
EBITDA (€ million, 2013)	400
EBITDA% (2013)	15.3%

GrandVision

Corporate HQ - The Netherlands
- General management
- Global Supply Chain, IT & HR
- Finance, Treasury & Legal

G4

Countries[(2)]	16
Banners	10
Stores (30 September 2014)	2,936
Revenue (€ million, 2013)	1,686
Adj. EBITDA (€ million, 2013)	326
Adj. EBITDA% (2013)	19.3%

Other Europe

Countries[(2)]	18
Banners	14
Stores (30 September 2014)	1,453
Revenue (€ million, 2013)	694
Adj. EBITDA (€ million, 2013)	92
Adj. EBITDA% (2013)	13.3%

Latin America & Asia

Countries	11
Banners	17
Stores (30 September 2014)	1,158
Revenue (€ million, 2013)	240
Adj. EBITDA (€ million, 2013)	6
Adj. EBITDA% (2013)	2.3%

(1) Banners: Pearle, GrandOptical, Vision Express, Lenstore.co.uk, Synoptik, Instrumentarium, Nissen, Keops, Générale d'Optique, Solaris, Apollo, Robin Look, Ofotért, Avanzi, Eyewish, Brilleland, Interoptik, MultiOpticas, MasVision, Visilab, Fototica, Rotter y Krauss, Lafam, Opticas Lux, Sunglass Island, Lensmaster, Vision Center, Optica Express, Econolentes, Maniac, Atasun and Red Star.

(2) France and Monaco are included in G4 (which includes France and Monaco, but excluding the Solaris sunglass stores) as well as in Other Europe (which includes the Solaris sunglass stores in France and Monaco).

Organizational structure

Over the years, the Group has grown in size and the Group's business approach and organizational structure has evolved in line with the various development phases of its business. Initially, the countries in which the Group was active operated mostly autonomously, with only a very light level of basic financial consolidation. Beginning in 2003 the Group's head office functions were strengthened to support a "sharing and learning" approach across the local operating countries, but adaptation and implementation of policies and procedures remained to a large extent a country level responsibility. After the businesses of former Pearle Europe B.V. and former GrandVision S.A. were combined into GrandVision B.V. in 2011, the business approach and organizational structure were re-directed to transition the Group from "a collection of countries" to one global company. The organizational model is being adapted to enable the strengthening of key functions such as finance, purchasing, supply chain management, IT, and human resources on a central level, as well as to ensure a much higher level of consistency and harmonization on the commercial sides, including customer proposition, marketing and sales. This allows the Group to further utilize both its power of size as well as the combined experience and resource base of the Group as a whole for developing and deploying global concepts and initiatives. Varying degrees of alignment or centralization are targeted based on specific functions or activities in order to maintain close proximity to the operational business and a focus on customer service at store level.

The organizational structure of the Group has been aligned to fit this business approach:

- *Centralization* – central and group-wide capabilities are built and then shared across the Group. These capabilities can reside either at the Group level or in a selected country or set of countries. These capabilities include finance, tax, IT, supply chain management, exclusive in-house brand management and sunglass category management.

- *Central coordination* – the development, codification and deployment of selected key concepts, processes and systems are managed by a selected group of countries under coordination of a lead country and/or the Group's management team. For this purpose, the managing directors of the Group's major countries (France, Germany, the Netherlands and the United Kingdom) have joined the Group's management team to improve the quality of decision making from an operational perspective, to ensure direct alignment of a major share of the Group's business and to provide better coverage for central coordination. Consequently, a broader range of operational measures can be developed in direct consultation with operational managers and made available throughout the organization. Examples include the development of commercial propositions, employee training and staff planning.

- *Harmonization* – the Group believes that for certain activities, in order to benefit from economies of scale, reliably consistent behavior across all countries is required. Therefore local activities are harmonized within a shared framework. Examples include the Group's harmonized exclusive in-house branded frame assortment which is ordered from a selected group of 30 suppliers and the harmonization of the Group's electronic data interface formats.

- *Local* – the Group believes that for other activities, such as marketing, real estate development, and recruitment, local decision making close to the market is key as these activities need to be closely tailored to the specific country conditions and target group profiles.

Segments

The Group operates through three segments: G4, Other Europe and Latin America & Asia. The Group does not divide its business into operating segments based on type of business or products as it operates almost exclusively in the business of optical retailing and there are no other significant sources of revenue for the Group. All three operating segments predominantly operate in optical retailing through a network of own and franchised stores as well as through the Internet, under multiple banners. The main product categories for each of the segments are prescription eyeglasses (frames and lenses), contact lenses and contact lens care products, and sunglasses including prescription sunglasses. In addition, eye tests and examinations and other related services are offered.

G4

The G4 segment comprises the Group's four largest European business units: (i) the Netherlands and Belgium; (ii) France (excluding the Solaris sunglass stores in France, which are part of the Other Europe segment), Spain, Luxembourg and Monaco (excluding the Solaris sunglass stores in Monaco, which are part of the Other Europe segment); (iii) Germany and Austria; and (iv) the United Kingdom, Ireland and operations in several Middle-Eastern countries which are governed by a master franchise agreement and operate under the banners Vision Express and Solaris, and are managed by the business unit in the United Kingdom.

As of year-end 2013, the Group believes it held a number one position in the Netherlands and Belgium, a number two position in Germany and Austria, and a number three position in France, the United Kingdom and Ireland (all measured by retail sales value).

This segment is characterized by a high level of maturity, which demonstrates the potential and performance levels of the Group's optical retail business. The Group's banners and store formats have proven to be strong in terms of brand recognition and profile. The Group's G4 segment has a strong cash generation, yields high levels of profitability, with some G4 countries performing significantly above the segment average, has robust EBITDA margins and strong comparable growth rates. The Group is experiencing moderate growth in this segment as leading market positions have already been established. The Group is therefore seeking to capture additional market share through further network expansion and in-market consolidation while maintaining its high levels of profitability. The strong cash generation is used to fund network optimization and expansion, including expansion activities in the Group's other two segments.

The G4 segment generated €1,556.5 million in revenues in the year 2011, €1,647.4 million in 2012 and €1,686.0 million in 2013. Adjusted EBITDA was €294.7 million in 2011, €314.7 million in 2012 and €325.7 million in 2013. The total number of stores was 2,612 in 2011, 2,759 in 2012 and 2,823 in 2013. For the nine-month period ended 30 September 2014, this segment generated €1,365.6 million in revenues and Adjusted EBITDA of €276.8 million with 2,936 stores.

Other Europe

The Group's Other Europe segment comprises business units that operate in the Nordics (including Denmark, Estonia, Finland, Norway and Sweden), Eastern Europe (including Bulgaria, Cyprus, Czech Republic, Hungary, Poland and Slovakia), Greece, Italy, Malta, Portugal and Switzerland. The business unit in Switzerland (Visilab S.A) is owned 30% by the Group. This segment also includes the Solaris sunglass stores in France and Monaco.

As of year-end 2013, the Group believes it held a number one position in Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Poland and Portugal, and a number two position in Italy (all measured by retail sales value).

This segment is characterized by an on average lower level of maturity than the G4 segment, particularly in the southern and eastern European countries, which the Group believes will allow for further growth opportunities and profitability improvements. The Group's banners and store formats have proven to be strong in most countries in the Other Europe segment. The Group's market share in the Other Europe segment varies per country. The Group's average market share as of year-end 2013 was at 10%, with a much higher than average market share in the Nordic countries, and a much lower than average market share in other larger countries. The Group is therefore pursuing further growth through ongoing comparable growth, network expansion, and additional acquisitions.

The Other Europe segment generated €662.7 million in revenues in the year 2011, €672.2 million in 2012 and €694.5 million in 2013. Adjusted EBITDA was €86.1 million in 2011, €83.7 million in 2012 and €92.2 million in 2013. The total number of stores was 1,358 in 2011, 1,373 in 2012 and 1,412 in 2013. For the nine-month period ended 30 September 2014, this segment generated €550.3 million in revenues and Adjusted EBITDA of €86.2 million with 1,453 stores.

Latin America & Asia

The Group's Latin America & Asia segment comprises business units in Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay, China, India, Russia and Turkey. The business unit in India is a joint venture in which the Group holds a 50% stake.

As of year-end 2013, the Group believes it held a number one position in Argentina and Chile, and a number two position in Mexico, Uruguay and India (all measured by retail sales value).

This segment has the lowest level of maturity as compared to the Group's other two segments. While the Group generally holds a leading market position in the countries comprising this segment, the Group's market shares are still low. However, the Group expects to be able to reach the highest relative growth rates in this segment using its recognized banners and store concepts, and taking advantage of the large and growing potential customer base, the high level of fragmentation of local optical retailers and the Group's global capabilities. The Group intends to invest in expanding its store network through store expansions and acquisitions in this segment with the costs of new store openings in Latin America and Asia being approximately half of the costs in Europe.

The Latin America & Asia segment generated €176.7 million in revenues in the year 2011, €198.8 million in 2012 and €239.7 million in 2013. Adjusted EBITDA was negative €4.0 million in 2011, negative €3.2 million in 2012 and €5.6 million in 2013. The total number of stores was 676 in 2011, 744 in 2012 and 758 in 2013. For the nine-month period ended 30 September 2014, this segment generated €178.7 million in revenues and Adjusted EBITDA of €4.3 million with 1,158 stores.

Banners

The Group maintains 33 distinct banners (including banners of associates; 32 banners as of 30 September 2014 plus the Optissimo banner after the acquisition in Italy in December 2014) targeted at either the mass market or the mid-high market, including Apollo-Optik in Germany, Pearle in the Netherlands, Belgium and Austria, Eye Wish Opticiens in the Netherlands, Générale d'Optique and GrandOptical in France, and Vision Express in the United Kingdom, Ireland, Poland, Hungary, the Middle East and India. The Group's banners are primarily positioned in the largest and fast growing mass market customer segment. In certain countries where the Group operates multiple banners, such as the Netherlands, France, Mexico and Finland, the Group also addresses the mid-high market segment with a separate banner.

The goodwill included in these banners is of significant value to the Group. The banners embrace a high level of brand recognition and awareness. 10 of the Group's 33 banners (including banners of associates) have a brand awareness of over 90% (Source: Ipsos data commissioned by the Group as of 31 December 2014, with the exception of the United Kingdom and Mexico (as of 30 June 2014)).

Brand awareness and, more importantly, brand trust are important customer motivations for choosing an optical retail store, due to the low level of customer knowledge and engagement, and the high level of insecurity, see "Industry and Competition-Growth Drivers-Under penetration". When entering new markets through acquisitions, the Group generally maintains the local banners of its targets and adds them to the Group's portfolio, thereby capitalizing on the strength of the acquired banner in terms of proximity, brand equity, brand recognition and brand awareness. Given the multi-year repurchase cycles, the strength of the Group's banners is critical to attracting and retaining customers.

The Group closely monitors the performance of its banners based on customer satisfaction and brand awareness metrics, as well as their evolving market positioning. This monitoring helps the Group to identify early warning signs of any deteriorating performance and provides insight in further growth opportunities.

Services and Product Range

The Group strongly believes that a complete and high quality customer experience in eyewear includes an integrated package of optical services, product solutions and after-sales assistance, tailored to the individual customer needs.

Services

The Group believes that its service offering meets the highest optical expertise standards and is provided by skilled optometrists, opticians, optical sales experts and in some cases also ophthalmologists. The specific range of services provided in a country is dependent on the local regulatory environment and usually includes the broadest range of services allowed by local regulations for optical retail providers. These services range from eye tests, including diagnostics of eye health or other health condition which are visible by examining the eye (*e.g.*, early stage diabetes), eye measurements for determining the needs and specifics of a potential eye correction, dispensing and fitting, which involves the optimal selection of the specific frame and lens, contact lenses or sunglasses, and the correct fitting of finished prescription eyeglasses to the customer's specific physiognomic features. The Group's optical specialists are supported by state of the art technical equipment in the stores.

In Colombia, a country well-known for its high level of optical expertise, the Group also operates refractive surgery clinics that perform both laser surgery and intraocular lens transplant procedures. Consequently, the Group is familiar with these techniques and also with the underlying drivers and economics of this business. However, the Group currently does not see this as a strategic focus area on a global scale.

Products

The Group offers a full range of optical products including prescription eyeglasses (which include frames and lenses), contact lenses, contact lens care products and sunglasses. The Group also offers selected accessories such as cases, chains and ready readers. The product ranges in all categories start with entry levels at highly competitive prices, without compromising quality standards which meet the basic functional and design requirements. The range then spans all the way to top quality technology, state-of-the art and individualized solutions. The product assortment is built around customer benefits, with higher priced products having a higher value and advanced customer benefits. Third party brands are only offered when they carry an additional customer value (*e.g.*, fashion brands). The Group's products follow the underlying fashion trends; however, in line with the preferences of the targeted customer segments, functionality and value for money considerations prevail.

Exclusive in-house brands

Up to 2012, the Group offered over 436 active private labels for frames and sunglasses with approximately 46,000 stock keeping units, or SKUs, supplied by approximately 220 suppliers. As from September 2014, the Group sells a comprehensive portfolio of 21 clearly segmented exclusive in-house brands from a selection of 6,000 stock keeping units supplied by 30 suppliers, available to all banners of the Group. The Group believes that the streamlining of both stock keeping units and suppliers allows for a stronger value proposition and positioning of each exclusive in-house brand, faster replenishment cycles, stronger delivery reliability, higher quality and therefore better assortments for the Group's customers. As of 2014, the exclusive in-house brand portfolios for frames and sunglasses are operated through the Group's exclusive in-house brand hubs which are managed by selected country organizations close to the markets and close to fashion trend developments in countries such as Italy and France. The lens and contact lens exclusive in-house brand portfolios are managed centrally.

The Group believes that its exclusive in-house brands offer high quality and distinct product features in terms of design and technology at prices lower than third party branded products. The customer directly benefits from not having to (indirectly) pay for either third party brand license fees and/or wholesale margins. This responds to mass market customer needs as market research has shown that the majority of customers are functional driven rather than willing to pay premiums for certain well-known third party labels. The Group's exclusive in-house brands in frames (such as INSTYLE, 5th Avenue and Miki Ninn), sunglasses (such as Heritage, Unofficial and Solaris), contact lenses (such as iWear and Eyexpert), and lenses (such as VariView, LightView) are designed to cover a full product and customer range with a low to mid-price positioning.

As of 30 September 2014, the contribution of exclusive in-house brands in terms of volume sold by the Group was approximately 90% for lenses, 75% for contact lenses, 66% for frames and 33% for sunglasses.

Third party brands

The Group sells frames, lenses, contact lenses and sunglasses from well-known third party brands. Through its purchasing power, the Group has access to the third party brands that it wishes to sell. This flexibility allows the Group to meet customer demand and continuously adapt to their changing preferences and needs.

Sunglasses

The Group considers the sunglass business to be a special category of optical products as traditionally it has been marketed primarily as a fashion item rather than an eye care product. Nevertheless, sunglasses provide several important functional benefits, including protection against ultraviolet radiation and glare and improving sight in various situations including many sports. While the fashion element of the sunglass business is an important factor, the Group believes that the functional side offers greater potential. In addition, customers of prescription eyeglasses also form a potential target customer base for sunglasses with prescription lenses.

To further strengthen the sunglass business, the Group has developed and is deploying a centrally managed sunglass category model under the banner "Solaris—The Ultimate Sunglass Collection". In addition to operating standalone Solaris stores in France, Spain, Italy, Portugal, Malta and Mexico, the Group is in the process of rolling out a standardized and centrally managed Solaris store-in-store concepts internationally throughout its existing store network, including at locations such as the Avenue des Champs Élysées in Paris and Oxford Street in London. As of 30 September 2014, 737 Solaris point-of-sales are operating in 28 countries. The Group believes that Solaris offers customers a complete product range in terms of price depth, brand variety, and functionality, starting from high quality, affordable exclusive in-house brands to well-known third party fashion brands. In addition, over 70% of the Group's sunglass frames can be fitted with prescription lenses.

After-sales services

Eye care is an ongoing customer need that is subject to change as customers age or change their lifestyle or usage patterns. The Group therefore places a high value on after-sales assistance and ongoing customer interaction. In general, the Group provides after-sales assurances and support through, for example, a 100% satisfaction guarantee and a life-long free prescription eyeglasses service (including cleaning, re-fitting, small repairs, and exchange of screws or nose pads). Moreover, the Group offers additional product warranties which protect against theft or breakage. With an initial purchase, a customer is offered the opportunity to enter into an extensive customer relationship management program which may provide benefits for future purchases, ongoing eye checks and monitoring, but also special product offers.

Store Network

The Group operates directly-owned stores and franchise stores as well as joint ventures. As of 30 September 2014, the Group operated 4,485 directly-owned stores and 1,062 franchise stores (in each case, including stores of associates). Franchise stores are governed by individual contracts or under master contracts concerning multiple stores in a region. The Group's stores are mostly located at prime sites, either in commercial centers, retail parks or in town centers.

The Group believes that operating own stores provides more control and allows for better execution of operational excellence at store level.

Own stores

The vast majority of the directly-owned stores are based in leased premises in line with the Group's policy of not owning real estate for its operations. Most of the Group's non-store locations such as offices, warehouses and assembly locations are also based in leased premises. The Group believes that leasing as opposed to owning store locations provides flexibility and adaptability to changing consumer traffic flows.

The Group holds over 5,000 leases worldwide (including stores leased for its franchisees). Lease contracts vary by country according to local market practices with respect to tenure, price, and terms and conditions. Most lease contracts contain provisions for lease price indexation applying a local consumer index factor. The Group's lease portfolio is well-spread as to the maturity of the leases. The Group endeavors to maintain a well-balanced maturity profile of its lease portfolio.

Franchise and joint venture structures

The Group also has franchise structures, as a result of historical acquisitions and for commercial reasons. The Group believes that this diversified approach allows it to realize additional opportunities for growth and allows its franchise partners to benefit from the strength of the Group's banners, exclusive in-house brands and global capabilities, as well as from the flexibility and responsiveness that independence brings.

In most countries where the Group's franchised stores are present, the franchised stores carry the same banner that the Group operates for its directly-owned stores in that country. In the Middle

East, the Group solely operates stores under an exclusive master franchise arrangement. In the United Kingdom, the Group manages individual stores through joint-ventures between the Group and franchisees. Finally, the Group also operates a number of stores through investments in associates over which it has significant influence but no control (India and Switzerland).

Franchise agreements

The Group's franchise agreements in general have an initial duration of 10 years, and provide for extension for a maximum period of five years. The Group collects royalties and communication fees and charges fees and commissions to franchisees in connection with the services the Group provides to them. Furthermore, for some of the Group's franchisees in countries such as Germany and the Netherlands, a Group Company owns the lease for the store from which the franchisee operates, and sub-leases the store to the franchisee. Franchisees are usually required to report certain performance indicators, including sales levels, on a monthly basis through the Group's Point of Sale-system. The Group's strategy is to implement common tools, such as commercial policies, in-store communication and local marketing, training or performance management for the use by franchisees in order to improve commercial practices within their stores and improve their relationships with customers. The Group may terminate its commercial relationships with franchisees that do not comply with its standards or requirements.

Property plant and equipment

The Group's property, plant and equipment consist of leasehold improvements, equipment, furniture and fixtures, IT equipment, machinery, buildings, vehicles and land. The Group's holding of buildings, vehicles and land is relatively small.

The following table provides an overview of the Group's material owned and leased properties as of the date of this Prospectus. None of these properties are encumbered.

Location	Principal use	Size	Owned/leased
São Paulo, Brazil	warehouse	1,615 m^2	leased
Herlev, Denmark	office space	3,240 m^2	leased
Espoo, Finland	warehouse, office space	3,543 m^2	leased
Nouan le Fuzelier, France	production laboratory	7,800 m^2	owned
Saint Quentin en Yvelines, France	office space	8,166 m^2	leased
Schwabach, Germany	warehouse	5,000 m^2	leased
Schwabach, Germany	office space, production laboratoy	10,000 m^2	leased
Budapest, Hungary	central warehouse, edging facility	1,828 m^2	leased
Bologna, Italy	office space	1,950 m^2	leased
México, DF, Mexico	office space	3,602 m^2	leased
Soesterberg, the Netherlands	office space, warehouse	3,500 m^2	owned
Pedroso – Municipality de Villa Nova de Gaia, Portugal	production laboratory, warehouse, logistic, office space	8,000 m^2	leased
Gandía, Spain	warehouse	1,569 m^2	owned
Nottingham, the United Kingdom	warehouse	4,942 m^2	leased
Nottingham, the United Kingdom	office space	3,449 m^2	leased

Supply Chain

Suppliers

The Group's size and high level of product and supplier streamlining allow for important efficiency gains in its purchasing and supply chain function (See "—Service and Product Range—Exclusive in-house brands"). The Group's assortment is coordinated by the Group's central supply chain function, which takes into account local customer needs, such as preferences for certain styles and sizes of frames and sunglasses. This function also selects the suppliers and negotiates service level agreements and terms and conditions. Quality and compliance with the Group's code of conduct are closely monitored. In Mexico, Chile and Peru, the Group also produces lenses in its own prescription lens laboratories (RX-laboratories). The Group regularly tenders its purchasing volume in all categories in order to further optimize its assortment and supply chain for the benefit of its customers.

The suppliers of the Group's exclusive in-house brands are widely recognized and are suppliers that often also produce the well-known third party brands. The Group's main suppliers of lenses are Hoya, Rodenstock and Seiko. For the nine months ended 30 September 2014, these three suppliers supplied 82% of the Group's total expenditure for lenses. The Group's main suppliers for contact lenses are Alcon, Cooper Vision and Johnson & Johnson. For the nine months ended 30 September 2014, these three suppliers supplied 85% of the Group's total expenditure for contact lenses. The Group's main suppliers of third party branded frames and sunglasses are Luxottica, Marchon and Safilo. For the nine months ended 30 September 2014, these three suppliers supplied 72% of the Group's total expenditure for third party branded frames and sunglasses.

In addition to offering its consumers a price competitive product assortment, the group-wide supplier harmonization and assortment coordination has led to an improved supply chain, in terms of production quality, reliability of order lead times and replenishment cycles, flexibility and freshness of assortment, and lower inventory levels.

In addition, the high level of supplier streamlining allows for efficient logistics. In some cases the Group uses central logistical hubs (such as for exclusive in-house branded frames and sunglasses), while in other cases the logistics structures of suppliers are leveraged with direct delivery to stores. In general, the Group is further transitioning to a more globally shared logistics platform.

Sales channels

Providing high quality eye care solutions places strong demands on the sales process. The Group aims to ensure a consistently high level of quality in every store. To achieve this aim, the Group has defined a clearly structured, customer centric, simple and transparent customer journey concept for the entire customer interaction process. This customer journey concept is based on extensive consumer behavior research and know-how, obtained in all markets and is adapted locally where appropriate. The customer journey concept is supported by comprehensive in-store customer navigation and communication.

In addition, the Group is in the process of integrating an omnichannel sales approach. The omnichannel structure is different from a multichannel structure where multiple non-integrated sales channels operate in parallel. In the omnichannel sales approach, the customer journey concept is enhanced by integrating out-of-store features (such as online initial eye tests, appointment bookings, product information and selection) with new technology applications in store.

The execution quality and performance of the sales process is continuously measured at employee and store level through a comprehensive set of key performance indicators as well as by mystery shopping.

Customer order fulfilment

The production process of prescription eyeglasses (with the exception of ready readers, but including sunglasses with prescription lenses) includes a final production and assembly step where the lenses are either taken from stock or purchased-to-order from suppliers to meet the individually defined customer specifications. As the final step, the lenses are cut and edged and sometimes drilled to fit into the selected frame and then fitted into the frame. With improving lens technology, such as high quality lens coatings and sophisticated individualized and non-symmetric lens designs – especially for progressive lenses – the requirements for this final production and assembly process have significantly increased, in terms of both production machinery as well as required labor expertise. Traditionally, this final production step in assembling a pair of prescription eyeglasses, the so-called cut, edge and fit process, was done in small in-store laboratories. This is still the standard production method in the optical retail industry. The Group believes that a more centralized large scale production process has important advantages over decentralized small scale production, as to production cost, quality and timeliness, mainly due to differences in machinery, labor expertise and process control. In addition, all traditional in-store production requires additional high-cost store space and store personnel.

The Group is therefore building a network of industrialized large scale cut, edge and fit facilities in Europe, the so-called GrandVision TechCenters. These large built-for-purpose TechCenters have a maximum production capacity of approximately 2.5 million prescription eyeglasses per year per facility. These TechCenters provide benefits in terms of production quality, speed and cost while at the same time reducing store level operating costs with respect to occupancy space and labor requirements. The first centralized edging facility was opened in Germany in 1988. The first modern and industrial level TechCenter has been operating successfully in France since 2009, the second TechCenter began production in Portugal in June 2014, and the third TechCenter started full scale production in the United Kingdom at the end of 2014. The Group is considering building a fourth European TechCenter in 2015. These TechCenters are compatible in terms of industrial activities and are designed to serve multiple countries with the objective of acting as an integrated production network with the capacity to edge and mount over 70% of the lenses falling within the coverage areas of the TechCenters in the medium term. The Group does intend to maintain some capacity for store-based edging facilities in order to mitigate the risk of any prolonged disruptions in the operations of its TechCenters and to serve customers instantly in tourist areas or remote locations.

Furthermore, the Group has established sophisticated and proprietary IT systems and effective logistics flows to manage individualized order information and products. Every customer order is tracked and traced throughout the process and stores receive deliveries on a daily basis.

Customers

The Group believes its customers are characterized by a strong functional orientation, as a result of the fact that demand is mainly driven by a physically determined need for eyesight correction and protection, as opposed to discretionary consumption. In general, the Group's customers have a low level of product knowledge and engagement. They seek a reliable and effective solution at an affordable price. The Group's principal orientation is toward the attractive mass market and the Group strives to target the broadest possible consumer base in every local market where it is present. However, the Group does observe differences in the level of sophistication and demand of its customers as a function of economic circumstances. The intrinsic need for the Group's services and products correlates strongly with economic developments, and turns into actual consumer demand as a society develops, see "Industry and Competition—Growth Drivers—Emerging middle class".

Marketing

The Group applies a best practice retail marketing policy with the objectives of strengthening the brand equity and profile of its banners and exclusive in-house brands, generating customer traffic into its stores and ensuring long-term customer satisfaction and loyalty. As part of this policy, the Group measures key performance indicators in each country on a quarterly basis, including brand strength, profile, status and development (also in comparison to the key local competitors). Customer satisfaction on store and country level is measured on an ongoing basis. The traffic and sales impact of the Group's marketing activities is measured and analyzed on a daily basis. At country level, localized marketing and media campaigns are systematically developed and implemented in close interaction with local agencies and experts. All marketing activities have a strong focus on direct marketing and customer relationship management. Knowledge and data obtained locally through a multitude of campaigns executed annually is frequently collected at Group level in a marketing framework and toolbox, which are then made available throughout the Group.

Information Technology

The Group considers IT to be a major enabler of its business. As a result of the Group's acquisition strategy, the Group's IT infrastructure has historically been largely decentralized, with relatively low compatibility and high complexity. Consequently, the Group's IT related expenditures have historically been high, well above retailing benchmarks. However in 2013, the Group established a new IT strategy, the so-called "2020 IT Vision" which aims at leveraging the Group's scale and knowledge while taking advantage of the latest technology available. The IT strategy is currently being implemented with the support of partners such as Accenture. The IT strategy aims to simplify, standardize and share IT services and technologies and consists of three key pillars:

- Implementation of a single global SAP based ERP system for all operations to enable and leverage a globally organized supply chain operating model. The system has been initially developed for and with two lead countries of the Group. The platform will then be rolled out to all remaining countries as from 2016.

- Development of a seamless point of sale (POS) and e-commerce platform that can create an omnichannel approach throughout the entire customer journey.
- Deployment of a global learning management system for training and learning to achieve superior customer service levels from store-based employees.

Intellectual Property

The Group owns a comprehensive trademark portfolio of banners as well as product related brands. These brands are protected in all relevant markets, including markets which the Group has not yet entered.

As of 30 September 2014, the Group held approximately 1,200 trademarks which protect the names of its banners and its exclusive in-house brands. Franchisees may use the exclusive in-house brands pursuant to individual license agreements.

Employees

As of 30 September 2014, the Group employed approximately 24,500 FTEs, of which 86% were store based employees and 14% were non-store based employees. See also "Management, Employees and Corporate Governance—Employees".

The quality of eye care services and solutions and the execution of the Group's structured sales process is highly dependent on the skill, knowledge, and experience of the optical experts in the Group's stores. In addition, technology, and product, retail format and process innovations require ongoing education and development. The Group invests heavily in continuous training and qualification for all store based employees. These training programs are locally developed and implemented, with increasing central coordination. The trainings are structured in local training academies with clearly defined curriculums and delivered with the support of web-based learning management systems, class room trainings, or in-store and on-the-job trainings. In addition, the Group offers mentoring programs on country level. The training progress and success is linked both to career progression and to financial rewards and incentives. In addition, the Group is currently deploying a global learning management system which will further facilitate the creation and deployment of the Group's best practices in this area.

Legal and Arbitration Proceedings

Neither the Company nor any of its Group Companies are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) that may have, or have had in the recent past, significant effects on Group's financial position or profitability.

Although not considered material by the Group, a summary of the most relevant current legal proceedings and a summary of an investigation are provided below.

Carl Zeiss

In the Group's three-year recurring lens tender in 2013, Carl Zeiss Vision International GmbH, previously one of the Group's largest suppliers, was not selected as one of the Group's suppliers, which resulted in the non-renewal of GrandVision S.A.'s lens purchase agreement with Carl Zeiss Vision International GmbH after the scheduled termination date on 31 October 2013. Carl Zeiss Vision International GmbH subsequently claimed that GrandVision S.A.'s termination of the agreement was unlawful. On 10 April 2014, Carl Zeiss Vision GVLAB and Carl Zeiss Vision France initiated legal proceedings claiming approximately €57 million in damages for the termination of the lens purchase agreement. Although the Group can provide no assurance of the outcome, the Group intends to vigorously defend these claims. The proceedings do not disrupt the Group's business or supply of lenses.

French competition authorities

In June 2009, the French competition authority ("Autorité de la concurrence") began investigations against certain optical suppliers and optical retailers active in the branded sunglasses and branded frames sector in France, including against the Group. The authorities are investigating whether these parties have entered into vertical restraints in relation to the distribution of branded sunglasses and branded frames in violation of article L. 420-1 of the French Code de Commerce and 101-1 of the Treaty on the Functioning of the European Union. In 2012, certain Group employees were interviewed by the French competition authorities and in 2014 the Group received further written inquiries from the French competition authority. Under French law, there is no formal date by which the French competition authorities are required to complete their investigation. As of the date of this Prospectus, the Group has not been formally accused of having violated the laws in question; however, the Group may receive a statement of objections (''*notification de griefs*'') during the first quarter of 2015, which would be the next step in the procedure. If the Group is ultimately determined to have violated applicable law, it may be subject to fines. As the Group has not been formally accused, it is unable to estimate any such fine. At this stage, the Group has not made a provision in its financial statements for this matter. The Group's practice is to continue to comply with all laws and regulations applicable to its business, including antitrust laws, and it has systems and procedures in place to prevent violations. Its practice is also to cooperate with relevant regulatory authorities.

Insurance

The Group carries insurance of various types, including general third-party liability, product liability, property damage, business interruption, and workers' compensation, which the Group believes are customary for the retail business and its risk profile.

The Managing Directors, Supervisory Directors and all other directors and/or officers of the Group are currently insured under an insurance policy taken out by the HAL Group against damages resulting from their conduct when acting in their capacities as directors or officers. The Company is in the process of taking out its own directors and officers' liability insurance after which the coverage under the HAL Group insurance will lapse.

Internal Control

The Group's business has been growing in size and complexity, including as a result of expansion into countries with less robust control environments and acquisitions of companies with a less developed control culture, especially in emerging markets.

As the Group believes that group-wide governance and internal control are a necessary foundation and pre-condition for future international growth, the Group has focused on improving the control environment throughout its business. Both internal and external resources are being established at Group level to not only detect control issues, but to pro-actively support countries' management in solving underlying issues. The Group has developed and deployed a detailed internal control framework comprising of a set of control standards that all business units must comply with. Such compliance is reported on and monitored, throughout the organization and through a comprehensive internal audit program. Furthermore, the quality of internal control performance forms an integrated part of the management bonus schemes at country-level.

The Group's process of transforming its business towards a multinational group business model with centralized capabilities such as in finance, purchasing, supply chain management, IT, and human resources, is expected to further strengthen the internal control environment.

The internal controls roadmap also leverages the future IT landscape of the Group, in particular, the deployment of a global ERP system. The Group believes that the rollout of global IT systems with built-in automated controls will further ensure higher governance at lower cost, as well as significantly improve the integration process of future acquisitions.

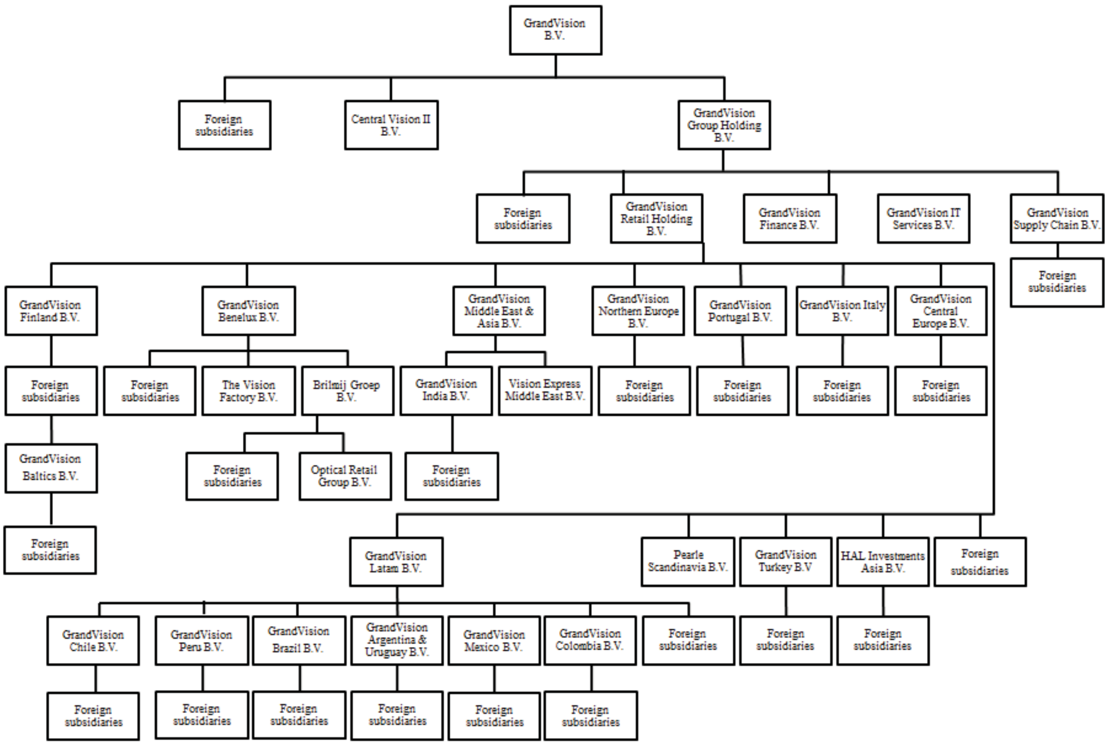
Material Contracts

Below is a list of key contracts of the Group (other than those entered into in the ordinary course of business).

- *Relationship agreement* – for a description of the relationship agreement, see ''Existing Shareholder and Related Party Transactions—Related Party Transaction–Relationship agreement''
- *Revolving Credit Facility* – for a description of the Revolving Credit Facility, see ''Operating and Financial Review—Liquidity and Capital Resources-Existing financing—banking facilities and loans—Revolving Credit Facility''.

Group Structure

The Company is a holding company without material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its Group Companies.



See also the list of material subsidiaries included in note 42 to the Special Purpose Consolidated Financial Statements.

Recent Developments

As of 2 December 2014, the Group acquired Conlons & Sons (Opticians) Ltd. Conlons & Sons (Opticians) Ltd. operates 19 stores across the North West of England and Scotland and has approximately 160 employees. Ten of the 19 Conlons & Sons (Opticians) Ltd. stores will continue their operations in high street locations, and the other nine of the Conlons & Sons (Opticians) Ltd. stores will be merged with existing Vision Express stores.

As of 22 December 2014, the Group acquired 100% of the shares in Angelo Randazzo S.r.l. which operates 101 optical retail stores in Italy under the banner Optissimo and 89 points of sale in supermarkets. Angelo Randazzo S.r.l. reported 2013 revenues of €105 million and has approximately 1,000 employees. The Group already operates 183 optical retail stores in Italy under the banner Avanzi, and 30 sunglass stores under the banner Solaris. Because of this acquisition, the Group believes it holds the number one position in Italy in terms of sales. In addition, as a result of the acquisition the number of the Group's FTEs has reached over 25,500.

See ''Operating and Financial Review—Recent Developments and Trends'' for detail on the Group's financial recent developments and trends.

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

This section summarizes certain information concerning the Management Board, the Supervisory Board, the Group's employees and the Company's corporate governance. It is based on relevant provisions of Dutch law as in effect on the date of this Prospectus, the Articles of Association, the Management Board Rules and the Supervisory Board Rules (both as defined below). This section summarizes the Articles of Association as to be amended pursuant to the Deed of Amendment (as defined in ''Description of Share Capital'') immediately after determination of the Offer Price.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to the relevant provisions of Dutch law as in force on the date of this Prospectus and the Articles of Association, the Management Board Rules and the Supervisory Board Rules. The Articles of Association in the governing Dutch language and in an unofficial English translation thereof are available on the Company's website (www.grandvision.com). The Management Board Rules and the Supervisory Board Rules in the governing English language (only) are available on the Company's website.

Management Structure

The Company has a two-tier board structure consisting of the Management Board and the Supervisory Board.

Management Board

Powers, responsibilities and functioning

The Management Board is responsible for the management of the Company's operations as well as the operations of the Group, subject to the supervision by the Supervisory Board. The Management Board's responsibilities include, among other things, defining and attaining the Company's objectives, determining the Company's strategy and risk management policy, and day-to-day management of the Company's operations. The Management Board may perform all acts necessary or useful for achieving the Company's objectives, with the exception of those acts that are prohibited by law or by the Articles of Association. Pursuant to the Articles of Association and the Management Board Rules, the Managing Directors will divide their tasks among themselves in mutual consultation, subject to the prior approval of the Supervisory Board. In performing their duties, the Managing Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of the Group's stakeholders (which includes but is not limited to its customers, its employees and the Shareholders).

The Management Board shall timely provide the Supervisory Board with all information necessary for the exercise of the duties of the Supervisory Board. The Management Board is required to notify the Supervisory Board in writing of the main features of the strategic policy, the general and financial risks and the management and control systems of the Company, at least once per year. The Management Board must submit certain important decisions to the Supervisory Board and/or the General Meeting for approval, as more fully described below.

Subject to certain statutory exceptions, the Management Board as a whole is authorized to represent the Company. In addition, two Managing Directors, acting jointly, have the authority to represent the Company. Pursuant to the Articles of Association, the Management Board is authorized to appoint proxy holders (*procuratiehouders*) who are authorized to represent the Company within the limits of the specific delegated powers provided to them in the proxy.

Management Board Rules

Pursuant to the Articles of Association, the Management Board must adopt Management Board rules of procedure that regulate internal matters concerning its functioning and internal organization (the ''**Management Board Rules**''). The Management Board Rules will be in effect ultimately by the Settlement Date.

Composition, appointment and removal

The Articles of Association provide that the Supervisory Board determines the number of Managing Directors. According to the Management Board Rules, the number of Managing Directors is determined after consultation with the Management Board. As of the date of this Prospectus, the Management Board consists of two Managing Directors.

The General Meeting appoints the Managing Directors. In case a Managing Director is to be appointed, the Supervisory Board shall make a non-binding nomination. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If no nomination has been made, this must be stated in the notice. However, the General Meeting is not bound by the nomination and may appoint a Managing Director at its discretion. The Supervisory Board may appoint one of the Managing Directors as chief executive director or grant any other title to a Managing Director.

The General Meeting may at any time suspend or dismiss a Managing Director. The Supervisory Board may at all times suspend but not dismiss a Managing Director. A General Meeting must be held within three months after a suspension of a Managing Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months. The suspended Managing Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Managing Director, the suspension will cease after the period of suspension has expired.

Term of appointment

The current Managing Directors are appointed for an indefinite period of time (see also "—Compliance with the Code").

Board meetings and decisions

Pursuant to the Articles of Association and the Management Board Rules, the Managing Directors shall endeavor to achieve that resolutions are as much as possible adopted unanimously. Where unanimity cannot be reached and the law, the Articles of Association or the Management Board Rules do not prescribe a larger majority, resolutions of the Management Board are adopted by a majority vote. In the event of a tie vote, the resolution will be adopted by the Supervisory Board.

The Management Board must obtain the approval of the Supervisory Board and the General Meeting for resolutions entailing a significant change in the identity or nature of the Company or its business. This includes in any event: (i) transferring of the enterprise or practically the entire enterprise to a third party; (ii) concluding or cancelling any long-lasting cooperation by the Company or a subsidiary with any other legal person or company or as a fully liable general partner of a limited partnership or a general partnership, provided that the cooperation or the cancellation of that cooperation is of essential importance to the Company; and (iii) acquiring or disposing of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets of the Company according to the consolidated balance sheet with explanatory notes to that balance sheet according to the most recently adopted annual accounts of the Company, by the Company or a subsidiary.

Certain other important resolutions of the Management Board identified in the Articles of Association require the approval of the Supervisory Board, including resolutions regarding (Section 2:107a DCC): (i) the operational and financial objectives of the Company; (ii) the strategy designed to achieve those objectives; and (iii) the parameters to be applied in relation to the strategy, for example in respect of the financial ratios.

In addition, pursuant to the Articles of Association, the Supervisory Board may determine that certain specific resolutions of the Management Board, to be clearly defined in the Management Board Rules or in a resolution adopted by the Supervisory Board to that effect with a notification thereof to the Management Board, are subject to its approval. The current list of those decisions as determined by the Supervisory Board is set out in the Management Board Rules. The list of decisions include, among others, the adoption of the Company's three-year-strategy plan, annual budget and termination of employment of a substantial number of employees of the Group.

Pursuant to the Articles of Association and the Management Board Rules, resolutions can also be adopted without holding a meeting, provided those resolutions are adopted in writing or in a reproducible manner by electronic means of communication and all Managing Directors entitled to vote have consented to adopting the resolutions outside a meeting.

In each of the abovementioned situations, the lack of approval (whether of the General Meeting or from the Supervisory Board) does not affect the authority of the Management Board or the Managing Directors to represent the Company.

Conflict of interest

Dutch law provides that a managing director of a Dutch public limited liability company, such as the Company (after execution of the Deed of Amendment), may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company. Such a conflict of interest only exists if in the situation at hand the Managing Director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity. Pursuant to the Management Board Rules, each Managing Director shall immediately report any (potential) personal conflict of interest concerning a Managing Director to the chairman of the Supervisory Board and to the other Managing Directors and shall provide all information relevant to the conflict.

If no resolution can be adopted by the Management Board as a consequence of such a personal conflict of interest, the resolution concerned will be adopted by the Supervisory Board. All transactions in which there are conflicts of interests with Managing Directors will be agreed on terms that are customary in the sector concerned and disclosed in the Company's annual report.

The existence of a (potential) personal conflict of interest does not affect the authority to represent the Company, as described under "Management Board—Powers, responsibilities and functioning" above.

Managing Directors

At the date of this Prospectus, the Management Board is composed of the following two Managing Directors:

Name	Year of birth	Position	Member as of	Term
Theo Alexander Kiesselbach	1965	CEO	3 January 2011	Indefinite
Paulo Jorge de Castro Fernandes	1965	CFO	10 March 2014	Indefinite

The Company's registered address, Schiphol Boulevard 117, Tower G-5, 1118BG Schiphol, the Netherlands, serves as the business address for all Managing Directors.

Theo Alexander Kiesselbach

Theo Alexander Kiesselbach, the Chief Executive Officer and member of the Management Board, is a German national. He gained a master's degree in economics and engineering and a post-graduate doctor's degree in international marketing. Mr. Kiesselbach began his professional career at McKinsey & Company where he spent 10 years advising top management of various companies and in many countries. In 1997, Mr. Kiesselbach joined the retail company Quelle AG as executive director sales and general manager of the retail channel "Quelle Shops". In the period 2000 to 2002, he was the CEO of the web-based solution integrator and retail company Tenovis Comergo AG. In 2002 Mr. Kiesselbach joined the Group and he was appointed CEO of Apollo-Optik and Pearle Central Europe. Following the acquisition of GrandVision S.A. by HAL Group, Mr. Kiesselbach was appointed CEO of GrandVision S.A. in 2006. When GrandVision B.V. was created in 2011, he became the CEO of the Company and he has, among others, managed the integration of GrandVision S.A. and Pearle Europe B.V. into the Group and the Company's continued international expansion.

Paulo Jorge de Castro Fernandes

Paulo Jorge de Castro Fernandes, Chief Financial Officer and member of the Management Board, is a French and Portuguese national. After graduating with a master's degree in molecular genetics, Mr. De Castro obtained an MBA in finance & accounting. He joined Unilever in 1991, working in several positions with growing responsibility in different European countries. Between 1998 and 2000, he served as personal assistant to Unilever Chairman Mr. Morris Tabaksblat and his successor Mr. Antony Burgmans. From 2000 onwards, Mr. De Castro Fernandes served as vice president finance at Unilever's ice cream and frozen foods business in France and subsequently as

CFO and vice president supply chain, customer service and information technology at Unilever Canada. Back in the Netherlands in 2008, he was appointed controller of Unilever Europe, Unilever's biggest region. In 2009, he was appointed as the CFO of Unilever Supply Chain Company AG in Schaffhausen, Unilever's largest operating company. Mr. De Castro Fernandes joined the Company as CFO in January 2012.

Supervisory Board

Powers, responsibilities and functioning

The Supervisory Board supervises the conduct and policies of the Management Board and the general course of affairs of the Company and its business enterprise. The Supervisory Board also provides advice to the Management Board. In performing its duties, the Supervisory Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of the Group's stakeholders (which includes but is not limited to its customers, its employees and the Shareholders). The Supervisory Board will also observe the corporate social responsibility issues that are relevant to the Group. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board may, at the Company's expense, seek the advice which it deems desirable for the correct performance of its duties. The Supervisory Board has drawn up a profile for its size and composition taking into account the nature of the Company's business, the Supervisory Board's activities and the desired expertise and background of the Supervisory Directors. The Supervisory Board shall discuss the profile at the occasion of its adoption and subsequently with each amendment thereof in the General Meeting.

Supervisory Board Rules

As required by the Articles of Association, the Supervisory Board must adopt rules of procedure concerning the division of its duties and its working method (and that of its committees as described below) (the "**Supervisory Board Rules**"). The Supervisory Board Rules will be in effect ultimately by the Settlement Date.

Composition, appointment and removal

Pursuant to the Articles of Association, the General Meeting determines the number of Supervisory Directors. The Supervisory Directors are appointed by the General Meeting upon a non-binding nomination of the Supervisory Board, which nomination must specify the reasons for the nomination. If no nomination has been made, this must be stated in the notice. However, the General Meeting is not bound by the nomination and may appoint a Supervisory Director at its discretion. The Supervisory Board shall appoint one of its Supervisory Directors as chairman and shall appoint one of its Supervisory Directors as vice-chairman.

HAL Holding N.V. has the right – as long as it holds, directly or indirectly, an interest of at least 20% in the Company – to make a nomination for the appointment of one of the Supervisory Directors of the Company as vice-chairman. The Supervisory Board is obliged to follow this nomination, subject to certain limitations that may apply under Dutch law and the Dutch Corporate Governance Code (the "**Dutch Corporate Governance Code**" or "**Code**"). See "Existing Shareholder and Related Party Transactions—Related Party Transactions".

The General Meeting may at any time suspend or dismiss a Supervisory Director. A General Meeting must be held within three months after a suspension of a Supervisory Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months. The suspended Supervisory Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Supervisory Director, the suspension will cease after the period of suspension has expired.

Term of appointment

Supervisory Directors are appointed for a maximum term of four years, provided that, unless a member of the Supervisory Board resigns at an earlier date, his or her term of office lapses on the day of the first annual General Meeting to be held in the fourth year after the year of his or her appointment. A Supervisory Director may be reappointed for a term of not more than four years at a time, with due observance of the provision in the previous sentence. The preceding sentences are not applicable if the General Meeting resolves upon a proposal of the Supervisory Board to appoint a Supervisory Director for a longer term. A Supervisory Director may be a Supervisory Director for a period not longer than twelve years, which period may or may not be interrupted, unless the General Meeting resolves otherwise. The Supervisory Board will prepare a resignation schedule for the Supervisory Directors.

Meetings and decisions

According to the Supervisory Board Rules, resolutions of the Supervisory Board can only be adopted in a meeting at which at least the majority of the Supervisory Directors is present or represented, provided that any member of the Supervisory Board with a direct or indirect personal conflict of interest (as specified in the Supervisory Board Rules) with the Company, is not taken into account when establishing this quorum.

The Supervisory Board shall meet at least five times a year and, furthermore, whenever one or more of the Supervisory Directors or Managing Directors has requested a meeting. Meetings of the Supervisory Board are attended by the Managing Directors, unless the Supervisory Board decides otherwise and save for certain meetings as described in the Supervisory Board Rules.

Pursuant to the Articles of Association, resolutions of the Supervisory Board will be adopted both at and outside a meeting by an absolute majority of the votes cast. In a tie vote, the proposal shall have been rejected. The Articles of Association specify that the Supervisory Board Rules may provide that all resolutions can only be adopted if one or more Supervisory Directors with a specific function vote in favor of a specific proposal. The Supervisory Board Rules contain such a provision (see next paragraph).

Pursuant to the Supervisory Board Rules, the Supervisory Directors shall endeavor to achieve that resolutions are as much as possible adopted unanimously. Where unanimity cannot be reached and the law, the Articles of Association or the Supervisory Board Rules do not prescribe a larger majority, resolutions of the Supervisory Board are adopted if the absolute majority of the Supervisory Directors entitled to vote – including the chairman and vice-chairman of the Supervisory Board – has voted in favor of the resolution.

Pursuant to the Articles of Association and the Supervisory Board Rules, resolutions can also be adopted without holding a meeting with an absolute majority of the votes cast with due observance of the previous paragraph.

Conflict of interest

Similar to the rules that apply to the Managing Directors as described above, Dutch law also provides that a supervisory director of a Dutch public limited liability company, such as the Company (after the execution of the Deed of Amendment), may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company.

Each Supervisory Director (other than the chairman of the Supervisory Board) shall immediately report any (potential) personal conflict of interest concerning a Supervisory Director to the chairman of the Supervisory Board and must provide him with all information relevant to the (potential) conflict. In case the chairman of the Supervisory Board has a (potential) personal conflict of interest he shall immediately report such potential conflict to the vice-chairman of the Supervisory Board and shall provide all information relevant to the (potential) personal conflict of interest. If both the chairman and the vice-chairman of the Supervisory Board have a (potential) personal conflict of interest with respect to the same matter, they will report and provide information to one of the other Supervisory Directors.

If as a result of such a personal conflict of interest either or both the chairman or vice-chairman of the Supervisory Board are not entitled to vote, the resolution of the Supervisory Board will be adopted by the other Supervisory Directors validly present or represented, by unanimous votes.

If as a result of such a personal conflict of interest all Supervisory Directors are unable to participate in the deliberations and the decision-making process and no resolution of the Supervisory Board can be adopted, the resolution can be adopted by the General Meeting.

All transactions in which there are conflicts of interests with Supervisory Directors will be agreed on terms that are customary in the sector concerned and disclosed in the Company's annual report.

Supervisory Directors

At the date of this Prospectus, the Supervisory Board is composed of the following five Supervisory Directors:

Name	Year of birth	Position	Member as of	Date of possible reappointment (at General Meeting)	Mandatory end of membership
Cornelis Job (Kees) van der Graaf	1950	Chairman	22 March 2011	2018	2023
Melchert Frans Groot	1959	Vice-chairman	3 January 2011	2015	2023
Peter Bolliger	1945	Member	3 January 2011	2017	2023
Jeffrey Alan Cole	1941	Member	3 January 2011	2017	2023
Willem Eelman	1964	Member	11 July 2011	2016	2023

The Company's registered address, Schiphol Boulevard 117, Tower G-5, 1118BG Schiphol, the Netherlands, serves as the business address for all Supervisory Directors.

Cornelis Job (Kees) van der Graaf

Cornelis Job (Kees) van der Graaf, chairman of the Supervisory Board, is a Dutch National. Mr. Van der Graaf received a Bachelor Degree in Mechanical Engineering and a Master in Business Engineering from the Technische Hogeschool Twente, Enschede. Mr. Van der Graaf has served various leadership positions within the Unilever group between 1976 and 2008. He joined the board and executive committee of Unilever in 2004, first as president food division and then as president Europe. Furthermore, Mr. Van der Graaf was a member of the International Advisory Board of the City of Rotterdam (2005-2008), supervisory board member of Spieren voor Spieren (2006-2011), partner at team Heiner Management Programmes, Lelystad, the Netherlands, from 2008 to 2011 and the executive-in-residence at the business school IMD in Lausanne from 2008 to 2012. In addition, he was board member of Synergos, US, non-executive director 3M Holdings, Netherlands (2010-2011) and member of the supervisory board of the ANWB, (Dutch AA) (2006-2014).

Mr. Van der Graaf currently is director of Los Gravos B.V. and Los Gravos Investments B.V. and holds supervisory board or non-executive positions at Carlsberg, Denmark since 2009, Ben&Jerry since 2009, MyLaps (part of the HAL group), sports timing (chairman) since 2010, University of Twente (chairman) since 2011, ENPRO Industries US since 2012 and OCI N.V. since 2013. In addition he is a member of the advisory board of the faculty of Imagineering, Breda, since 2007 and Chairman of the Board of FSHD Unlimited (since September 2014).

Melchert Frans (Mel) Groot

Melchert Frans Groot, vice-chairman of the Supervisory Board, is a Dutch National. Mr. Groot received a degree in Civil Engineering from the Technical University of Delft and an MBA from Columbia University in New York. After graduating, Mr. Groot worked at Philips N.V. between 1986 and 1989. In 1989, Mr. Groot joined HAL Investments B.V. and became a director in 1992. Since 2003 Mr. Groot has been a member of the executive board of HAL Holding N.V., of which he became the CEO as of 1 October 2014. In his capacity as a director of HAL Investments B.V., Mr. Groot has served as supervisory board member of various companies such as SAIT-Radio Holland (1992-1995), Gefonzo B.V.(1994-2001), Cole National Corp. (2001-2003), AudioNova International B.V. (2011-2014) and the predecessors of the Company (since 1996). In addition to these positions, Mr. Groot has served as the CEO of both Pearle Europe B.V. (2001-2003) and GrandVision S.A. (2005-2006).

In addition to his vice-chairmanship of the Supervisory Board and his chairmanship of the executive board of HAL Holding N.V., Mr. Groot is chairman of Stichting HAL Pensionfund (since 2002), non-executive director of Safilo S.p.A. (since 2010), vice-chairman of the supervisory board of Koninklijke Vopak N.V. (since 18 December 2014) and a member of the supervisory board of Anthony Veder Group N.V.

Peter Bolliger

Peter Bolliger, member of the Supervisory Board, is a Swiss national. After graduating from the Handels Schule in Olten, Mr. Bolliger joined the Bally Shoe group in Switzerland at the age of 19 and was moved to England in 1966 and to South Africa in 1968. Mr. Bolliger has extensive experience in retail business with renowned department stores such as WM Cuthberts Shoes (1968) and Edgar's Group (1972). As of 1978 Mr. Bolliger rejoined the Bally Shoe group to become the managing director of Bally Shoes, Scandinavia Division, in Denmark. In 1982, Mr. Bolliger moved to South Africa to serve as the managing director of A&D Spitz Pty Ltd. At the beginning of 1990, Mr. Bolliger became the Managing Director of Harrods Ltd. in London, where he served until 1995. During the same period he was Chairman of Kurt Geiger Ltd and Executive Director of House of Fraser Pty Ltd. In 1995, Mr. Bolliger joined Clarks Shoe Company and became the chief executive in 2002 until his retirement in May 2010.

In addition to his membership of the Supervisory Board, Mr. Bolliger currently is a non-executive director at Stella International Holdings Limited, Hong Kong, for which company he also serves as chairman of the corporate governance committee and a member of the nomination committee since October 2010.

Jeffrey Alan (Jeff) Cole

Jeffrey A. (Jeff) Cole, member of the Supervisory Board, is an American national. Mr. Cole graduated from Harvard College and Harvard Business School and has served as a Supervisory Board member and as member of the supervisory board of its predecessor Pearle Europe since the company's founding in 1996. Mr. Cole was Chairman and CEO from 1983 to 2003 of Cole National Corporation, a leading optical retailer in North America with three thousand locations and a leading provider of managed vision care services, as well as owning the gift store chain, Things Remembered. Major brands included Pearle Vision, Sears Optical, Target Optical, BJ's Optical and Cole Managed Vision Care (now Eyemed). Cole National also owned a minority interest in optical retailer Pearle Europe B.V. At the time of its sale to Luxottica in 2004, Cole National had system-wide sales, including franchisees, of approximately $1.5 billion.

Mr. Cole served on numerous corporate and charitable boards, including twelve publicly held companies. In addition to his optical retailing and managed vision care experience, he has also been involved with consumer goods companies, insurance companies, online retailing, banking and investment banking. Mr. Cole currently is non-executive director and chairman of the remuneration committee of Safilo S.p.A. (Italy). Mr. Cole also serves as a board member at Hilco Inc. (US), a manufacturer and distributor of eyewear related accessories and specialty products to independent and chain optical retail stores primarily in the US. He also is a Trustee of the Cole Eye Institute of the Cleveland Clinic, one of the top eye research and treatment centers in the US.

Willem Eelman

Willem Eelman, member of the Supervisory Board, is a Dutch national. He holds a master's degree in Agricultural Economics from the Wageningen University and Master Chartered Controllers from the Vrije Universiteit Amsterdam. In 2009, he graduated from the Harvard Advanced Management Programme. Mr. Eelman joined the Akzo group in 1987 in the Marketing Analytics department, after which he served in the military as staff officer logistics. He has served various commercial and finance positions within the Unilever group since 1989, where he started in the Netherlands as a trainee but very quickly moving through a series of commercial / financial roles in the Czech Republic, the United Kingdom and Germany before being appointed SVP Finance for the Foods category with global oversight for the development of Unilever's global food brands. In 2007 he took on the role of CFO in Europe where he completed one of Unilever's largest IT and Supply Chain transformations which today provides the region with a strong competitive footing. In 2010 he took on the role of CIO and transformed Unilever's IT organization creating a strong business orientation and was instrumental to the growth agenda, most notably driving digital innovations in marketing and customer management. In June 2011 Mr. Eelman joined as member of the Supervisory Board.

In October 2014, Mr. Eelman was appointed as CFO at C&A Europe retailing, a leading clothing retailer in Europe.

Supervisory Board Committees

The Supervisory Board has an Audit Committee, a Nomination Committee and a Remuneration Committee. Each of the committees has a preparatory and/or advisory role to the Supervisory Board. In accordance with the Supervisory Board Rules, the Supervisory Board has drawn up rules on each committee's role, responsibilities and functioning, which rules will be in effect ultimately by the Settlement Date. The committees consist of Supervisory Directors. They report their findings to the Supervisory Board, which is ultimately responsible for all decision-making. In practice, the Nomination Committee and the Remuneration Committee hold meetings together.

Audit Committee

The duties of the Audit Committee include the supervision and monitoring as well as advising the Management Board and each Managing Director regarding the operation of the Company's internal risk management and control systems. The Audit Committee advises the Supervisory Board on the exercise of certain of its duties and prepares nominations and reviews for the Supervisory Board in this regard. The Audit Committee also supervises the submission of financial information by the Company, the compliance with recommendations of internal and external accountants, the Company's policy on tax planning, the Company's financing arrangements, assists the Supervisory Board with the Company's information and communications technology. It furthermore maintains regular contact with and supervises the external accountant and it prepares the nomination of an external accountant for appointment by the General Meeting. The Audit Committee also issues preliminary advice to the Supervisory Board regarding the approval of the annual accounts and the annual budget and major capital expenditures. The Audit Committee meets at least four times a year.

The Audit Committee consists of Peter Bolliger and Willem Eelman (chairman).

The rules for the Audit Committee are published on the Company's website under www.grandvision.com.

Nomination Committee

The Nomination Committee advises the Supervisory Board on its duties regarding the selection and appointment of Managing Directors and Supervisory Directors. The duties of the Nomination Committee include preparing the selection criteria and appointment procedures for Managing Directors and Supervisory Directors, and proposing the profile for the Supervisory Board. It also periodically assesses the scope and composition of the Management Board and the Supervisory Board, and the functioning of the individual directors. The Nomination Committee also proposes on appointments and reappointments. It supervises the Management Board's policy on selection criteria and appointment procedures for the Management Board. The Nomination committee meets at least once every year.

The Nomination Committee consists of Cornelis Job (Kees) van der Graaf and Melchert Frans (Mel) Groot (chairman).

The rules for the Nomination Committee are published on the Company's website under www.grandvision.com.

Remuneration Committee

The Remuneration Committee advises the Supervisory Board on the exercise of its duties regarding the remuneration policy of the Managing Directors, all individual members of the GVMT (as defined below) and other senior managers within the Company's Group, including analyzing developments of the Code, and preparing proposals for the Supervisory Board on these subjects. The duties of the Remuneration Committee include the preparation of proposals of the Supervisory Board on the remuneration policy for the Managing Directors to be adopted by the General Meeting, and on the remuneration of the individual Managing Directors to be determined by the Supervisory Board. The Remuneration Committee also prepares a remuneration report on the execution of the remuneration policy for the Management Board during the respective year to be adopted by the Supervisory Board. The Remuneration Committee meets at least three times every year.

The Remuneration Committee consists of Cornelis Job (Kees) van der Graaf and Melchert Frans (Mel) Groot (chairman).

The rules for the Remuneration Committee are published on the Company's website under www.grandvision.com.

GrandVision Management Team

The Company has a management team (the "**GVMT**") which consists of the two Managing Directors and of selected members of the senior management of the Group. The GVMT is entrusted with the day-to-day management of the Company and its Group Companies. The members of the GVMT who are not Managing Directors, are appointed by the Management Board, after consultation with the Supervisory Board. Both the Management Board and the Supervisory Board may at any time suspend and dismiss a member of the GVMT who is not a Managing Director.

The Management Board retains the authority to adopt resolutions within the scope of authority of the GVMT without the participation of the members of the GVMT who are not also members of the Management Board. The Management Board adopts management resolutions of the Company, subject to the prior approval of the Supervisory Board and/or the General Meeting, where applicable. These management decisions of the Management Board may be prepared in meetings of the GVMT.

Maximum Number of Supervisory Positions of Managing Directors and Supervisory Directors

Since 1 January 2013, restrictions apply with respect to the overall number of supervisory positions that a managing director or supervisory director (including a one-tier board) of "large Dutch companies" may hold. The term "large Dutch companies" applies to Dutch public limited liability companies, Dutch private limited liability companies and Dutch foundations that meet at least two of the following three criteria: (i) the value of the company's/foundation's assets according to its balance sheet together with explanatory notes, on the basis of the purchase price or manufacturing costs exceeds €17.5 million; (ii) its net turnover in the applicable year exceeds €35.0 million; and (iii) its average number of employees in the applicable year is 250 or more.

A person cannot be appointed as a managing or executive director of a "large Dutch company" if he/she already holds a supervisory position at more than two other "large Dutch companies" or if he/she is the chairman of the supervisory board or one-tier board of another "large Dutch company". Also, a person cannot be appointed as a supervisory director or non-executive director of a "large Dutch company" if he/she already holds a supervisory position at five or more other "large Dutch companies", whereby the position of chairman of the supervisory board or one-tier board of another "large Dutch company" is counted twice.

The Company meets the criteria of a "large Dutch company"; all Managing Directors and Supervisory Directors comply with these rules.

Diversity

Dutch law requires large Dutch companies (see above for the explanation of this term) to pursue a policy of having at least 30% of the seats on both the management board and supervisory board held by men and at least 30% of the seats on the management board and supervisory board held by women, each to the extent these seats are held by natural persons. Under Dutch law, this is referred to as a well-balanced allocation of seats. This allocation of seats will be taken into account in connection with the following actions: (i) the appointment, or nomination for the appointment, of Managing Directors and Supervisory Directors; (ii) drafting the criteria for the size and composition of the Management Board and Supervisory Board, as well as the designation, appointment, recommendation and nomination for appointment of Supervisory Directors; and (iii) drafting the criteria for the Supervisory Directors. These statutory rules on gender diversity will automatically lapse on 1 January 2016.

The Company currently does not meet these gender diversity targets. The Company will explain in its 2014 annual report (i) why the seats are not allocated in a well-balanced manner as aforesaid; (ii) how the Company has attempted to achieve a well-balanced allocation; and (iii) how the Company aims to achieve a well-balanced allocation in the future.

Potential Conflicts of Interest and Other Information

The Company is not aware of any potential conflicts between the personal interests or other duties of Supervisory Directors and personal interests or other duties of Managing Directors on the one hand and the interests of the Company on the other hand. There is no family relationship between any Managing Director and any Supervisory Director.

As stated above (see ''—Supervisory Board—Supervisory Directors''), Mr. Cole is a non-executive director of Safilo Group S.p.A. (which is a supplier to the Group) and Mr. Groot is a non-executive director of Safilo Group S.p.A. and CEO of HAL Holding N.V. The Supervisory Board does not expect that this will cause either of them to have a conflict with the duties they have towards the Company. However, the Supervisory Board Rules include arrangements to ensure that the Supervisory Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. The Supervisory Board will procure that relevant transactions, in relation to which it has been determined that a conflict of interest exists, are published in the annual report.

During the last five years, none of the Managing Directors or Supervisory Directors: (i) has been convicted of fraudulent offenses; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Other than is disclosed in ''Business—Material Contracts—Relationship Agreement'', the Company is not aware of any arrangement or understanding with major Shareholders, suppliers, customers or others pursuant to which any Managing Director or Supervisory Director was selected as a member of such management or supervisory bodies of the Company.

Management Board Remuneration

The Supervisory Board has established the remuneration of the individual Managing Directors, in accordance with the Management Board remuneration policy as adopted, and arrangements for remuneration in the form of Shares or rights to subscribe for Shares as approved, by the General Meeting effective as of the Settlement Date.

The compensation package for the Management Board will consist of the following fixed and variable components which are discussed in more detail below:

a. Base salary;
b. Annual bonus;
c. Long-term incentive plan;
d. Pension and fringe benefits;
e. Severance arrangements.

Remuneration policy components

Base salary

The base salary of the Managing Directors is a fixed cash compensation paid on a monthly basis and is set by the Supervisory Board at a competitive level taking into account the performance, experience, capability and marketability of the individual Managing Director.

Annual bonus

The Managing Directors are entitled to an annual performance related bonus payment. The objective of the annual performance related bonus payment is to incentivise and reward strong short-term financial and personal performance, the implementation of strategic imperatives and to facilitate rapid growth while continuing to be focussed on sustainable results which is aligned with the long-term strategy of the Group.

On an annual basis, performance conditions are set by the Supervisory Board on or before the beginning of the relevant calendar year. These performance conditions include criteria reflecting the Company's financial performance and may as well include quantitative or qualitative criteria related to the Company's non-financial performance and/or individual performance. The Supervisory Board will annually define the performance ranges, *i.e.*, the values below which no pay out will occur (threshold performance), the 'at target' value and the maximum at which the pay-out will be capped.

Long-term incentive plan

The Managing Directors (as well as other selected employees) may be eligible to receive annual awards under the new GrandVision Long Term Incentive Program 2015 (‘‘**LTIP 2015**’’), which was approved by the General Meeting on 14 October 2014 and which approval is subject to the execution of the Deed of Amendment. Under the LTIP 2015 annual awards can be received in either cash or (options for) Shares as determined by the Remuneration Committee. For a description of the LTIP 2015, see ‘‘—Participation by Managing Directors and Senior Management of the Group—LTIP 2015’’.

Pension and fringe benefits

The Managing Directors are eligible to receive post-employment benefits by participating in a defined benefit plan/and or elect to receive a cash payment in lieu of pension. The CEO receives a monthly cash contribution instead of contributions to the defined benefit pension plan. See ‘‘—Pension Schemes’’ for more information.

The Managing Directors are entitled to customary fringe benefits, such as a company car, expense allowances and reimbursement of costs incurred.

Severance arrangements

Contractual severance arrangements of the Managing Directors are compliant with the Code. See ‘‘—Employment, Service and Severance Agreements’’ for more details.

Adjustments to variable remuneration

Pursuant to Dutch law and the Code the remuneration of Managing Directors may be reduced or Managing Directors may be obliged to repay (part of) their variable remuneration to the Company if certain circumstances apply.

Pursuant to the Code, any variable remuneration component conditionally awarded to a member of the Management Board in a previous financial year which would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been applied, the Supervisory Board will have the power to adjust the value downwards or upwards. In addition, the Supervisory Board will have the authority under the Code and Dutch law to recover from a Managing Director any variable remuneration awarded on the basis of incorrect financial or other data (claw back).

Pursuant to Dutch law, the Supervisory Board may furthermore adjust the variable remuneration (to the extent that it is subject to reaching certain targets and the occurrence of certain events) to an appropriate level if payment of the variable remuneration were to be unacceptable according to requirements of reasonableness and fairness.

In addition Dutch law prescribes that, in case the value of the Shares granted by the Company to the respective Managing Directors increases during a period in which a public takeover bid is made for the Shares in the share capital of the Company, the remuneration of that respective Managing Director will be reduced by the amount by which the value of the Shares granted by the Company to such member has increased. Similar provisions apply in the situation of an intended legal merger or demerger, or if the Company intendeds to enter into certain transactions that are of such significance to the Company that the Management Board requires the approval of the General Meeting pursuant to Dutch law (*i.e.*, transactions that fall within the scope of section 2:107a DCC).

Remuneration for the Management Board in 2013

The remuneration of the Managing Directors in 2013 was comprised of a fixed and variable part and included base salary, a bonus, post-employment benefits, long term incentive plan benefits and other long term benefits. The total aggregate remuneration received in 2013 by the Managing Directors was €4,078,836. The total aggregate amount of fringe benefits amounted to €118,469 for the financial year ended 31 December 2013.

The table below provides the aggregate amount of remuneration of the Management Board for the financial year ended 31 December 2013.

Aggregate short term employee benefits	Aggregate post-employment benefits	Aggregate other long term benefits	Aggregate long term incentive plan benefits	Aggregate total
€1,369,178	€179,745	€91,753(1)	€2,438,160(2)	€4,078,836

(1) This amount reflects costs of the grants made under the cash-settled phantom share and option plan in 2013 and the value increase of such grants made in 2012 and 2013, as included in note 37 to the Special Purpose Consolidated Financial Statements.

(2) This amount reflects the costs and the value increase of Shares purchased by the Managing Directors in previous years under historical incentive plans as included in note 37 to the Special Purpose Consolidated Financial Statements.

Supervisory Board Remuneration

The General Meeting determines the remuneration of the Supervisory Directors. The Supervisory Board will submit a proposal to the General Meeting in respect thereof. The remuneration of the Supervisory Board cannot be dependent on the Company's results.

None of the Supervisory Directors may receive Shares, options for Shares or similar rights to acquire Shares as part of their remuneration. None of the Supervisory Directors may hold Shares, options for Shares or similar securities other than as a long-term investment. The Supervisory Directors may also not hold such securities, other than in accordance with the rules on holding or transacting in the Company's securities. Supervisory Directors may not accept personal loans or guarantees from the Company, other than in the normal course of business and subject to the prior approval of the Supervisory Board.

Remuneration for the Supervisory Board in 2013

The total aggregated remuneration of the Supervisory Board in 2013 was €201,000 (excluding reimbursement of travel costs). At the date of this Prospectus, the Company has not provided any personal loans, advances or guarantees to Supervisory Directors.

Pensions for the Supervisory Board

At the date of this Prospectus, there are no amounts reserved or accrued by the Company or its subsidiaries to provide pension, benefit, retirement or similar benefits for current Supervisory Directors.

Equity Holdings

The number of Shares owned by Managing Directors as of the date of this Prospectus is set forth in the table below. See also note 20 to the 9M 2014 Financial Information.

Name	Total Shares
Theo Alexander Kiesselbach	1,013,860
Paulo Jorge de Castro Fernandes	251,020

As of the date of this Prospectus and as of 31 December 2013, none of the current Supervisory Directors holds any Shares or options on Shares.

Participation by Managing Directors and Senior Management of the Group

Participation arrangements

Managing Directors and certain members of senior management of the Group have in the past been given the opportunity to participate in the capital of the Company based on a participation arrangement. Based on this participation arrangement the participant could purchase Shares of the Company for which, to a certain extent, an interest-bearing loan could be obtained from the Company. These Shares were to be kept by the participant for a certain period (generally three to four years). See note 37 to the Special Purpose Consolidated Financial Statements for a description of the loans which have been provided to the Managing Directors in the context of participating in the equity of the Company. Certain Managing Directors and members of senior management are, as of the date of this Prospectus, still required to hold Shares for a certain period. As a security for the Company in respect of the loan, the purchased Shares are pledged. After the period in which the participant is required to hold the Shares (holding period), a participant may choose to freely sell the Shares, but is not obliged to do so. Participants are required to maintain a number of Shares with value equivalent to at least one gross annual salary. The CEO is required to maintain a number of Shares with a value equivalent to at least two gross annual salaries. The participant shall continue to hold these Shares for the duration of his affiliation to the Group.

Mr. Kiesselbach and certain members of senior management of the Group have agreed to sell, respectively, 10% and 20% of their Shares for the Offer Price to the Selling Shareholder, shortly after Settlement. Mr. De Castro Fernandes will not sell any of his Shares. This will result in a decrease of Mr. Kiesselbach's ownership of Shares from 0.40% to 0.36%. This will also result in a decrease of the ownership of Shares of senior management from in aggregate 0.93% to 0.89%. See also "Existing Shareholders and Related Party Transactions".

Past LTIPs

Since 2009 the Company has, under a number of long term incentive plans, granted phantom shares and phantom options to members of senior management of the Group. See also notes 7.22.3, 13 and 32 to the Special Purpose Consolidated Financial Statements. The Company intends to convert a large number of the phantom share and phantom option grants that were made since 2011 (which may vest starting May 2015) from phantom share and phantom option grants into grants for Shares prior to Settlement. Furthermore, the Company will, in order to hedge the price risk of these grants, purchase from the Selling Shareholder 2,500,000 Offer Shares at the Offer Price in the Offering. The allocation of these Offer Shares to the Company is guaranteed. This purchase will settle at Settlement.

LTIP 2015

As of the year 2015, Managing Directors and certain other employees of the Group that fulfill a senior management position within the Group may receive annual awards under the new LTIP 2015, which was approved by the General Meeting on 14 October 2014 and which approval is subject to the execution of the Deed of Amendment. Under the LTIP 2015 annual awards can be made in either cash or (options for) Shares as determined by the Supervisory Board, on the proposal of the Remuneration Committee.

Participants in the LTIP 2015 are selected by the Supervisory Board, on the proposal of the Remuneration Committee. If an eligible person is selected, the Supervisory Board, on the proposal of the Remuneration Committee, shall determine the number of awards and determine whether or not the awards are made conditional on the fulfillment of certain performance criteria. The Supervisory Board, on the proposal of the Remuneration Committee, shall also decide on the period of vesting, the vesting dates and the form in which the award will vest (whether in Shares, in options for Shares or in a gross amount of cash). Except under exceptional circumstances, the total value of any award on the date of such award shall not exceed 100% of any individual participant's (average) annual salary.

Participation in the LTIP 2015 will commence as of May 2015. In the event a participant is unable to perform its duties for at least three months, such participant will not be entitled to receive payments under the LTIP 2015 over the period of absence. In the event of a change of control, due to a merger or acquisition or a similar transaction, the LTIP 2015 will be settled on a pro rata basis (in full calendar months) for the period of the award until the date of completion of the change of control, unless the Supervisory Board, on the proposal of the Remuneration Committee, determines otherwise. The Supervisory Board, on the proposal of the Remuneration Committee, may amend the LTIP 2015 at any time as it deems necessary and appropriate taking into account the principles of reasonableness and fairness.

The awards to be granted under the LTIP 2015 in 2015 are expected to vest in 2018 immediately after adoption of the 2017 financial statements by the General Meeting. In order to hedge the price risk of any awards of (options for) Shares to be made and for settlement of those awards, the Company intends to repurchase Shares under a share buyback program.

Participation by Managing Directors in the LTIP 2015

The maximum number of awards in (options for) Shares to be granted to Managing Directors has been set by the General Meeting at 240,000 Shares per year.

	Standard on-target award (% annual base salary)	**Maximum on-target award (% annual base salary)**
CEO	65%	81.25%
CFO	45%	56.25%

Depending on the fulfillment of certain performance conditions, Managing Directors can earn an incentive expressed as a percentage of their average annual base salary in the relevant performance period as set forth in the table above. The Supervisory Board, on the proposal of the Remuneration Committee, is entitled to award the compensation to the Managing Directors under the conditions set out in the LTIP 2015.

The performance conditions are, amongst others, (i) Total Net Revenue ("**TNR**") growth and (ii) Earnings per Share ("**EPS**") growth after three years (*i.e.*, the performance period). Depending on the actual fulfillment of these performance conditions, Managing Directors will receive the awards that have vested. The performance ranges of the performance conditions will be determined by the Supervisory Board, on the proposal of the Remuneration Commitee, within the scope of the authorization given by the General Meeting to define these performance ranges. The applicable vesting scale will be 0% of received awards if performance is below the threshold level, 50% of received awards for threshold performance, 100% of received awards for at-target performance and up to 150% of received awards if performance is at the "stretched" target level. After vesting, if any, the Shares must be held in deposit for two years, after which period they may be sold, provided that the CEO must at all times hold Shares in deposit with a value equal to at least two gross annual salaries, and the CFO must at all times hold Shares in deposit equal to at least one gross annual salary, as applicable from time to time.

Employment, Service and Severance Agreements

As of the date of this Prospectus, the Managing Directors are employed by GrandVision B.V. The terms and conditions of employment are governed by Dutch employment law. Each Managing Director is expected to enter into a service agreement (*overeenkomst van opdracht*) with the Company effective as of the Settlement Date. The terms and conditions of these service agreements have been aligned with the relevant provisions in the current employment agreements and the Code. However, the service contracts will be entered into for an indefinite term. The service contracts will also contain severance provisions which provide for compensation for the loss of income resulting from a termination of employment up to six months gross base salary in addition to a notice period of six months. The Supervisory Directors do not have an employment, service or severance contract with the Company.

Liability of Managing Directors and Supervisory Directors

Under Dutch law, the Managing Directors and Supervisory Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of certain provisions of the DCC. In addition, they may be liable towards third parties for infringement of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Insurance

The Managing Directors, Supervisory Directors and all other directors and/or officers of the Group are currently insured under an insurance policy taken out by the HAL Group against damages resulting from their conduct when acting in their capacities as directors or officers. The Company is in the process of taking out its own directors and officers' liability insurance after which the coverage under the HAL Group insurance will lapse.

Indemnification

Pursuant to the Articles of Association, and unless Dutch law provides otherwise, the following will be reimbursed to current and former Managing Directors and Supervisory Directors: (i) the reasonable costs of conducting a defense against claims based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request; (ii) any damages or fines payable by them as a result of an act or failure to act as referred to under (i); and (iii) the reasonable costs of appearing in other legal proceedings or investigations in which they are involved as current or former Managing Directors or Supervisory Directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

There shall be, however, no entitlement to reimbursement if and to the extent that: a Dutch court or, in the event of arbitration, an arbitrator has established in a final and conclusive decision that the act or failure to act of the person concerned can be characterized as willful (*opzettelijk*) or grossly negligent (*grove schuld*) misconduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness; or the costs or financial loss of the person concerned are covered by insurance and the insurer has paid out the costs or financial loss.

Pension Schemes

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability in respect of defined benefit pension plans is the present value of the defined benefit of obligations at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and which have terms of maturity approximating the terms of the related pension obligation.

The Group operates defined benefit plans in France, the Netherlands, Germany, Austria, Italy, Greece and Mexico. In the Netherlands the assets are held in separately administered funds. The pension plans are funded by payments by the relevant Group Companies and partly by the employees (the Netherlands), taking into account the recommendations of independent qualified actuaries. In 2013, IAS 19R (an accounting rule which outlines the accounting requirements for the Company of employee benefits) was implemented: actuarial gains and losses related to both defined benefit of obligation and fair value of plan assets arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement.

In a number of countries the Group runs defined contribution plans. The contributions are recognized as employee benefit expense when they are due. The Group has no further payment obligations once the contributions have been paid.

In a number of countries in which the Group operates, the Group provides post-employment healthcare benefits to their retirees. The entitlement to these benefits is conditional on the employee remaining in service up to retirement age and includes the estimation that (former) employees make use of this arrangement. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for the defined benefit pension plans.

Trade Union Relations and Works Council

With regard to the employees of GrandVision Benelux B.V. employed in the Netherlands, the Company has established a works council. A works council is a body of employee representatives who have been elected by the employees. Certain of the Company's subsidiaries also have established work councils, or other comparable employee representative bodies, for employees employed in France, Germany, Belgium, Denmark, Sweden, Norway, Finland or Italy.

Under Dutch law, the management board of any company running an enterprise where a works council has been established must seek the non-binding advice of the works council before taking certain decisions with respect to the enterprise, such as those related to a major restructuring, a change of control, or the appointment or dismissal of a managing director. Certain other decisions directly involving employment matters that apply either to all employees or certain groups of employees may only be taken with the works council's consent.

Employees

The table below provides an overview of the total numbers of employees of the Group, subdivided per operating segment. These numbers are measured in FTEs (excluding associates).

	As of 30 September		As of 31 December		
Geographic subdivision of employees	**2014**	**2013**	**2013**	**2012**	**2011**
	Actual		Actual-December		
G4	12,074	11,737	11,891	11,416	11,377
Other Europe	6,507	6,202	6,312	6,149	5,911
Latin America & Asia	5,928	3,813	3,958	3,843	2,844
Head Offices	89	69	74	79	79
Total	**24,598**	**21,820**	**22,235**	**21,487**	**20,211**

Since the recent acquisition of Angelo Randazzo S.r.l. in Italy, the Group employs over 25,500 FTEs. See also "Business—Recent Developments".

Corporate Governance Code

The Code applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere. The Code therefore applies to the Company. The Code contains a number of principles and best practice provisions in respect of managing boards, supervisory boards, shareholders and the general meeting of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

The Company is required to disclose in its annual report whether or not it applies the provisions of the Code and, if it does not apply those provisions, to explain the reasons why. The Code states that a company is also in compliance with the Code if its general meeting of shareholders has approved the corporate governance structure and the deviations from the Code's principles.

Compliance with the Code

The Company fully endorses the underlying principles of the Code, and is committed to adhering to the best practices of the Code as much as possible. The Company fully complies with the Code, with the exception of the following provisions:

Best practice provision II.1.1: The Articles of Association and the Management Board Rules do not provide a maximum period for appointment of the Managing Directors. The service agreement for the Managing Directors are for an indefinite period of time, thereby maintaining the same term as was included in their respective employment agreement with the Company before its conversion into a public limited liability company.

Best practice provision II.2.9: In the past, the Managing Directors have been granted a loan for acquiring a part of the shares they hold in the Company; at the date of this Prospectus, these loans are still outstanding in part. Granting such loans was in line with past practice but will not be continued in the future.

Best practice provision III.5.11: At the date of this Prospectus, Mr. Groot is the chairman of the Remuneration Committee and a member of the management board of another listed company. This situation will be continued because of the knowledge and experience of Mr. Groot.

DESCRIPTION OF SHARE CAPITAL

The following paragraphs summarize certain information concerning the Company's share capital and certain material provisions of the Articles of Association and applicable Dutch law. This section summarizes the Articles of Association as to be amended pursuant to the Deed of Amendment before the Settlement Date.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association and the relevant provisions of Dutch law as in force on the date of this Prospectus. The Articles of Association in the governing Dutch language and in an unofficial English translation thereof are available on the Company's website (www.grandvision.com). See also "Management, Employees and Corporate Governance" for a summary of certain material provisions of the Articles of Association, Management Board Rules, Supervisory Board Rules and Dutch law relating to the Management Board and the Supervisory Board.

General

The Company was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 8 July 2010. As of 1 January 2011, all operations of Pearle Europe B.V. and GrandVision S.A. were combined under GrandVision B.V. The Company will be converted to a public company with limited liability (*naamloze vennootschap*) immediately after determination of the Offer Price pursuant to a notarial deed of conversion and amendment in accordance with a resolution of the General Meeting adopted on 14 October 2014 (the "**Deed of Amendment**"). The legal and commercial name of the Company will then become GrandVision N.V. The corporate seat of the Company is in Haarlemmermeer, the Netherlands, and its registered office is at Schiphol Boulevard 117 Tower G-5, 1118 BG Schiphol, the Netherlands (telephone number +31 (0)88 8870100). The Company is registered in the Commercial Register of the Chamber of Commerce (*Handelsregister van de Kamer van Koophandel*) under number 50338269.

Corporate Purpose

Pursuant to article 2.2 of the Articles of Association, the corporate objects of the Company are: (i) to take an interest in, finance, and conduct the management of other business enterprises which in particular provide optical retail services of whatever nature; (ii) to raise funds by way of securities, bank loans, bond issues, notes and other debt instruments and to borrow in any other way, to lend, to provide guarantees, including guarantees for debts of other persons, and in general to render services in the fields of trade and finance; (iii) to invest in securities, savings certificates and other financial instruments; (iv) to render administrative, technical, financial, economic or managerial services to other companies, persons or enterprises; (v) to provide services for its own account as well as for the account of third parties; as well as to perform all acts in connection with the foregoing or which may in the broadest sense be desirable or conducive to these objects.

Share Capital

Authorized and issued share capital of the Company

Prior to the execution of the Deed of Amendment, the issued share capital of the Company consists of 254,443,740 Shares and one priority share. After the execution of the Deed of Amendment, the authorized capital of the Company will amount to €1,000,000,000 and will consist of 50,000,000,000 Shares with a nominal value of €0.02 each and the issued share capital will consist of 254,443,840 Shares.

As of the date of this Prospectus, no Shares are held by the Company. All issued Shares and the priority share are fully paid-up and are subject to, and have been created under, the laws of the Netherlands. By way of execution of the Deed of Amendment, the Company will convert the priority share into 100 Shares. In the Offering, the Company will purchase 2,500,000 Offer Shares from the Selling Shareholder at the Offer Price (see also "Management, Employees and Corporate Governance—Participation by Managing Directors and Senior Management of the Group—Past LTIPs").

History of share capital

Since its incorporation, the Company has issued the following Shares:

Date	*Number of priority shares*
3 January 2011	1

Date	*Number of Shares*
8 July 2010	12,500,000
31 December 2010	1
30 May 2012	106,273
11 June 2012	9,497
26 June 2012	3,098
27 December 2012	67,137
25 November 2013	5,631
16 December 2013	11,262
12 August 2014	19,388
20 January 2015	241,721,553

On 3 January 2011, one hundred Shares have been consolidated and converted into one priority share by way of a deed of amendment of the articles of association of the Company.

On 31 December 2013 and 1 January 2014, the Company's issued and outstanding share capital consisted of €254,057.98, being 12,702,799 Shares and one priority share. The Company issued 19,388 Shares on 12 August 2014 and 241,721,553 Shares on 20 January 2015. Since 20 January 2015 there have been no changes to the Company's issued share capital. The issued share capital of the Company (as a private limited liability company) as of the date of this Prospectus amounts to €5,088,876.80 and consists of two classes of shares, being 254,443,740 Shares, with a nominal value of €0.02 each, and one priority share, with a nominal value of €2.00. By way of execution of the Deed of Amendment, the Company will convert the priority share into 100 Shares.

For a description of the envisaged changes to the issued and outstanding share capital as a result of the Offering, see "Existing Shareholders and Related Party Transactions" and "The Offering".

Shareholders Register

The Shares are in registered form (*op naam*). No share certificates (*aandeelbewijzen*) are or may be issued. If requested, the Management Board will provide a Shareholder, usufructuary or pledgee of such Shares with an extract from the register relating to his or her title to a Share free of charge. If the Shares are encumbered with a right of usufruct, the extract will state to whom such rights will fall to. The shareholders register is kept by the Management Board.

The Company's shareholders register records the names and addresses of the Shareholders, the number of Shares held, the amount paid on each Share and the date of registration in the shareholders register. In addition, each transfer or passing of ownership is registered in the shareholders register. The shareholders register also includes the names and addresses of persons and legal entities with a right of pledge (*pandrecht*) or a right of usufruct (*vruchtgebruik*) on those Shares.

For shares as referred to in the Dutch Securities Giro Transactions Act (*Wet giraal effectenverkeer*), including the Offer Shares, which belong to (i) a collective depot as referred to in that Dutch Securities Giro Transactions Act, of which shares form part kept by an intermediary, as referred to in the Dutch Securities Giro Transactions Act or (ii) a giro depot as referred to in that Act of which shares form part, as being kept by a central institute as referred to in the Act, the name and address of the intermediary or the central institute shall be entered in the shareholders' register, stating the date on which those shares became part of such collective depot or giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each share.

Issuance of Shares

The General Meeting, or the Supervisory Board, to the extent so authorized by the General Meeting for a specific period, may resolve to issue Shares. The General Meeting is only authorized to resolve to issue Shares subject to the approval of the Supervisory Board. This also applies to the granting of rights to subscribe for Shares, such as options, but is not required for an issue of Shares pursuant to the exercise of a previously granted right to subscribe for Shares. An authorization as referred to above will only be valid for a fixed term of no more than five years and may each time only be extended for a maximum period of five years. The Company may not subscribe for its own Shares on issue.

Pursuant to the execution of the Deed of Amendment, the Supervisory Board is authorized by the General Meeting to resolve to issue Shares, to grant rights to subscribe for Shares and to restrict and/or exclude statutory pre-emptive rights in relation to the issuances of Shares or the granting of rights to subscribe for Shares. Aforementioned authorization of the Supervisory Board is limited to 10% of the total nominal issued share capital of the Company as of the date of execution of the Deed of Amendment and will be valid for eighteen months following such date. A part of this authority may be used for grants to senior management of the Group under the LTIP 2015 other than members of the Management Board. In addition, the Supervisory Board is authorized to resolve to issue (rights to subscribe for) Shares to the members of the Management Board under the LTIP 2015 for a period of five years up to a maximum number of 240,000 Shares per year and to limit or exclude the pre-emptive rights in relation to such issues.

Pre-emptive Rights

Upon issue of Shares or grant of rights to subscribe for Shares, each Shareholder shall have a pre-emptive right in proportion to the aggregate nominal amount of his or her Shares. Shareholders do not have pre-emptive rights in respect of Shares issued against contribution in kind, Shares issued to employees of the Company or a Group Company or Shares issued to persons exercising a previously granted right to subscribe for Shares.

Pre-emptive rights may be limited or excluded by a resolution of the General Meeting subject to the approval of the Supervisory Board. The Supervisory Board is authorized to resolve on the limitation or exclusion of the pre-emptive right if and to the extent the Supervisory Board has been designated by the General Meeting to do so. The designation will only be valid for a specific period and may from time to time be extended by the General Meeting, in each case not exceeding five years. Unless provided otherwise in the designation, the designation cannot be cancelled.

As set out above, pursuant to the execution of the Deed of Amendment, the Supervisory Board is authorized by the General Meeting to resolve to issue Shares, to grant rights to subscribe for Shares or to restrict and/or exclude statutory pre-emptive rights in relation to the issuances of Shares or the granting of rights to subscribe for Shares. Aforementioned authorization of the Supervisory Board is limited to 10% of the total nominal issued share capital of the Company as of the date of execution of the Deed of Amendment and will be valid for eighteen months following such date.

Acquisition by the Company of its Shares

The Company may acquire fully paid-up Shares at any time for no consideration or, subject to Dutch law and the Company's articles of association if: (i) the distributable part of the shareholders' equity is at least equal to the total purchase price of the repurchased Shares; (ii) the aggregate nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Management Board has been authorized by the General Meeting to repurchase Shares. The General Meeting's authorization is valid for a specific period not exceeding eighteen months. As part of the authorization, the General Meeting must specify the number of Shares that may be acquired, the manner in which the Shares may be acquired and the price range within which the Shares may be acquired.

No authorization from the General Meeting is required for the acquisition of fully paid up Shares for the purpose of transferring these Shares to employees of the Company or of a Group Company pursuant to any share option plan. The Company intends to use part of this authority to acquire Shares to hedge its price risk under the long term incentive plans. See "Management, Employees and Corporate Governance—Participation by Managing Directors and Senior Management of the Group".

The Company may not cast votes on, and is not entitled to dividends paid on, Shares held by it nor will such Shares be counted for the purpose of calculating a voting quorum. For the computation of the profit distribution, the Shares held by the Company in its own capital shall not be included. The Management Board is authorized, subject to approval of the Supervisory Board, to dispose of the Company's own Shares held by it.

Pursuant to a resolution by the General Meeting of the Company adopted on 14 October 2014, the Management Board will be authorized to resolve to acquire fully paid-up Shares. Aforementioned authorization of the Management Board will be limited to 10% of the total nominal issued share capital of the Company as of the date of execution of the Deed of Amendment and will be valid for eighteen months following such date.

Transfer of Shares

A transfer of a Share or a restricted right thereto (*beperkt recht*) requires a deed of transfer and the acknowledgment by the Company of the transfer in writing. Such acknowledgement is not required if the Company itself is a party to the transfer.

A Share becomes a deposit share by transfer or issuance to Euroclear Nederland or to an intermediary, recording in writing that it is a deposit share. The deposit share shall be recorded in the shareholders register of the Company in the name of Euroclear Nederland or the relevant intermediary, stating in writing that it is a deposit share. Deposit shareholders are not recorded in the shareholders register of the Company. Deposit shares can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Dutch Securities Giro Transactions Act and with the approval of the Management Board. The transfer by a deposit shareholder of its book-entry rights representing deposit shares shall be effected in accordance with the provisions of the Dutch Securities Giro Transactions Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights.

Capital Reduction

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may resolve to reduce the issued share capital by (i) cancelling Shares or (ii) reducing the nominal value of Shares through an amendment of the Company's articles of association. A resolution to cancel Shares may only relate to Shares held by the Company itself or of which it holds the depositary receipts. A reduction of the nominal value of Shares, with or without repayment must be made pro rata on all Shares concerned. This pro rata requirement may be waived if all Shareholders concerned so agree.

A resolution of the General Meeting to reduce the share capital requires a majority of at least two-thirds of the votes cast, if less than half of the issued and outstanding share capital is present or represented at the General Meeting.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution. Certain aspects of taxation of a reduction of share capital are described in the section "Taxation" of this Prospectus.

Dividends and Other Distributions

General

Distribution of profits only takes place following the adoption of the Annual Accounts from which it appears that the distribution is allowed. The Company may only make distributions, whether a distribution of profits or of freely distributable reserves, to its Shareholders if its shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Company's articles of association. See "Dividend Policy" for a more detailed description regarding dividends.

Right to reserve

The Management Board, subject to the prior approval of the Supervisory Board, may resolve to reserve the profits or a part of the profits.

Dissolution and liquidation

The Company may only be dissolved by a resolution of the General Meeting, subject to the prior approval of the Supervisory Board. If the General Meeting has resolved to dissolve the Company, the Management Board must carry out the liquidation of the Company, unless otherwise resolved by the General Meeting. During liquidation, the provisions of the Company's articles of association will remain in force as far as possible.

The balance of the assets of the Company remaining after all liabilities and the costs of liquidation shall be distributed among the Shareholders in proportion of their number of Shares.

Exchange Controls and other Provisions relating to non-Dutch Shareholders

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, Shares (except as to cash amounts). There are no special restrictions in the Articles of Association or Dutch law that limit the right of shareholders who are not citizens or residents of the Netherlands to hold or vote Shares.

General Meetings and Voting Rights

General Meetings

General Meetings must be held in Amsterdam, Haarlemmermeer, The Hague or Rotterdam, the Netherlands. The annual General Meeting must be held at least once a year, no later than in June. Extraordinary General Meetings may be held, as often as the Management Board or the Supervisory Board deem desirable. In addition, one or more Shareholders, who solely or jointly represent at least one-tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered. If no General Meeting has been held within 42 days of the shareholder(s) making such request, will be authorized to request in summary proceedings a District Court to convene a General Meeting. Within three months of it becoming apparent to the Management Board that the equity of the Company has decreased to an amount equal to or lower than one-half of the paid-up part of the capital, a General Meeting will be held to discuss any requisite measures.

The convocation of the General Meeting must be published through an announcement by electronic means. The notice must state the time and place of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, as well as the place where the meeting documents may be obtained. The notice must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.

The agenda for the annual General Meeting must contain certain subjects, including, among other things, the adoption of the Annual Accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profit, insofar as this is at the disposal of the General Meeting. In addition, the agenda shall include such items as have been included therein by the Management Board, the Supervisory board or Shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and Supervisory Directors concerning the performance of their duties in the financial year in question, the matter of the discharge shall be mentioned on the agenda as separate items for the Management Board and the Supervisory Board respectively. The agenda shall also include such items as one or more Shareholders and others entitled to attend General Meetings, representing, pursuant to the Company's articles of association, at least the percentage of the issued and outstanding share capital as required by law (which as of the date of this Prospectus is 3%), have requested the Management Board by a motivated request to include in the agenda, at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those which have been included in the agenda.

Shareholders who, individually or with other Shareholders, hold Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least €250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information, if received less than seven business days prior to the General Meeting, if the information gives or could give an incorrect of misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The General Meeting is chaired by the chairman of the Supervisory Board. Managing Directors and Supervisory Directors may attend a General Meeting. In these General Meetings, they have an advisory vote. The chairman of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each Shareholder may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his or her shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Shares on the record date as required by Dutch law, which is currently the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper at the address and by the date specified in the notice of the General Meeting. The convocation notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

Voting rights

Each Share confers the right to cast one vote in the General Meeting. Subject to certain exceptions provided by Dutch law or the Company's articles of association, resolutions of the General Meeting are passed by an absolute majority of votes cast. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Shares which are held by the Company.

Amendment of the Articles of Association

The General Meeting may resolve to amend the Articles of Association, subject to the prior approval of the Supervisory Board. A proposal to amend the Articles of Association must be included in the agenda. A copy of the proposal, containing the *verbatim* text of the proposed amendment, must be lodged with the Company for the inspection of every Shareholder until the end of the General Meeting.

Annual Accounts, Semi-Annual Accounts and Interim Management Statements

Annually, within four months after the end of the financial year, the Management Board must prepare the annual accounts and make them available for inspection by the Shareholders at the office of the Company. The annual accounts must be accompanied by an auditor's statement, an annual report and certain other information required under Dutch law and a report of the Supervisory Board. The annual accounts must be signed by the Managing Directors and the Supervisory Directors.

The annual accounts, the auditor's statement, the annual report, the other information required under Dutch law and the report of the Supervisory Board must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting. The annual accounts must be adopted by the General Meeting. The Management Board must send the adopted annual accounts to the AFM within five business days after adoption.

The Company must prepare and make publicly available a semi-annual financial report as soon as possible, but at the latest two months after the end of the first six months of the financial year. If the semi-annual financial report is audited or reviewed, the independent auditor's audit or review report, respectively, must be published together with the semi-annual financial report.

During the period between ten weeks after the start and six weeks before the end of each half of the financial year, the Company must prepare an interim management statement and make it publicly available. The interim management statement must contain an explanation of the important events and transactions that took place during the period between the start of the relevant period and publication of the interim management statement and the consequences for the financial position of the Company. The interim management statement must also contain a general description of the financial position and the performance of the Company during that period. It is expected that in 2015 this requirement will be abolished.

Dutch Financial Reporting Supervision Act

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (the "**FRSA**") the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the Company's financial reporting meets such standards and (ii) recommend the Company to make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request that the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the "**Enterprise Chamber**") orders the Company to (i) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

Rules Governing Obligations of Shareholders to Make a Public Takeover Bid

Pursuant to the FMSA, and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who (individually or jointly) directly or indirectly obtains control of a Dutch listed company is required to make a public takeover bid for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company (subject to an exemption for major shareholders who, acting alone or in concert, already had such stake in the company at the time of that company's initial public offering).

In addition, it is prohibited to launch a public takeover bid for shares of a listed company, such as the Shares, unless an offer document has been approved by the AFM. A public takeover bid may only be launched by way of publication of an approved offer document unless a company makes an offer for its shares. The public takeover bid rules are intended to ensure that in the event of a public takeover bid, among others, sufficient information will be made available to the holders of the shares, the holders of the shares will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

Squeeze-out Proceedings

Pursuant to Section 2:92a of the DCC, a shareholder who for his or her own account contributes at least 95% of a Dutch company's issued share capital may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to him or her. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public takeover bid is also entitled to start squeeze-out proceedings if, following the public takeover bid, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the FMSA also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to Disclose Holdings

Holders of the Shares may be subject to notification obligations under the FMSA. Shareholders are advised to seek professional advice on these obligations.

Shareholders

Pursuant to the FMSA, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of the Company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the Company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the abovementioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital.

The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights changes by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest at 31 December at midnight has a different composition than in a previous notification to the AFM must notify the AFM within four weeks.

Controlled entities, within the meaning of the FMSA, do not have notification obligations under the FMSA, as their, direct and indirect, interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the FMSA, including an individual. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the FMSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above, may acquire pursuant to any option or other right to acquire Shares; (v) shares which determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares which are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares. Special attribution rules apply to shares and voting rights which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the purpose of the notification obligation, the following instruments qualify as "shares": (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

Gross short positions in shares must also be notified to the AFM. For these gross short positions the same thresholds apply as for notifying an actual or potential interest in the capital and/ or or voting rights of a Dutch listed company, as referred to above, and without any set-off against long positions.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set-off. A short transaction in a Share can only be contracted if a reasonable case can be made that the Shares sold can actually be delivered, which requires confirmation of a third party that the Shares have been located.

Management

Pursuant to the FMSA, any Managing Director and Supervisory Director, as well as any other person who would have managerial or co-managerial responsibilities in respect of the Company or who would have the authority to make decisions affecting future developments and business prospects of the Company regularly having access to inside information relating, directly or indirectly, to the Company, must notify the AFM by means of a standard form of any transactions conducted for his or her own account relating to the Shares or in financial instruments the value of which is also based on the value of the Shares.

In addition, in accordance with the FMSA and the regulations promulgated thereunder (*e.g.*, the Dutch Financial Supervision Act Decree on Market Abuse (*Besluit Marktmisbruik Wft*)), certain persons who are closely associated with Managing Directors, Supervisory Directors or any of the other persons as described above, are required to notify the AFM of any transactions conducted for their own account relating to the Shares or in financial instruments the value of which is also based on the value of the Shares. The FMSA and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose, among other things, managerial responsibilities are discharged by a person referred to under (i) to (iii) above or by the relevant Managing Director, the Supervisory Director or other person with any authority in respect of the Company as described above.

Managing Directors and Supervisory Directors must notify the AFM forthwith. The other persons must notify the AFM no later than the fifth business day following the relevant transaction date. Under certain circumstances, these latter notifications may be postponed until the date the value of the transactions performed for that person's own account, together with transactions carried out by the persons closely associated with that person, amounts to €5,000 or more in the calendar year in question.

Non-compliance

Non-compliance with the notification obligations under the FMSA could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with some of the notification obligations under the FMSA may lead to civil sanctions, including suspension of the voting rights relating to the Shares held by the offender for a period of not more than three years, voiding of a resolution adopted by the General Meeting in certain circumstances and ordering the person violating the disclosure obligations to refrain, during a period of up to five years, from acquiring Shares and/or voting rights in Shares.

Public registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the FMSA on its website (www.afm.nl). Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

Identity of Shareholders

The Company may in accordance with Chapter 3A of the Dutch Securities Giro Transactions Act request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of its Shareholders. Such request may only be made during a period of 60 days up to the day on which the General Meeting will be held. No information will be given on Shareholders with an interest of less than 0.5% of the issued share capital. A Shareholder who, individually or together with other Shareholders, holds an interest of at least 10% of the issued share capital may request the Company to establish the identity of its Shareholders. This request may only be made during a period of 60 days until (and not including) the 42nd day before the day on which the General Meeting will be held.

Market Abuse Regulation

The FMSA provides for specific rules intended to prevent market abuse, such as insider trading, tipping and market manipulation. Pursuant to these rules, the Company has adopted rules governing the holding and carrying out of transactions in the Shares or in financial instruments the value of which is determined by the value of the Shares by Managing Directors and the Supervisory Directors as well as employees.

Transparency Directive

The Netherlands will be the Company's home member state for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU) as a consequence of which the Company will be subject to the FMSA in respect of certain ongoing transparency and disclosure obligations.

EXISTING SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Existing Shareholders

The following table sets forth information with respect to the beneficial ownership of each Shareholder at the date of this Prospectus.

Existing Shareholder	Amount of Share Capital Owned		Percentage of voting rights
	Number / class of shares	Percentage of share capital	
The Selling Shareholder	250,814,200 Shares par value €0.02 per Share and 1 priority share nominal value €2.00	98.57%	98.57%
Managing Directors(1)	1,264,880 Shares nominal value €0.02 per Share	0.50%	0.50%
Senior management(2)	2,364,660 Shares nominal value €0.02 per Share	0.93%	0.93%

(1) Mr. Kiesselbach has agreed to sell 10% of his Shares for the Offer Price to the Selling Shareholder, on or shortly after Settlement. This will result in a decrease of Mr. Kiesselbach's ownership of Shares from 0.40% to 0.36% and a decrease of the Managing Directors' ownership of Shares from 0.50% to 0.46%, and a corresponding increase in the Selling Shareholder's holdings. Mr. De Castro Fernandes will not sell any of his Shares.

(2) Certain members of senior management of the Group have agreed to sell 20% of their respective Shares for the Offer Price to the Selling Shareholder, on or shortly after Settlement. This will result in a decrease of the ownership of Shares of senior management from in aggregate 0.93% to 0.89%, and a corresponding increase in the Selling Shareholder's holdings.

Each Share gives the right to cast one vote and the priority share the right to cast one hundred votes at the General Meetings.

By way of execution of the Deed of Amendment the Company will convert the priority share into 100 Shares.

As indicated in the table above, the Selling Shareholder, Managing Directors and certain members of senior management together own the Company. The Company is not aware of any arrangement that may, at a subsequent date, result in a change of control.

The Selling Shareholder is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated in the Netherlands. The Selling Shareholder's corporate seat is in Rotterdam. The Selling Shareholder is indirectly controlled by HAL Holding N.V. All HAL Holding N.V. shares are held by HAL Trust and form its entire assets. HAL Trust is listed on Euronext Amsterdam (ticker: HAL NA).

Holdings Immediately Prior to and After the Offering

The Selling Shareholder is offering up to 51,000,000 Offer Shares in the Offering, assuming no exercise of the Over-Allotment Option. Assuming the Over-Allotment Option is fully exercised, the Offer Shares will constitute not more than 23.05% of the Shares (which includes the 2,500,000 Offer Shares, or 0.98% of the Shares, purchased by the Company in the Offering). The table below presents information about the ownership of Shares by each Shareholder and the Company immediately prior to Settlement, as well as on or shortly after Settlement, without and with full exercise of the Over-Allotment Option.

	Shares owned at the date of this Prospectus		Maximum number of Shares to be sold in the Offering		Shares owned on or shortly after Settlement(1)(2)			
			Without exercise of the Over-Allotment Option	With full exercise of the Over-Allotment Option	Without exercise of the Over-Allotment Option		With full exercise of the Over-Allotment Option	
		%				%		%
Selling Shareholder	250,814,200 Shares nominal value €0.02 per Share and 1 priority share nominal value €2.00	98.57%	51,000,000	58,650,000	200,005,742	78.61%	192,355,742	75.60%
Managing Directors	1,264,880 Shares nominal value €0.02 per Share	0.50%	n/a	n/a	1,163,494	0.46%	1,163,494	0.46%
Senior management	2,364,660 Shares nominal value €0.02 per Share	0.93%	n/a	n/a	2,274,604	0.89%	2,274,604	0.89%
Company	n/a	n/a	n/a	n/a	2,500,000	0.98%	2,500,000	0.98%
New public investors	n/a	n/a	n/a	n/a	48,500,000	19.06%	56,150,000	22.07%

(1) Assuming the maximum number of Offer Shares are sold in the Offering.

(2) Assuming Mr. Kiesselbach and certain members of senior management have sold part of their respective Shares for the Offer Price to the Selling Shareholder.

Involvement in the Optical Segment

The HAL Group controls 41.69% of the ordinary shares in Safilo Group S.p.A., one of the Group's main suppliers of third party branded frames and sunglasses. Safilo Group S.p.A. is listed on the Milan stock exchange. Safilo Group S.p.A. is consolidated in HAL Trust's consolidated financial statements as of 1 January 2014 as HAL Trust is deemed to have control, as defined in IFRS 10, over Safilo Group S.p.A. See "Management, Employees and Corporate Governance—Supervisory Board—Composition, appointment and removal" for the Selling Shareholder's nomination of the vice-chairman of the Supervisory Board.

The HAL Group controls 7.27% of the ordinary shares in Paris Miki Holdings Inc., a Japanese optical retailer. Paris Miki Holdings Inc. is listed on the Tokyo stock exchange.

Related Party Transactions

Relationship agreement

The Company expects to enter into a relationship agreement with HAL Holding N.V. after determination of the Offer Price. This relationship agreement sets out under which terms information about the Group may be shared with HAL Holding N.V. to enable HAL Holding N.V. to satisfy its ongoing financial reporting, audit and other legal and regulatory requirements. The relationship agreement also sets out HAL Holding N.V.'s right to nominate the vice-chairman of the Supervisory Board as long as it holds directly or indirectly, an interest of at least 20% in the Company (see "Management, Employees and Corporate Governance—Supervisory Board–Composition, appointment and removal"; see also "Management, Employees and Corporate Governance—Supervisory Board—Meetings and decisions" for 'the decisive voting rights of vice-chairman', and "Risk Factors—Following the Offering, the Selling Shareholder will continue to have a position to exert substantial influence over the Company and its interests may differ from the interests of the Company's other Shareholders").

Supply arrangements

The Group purchases on a continuous basis frames, sunglasses and related accessories from Safilo Group S.p.A. and its group companies pursuant to a master purchase agreement entered into on an at arm's length basis. During 2013 the Group acquired goods from Safilo Group S.p.A. for an amount of €56.3 million, in 2012 for an amount of €63.9 million and in 2011 for an amount of €32.0 million. See "—Involvement in the Optical Segment".

Loans to management

See note 37 to the Special Purpose Consolidated Financial Statements for a description of the loans which have been provided to the Managing Directors in the context of participating in the equity of the Company and "Management, Employees and Corporate Governance—Employment, Service and Severance Agreements" for the Employment, Service and Severance Agreements with the Managing Directors. See "Management, Employees and Corporate Governance—Supervisory Board Remuneration" for the remuneration paid to the Supervisory Directors.

Transactions with HAL Group

On 30 September 2014, the Selling Shareholder sold all shares in the share capital of HAL Investments Asia B.V. and all shares in the share capital of HAL Optical Turkey B.V. to GrandVision Retail Holding B.V. for a purchase price of €82.7 million.

THE OFFERING

Introduction

The Selling Shareholder is offering up to 51,000,000 Offer Shares. Assuming no exercise of the Over-Allotment Option, the Offer Shares will constitute not more than 20.04% of the issued Shares (which includes the 2,500,000 Offer Shares, or 0.98% of the Shares, purchased by the Company in the Offering). Assuming the Over-Allotment Option is fully exercised, the Offer Shares will constitute not more than 23.05% of the Shares (which includes the 2,500,000 Offer Shares, or 0.98% of the Shares, purchased by the Company in the Offering). The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered: (i) within the US, to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A and (ii) outside the US, in ''offshore transactions'' as defined in, and in compliance with, Regulation S. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

In the Offering, the Company will purchase 2,500,000 Offer Shares from the Selling Shareholder at the Offer Price, in order to hedge the price risk of the grants made under long term incentive plans (See also ''Management, Employees and Corporate Governance—Participation by Managing Directors and Senior Management of the Group—Past LTIPs''). The allocation of these Offer Shares to the Company is guaranteed. This purchase will settle at Settlement.

The Selling Shareholder expects to grant the Joint Global Coordinators, on behalf of the Underwriters, the Over-Allotment Option, exercisable up to 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager may require the Selling Shareholder to sell at the Offer Price up to 7,650,000 additional Over-Allotment Shares, comprizing up to 15% of the total number of Offer Shares sold in the Offering, to cover over-allotments or short positions, if any, in connection with the Offering.

Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

Event	Expected Date	Time CET
Start of Offering Period	26 January 2015	9:00
End of Offering Period	5 February 2015	14:00
Start of retail offering	26 January 2015	9:00
End of retail offering	4 February 2015	17:30
Pricing and allocation	5 February 2015	
Commencement of trading on an 'as-if-and-when-delivered' basis on Euronext Amsterdam	6 February 2015	9:00
Settlement (payment and delivery)	10 February 2015	9:00

The Selling Shareholder after consultation with the Company and the Joint Global Coordinators may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Selling Shareholder should decide to do so, it will make this public through a press release, which will also be posted on the Company's website. Any other material alterations will be published through a press release that will also be posted on the Company's website and (if required) in a supplement to this Prospectus that is subject to the approval of the AFM. Any extension of the timetable for the Offering will be published in a press release at least three hours before the end of the original Offering Period, provided that any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offering Period. In any event, the Offering Period will be at least six business days.

Offer Price and Number of Offer Shares

The Offer Price is expected to be in the range of €17.50 to €21.50 (inclusive) per Offer Share. The Offer Price and the exact number of Offer Shares will be determined on the basis of a book building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered will be determined by the Selling Shareholder, after consultation with the Company and the Joint Global Coordinators, after the end of the Offering Period, including any acceleration or extension, on the basis of the book building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate. The Offer Price, the exact numbers of Offer Shares to be sold and the maximum number of Over-Allotment Shares will be stated in the Pricing Statement which will be published through a press release that will also be posted on the Company's website and filed with the AFM.

The Offer Price Range is an indicative price range. The Selling Shareholder, after consultation with the Company and the Joint Global Coordinators, reserves the right to change the Offer Price Range and/or to increase the maximum number of Offer Shares before the end of the Offering Period. Any such change will be announced in a press release (that will also be posted on the Company's website) prior to the end of the Offering Period. Any increase in the top end of the Offer Price Range on the last day of the Offering Period or the determination of an Offer Price above the Offer Price Range will result in the Offering Period being extended by at least two business days. Any increase in the top end of the Offer Price Range on the day prior to the last day of the Offering Period will result in the Offering Period being extended by at least one business day.

Offering Period

Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 26 January 2015 and ending at 14:00 CET on 5 February 2015. The Offering Period for Dutch Retail Investors will end at 17.30 CET on 4 February 2015. In the event of an acceleration or extension of the Offering Period, pricing, allotment, admission and first trading of the Offer Shares, as well as payment (in euros) for and delivery of the Offer Shares in the Offering may be advanced or extended accordingly. If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares arises or is noted before the final closing of the Offering, a supplement to this Prospectus will be published, the Offering Period will be extended, if so required by the Prospectus Directive, the FMSA or the rules promulgated thereunder, and investors who have already agreed to purchase Offer Shares may withdraw their subscriptions within two business days following the publication of the supplement, provided that the new factor, material mistake of inaccuracy, arose or was noted before the final closing of the Offering.

Subscription and Allocation

Dutch Retail Investors can only subscribe on a market order (*bestens*) basis. This means that Dutch Retail Investors will be bound to purchase and pay for the Offer Shares indicated in their share application, to the extent allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch Retail Investors are entitled to cancel or amend their application, at the financial intermediary where their original application was submitted, at any time prior to the end of the Offering Period (if applicable, as accelerated or extended). Dutch Retail Investors can submit their subscriptions through their own financial intermediary. The financial intermediary will be responsible for collecting subscriptions from Dutch Retail Investors and for submitting their subscriptions to ABN AMRO as the retail coordinator (the "**Retail Coordinator**"). The Retail Coordinator will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Global Coordinators, the Company and the Selling Shareholder. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the purchase of Offer Shares will be determined by the financial intermediaries in accordance with their usual procedures or as otherwise notified to the Dutch Retail Investors. The Company and the Selling Shareholder are not liable for any action or failure to act by a financial intermediary or the Retail Coordinator in connection with any purchase, or purported purchase, of Offer Shares.

The allocation of the Offer Shares is expected to take place after termination of the Offering Period on or about 5 February 2015, subject to acceleration or extension of the timetable for the Offering. Allotment to investors who applied to subscribe for Offer Shares will be determined by the Selling Shareholder after consultation with the Company and the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allot the Offer Shares. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Selling Shareholder, the Company and the Joint Global Coordinators may, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. Any monies received in respect of subscriptions which are not accepted in whole or in part will be returned to the investors without interest and at the investors' risk.

Notwithstanding the above, the allocation of the 2,500,000 Offer Shares that the Company will purchase in the Offering is guaranteed. Furthermore, it is intended that Dutch Retail Investors will benefit from preferential allocation, for up to 10% of the Offer Shares, assuming no exercise of the Over-Allotment Option. See "—Preferential Retail Allocation" below. Apart from the guaranteed allocation to the Company and the preferential retail allocation, the Selling Shareholder, the Company and the Joint Global Coordinators, retain full flexibility to change the intended allocation. All Offer Shares will be offered as part of a single offering, there is no separate tranche for retail investors.

Investors participating in the Offering will be deemed to have checked whether and to have confirmed they meet the requirements of the selling and transfer restrictions in "Selling and Transfer Restrictions". If in doubt, investors should consult their professional advisers.

The Joint Bookrunners will communicate to institutional investors the number of Offer Shares allocated to them on the date that allocation occurs.

Preferential Retail Allocation

There will be a preferential allocation of Offer Shares to Dutch Retail Investors in accordance with applicable law and regulations. Each Dutch Retail Investor will be allocated the first 250 (or fewer) Offer Shares for which such investor applies. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced pro rata to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they apply. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended.

The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Over-Allotment Shares. The Selling Shareholder, after consultation with the Company and the Joint Global Coordinators has full discretion as to whether or not and how to allocate the remainder of the Offer Shares applied for.

For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 26 January 2015 at 9:00 CET and ending on 4 February 2015 at 17:30 CET through financial intermediaries. Different financial intermediaries may apply deadlines before the closing time of the Offering Period.

The Retail Coordinator will communicate to the financial intermediaries the aggregate number of Offer Shares allocated to their respective Dutch Retail Investors. It is up to the financial intermediaries to notify Dutch Retail Investors of their individual allocations.

Payment

Payment (in euros) for and delivery of the Offer Shares will take place on the Settlement Date. Taxes and expenses, if any, must be borne by the investor (for more information see "Taxation").

Dutch Retail Investors may be charged expenses by their financial intermediary. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

Delivery, Clearing and Settlement

The Offer Shares will be delivered in book-entry form through the facilities of Euroclear Nederland. Application has been made for the Shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland. Euroclear Nederland has its offices at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Delivery of the Offer Shares will take place on the Settlement Date, through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment (in euros) for the Offer Shares and the Over-Allotment Shares, if applicable, in immediately available funds.

Prior to the Offering, there has been no public market for the Shares. Application has been made to list all of the Shares on Euronext Amsterdam under the symbol "GVNV" with ISIN code NL0010937066. Subject to acceleration or extension of the timetable for the Offering, trading on an 'as-if-and-when-delivered' basis in the Offer Shares is expected to commence on or about 6 February 2015.

The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See "Plan of Distribution".

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholder, the Underwriters, the Listing and Paying Agent nor Euronext Amsterdam N.V. accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Shares on Euronext Amsterdam.

Voting Rights

Each Share confers the right to cast one vote in the General Meeting, see "Description of Share Capital—General Meetings and Voting Rights—Voting Rights". All Shareholders have the same voting rights.

Ranking and Dividends

The Offer Shares and, if the Over-Allotment Option will be exercised, any Over-Allotment Shares will, upon issue, rank equally in all respects. The Offer Shares will carry dividend rights as of the date of issue. See "Dividend Policy".

Listing and Paying Agent

ABN AMRO is the Listing and Paying Agent with respect to the Shares on Euronext Amsterdam.

Retail Coordinator

ABN AMRO is the Retail Coordinator with respect to the Preferential Retail Allocation.

Stabilization Manager

J.P. Morgan is the Stabilization Manager with respect to the Shares on Euronext Amsterdam.

PLAN OF DISTRIBUTION

Underwriting

The Company, HAL Investments B.V. (acting on a joint and several basis with the Selling Shareholder), the Selling Shareholder and the Underwriters will enter into the Underwriting Agreement on or about 5 February 2015 with respect to the offer and sale of the Offer Shares.

Under the terms and subject to the conditions set forth in the Underwriting Agreement, the Selling Shareholder will agree to sell at the Offer Price to the Underwriters, and each of the Underwriters, severally but not jointly, will agree to purchase at the Offer Price from the Selling Shareholder, the Offer Shares in the Offering.

Subject to the satisfaction of these conditions precedent, the proportion of Offer Shares that each Underwriter will be required to purchase is indicated below.

Underwriters	**Underwriting Commitment of Offer Shares**
ABN AMRO Bank N.V.	30%
J.P. Morgan Securities Plc	30%
Barclays Bank PLC	9%
BNP Paribas	9%
HSBC Bank plc	9%
ING Bank N.V.	4.5%
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.	4.5%
Crédit Agricole Corporate and Investment Bank	2%
Kempen & Co N.V.	2%
Total	**100%**

In the Underwriting Agreement, the Company makes certain representations and warranties. In addition, the Company will indemnify the Underwriters against most liabilities in connection with the Offering.

The Underwriting Agreement will provide that the obligations of the Underwriters to purchase the Offer Shares are subject to, among other things, the following conditions precedent: (i) the approval of this Prospectus by the AFM being in full force and effect, (ii) receipt of opinions on certain legal matters from counsel, (iii) receipt of customary officers' certificates, (iv) the absence of a material adverse effect on the business, financial position, results of operations or prospects of the Company and its subsidiaries taken as a whole or in financial markets since the date of the Underwriting Agreement, (v) the admission of the Shares to listing on Euronext Amsterdam occurring no later than 9:00 CET on the First Trading Date and (vi) certain other customary conditions.

Upon the occurrence of certain specific events, such as the occurence of (i) a material adverse change in the business, financial position, results of operations or prospects of the Company and its subsidiaries taken as a whole or in financial markets since the date of the Underwriting Agreement, (ii) a material breach of the Underwriting Agreement or (iii) a statement in the Prospectus, the Pricing Statement or any amendment or supplement to the Prospectus being untrue, inaccurate or misleading, the Underwriters may elect to terminate the Underwriting Agreement until the Settlement Date.

In consideration of the agreement by the Underwriters to procure purchasers for or, failing which, to purchase themselves, the Offer Shares at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Selling Shareholder will agree to pay the Underwriters an aggregate commission of 1.50% of the gross proceeds of the Offering (including, if applicable, any gross proceeds relating to the Over-Allotment Option), which includes a praecipium fee of €1,000,000 payable to each Joint Global Coordinator. This does not include an incentive commission of up to 1.00% of the gross proceeds of the Offering (including, if applicable, any gross proceeds relating to the Over-Allotment Option), which may be paid to the Underwriters at the discretion of the Selling Shareholder and the Company. The Selling Shareholder and/or the Company has also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering.

The Offer Shares have not been and will not be registered under the US Securities Act or the applicable securities laws of any state or other jurisdiction of the US and may not be offered, sold, pledged or transferred within the US, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Offer Shares may be offered and sold: (i) in the US only to persons reasonably believed to be QIBs in reliance on Rule 144A; and (ii) outside the US in compliance with Regulation S. Any offer or sale of Offer Shares in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. Terms used in this paragraph have the meanings given to them by Regulation S and Rule 144A.

ABN AMRO Bank N.V. is not a registered broker-dealer in the US, and therefore, to the extent that it intends to effect any offers or sales of Offer Shares in the US or to US persons, it will do so through its affiliate, ABN AMRO Securities (USA) LLC, a US registered broker-dealers, pursuant to applicable US securities laws.

Potential Conflicts of Interests

The Underwriters are acting exclusively for the Company and the Selling Shareholder and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than to the Company and/or the Selling Shareholder for giving advice in relation to the Offering and for the listing and trading of the Shares and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters and/or their respective affiliates have in the past been engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholder or any parties related to any of them, in respect of which they have received, and may in the future receive, customary fees and commissions. In particular, most of the Underwriters are lenders under the Revolving Credit Facility.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. In addition certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with investors' and the Company's interests.

Lock-up Arrangements

The Joint Global Coordinators may, in their sole discretion and at any time, waive the restrictions, including those on sales, issues or transfers of Shares, described below.

Company lock-up

Pursuant to the Underwriting Agreement, the Company is expected to agree with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date (the company lock-up period), it will not, except as set forth below, without the prior consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restrictions shall not apply to: (i) any corporate action in connection with a takeover offer, capital reorganisation, legal merger, split-up or similar transaction or process, in each case to the extent involving the Company; or (ii) the granting of awards in options or Shares by the Company or issuance of Shares upon the exercise of options granted by the Company pursuant to employee incentive schemes described in the Prospectus.

Selling Shareholder lock-up

Pursuant to the Underwriting Agreement, the Selling Shareholder is expected to agree with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date (the selling shareholder lock-up period), it will not, except as set forth below, without the prior consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or request or demand that the Company file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares in the Offering; (ii) the lending of Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the Stock Lending Agreement (as defined below); (iii) any corporate action in connection with a takeover offer, capital reorganisation, legal merger, split-up or similar transaction or process, in each case to the extent involving the Company; or (iv) transfers to affiliates, employees, directors, officers, subsidiaries, managers or shareholders of, or to any investment fund or other entity controlled or managed by, or under common control or management with, the Selling Shareholder, subject to such recipient agreeing, as a condition for the receipt of such shares or other equity interests and in form and substance reasonably satisfactory to the Joint Global Coordinators (acting on behalf of the Underwriters), to be bound by the foregoing restrictions for the remainder of the selling shareholder lock-up period.

Management lock-up

Each of the Managing Directors is expected to enter into a lock-up agreement with the Company on or about 5 February 2015. Pursuant to these lock-up agreements, each of the Managing Directors shall hold all the Shares owned in any event until 180 days from the Settlement Date. This lock-up shall not apply to: (i) the sale by Mr. Kiesselbach of 10% of his Shares for the Offer Price to the Selling Shareholder, on or shortly after Settlement; or (ii) any sale to cover income taxes due upon the vesting of any (options for) Shares under existing awards granted under the Company's option or share plans. Pursuant to the Underwriting Agreement, each of the Company, HAL Investments B.V. and the Selling Shareholder is expected to agree with the Underwriters that, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters), they will not, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, provide any waiver from the lock-up provisions contained in each of the Managing Director's lock-up agreements.

Over-Allotment and Stabilization

In connection with the Offering, J.P. Morgan, as the Stabilization Manager, or any of its agents, on behalf of the Underwriters may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilization Manager will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilization Manager or any of its agents will not be obligated to effect stabilizing transactions, and there will be no assurance that stabilizing transactions will be undertaken. Such stabilizing transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilizing Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilization transactions under the Offering. The Underwriting Agreement will provide that the Stabilization Manager may, for purposes of stabilizing transactions, over-allot Shares up to a maximum of 15% of the total number of Offer Shares sold in the Offering. The Underwriting Agreement will provide that to the extent the Stabilization Manager earns any profit directly from stabilizing transactions, the Stabilization Manager will remit the aggregate amount of any such profits to the Selling Shareholder. Any losses incurred from stabilizing transactions will be borne by the Underwriters pro rata to their underwriting commitments.

In connection with the Over-Allotment Option, up to a maximum of 15% of the total number of Offer Shares will be made available by the Selling Shareholder through a securities loan to be entered into on or around the date of the Underwriting Agreement (the "**Stock Lending Agreement**") to the Stabilization Manager.

None of the Company, the Selling Shareholder or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Shares or any other securities of the Company. In addition, none of the Company, the Selling Shareholder or any of the Underwriters makes any representation that the Stabilization Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

SELLING AND TRANSFER RESTRICTIONS

No action has been taken by the Company or the Underwriters that would permit, other than pursuant to the Offering, an offer of the Offer Shares or possession or distribution of this Prospectus or any other offering material in any jurisdiction where action for that purpose is required. The distribution of this Prospectus and the offer of the Offer Shares in certain jurisdictions may be restricted by law.

Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

United States

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States.

In the United States, the Offer Shares will be sold only to persons reasonably believed to be QIBs in reliance on Rule 144A under the US Securities Act. All offers and sales of the Offer Shares outside the United States will be made in compliance with Regulation S under the US Securities Act.

In addition, until the end of the 40th calendar day after commencement of the offering, an offering or sale of Offer Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Rule 144A

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(i) It is (a) a QIB, (b) acquiring such Offer Shares for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Offer Shares has been advised, that the sale of such Offer Shares to it is being made in reliance on Rule 144A.

(ii) It understands that such Offer Shares have not been and will not be registered under the US Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(iii) The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares.

(iv) It understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "US SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE US SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904

OF REGULATION S UNDER THE US SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THIS SECURITY.

(v) The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Offer Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(vi) The purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3).

(vi) The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.

Regulation S

Each purchaser of the Offer Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Prospectus and the Offer Shares, will be deemed to have represented, agreed and acknowledged as follows:

- The purchaser is, or at the time the Offer Shares were purchased will be, the beneficial owner of such Offer Shares and (i) is, and the person, if any, for whose account it is acquiring the Offer Shares is, outside the United States, (ii) is not an affiliate of the company or a person acting on behalf of such an affiliate and (iii) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Offer Shares from the company or an affiliate thereof in the initial distribution of such Offer Shares.
- The purchaser is aware that such Offer Shares (i) have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (ii) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Offer Shares in an "offshore transaction" in reliance on Regulation S.
- The purchaser acknowledges that the Company, the Selling Shareholders, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

European Economic Area

In relation to each state other than the Netherlands which is a party to the agreement relating to the European Economic Area ("**EEA**") and which has implemented the Prospectus Directive (a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, an offer to the public of any Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators
- in any other circumstances falling under the scope of Article 3(2) of the Prospectus Directive

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an ''offer to the public'' in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression ''Prospectus Directive'' means Directive 2003/71/EC (as amended thereto, including Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

In the United Kingdom, this Prospectus is being distributed only to, and is directed only at, persons who: (i) have professional experience in matters relating to investments falling within the definition of ''investment professionals'' in Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the ''**Order**''); (ii) are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; (iii) the Company believes on reasonable grounds to be persons to whom Article 43(2) of the Order applies for these purposes; or (iv) other persons to whom it may lawfully be communicated (all such persons being referred to in (i), (ii), (iii) and (iv) are defined as ''**Relevant Persons**''). In the United Kingdom, any investment or investment activity to which this Prospectus relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this Prospectus should not rely on or act upon it.

Australia

This document (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (''**Corporations Act**''); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (''**ASIC**''), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors (''**Exempt Investors**'') who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are ''wholesale clients'' for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offer Shares, each purchaser or subscriber of Offer Shares represents and warrants to the Company, the Selling Shareholder, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares each purchaser or subscriber of Offer Shares undertakes to the Company, the Selling Shareholder, the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

TAXATION

Taxation in the Netherlands

This chapter is intended as general information only and it does not present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a Shareholder. For Dutch tax purposes, a Shareholder may include an individual who or an entity that does not have the legal title of the Shares, but to whom nevertheless the Shares are attributed, based either on such individual or entity owning a beneficial interest in the Shares or based on specific statutory provisions. These include statutory provisions pursuant to which Shares are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Shares.

Prospective Shareholders should consult their own tax adviser regarding the tax consequences of any acquisition, holding or disposal of Shares.

This paragraph is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "**Dutch Taxes**" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

Any reference hereafter made to a treaty for the avoidance of double taxation concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the avoidance of double taxation.

With the exception of this section on withholding tax below, this chapter does not describe the possible Dutch tax considerations or consequences that may be relevant to a Shareholder:

(i) who is an individual and for whom the income or capital gains derived from the Shares are attributable to employment activities, the income from which is taxable in the Netherlands;

(ii) who has, or that has, a (fictitious) substantial interest in the Company within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*) (see also below);

(iii) that is an entity which is not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as pension funds);

(iv) that is an investment institution (*beleggingsinstelling*) as described in Section 6a or 28 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*, "**CITA**") respectively;

(v) that is entitled to the participation exemption (*deelnemingsvrijstelling*) with respect to the Shares (as defined in Section 13 CITA); or

(vi) that is a corporate entity and a resident of Aruba, Curacao or Sint Maarten having an enterprise which is, in whole or in part, carried on through a permanent establishment (vaste inrichting) or a permanent representative (vaste vertegenwoordiger) in Bonaire, Sint Eustatius or Saba, to which the Shares are attributable.

Generally, a Shareholder has a substantial interest (*aanmerkelijk belang*) if such Shareholder, in case of an individual alone or together with his partner, directly or indirectly:

(i) owns, or holds certain rights on, Shares representing 5% or more of the total issued and outstanding capital of the Company; or

(ii) holds rights to, directly or indirectly, acquire Shares, whether or not already issued, representing 5% or more of the total issued and outstanding capital of the Company.

A Shareholder will also have a substantial interest if his partner or one of certain defined relatives of the Shareholder or of his partner has a substantial interest.

Generally, a Shareholder has a fictitious substantial interest (*fictief aanmerkelijk belang*) if, without having an actual substantial interest in the Company:

(i) an enterprise has been contributed to the Company in exchange for Shares on an elective non-recognition basis;

(ii) the Shares have been obtained under gift law, inheritance law or matrimonial law, on a non-recognition basis, while the previous shareholder had a substantial interest in the Company;

(iii) the Shares have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the Shareholder prior to this transaction had a substantial interest in an entity that was party such share merger, legal merger or legal demerger; or

(iv) the Shares held by the Shareholder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognized upon disqualification of these shares.

Withholding Tax

A Shareholder is generally subject to Dutch dividend withholding tax at a rate of 15% on dividends distributed by the Company. Generally, the Company is responsible for the withholding of such dividend withholding tax at source; the dividend withholding tax is for the account of the Shareholder.

Dividends distributed by the Company include, but are not limited to:

(i) distributions of profits in cash or in kind, whatever they be named or in whatever form;

(ii) proceeds from the liquidation of the Company or proceeds from the repurchase of Shares by the Company, other than as a temporary portfolio investment (*tijdelijke belegging*), in excess of the average paid-in capital recognized for Dutch dividend withholding tax purposes;

(iii) the par value of Shares issued to a Shareholder or an increase in the par value of Shares, to the extent that no related contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and

(iv) partial repayment of paid-in capital, that is

- not recognized for Dutch dividend withholding tax purposes, or
- recognized for Dutch dividend withholding tax purposes, to the extent that the Company has "net profits" (*zuivere winst*), unless:

(a) the general meeting of shareholders has resolved in advance to make such repayment; and

(b) the par value of the Shares concerned has been reduced with an equal amount by way of an amendment to the articles of association of the Company. The term "net profits" includes anticipated profits that have yet to be realized.

Subject to certain exceptions under Dutch domestic law, the Company may not be required to transfer to the Dutch tax authorities the full amount of Dutch dividend withholding tax withheld in respect of dividends distributed by the Company, if the Company has received a profit distribution from a qualifying foreign subsidiary (as described in Section 11 of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*, "**DWTA**")), which distribution (i) is exempt from Dutch corporate income tax and (ii) has been subject to a foreign withholding tax of at least 5%. The amount that does not have to be transferred to the Dutch tax authorities can generally not exceed the lesser of (a) 3% of the dividends distributed by the Company and (b) 3% of the profit distributions the Company received from qualifying foreign subsidiaries in the calendar year in which the Company distributes the dividends (up to the moment of such dividend distribution) and the two previous calendar years; further limitations and conditions apply. Upon request, the Company will provide Shareholders with information regarding the portion of the Dutch withholding tax that was retained by the Company.

If a Shareholder is resident or deemed to be resident in the Netherlands, such Shareholder is generally entitled to an exemption or a full credit for any Dutch dividend withholding tax against his Dutch (corporate) income tax liability and to a refund of any residual Dutch dividend withholding tax.

If a Shareholder is resident in a country other than the Netherlands, under certain circumstances exemptions from, reduction in or refunds of, Dutch dividend withholding tax may be available pursuant to Dutch domestic law or treaties for avoidance of double taxation.

Furthermore, if a Shareholder:

(i) is an entity which is resident for Dutch tax purposes in a member state of the European Union, in Iceland, Liechtenstein or Norway, or is a Qualifying Shareholder (as defined below) resident elsewhere;

(ii) is not subject to a profit tax levied by that state; and

(iii) in case the Shareholder is not resident in the Netherlands, would not have been subject to Dutch corporate income tax had the Shareholder been resident in the Netherlands for Dutch tax purposes,

such Shareholder will generally be eligible for a full refund of Dutch dividend withholding tax on dividends distributed by the Company, unless such Shareholder carries out duties or activities comparable to an investment institution as described in Section 6a or 28 CITA respectively.

For purposes of the above, a Qualifying Shareholder is an entity that (i) is resident for Dutch tax purposes in a jurisdiction which has an arrangement for the exchange of tax information with the Netherlands and (ii) holds its Shares as a portfolio investment, *i.e.*, such Shares are not held with a view to establish or maintain lasting and direct economic links between the Shareholder and the Company and the Shares do not allow the Shareholder to participate effectively in the management or control of the Company.

A Shareholder who is resident in the US (a "**US Shareholder**") and is entitled to the benefits of the 1992 Double Taxation Treaty between the US and the Netherlands, as amended most recently by the Protocol signed 8 March, 2004 (the "**Treaty**"), will be entitled to an exemption from Dutch dividend withholding tax if the US Shareholder is an exempt pension trust as described in Article 35 of the Treaty or an exempt organization as described in Article 36 of the Treaty. In other cases, if the US Shareholder is entitled to the benefits of the Treaty, the US Shareholder will generally be subject to Dutch dividend withholding tax at a rate not exceeding 15% (*i.e.*, the regular Dutch dividend withholding tax rate).

According to Dutch domestic anti-dividend stripping rules, no credit against Dutch (corporate) income tax, exemption from, reduction in or refund of, Dutch dividend withholding tax will be granted if the recipient of the dividends paid by the Company is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of such dividends. The DWTA gives a non-exhaustive negative description of a beneficial owner. According to the DWTA, a Shareholder will in any case not be considered the beneficial owner of a dividend if the Shareholder was party to a series of transactions pursuant to which (i) the dividend inured to the benefit of another person (by way of a dividend-substituting payment or another quid pro quo) while that other person itself has a smaller Dutch dividend withholding tax deduction claim than the Shareholder and (ii) that other person acquires or maintains a shareholding position after the date of the dividend payment that is similar to the position it had prior to the series of transactions entered into.

Taxes on Income and Capital Gains

Residents in the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Shareholders:

(i) individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes ("**Dutch Individuals**"); and

(ii) entities that are subject to the CITA and are resident or deemed to be resident in the Netherlands for corporate income tax purposes ("**Dutch Corporate Entities**").

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax at statutory progressive rates with a maximum of 52% (2015) with respect to any benefits derived or deemed to be derived from Dutch Enterprise Shares (as defined below), including any capital gains realized on the disposal thereof.

"**Dutch Enterprise Shares**" are Shares, or rights to derive benefits from Shares:

(i) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder); or

(ii) the benefits of which are attributable to miscellaneous activities (*resultaat uit overige werkzaamheden*), including, without limitation, activities which are beyond the scope of active portfolio investment activities.

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, a Dutch Individual who owns Shares, excluding Dutch Enterprise Shares, will be subject annually to an income tax imposed on a fictitious yield on such Shares. The Shares held by such Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Shares, is set at a fixed amount. The fixed amount equals 4% of the fair market value of the assets (including the Shares) reduced by the liabilities and measured, in general, exclusively on 1 January of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30% (2015). Taxation only occurs if and to the extent the fair market value of the assets (including the Shares) reduced by the liabilities exceeds a certain threshold (*heffingvrij vermogen*).

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% (2015) with respect to any benefits derived or deemed to be derived (including any capital gains realized on the disposal thereof) of the Shares. A reduced rate of 20% (2015) applies to the first €200,000 of taxable profits.

Non-residents in the Netherlands

A Shareholder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch Taxes on income or capital gains in respect of the purchase, ownership and disposal or transfer of the Shares, other than withholding tax as described above, except if:

(i) the Shareholder, whether an individual or not, derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Shares are attributable;

(ii) the Shareholder is an individual and derives benefits from miscellaneous activities carried out in the Netherlands in respect of the Shares, including (without limitation) activities which are beyond the scope of active portfolio investment activities;

(iii) the Shareholder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Shares are attributable; or

(iv) the Shareholder is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Shares are attributable.

Gift Tax or Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of the Shares by, or inheritance of the Shares on the death of, a Shareholder, except if:

(i) at the time of the gift or death of the Shareholder, the Shareholder is resident, or is deemed to be resident, in the Netherlands;

(ii) the Shareholder passes away within 180 days after the date of the gift of the Shares and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or

(iii) the gift of the Shares is made under a condition precedent and the Shareholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift tax or inheritance tax, an individual who is of Dutch nationality will be deemed to be resident in the Netherlands if such individual has been resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be resident in the Netherlands if such individual has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Other Taxes and Duties

No other Dutch Taxes, including turnover or value added taxes and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a the Shareholder by reason only of the purchase, ownership and disposal of the Shares.

Residency

A Shareholder will not become resident, or deemed resident, in the Netherlands for tax purposes by reason only of holding the Shares.

Taxation in the US

Certain US Federal Income Tax Considerations

The following summary describes certain US federal income tax consequences to the US Holders described below of the ownership and disposition of Offer Shares. This discussion applies only to US Holders that acquire Offer Shares in this offering and hold them as capital assets. In addition, this discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax consequences, the Medicare contribution tax on net investment income, and tax consequences applicable to US Holders subject to special rules, such as:

- certain financial institutions;
- dealers or certain traders in securities;
- persons holding Offer Shares as part of a straddle or integrated transaction or similar transaction;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- entities classified as partnerships for US federal income tax purposes;
- tax-exempt entities;
- persons that own or are deemed to own five percent or more of the Company's voting stock; or
- persons holding Offer Shares in connection with a trade or business outside the United States.

If you are a partnership for US federal income tax purposes, the US federal income tax treatment of you and your partners generally will depend on the status of your partners and your activities. If you are a partnership holding Offer Shares or a partner in such partnership, you should consult your tax adviser as to your particular US federal income tax consequences of holding and disposing of the Offer Shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax Treaty between the Netherlands and the United States, all as of the date hereof, changes to any of which subsequent to the date of this offering memorandum may affect the tax consequences discussed herein.

You should consult your tax adviser with regard to the application of the US federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-US taxing jurisdiction.

You are a "**US Holder**" for purposes of this discussion if for US federal income tax purposes you are a beneficial owner of Offer Shares and are:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to US federal income taxation regardless of its source.

Except as described below, this discussion assumes that the Company is not, and will not become, a passive foreign investment company (a "**PFIC**").

Taxation of Distributions

Distributions paid on the Shares (including the amount of any Dutch taxes withheld and paid to the Dutch tax authorities), other than certain pro rata distributions of Shares to all shareholders, generally will be treated as dividends to the extent paid out of the Company's current or accumulated earnings and profits as determined under US federal income tax principles. Because the Company does not maintain calculations of its earnings and profits under US federal income tax principles, it is expected that distributions generally will be reported to you as dividends.

Dividends will be treated as foreign-source dividend income for foreign tax credit purposes and will not be eligible for the dividends-received deduction generally available to US corporations under the Internal Revenue Code. Subject to applicable limitations, if you are a non-corporate US Holder, dividends paid to you may be eligible for taxation as "qualified dividend income" and therefore may be taxable at rates applicable to long-term capital gains. You should consult your tax adviser regarding the availability of the long-term capital gains rate on dividends. Dividends will generally be included in your income on the date of receipt. The amount of dividend paid in Euros will be the US dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on the date of receipt, you should not be required to recognize foreign currency gain or loss in respect of the amount received. You may have foreign currency gain or loss if the dividend is converted into US dollars after the date of receipt, and any such gain or loss will be US-source ordinary income or loss.

Subject to applicable limitations, some of which vary depending upon your circumstances, Dutch income taxes withheld from dividends on Shares at a rate not exceeding any applicable Treaty rate will be creditable against your US federal income tax liability. As described in "Taxation in the Netherlands—Withholding Tax", upon making a distribution to shareholders, the Company is required to withhold Dutch taxes but may be permitted to retain a portion of the amounts withheld. The amount of Dutch withholding tax that the Company may retain reduces the amount of dividend withholding tax that the Company is required to pay to the Dutch tax authorities but does not reduce the amount of tax the Company is required to withhold from dividends paid to US Holders. In these circumstances, it is likely that the portion of dividend withholding tax that the Company is not required to pay to the Dutch tax authorities with respect to dividends distributed to US Holders would not qualify as a creditable tax for United States foreign tax credit purposes. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the creditability of foreign taxes in your particular circumstances. Subject to applicable limitations, in lieu of claiming a foreign tax credit, you may elect to deduct foreign taxes, including any Dutch taxes, in computing your taxable income. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year.

Sale or Other Disposition of Offer Shares

You generally will recognize taxable gain or loss on a sale or other disposition of the Offer Shares equal to the difference between the amount realized on the sale or disposition and your tax basis in the Offer Shares, each as determined in US dollars. For purposes of determining the amount realized on the sale or disposition of, and tax basis in, Offer Shares that were disposed of for, or acquired with, foreign currency, the applicable exchange rate will generally depend on your method of accounting, whether the Offer Shares are traded on an established securities market, as defined in the applicable Treasury Regulations, and available elections. You should consult your tax adviser regarding the application of these rules in your particular circumstances. Any gain or loss on the sale or disposition of Offer Shares will generally be capital gain or loss, and will be long-term capital gain or loss if at the time of sale or disposition the Offer Shares have been held for more than one year. Any gain or loss will generally be US-source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

In general, a non-US corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-US corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents and royalties (other than certain royalties derived in the active conduct of a trade or business). Based on the nature of the Company's business, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, because PFIC status is an annual determination that depends on the composition and character of the Company's income and assets and the value of its assets from time to time, there can be no assurance that the Company will not be a PFIC for any taxable year.

If the Company were a PFIC for any taxable year during which you held the Shares, you may be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of Shares by you would be allocated ratably over your holding period for such Shares. The amounts allocated to the taxable year of disposition and to years before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting tax liability. Further, to the extent that any distribution you receive on your Offer Shares exceeds 125% of the average of the annual distributions on such Offer Shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, as described immediately above. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Offer Shares if the Company were a PFIC.

If you own the Company's Shares during any taxable year in which the Company is a PFIC, you must file IRS Form 8621 with respect to the Company, generally with your federal income tax return for that year, subject to certain exceptions.

You should consult your tax adviser regarding the PFIC rules.

Backup Withholding and Information Reporting

Payments of dividends and sales proceeds that are made within the United States or through certain US related financial intermediaries will generally be subject to information reporting and backup withholding, unless (i) you are an exempt recipient or (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your US federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

You may be required to report information relating to non-US accounts through which the Shares are held (or information regarding the Shares if the Shares are not held through any financial institution). You should consult your tax adviser regarding your reporting obligations with respect to the Shares.

INDEPENDENT AUDITORS

PricewaterhouseCoopers, independent auditors, has audited the Special Purpose Consolidated Financial Statements, and has issued unqualified auditor's reports thereon, which are included in this Prospectus.

PricewaterhouseCoopers has no interest in the Company. PricewaterhouseCoopers is an independent registered accounting firm. The address of PricewaterhouseCoopers is Brainpark III, Fascinatio Boulevard 350, 3065 WB Rotterdam, the Netherlands. The auditor signing the auditor's reports on behalf of PricewaterhouseCoopers is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

The 9M 2014 Financial Information has not been audited but has been reviewed by PricewaterhouseCoopers. This independent auditor's review report is included this Prospectus.

PricewaterhouseCoopers has given, and has not withdrawn, its consent to the inclusion of its reports in this Prospectus in the form and context in which they are included.

The Company confirms that the information in the auditor's reports included in this Prospectus has been accurately reproduced and that as far as the Company is aware and able to ascertain from information published by the auditors, no facts have been omitted which would render the auditor's reports inaccurate or misleading.

GENERAL INFORMATION

Significant Change in the Company's Financial or Trading Position

Save as disclosed in this Prospectus, no significant change in the financial or trading position of the Group has occurred since 30 September 2014.

Expenses of the Offering

The expenses related to the Offering are estimated at approximately €34 million and include, among other items, the fees due to the AFM and Euronext Amsterdam N.V., the commission for the Underwriters and legal and administrative expenses, as well as publication costs and applicable taxes, if any. The expenses payable by the Company are estimated to amount to approximately €5 million and the expenses payable by the Selling Shareholder are estimated to amount to approximately €29 million. See also ''Reasons for the Offering and Use of Proceeds''.

Availability of Documents

The following documents (or copies thereof) may be obtained free of charge from the Company's website (www.grandvision.com):

- this Prospectus
- the Articles of Association
- the Pricing Statement
- the Management Board Rules
- the Supervisory Board Rules
- the rules for the Audit Committee
- the rules for the Nomination Committee
- the rules for the Remuneration Committee

In addition, copies of the above documents, with the exception of the Pricing Statement, will be available free of charge at the Company's offices during normal business hours from the date of this Prospectus. The Pricing Statement will be available after pricing of the Offering.

DEFINITIONS

The following definitions are used in this Prospectus:

9M 2013	The nine-month period ended 30 September 2013
9M 2014	The nine-month period ended 30 September 2014
9M 2014 Financial Information	The unaudited consolidated financial information for the Group as of and for the nine-month period ended 30 September 2014 (including comparative financial information for 9M 2013)
ABN AMRO	ABN AMRO Bank N.V.
AFM	The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Annual Accounts	The annual accounts referred to in Section 2:391 of the Dutch Civil Code
Approvals	Various approvals such as licenses to manufacture and distribute prescription frames, contact lenses and sunglasses, permits (*e.g.*, for conducting eye examinations and/or eye tests) and certificates
Articles of Association	The articles of association of the Company as they will read immediately after determination of the Offer Price
ASIC	The Australian Securities and Investments Commission
Atasun	Atasun Optik Sanayi ve Ticaret Ltd. Sti.
CET	Central European Time
CITA	Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*)
Co-Lead Managers	Crédit Agricole Corporate and Investment Bank and Kempen & Co N.V., in their capacity as co-lead managers
Company	GrandVision N.V. (at the date of this prospectus still a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) named GrandVision B.V., expected to be converted into a public company with limited liability (*naamloze vennootschap*) immediately after determination of the Offer Price pursuant to a notarial deed of amendment of the articles of association and conversion in accordance with a resolution of the General Meeting adopted on 14 October 2014)
Corporations Act	Corporations Act 2001
DCC	Dutch Civil Code
Deed of Amendment	The notarial deed of amendment and conversion of the Company, which deed will be executed immediately after determination of the Offer Price
Dutch Corporate Governance Code or **Code**	The Dutch corporate governance code issued on 9 December 2003 and as amended as of 1 January 2009
Dutch Corporate Entities	Entities that are subject to the CITA and are resident or deemed to be resident in the Netherlands for corporate income tax purposes
Dutch Enterprise Shares	Ordinary shares or any right to derive benefits from ordinary shares which are attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) or of which the benefits are taxable in the hands of a Dutch Individual as benefits from miscellaneous activities including, without limitation, activities which are beyond the scope of active portfolio investment activities

Dutch Individuals	Individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes or individuals who opt to be treated as if resident in the Netherlands for Dutch income tax purposes
Dutch Retail Investor	A Dutch retail investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.
Dutch Taxes	Taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities
DWTA	Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*)
EEA	European Economic Area
Enterprise Chamber	The Dutch enterprise chamber of the court of appeal in Amsterdam
EPS	Earnings per Share
EUR or **euro** or **€**	The lawful currency of the European Economic and Monetary Union
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euromonitor	Different recent studies performed by Euromonitor International Limited
Euronext Amsterdam	Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V.
Exchange Act	US Securities Exchange Act of 1934, as amended
Exempt Investors	Select investors who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act
First Trading Date	The date on which trading on an "as-if-and-when-delivered" basis in the Shares on Euronext Amsterdam commences, which is expected to be 6 February 2015
FMSA	Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*)
FRSA	Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*)
FTEs	Full time equivalent personnel
General Meeting	General meeting of shareholders of the Company, being the corporate body or, where the context so requires, the physical meeting of Shareholders
Global Industry	A report on the global eyeglasses industry from Global Industry Analysts Inc titled 'Eyeglasses: A Global Strategic Business Report' dated May 2014
GrandVision Shanghai	GrandVision Shanghai Co. Ltd.
Group	The Company and its Group Companies
Group Companies	The Company's subsidiaries within the meaning of Section 2:24b DCC

GVMT	GrandVision's management team
HAL Group	HAL Trust and its group companies, including the Selling Shareholder but excluding the Group
IAS	International Accounting Standards
IFRS	The International Financial Reporting Standards as adopted by the European Union
ING	ING Bank N.V. (acting through its corporate finanance division)
Internal Revenue Code	The Internal Revenue Code of 1986, as amended
IT	Information Technology
Joint Bookrunners	ABN AMRO, J.P. Morgan, Barclays Bank PLC, BNP Paribas and HSBC Bank plc in their capacity as joint bookrunners
Joint Global Coordinators	ABN AMRO and J.P. Morgan in their capacity as joint global coordinators
Joint Lead Managers	ING Bank N.V., acting through its corporate finance division and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., in their capacity as joint lead managers
J.P. Morgan	J.P. Morgan Securities plc
Listing and Paying Agent	ABN AMRO
LTIP 2015	GrandVision Long Term Incentive Program 2015
Management Board	The management board (*bestuur*) of the Company
Management Board Rules	The rules regarding the Management Board's functioning and internal organization
Managing Director	A member of the Management Board
Offer Price	The offer price per Offer Share
Offer Price Range	The expected price range of €17.50 to €21.50 (inclusive) per Offer Share
Offer Shares	The Shares that will be offered by the Selling Shareholder in the Offering which includes, unless the context indicates otherwise, the Over-Allotment Shares
Offering	The public offering of the Offer Shares to institutional and retail investors in the Netherlands and through private placements to certain institutional investors in various other jurisdictions
Offering Period	The period during which the Offering will take place, commencing on 9:00 CET on 26 January 2015 and ending on 14:00 CET on 5 February 2015, subject to acceleration or extension of the timetable for the Offering. The offering period for Dutch Retail Investors will end at 17.30 CET on 4 February 2015
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
Over-Allotment Option	The option to be granted to the Stabilization Manager (on behalf of the Underwriters), exercisable within 30 calendar days after the Settlement Date, pursuant to which the Stabilization Manager, on behalf of the Underwriters, may require the Selling Shareholder to sell additional Shares at the Offer Price
Over-Allotment Shares	The Shares that may be made available pursuant to the Over-Allotment Option
PFIC	A passive foreign investment company

Preferential Retail Allocation	The preferential allocation of Offer Shares to Dutch Retail Investors
PricewaterhouseCoopers	PricewaterhouseCoopers Accountants N.V.
Pricing Statement	The pricing statement detailing the Offer Price, the exact number of Offer Shares to be sold and the maximum number of Over-Allotment Shares, which will be deposited with the AFM
Prospectus	This prospectus dated 26 January 2015
Prospectus Directive	Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU
QIBs	Qualified institutional buyers as defined in Rule 144A of the US Securities Act
Red Star	Shanghai Red Star Optical Co. Ltd.
Regulation S	Regulation S under the US Securities Act
Relevant Member State	Each member state of the EEA which has implemented the Prospectus Directive
Relevant Person	A relevant person within the meaning of the Order
Retail Coordinator	ABN AMRO Bank N.V.
Revolving Credit Facility	A senior unsecured multipurpose and multicurrency five year revolving credit facility of €1.2 billion (with two one-year extension possibilities) the Group entered into on 18 September 2014.
Rule 144A	Rule 144A under the US Securities Act of 1933, as amended
Selling Shareholder	HAL Optical Investments B.V.
Settlement	Payment (in euro) for and delivery of the Offer Shares
Settlement Date	The date on which Settlement occurs which is expected to be on or about 10 February 2015, subject to acceleration or extension of the timetable for the Offering
Shareholder(s)	A holder of Shares
Shares	The ordinary shares in the Company's issued share capital, with a nominal value of €0.02 per share
Special Purpose Consolidated Financial Statements	The audited consolidated financial statements of the Group for the years ended 31 December 2013, 31 December 2012 and 31 December 2011
Stabilization Manager	J.P. Morgan Securities plc
Stock Lending Agreement	The stock lending agreement expected to be dated 5 February 2015 between the Selling Shareholder and the Stabilization Manager
Supervisory Board	The supervisory board (*raad van commissarissen*) of the Company
Supervisory Board Rules	The rules regarding the Supervisory Board's functioning and internal organization
Supervisory Director	A member of the Supervisory Board
TechCenters	The Group's technology laboratories
The Netherlands	The part of the Kingdom of the Netherlands located in Europe
TNR	Total Net Revenue
Treaty	1992 Double Taxation Treaty between the US and the Netherlands, as amended most recently by the Protocol signed 8 March 2004

Underwriters	Each of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Co-Lead Managers
Underwriting Agreement	The underwriting agreement expected to be entered into on or about 5 February 2015 between the Company, the Selling Shareholder and the Underwriters
US	United States of America
US dollars or **US$** or **USD** or **$**	The US Dollar, the lawful currency in the US
US Holder	A beneficial owner of Offer Shares and (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or (iii) an estate or trust the income of which is subject to US federal income taxation regardless of its source
US Securities Act	The United States Securities Act of 1933, as amended
US Shareholder	A Shareholder who is resident in the US

INDEX TO THE FINANCIAL STATEMENTS

1. THE GROUP'S CONSOLIDATED INTERIM INCOME STATEMENT

(all amounts in thousands of Euros)		Nine months ended	
	Notes	September 30, 2014 Unaudited	September 30, 2013 Unaudited
Revenue		2,094,642	1,975,356
Cost of sales and direct related expenses		-557,021	-520,890
Gross profit		1,537,621	1,454,466
Selling and marketing costs		-1,069,343	-1,027,650
General & administrative costs		-247,288	-221,288
Share of result of associates		1,856	1,057
Operating result		222,846	206,585
Financial income		3,266	4,023
Financial costs		-27,849	-37,974
Financial result		-24,583	-33,951
Result before tax		198,263	172,634
Income tax	12	-62,818	-56,137
Result for the period		**135,445**	**116,497**
Attributable to:			
Equity holders		124,678	106,327
Non-controlling interests		10,767	10,170
		135,445	116,497
Earnings per share attributable to the equity holders (in € per share)		9.9	8.5

The notes on pages F-7 to F-26 are an integral part of these interim consolidated financial statements.

2. THE GROUP'S CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

(all amounts in thousands of Euros)		Nine months ended	
	Notes	September 30, 2014 Unaudited	September 30, 2013 Unaudited
Result for the period		135,445	116,497
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Re-measurement of post-employment benefit obligations		-18,161	1,148
Income tax		5,348	-287
		-12,813	861
Items that may be subsequently reclassified to profit and loss			
Currency translation differences		12,934	-23,865
Change in fair value of interest rate swaps		847	4,672
Income tax effect		-254	-2,132
		13,527	-21,325
Other comprehensive income (net of tax)		714	-20,464
Total comprehensive income for the period (net of tax):		136,159	96,033
Attributable to:			
Equity holders		124,863	86,626
Non-controlling interests		11,296	9,407
		136,159	96,033

The notes on pages F-7 to F-26 are an integral part of these interim consolidated financial statements.

3. THE GROUP'S CONSOLIDATED INTERIM BALANCE SHEET

(all amounts in thousands of Euros)	Notes	September 30, 2014 Unaudited	December 31, 2013 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	13	380,235	358,905
Goodwill	14	784,121	726,321
Other intangible assets	15	402,161	397,020
Deferred income tax assets		65,347	48,356
Associates		33,963	33,584
Other non-current assets		51,771	44,923
		1,717,598	1,609,109
Current assets			
Inventories		238,140	192,620
Trade and other receivables		266,075	228,951
Current income tax receivables		6,671	7,813
Derivative financial instruments		289	143
Cash and cash equivalents		126,678	102,562
		637,853	532,089
Total assets		2,355,451	2,141,198
EQUITY			
Equity attributable to the equity holders			
Share capital	17	61,036	27,775
Other reserves		-38,520	-38,705
Retained earnings		581,322	512,616
		603,838	501,686
Non-controlling interests		46,350	44,366
Total equity		650,188	546,052
LIABILITIES			
Non-current liabilities			
Borrowings	18	794,414	844,823
Deferred income tax liabilities		119,744	117,086
Post-employment benefit	19	76,193	54,641
Derivative financial instruments		4,033	—
Provisions	20	41,066	31,931
Other non-current liabilities		7,342	—
		1,042,792	1,048,481
Current liabilities			
Trade and other payables		442,057	390,987
Current income tax liabilities		37,602	33,058
Borrowings	18	161,407	89,184
Derivative financial instruments		981	6,011
Provisions	20	20,424	27,425
		662,471	546,665
Total liabilities		1,705,263	1,595,146
Total equity and liabilities		2,355,451	2,141,198

The notes on pages F-7 to F-26 are an integral part of these interim consolidated financial statements.

4. THE GROUP'S CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Attributable to equity holders of the Company							
(all amounts in thousands of Euros)	**Notes**	**Share Capital**	**Cumulative currency translation reserve**	**Cash flow hedge reserve**	**Actuarial gains/(losses)**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total Equity**
Balance at 1 January 2014		**27,775**	**-34,638**	**-4,079**	**12**	**512,616**	**501,686**	**44,366**	**546,052**
Result for the period		—	—	—	—	124,678	124,678	10,767	135,445
Other comprehensive income		—	12,395	593	-12,803	—	185	529	714
Total comprehensive income	2	—	12,395	593	-12,803	124,678	124,863	11,296	136,159
Acquisitions of subsidiaries	11	—	—	—	—	-52,972	-52,972	-999	-53,971
Issue of share capital	17	4,019	—	—	—	-3,000	1,019	—	1,019
Long term incentive plan		29,242	—	—	—	—	29,242	—	29,242
Dividends		—	—	—	—	—	—	-8,313	-8,313
Total transactions with owners		33,261	—	—	—	-55,972	-22,711	-9,312	-32,023
Balance at 30 September 2014 (unaudited)		**61,036**	**-22,243**	**-3,486**	**-12,791**	**581,322**	**603,838**	**46,350**	**650,188**
Balance at 1 January 2013		**23,439**	**107**	**-6,825**	**-2,039**	**373,393**	**388,075**	**42,444**	**430,519**
Result for the period		—	—	—	—	106,327	106,327	10,170	116,497
Other comprehensive income		—	-23,199	2,541	957	—	-19,701	-763	-20,464
Total comprehensive income	2	—	-23,199	2,541	957	106,327	86,626	9,407	96,033
Acquisitions of NCI		—	—	—	—	—	—	-2,170	-2,170
Capital contribution	17	2,086	—	—	—	—	2,086	2,086	
Issue of share capital	17	1,889	—	—	—	-1,889	—	—	—
Dividends		—	—	—	—	—	—	-5,854	-5,854
Total transactions with owners		3,975	—	—	—	-1,889	2,086	-8,024	-5,938
Balance at 30 September 2013 (unaudited)		27,414	-23,092	-4,284	-1,082	477,831	476,787	43,827	520,614

The notes on pages F-7 to F-26 are an integral part of these interim consolidated financial statements.

5. THE GROUP'S CONSOLIDATED INTERIM CASH FLOW STATEMENT

(all amounts in thousands of Euros)		Nine months ended	
	Notes	September 30, 2014 Unaudited	September 30, 2013 Unaudited
Cash flows from operating activities			
Cash generated from operations		329,583	282,029
Tax paid		-68,927	-49,625
Net cash from operating activities		**260,656**	**232,404**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash, acquired	11	-136,189	-6,527
Investment in associates		2,180	-956
Purchase of property, plant and equipment	13	-80,046	-58,211
Proceeds from sales property, plant and equipment	13	2,780	2,109
Purchase of intangible assets	15	-14,270	-6,606
Proceeds from sales intangible assets	15	1,199	1,965
Other non-current receivables additions		2,186	230
Interest received		3,173	3,728
Net cash used in investing activities		-218,987	-64,268
Cash flows from financing activities			
Proceeds from borrowings	18	831,550	97,419
Repayment of shareholders loan	18	-325,000	-35,000
Repayments of other borrowings		-558,499	-279,186
Interest swap payments		-3,348	-3,475
Acquisition of non-controlling interest		—	-531
Dividends paid		-8,313	-5,854
Interest paid		-23,413	-11,586
Net cash used in financing activities		-87,023	-238,213
Inflow / (outflow) in cash and cash equivalents		-45,354	-70,077
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of the period	16	22,161	55,090
Inflow / (outflow) in cash and cash equivalents		-45,354	-70,077
Exchange gains/ (losses) on cash and cash equivalents		-3,295	7,843
Cash and cash equivalents at end of period	16	-26,488	-7,144

The notes on pages F-7 to F-26 are an integral part of these interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

6. General information

GrandVision B.V. ('the Company'), incorporated on 8 July 2010 is a private limited liability company and is incorporated and domiciled in The Netherlands. The address of its registered office is as follows: World Trade Center Schiphol Airport, Tower G, 5th floor Schiphol Boulevard 117, 1118 BG Schiphol, The Netherlands.

GrandVision B.V. is 98.57% owned by HAL Optical Investments B.V. The remaining shares are held by management of GrandVision. HAL Optical Investments B.V. is indirectly controlled by HAL Holding N.V. All HAL Holding N.V. shares are held by HAL Trust. HAL Trust is listed on the Euronext Amsterdam stock exchange.

GrandVision B.V. and its subsidiaries (together, referred to as 'the Group') comprise a number of optical retail chains operated under different retail banners. As of 30 September 2014, the Group, including its associates, operated 5,547 optical retail stores in Argentina, Austria, Bahrain, Belgium, Brazil, Bulgaria, Chile, China, Colombia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, India, Ireland, Italy, Kuwait, Luxembourg, Malta, Mexico, Monaco, Norway, Oman, Peru, Poland, Portugal, Russia, Qatar, Saudi Arabia, Slovakia, Spain, Sweden, Switzerland, The Netherlands, The United Arab Emirates, Turkey, United Kingdom and Uruguay. At September 30, 2014 the number of average full-time equivalents within the Group (excluding associates) was 24,598.

These condensed interim financial statements have been reviewed, not audited.

7. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

7.1 Basis of preparation

Statement of compliance

These condensed interim financial statements for the nine months ended 30 September 2014 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the special purpose consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted within the European Union.

Currency

The financial statements are presented in Euros (€). Amounts are shown in thousands of Euros unless otherwise stated. The Euro is the presentation currency of the Group.

Estimates

Preparing the financial statements in accordance with IFRS means that management is required to make assessments, estimates and assumptions that influence the application of regulations and the amounts reported for assets, equity, liabilities, commitments, income and expenses. The estimates made and the related assumptions are based on historical experience and various other factors, such as relevant knowledge, which are considered to be reasonable under the given circumstances. Furthermore, estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for financial derivatives, long term incentive plans and post-employment benefits. The estimates and assumptions serve as the basis for assessing the value of recognized assets and liabilities whose amounts cannot currently be determined from other sources. However, actual results may differ from the estimates. Estimates and underlying assumptions are subject to constant assessment. Changes in estimates and assumptions are recognized in the period in which the estimates are revised.

Assessments made by management under IFRS that have a significant impact on the condensed interim consolidated financial statements and estimates that carry the risk of a possible material inaccuracy. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the special purpose consolidated financial statements for the year ended December 31, 2013.The principles of valuation and determination of results have been applied consistently by the Group companies during the periods presented in these condensed consolidated financial statements.

7.2 Accounting policy and disclosures

New and amended standards and interpretations adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except as described below. The below mentioned new and amended standards and interpretations effective of the current reporting period are adopted by the Group and implemented as per 1 January 2014.

- IAS 32, 'Financial instruments: Presentation' effective for annual periods beginning on or after 1 January 2014. These amendments are to the application guidance in IAS 32, clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The Group has adopted this amendment and this has no impact.
- IAS 36, 'Impairment of assets' effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The Group has adopted this amendment and has no effect on the results.
- IAS 39, 'Novation of derivatives', effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counter party meets specified criteria.

New and amended standards and interpretations not yet adopted by the Group

- IFRS 9, 'Financial instruments', effective date to be announced. IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. We will assess the impact in next years.
- Other amendments to the IFRSs effective for the financial year ending on 31 December 2014 are not expected to have a material impact on the Group.

Taxes on income in the interim periods are accrued using the actual tax rate.

8. Financial risk management

8.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's special purpose consolidated financial statements for the year ended 31 December 2013. Grandvision is in the process of updating its Treasury Policy and this is expected to be adopted by the Board during Q4, 2014. The policy covers currency risk, interest rate risk, market risks and liquidity risks.

8.2 Liquidity risk

Grandvision refinanced its former € 800 million Senior Facility Agreement and refinanced the € 275 million outstanding Subordinated Shareholder loan from HAL. The new € 1,200 million Senior Facility Agreement was entered into on September 18th, maturing on September 18th, 2019 with 2 one-year extension options which can be exercised by the borrower at the first and second anniversary of the facility. The new € 1,200 million multicurrency Senior Facility Agreement also includes a € 100 million uncommitted accordion feature, which can be exercised during the life of the facility after all lenders consent. The interest rate on the drawings consists of the margin and applicable rate (i.e. for a loan in euro the EURIBOR). The facility requires Group to comply with certain financial covenants, including maintenance of a maximum total leverage ratio of less than or equal to 3.25 and a minimum interest coverage ratio of 5.

8.3 Fair value estimation

The financial instruments carried at fair value can be valued using different levels of valuation methods. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) (level 2). Valuation techniques are used to determine the value. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates are used to determine the value. All significant inputs required to fair value an instrument have to be observable.
- Inputs for asset or liability that are not based on observable market data (unobservable inputs) (level 3).

If multiple levels of valuation methods would be available for an asset or liability, Group will always use Level 1.

The assets and liabilities for the Group measured at fair value qualify for the level 3 category except for the derivative financial instruments which qualify for level 2 category. The Group does not have any assets and liabilities that would qualify under level 1 category.

September 30, 2014	**Level 2**	**Level 3**
Assets		
Derivatives used for hedging	289	—
Non-current receivables	—	2,808
Total assets	289	2,808
Liabilities		
Contingent consideration	—	11,011
Derivatives used for hedging	5,014	—
Total liabilities	5,014	11,011

December 31, 2013	**Level 2**	**Level 3**
Assets		
Derivatives used for hedging	143	—
Non-current receivables	—	3,488
Total assets	143	3,488
Liabilities		
Contingent consideration	—	4,539
Derivatives used for hedging	6,011	—
Total liabilities	6,011	4,539

There were no transfers between Levels 1, 2 and 3 during the period.

Level 2 category

An instrument is included in Level 2 if the financial instrument is not traded in an active market and if the fair value is determined by using valuation techniques based on maximum use of observable market data for all significant inputs. For the derivatives Group uses the estimated fair value of financial instruments determined by using available market information and appropriate valuation methods, including relevant credit risks. The estimated fair value approximates to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Specific valuation techniques used to value financial instruments include:

– quoted market prices or dealer quotes for similar instruments;

– the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

– the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

Level 3 category

The level 3 category refers to investments held in shopping malls and contingent considerations. For the investments held in shopping malls, an external expert performed a valuation of the shares and there were no additions or disposals, only a movement relating to foreign currency which is recorded in Financial Income Expenses. The valuation technique is consistent compared to prior years and is done on an annual basis which has not been performed in the interim period but historically does not result in significant adjustments. During the interim period there is no trigger that required a revaluation. The increase in the contingent consideration in 2014 relate to the option to acquire the remaining 38% of the shares in Peru. The valuation is based on a calculation including discounted future performance and net debt. The contingent consideration is re-measured based on the agreed business targets.

Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables

The fair value of the borrowings is approximately equal to the carrying amounts since these loans have a floating interest rate. At September 30, 2014 no fixed rate borrowings are outstanding.

9. Seasonality of operations

Due to the geographical presence of our operations and accordingly different seasons within the periods, the seasonality in the individual countries varies throughout the Group. This results in minimal impact on seasonality on Revenue and EBITDA on the Group level.

10. Segment information

The Chief Executive Officer and Chief Financial Officer is the group's chief operating decision(s) maker ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The group's business is organized and managed on a geographic basis and operates through three business segments; G4 European business unit, Other Europe, Latin America & Asia. All geographic segments are involved in the optical retail industry and there are no other significant product lines or sources of revenue for the Company.

The most important measures assessed by the CODM and used to make decisions about resources to be allocated are Total Net Revenue and Adjusted EBITDA. Measures of assets and liabilities are not reported to the CODM.

The accounting policies applied in the segment information are in line with the accounting policies applied for GrandVision B.V. group as described in the accounting policies.

The following table presents Total Net Revenue and Adjusted EBITDA regarding operating segments for the nine months ended September 30, 2014 and 2013, respectively. The Adjusted EBITDA is defined as EBTIDA excluding other reconciling items and exceptional non-recurring items. The non-recurring items in 2014 relate to expenses relating to the anticipated listing, additional expenses for the long term incentive plan as a result of falling in scope of IFRS 2 (Note 21) and small other items. A reconciliation from Adjusted EBITDA to earnings before taxes is within each table below. Other reconciling items represent the corporate costs that are not allocated to a specific segment.

Nine months ended 30 September 2014	**G4**	**Other Europe**	**Latin America & Asia**	**Total**
Total Net Revenue	1,365,636	550,263	178,742	2,094,642
Adjusted EBITDA	276,760	86,189	4,265	367,214
Other reconciling items				-24,203
Total Adjusted EBITDA				**343,011**
Non-recurring items				-23,255
Depreciation				-70,383
Amortization and impairments				-26,527
Operating income/loss				**222,846**
Non-operating items:				
— Interest income/expense				-24,583
Earnings before tax				**198,263**

Nine months ended 30 September 2013	**G4**	**Other Europe**	**Latin America & Asia**	**Total**
Total Net Revenue	1,274,431	524,488	176,436	1,975,355
Adjusted EBITDA	249,336	68,868	2,237	320,441
Other reconciling items				-19,002
Total Adjusted EBITDA				**301,439**
Non-recurring items				—
Depreciation				-68,876
Amortization and impairments				-25,978
Operating income/loss				**206,585**
Non-operating items:				
— Interest income/expense				-33,951
Earnings before tax				**172,634**

11. Acquisition of subsidiaries and non-controlling interest

The following acquisitions were done in the 9 months period in 2014.

Rayners, UK

On 1 February 2014 the Group acquired 65 stores from the Rayner and Keeler Group in the UK. The consideration paid was € 13.2 million (GBP 10.8 million). The goodwill amount of € 5.8 million represents future synergies with the existing customer base and future growth in profitability of the business.

MultiOpticas, Colombia

On 28 February 2014 the Group acquired 100% of the shares in MultiOpticas, Colombia. The Company paid € 11.0 million (COP 29,012 million) directly in cash and € 1.0 million (COP 2,788 million) is recognized as a contingent consideration which requires the Group to pay in cash, to the former owners on 1 February 2017. The goodwill amount of € 8.8 million represents future synergies with the existing customer base and future growth in profitability of the business.

Robin Look, Germany

On 1 April 2014 the Group acquired 100% of the shares of Robin Look GmbH in Germany. The consideration paid was € 6.0 million. The goodwill amount of € 2.3 million represents future synergies with the existing customer base and future growth in profitability of the business.

Topsa, Peru

On 29 August 2014 the Group acquired 62% of the shares including a call and written put option for the remaining 38% of the Peruvian optical retail chain Topsa. The option to increase the shareholding to 100% is initially valued for € 7.2 million depending on the performance of Topsa and can be exercised after five years. As the likelihood of exercising the option by either of the parties is almost certain it is accounted for as contingent consideration and included in non-current liabilities. The Company paid € 20.7 million (PEN 76 million) and recognized € 26.3 million as Goodwill. The purchase price allocation is not yet finalized. The Group obtained control in this transaction and therefore the results are fully consolidated as from date of control.

Other store acquisitions

Further, the Group acquired 7 stores mainly in G4 and Other Europe. These acquisitions are recognized using the acquisition method. After the initial allocation of the consideration transferred for the acquisitions of the assets, liabilities and contingent liabilities, an amount of € 3.6 million was identified as goodwill. The goodwill is attributable to the high profitability of the acquired business and the expected synergies following the integration of the acquired business into our existing organisation. The goodwill mainly comprises the acquired customer base, the skilled employees and the locations of the acquired stores, which each cannot be recognized as separately identifiable assets.

The fair value of the net assets arising from the acquisitions at acquisition date is as follows:

	Topsa	MultiOpticas	Rayners	Robin Look	Other stores	Total
Property, plant & equipment	4,774	888	384	418	389	6,853
Other Intangible assets	36	3,601	7,229	2,691	1,294	14,851
Other non-current receivables	184	—	—	—	11	195
Inventory	3,644	734	—	528	240	5,146
Current receivables	5,138	—	—	449	101	5,688
Cash & cash equivalents	234	—	—	367	262	863
Deferred tax liabilities	—	-1,224	—	—	-119	-1,343
Current liabilities & provisions	-6,079	-246	-206	-755	-583	-7,869
Current borrowings (excluding	-6,374	—	—	—	—	-6,374
bank overdrafts)	—	-435	—	—	-189	-624
Bank overdrafts	—	—	—	—	-69	-69
	1,557	3,318	7,407	3,698	1,337	17,317
Consideration paid in cash and cash equivalents	20,679	11,024	13,245	6,000	4,637	55,585
Consideration to be transferred	7,153	1,059	—	—	332	8,544
Total consideration transferred or to be transferred	27,832	12,083	13,245	6,000	4,969	64,129
Consideration paid and to be paid in cash and cash equivalents	20,679	12,083	13,245	6,000	4,969	56,976
Cash and cash equivalents and bank overdrafts at acquired subsidiary	-234	—	—	-367	-193	-794
Outflow of cash and cash equivalents and divestment of associate as a result of acquisition	20,445	12,083	13,245	5,633	4,776	56,182
Consideration transferred	27,832	12,083	13,245	6,000	4,969	64,129
Fair value of acquired net assets and liabilities	-1,557	-3,318	-7,407	-3,698	-1,337	-17,317
Goodwill (Note 14)	26,275	8,765	5,838	2,302	3,632	46,812

The goodwill amortisation is not tax deductible.

The acquisitions contributed the following in Revenue and Net result of the Group:

Revenue	2,051	5,112	9,056	4,809	3,536	24,564
Net result	-320	-2,074	141	464	615	-1,174

Had the acquisitions been consolidated for the full period, Revenue and Net result would be:

Revenue	20,681	6,573	10,300	6,439	5,510	49,503
Net result	-867	-2,666	124	853	683	-1,873

Acquisition costs for the above acquisitions amount to € 180 and are included in the General & administrative costs in the Income Statement.

HAL Optical Turkey and HAL Asia

On 30 September 2014 the Group acquired 100% of the shares of HAL Optical Turkey B.V. and HAL Investments Asia B.V. HAL Optical Turkey B.V. owns 100% of the Turkish optical retail chain Atasun. HAL Investments Asia B.V. owns 100% of the shares in GrandVision Shanghai and 78% of the shares of Redstar. The group acquired this from the parent company (HAL Holding) and therefore predecessor accounting method is applied. The difference between the consideration transferred of € 82.7 million (refer to note 23) and the net assets of € 29.7 million is recognized in equity € 53.0 million, see table below for more details on the items relevant for other disclosure notes; remaining assets and liabilities are aggregated.

Property, plant & equipment	4,650
Other Intangible assets	705
Goodwill	5,783
Non-controlling interest	-999
Other assets and liabilities	19,568
Total net assets	29,707
Consideration paid in cash	82,679
Cash and cash equivalents and bank overdrafts at acquired subsidiary	-1,281
Outflow of cash and cash equivalents as a result of acquisition	81,398
Recognized in Retained Earnings	52,972

12. Income tax

Income tax expense is recognised based on actual income tax rates for the period ended 30 September 2013 and 2014. The effective tax rate of the 9 months ended 30 September 2014 is 31.7% (the tax for the nine months ended 30 September 2013 was 32.5%). This decrease is mainly due to tax accounting effects from tax losses carry forward positions; recognition of a portion of previously unrecognized losses and a mix of a lower share of loss making countries. As of 30 September 2014, the Group has accumulated non-recognized tax losses amounting to € 217 million, of which € 175 million are off settable for an unlimited period.

13. Property, plant and equipment

	Buildings and Leasehold improvements	Machinery & Equipment	Furniture & Vehicles	Total
Nine months ended 30 September 2014				
Opening net book amount as at 1 January 2014	170,371	116,235	72,299	358,905
Reclassification	-1,268	766	-375	-877
Acquisition of subsidiaries / activities	3,582	3,674	4,247	11,503
Additions	30,344	27,946	21,756	80,046
Disposals / Retirements	-963	-1,186	-631	-2,780
Depreciation charge	-25,209	-28,862	-16,313	-70,384
Exchange differences	1,935	1,432	455	3,822
Carrying amount as at 30 September 2014	178,792	120,005	81,438	380,235
Nine months ended 30 September 2013				
Opening net book amount as at 1 January 2013	177,371	119,963	71,267	368,601
Reclassification	-4,342	-613	5,483	528
Acquisition of subsidiaries / activities	160	1,098	268	1,526
Additions	23,316	21,953	14,587	59,856
Disposals / Retirements	-2,234	-1,220	-644	-4,098
Depreciation charge	-23,483	-27,940	-17,453	-68,876
Exchange differences	-3,719	-1,497	-867	-6,083
Carrying amount as at 30 September 2013	167,069	111,744	72,641	351,454

The difference between the acquisition of subsidiaries of € 11.5 million and note 11 on Acquisitions of € 6.9 million in the first nine months 2014 is caused by the property, plant and equipment obtained from the acquisition on Turkey and China which is accounted for based on predecessor accounting.

14. Goodwill

Nine months ended 30 September 2014	30 September 2014
Opening balance as at 1 January 2014	726,321
Acquisition (Note 11)	52,595
Reclassification	4,176
Impairment	-3,214
Disposals	-112
Exchange differences	4,355
Carrying amount as at 30 September 2014	784,121
Costs	823,272
Accumulated impairment	-39,151
	784,121

Nine months ended 30 September 2013	30 September 2013
Opening balance as at 1 January 2013	740,993
Acquisition	4,395
Adjustment purchase price allocation & earn-outs	356
Reclassification	-1,407
Impairment	-5,553
Disposals	-58
Exchange differences	-11,340
Carrying amount as at 30 September 2013	727,386
Costs	760,591
Accumulated impairment	-33,205
	727,386

The impairment charge of € 3.2 million in the period ended 30 September 2014 relates mainly to the impairment of Mexico Sunglass Island, which operates in the Latin America & Asia segment. The impairment charge of € 5.6 million in the period 30 September 2013 relates to the impairment of Brazil, which operates in the Latin America & Asia segment. The recoverable amount, being the fair value less costs of disposal, has been estimated using the average sales of the last 3 years (adjusted for any known revenue developments) multiplied by a sales multiple.

The difference between the goodwill from acquisitions of € 52.6 million and note 11 on Acquisitions of € 46.8 million in the first nine months 2014 is caused by goodwill obtained from the acquisition on Turkey which is accounted for based on predecessor accounting. The goodwill resulting from acquisitions in the first nine months of 2013 relates to the acquisition of Central Lab in the United Kingdom and store acquisitions.

15. Other intangible assets

	Franchise Contracts	Trade-marks	Key Money	Other	Total
Nine months ended 30 September 2014					
Opening net book amount as at 1 January 2014	7,534	138,205	213,518	37,763	397,020
Reclassification	29	7	-4,302	581	-3,685
Acquisition	624	4,503	—	10,429	15,556
Additions	—	2	3,222	11,045	14,269
Disposals	—	—	-897	-189	-1,086
Amortisation charge	-1,387	-10,763	—	-10,317	-22,467
Impairment	—	—	-847	—	-847
Exchange differences	387	2,009	460	545	3,401
Carrying amount as at 30 September 2014	7,187	133,963	211,154	49,857	402,161
Nine months ended 30 September 2013					
Opening net book amount as at 1 January 2013	9,131	156,155	209,397	30,593	405,276
Reclassification	—	20	2,678	-336	2,362
Acquisition	661	—	—	1,062	1,723
Additions	—	122	572	6,013	6,707
Disposals	—	—	-1,096	-13	-1,109
Amortisation charge	-1,622	-10,668	—	-8,135	-20,425
Exchange differences	-241	-3,634	-1,173	-421	-5,469
Carrying amount as at 30 September 2013	7,929	141,995	210,378	28,763	389,065

The difference between the acquisition of subsidiaries of € 15.6 million and note 11 on Acquisitions of € 14.9 million in the first nine months 2014 is caused by the intangible assets obtained from the acquisition on Turkey and China which is accounted for based on predecessor accounting.

16. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	September 30, 2014	December 31, 2013
Cash and bank balances	126,678	102,562
Bank overdrafts	-153,166	-80,401
	-26,488	22,161

17. Share capital

Nine months ended 30 September 2014	Number of shares (thousands)	Ordinary shares	Share premium	Total
Opening balance as at 1 January 2014	12,702,799	254	27,521	27,775
Issue of ordinary shares	19,388	—	3,000	3,000
Long term incentive plan	—	—	29,242	29,242
Capital contribution	—	—	1,019	1,019
At 30 September 2014	12,722,187	254	60,782	61,036
Nine months ended 30 September 2013				
Opening balance as at 1 January 2013	12,685,906	254	23,185	23,439
Issue of ordinary shares	16,893	—	1,889	1,889
Long term incentive plan	—	—	—	—
Capital contribution	—	—	2,086	2,086
At 30 September 2013	12,702,799	254	27,160	27,414

The Company's authorized share capital is comprised of 62,499,900 ordinary shares with a nominal value of € 0.02 each and 1 priority share with a nominal value of € 2.00. The total authorized share capital amounts to € 1,250. All issued shares have been paid-up in full. The Company's paid-up capital comprises 12,722,187 (31 December 2013: 12,702,799 ordinary shares and 1 (31 December 2013: 1) priority share. The issued and outstanding ordinary shares are 98.57% held by HAL Optical Investments B.V. and for the remainder by management of GrandVision BV and its subsidiaries.

The issued shares during the period to 30 September 2014 were issued under the Long Term Incentive Plan for an average price of € 154.72 (31 December 2013: € 135.05) per share. The capital contributions in 2013 and 2014 were done by HAL Optical Investments B.V. for the repurchase of the shares under the Long Term Incentive Plan.

For the 2014 addition of € 29,242 to share premium please refer to note 21.

18. Borrowings

	September 30, 2014	December 31, 2013
Non-current		
Bank borrowings	793,516	518,977
Financial lease	898	846
Shareholders loan	—	325,000
	794,414	844,823
Current		
Bank overdrafts	153,166	80,401
Current portion of long term debt	—	757
Financial lease	1,992	1,071
Other	6,249	6,955
	161,407	89,184
Total borrowings	955,821	934,007

Movements in the borrowings are as follows:

	Nine months ended	
	30 September 2014	30 September 2013
Opening balance as at 1 January	934,007	1,098,029
Repayments of external borrowings	-559,588	-230,715
Repayments of shareholders loan	-325,000	-35,000
Additions of external borrowings	831,550	97,419
Other movement long term	2,628	15,907
Net movements short term debt	72,224	1,684
At 30 September	955,821	947,324

Syndicated bank facilities

The Group has only one syndicated bank facility of € 1,200 million outstanding. The Group also has multiple bank guarantee facilities for a total amount of € 22 million. Refer for the terms and conditions on the financing to note 8.2.

Shareholders loan

The shareholders loans as well as the payable interest have been fully settled and paid in September 2014. The shareholders loan was subordinated on other debts. The interest on the shareholders loan was 5.545%.

19. Post-employment benefits

The amounts recognized in the balance sheet were as follows:

	30 September 2014	31 December 2013
Present value of benefit obligation	211,646	105,015
Fair value of plan assets	-135,515	-98,435
Net position	76,131	54,580
Present value of unfunded obligation	62	61
Provision in the Balance Sheet	76,193	54,641

The amounts recognized in the income statement were as follows:

	Nine months ended	
	30 September 2014	30 September 2013
Current service costs	4,442	4,407
Interest costs	617	1,245
Administrative costs	152	20
Total defined benefit costs	5,211	5,672

20. Provisions

None months ended 30 September 2014	Restruc-turing	Warranty	Long Term Incentive plan	Other Employee related	Other	Total
Opening amount as at January 1, 2014	1,417	7,215	33,742	2,406	14,576	59,356
Acquisitions (note 11)	—	41	—	255	388	684
Addition to provision	19	2,337	36,491	1,643	3,816	44,306
Reversal of provision	-631	-963	-31,772	-199	-3,428	-36,993
Utilized during the period	-246	-1,353	-2,676	-353	-1,195	-5,823
Exchange differences	6	-47	-76	9	68	-40
At September 30, 2014	565	7,230	35,709	3,761	14,225	61,490

Nine months ended 30 September 2013	Restruc-turing	Warranty	Long Term Incentive plan	Other Employee related	Other	Total
Opening amount as at January 1, 2013	1,610	6,276	26,982	3,914	16,161	54,943
Addition to provision	335	2,196	4,114	598	1,676	8,919
Reversal of provision	-167	—	—	-1,734	-10	-1,911
Utilized during the period	-304	-1,068	-110	-328	-899	-2,709
Exchange differences	-2	-51	—	-11	-448	-512
At September 30, 2013	1,472	7,353	30,986	2,439	16,480	58,730

Restructuring

The provision for restructuring programs that are planned and controlled by management, and materially changes either the scope of a business undertaken by the Group or the manner in which that business is conducted. This also includes a decommissioning liability for bringing back a store or office in its original state.

Warranty

The Group together with the sales of its products often provides a warranty. Warranty provision exists to cover possible future expenses that may incur to rectify defects in or to replace the product the Group has sold.

Long term incentive plans

Refer to note 21.

Other Employee related

The provision related to employees not being pensions, not being restructuring and not being employee payables. This mostly relates to employee termination benefits.

Other provisions

The other provisions mainly relates to legal and fiscal claims and deferred rental discounts.

21. Long term incentive plans

Summary of Long Term Incentive Plans Terms

Certain members of senior management participate in the Long Term Incentive Plan. Under the long-term incentive plan, there are two different arrangements, which are described below:

Type of arrangement	Real Share Plan	Phantom Plan
Date of grant(s)	In May of each year since 2005	In May of each year since 2009
Contractual life	6 years or indefinite	5 or 6 years
Vesting conditions	3, 4 or 5 years of service	3 or 4 years of service
Method of settlement	Cash-settled, unless the Company's shares are listed, in which case the plan becomes equity-settled	Cash-settled
Basis for value at settlement	Eight times normalized EBITA, minus net debt, unless the Company's shares are listed, in which case the value is the listed share price	Eight times normalized EBITA, minus net debt, unless the Company's shares are listed, in which case the cash settlement is equal to the listed share price

Historical Treatment of Long Term Incentive Plans

The plans are structured that until an IPO becomes probable the fair value of the awards is based on an internal measure. Accordingly, these plans have been accounted for under IAS 19 in the previous financial statements, including and up to the most recent annual financial statements ending on 31 December 2013.

In the event of a listing (or when it is probable that a listing will occur), the fair value of the shares is based on a market measure (the listed share price) and represents the fair value of the entity's share price. During the nine months ended 30 September 2014, management updated their best estimate determined that the probability threshold that a listing would occur had been met. The change in the settlement of the awards and options as a result of a probable listing has therefore moved the scope of the awards and options from IAS 19 to IFRS 2 as the settlement is now equal to the listed share price and future grants will be based on current listed share price.

The following summarises the impact on the interim financial statements for the nine-months ended 30 September 2014 and required disclosures under IFRS 2 as a result of the change in scope from IAS 19 to IFRS 2:

Real Share Plan

The Real Share Plan provides shares of the Company to the participants over a vesting term and requires the Company to make an offer for 50% of the shares after a certain period of time, typically four years, and another offer on the remaining 50% of the shares on the fifth year anniversary of grant. However, this redemption option is cancelled upon listing of the Company's shares. In the event a listing becomes probable, settlement in shares becomes probable and the plan becomes equity settled. Vesting of awards granted under the Real Share Plan is based on a service condition that can vary between 3-5 years under the Real Share Plan.

The Real Share Plan has historically been accounted for under IAS 19 and classified as a liability as the plan was settled in cash to be paid by the Company upon exercise of the awards. Upon a listing, the requirement for the Company to offer to settle the shares in cash is eliminated.

With the listing probability threshold being met, the awards exercised are now likely to be settled in equity. As the Real Share Plan is now equity settled because the Company is no longer expecting to settle the plan in cash, the original granted fair value was reclassified to equity as of 30 September 2014.

Under IFRS 2, for equity-settled arrangements, the fair value of options or shares granted to employees is measured at grant date. The costs of share-based compensation plans are determined based on the fair value of the shares and the number of shares expected to vest. The fair value is recognized as costs in the Income Statement over the vesting period of the shares against an increase in equity.

Upon transition from IAS 19 to IFRS 2, the expense recognition under the LTIP arrangements was adjusted to reflect the expense recognition that would have occurred if the arrangements had been accounted for under IFRS 2 from the respective grant dates. This resulted in an incremental income of € 2.5 million driven by higher fair values using the internal measure versus the grant date fair value. This gain is recognized in General & administrative costs in the Income Statement during the period ended 30 September 2014 and classified as non-recurring items (refer to note 10).

On 21 May 2011, the Real Share Plan was modified so that all shares were settled as shares in GrandVision B.V. As the plan is now classified as equity-settled under IFRS 2, this event is now considered a modification and any incremental fair value granted to the participants was considered. An amount of € 2.4 million of incremental fair value was provided to the participants as part of this modification event and therefore incremental expense was recorded upon transition of the plan from IAS 19 to IFRS 2 during the nine-months ended 30 September 2014.

	Shares
At 1 January 2014	168,676
Granted	19,388
Settled	-6,587
Forfeited	—
At 30 September 2014	181,477

Out of the shares outstanding under the Real Share Plan at 30 September 2014, 76,319 shares were vested.

Phantom Plan

The Phantom Plan provides the participants with the right to receive cash based on the appreciation in the Company's share price between the date of grant and the vesting date. Participants are granted both phantom shares as well as phantom options under the Phantom Plan. Phantom shares and options are cash settled and contain a service condition of 3-5 years in addition to performance conditions based on the results of certain Company targets. Under IFRS 2, for cash-settled plans, the fair value of the liability for the awards granted is re-measured at each reporting date and at settlement. Furthermore, the amount of expense each period is recognized over the vesting period. The Phantom Option Plan contains performance conditions that are based on performance targets of respective business units in the organization. The amount of expense recognised takes into account the best available estimate of the number of equity instruments expected to vest under the service and performance conditions ascribed to each phantom share and option granted.

The estimate for the liability (and corresponding expense recognition) has been affected by the increase in the probability of the listing since the estimated fair value of the Company's shares is higher than the value of the shares determined based on the formula used before application of IFRS2. As the probability of the listing increases, the estimate for the total fair value of liability increases in proportion. This resulted in an incremental expense of € 22.5 million, which was recognized in General & administrative costs in the Income Statement during the nine-months ended 30 September 2014 and classified as non-recurring items (refer to note 10). The estimate for the liability will change with the corresponding changes in probability of a listing occurring, with the changes being recognised during the periods in which the change in estimate occurs.

	Phantom Shares	Phantom Options	Weighted average exercise price in € per share
At 1 January, 2014	48,096	135,281	€ 142.54
Adjusted for performance conditions	-1,430	-3,232	€ 127.59
Granted	34,954	3,750	€ 129.30
Settled	—	—	—
Forfeited	-5,925	-16,609	€ 139.94
At 30 September, 2014	75,695	119,190	€ 142.89

Out of the phantom shares outstanding under the Phantom Plan at 30 September 2014, 8,840 were vested. Out of the phantom options outstanding under the Phantom Plan at 30 September 2014, 26,469 were exercisable. As of 30 September 2014 the weighted average remaining contractual life for outstanding Phantom Options was 3.2 years.

The fair value of phantom shares was determined based on the most recent valuation of the Company's common share price which is the Company's best estimate of the amount per share to be paid for vested awards. This valuation was performed using a generally accepted valuation approach; the market approach.

The total fair value of all phantom options granted as of 30 September 2014 is € 29.8 million. The fair value was determined as of the date of each grant based on the Black & Scholes Merton Option Pricing formula. The following assumptions were used:

Phantom options	30 September 2014
Exercise price in €	€ 119.51 – € 205.15
Share price in €	€ 412.11
Volatility	21.9% – 23.9%
Dividend Yield	1.5%
Expected option remaining life in years	0.7 – 4.7
Annual risk free interest rate %	-0.11% – 0.17%

The expected volatility applied is based on the weighted average historical, annualized volatilities of a group of comparable, listed companies. These listed companies include Luxottica Group SpA, Fielmann AG, Essilor International SA, Safilo Group SpA, The Cooper Companies Inc and New Look Eyewear Inc.

The table below presents the total expense of the share-based payment plans during the nine-months ended 30 September 2014 as well as the movements in the liability and equity triggered by the change in estimate of the probability of a listing, resulting in the plans being classified as IFRS 2 share-based compensation plans:

€	Real Share Plan		Phantom Plan
	Liability	**Equity**	**Liability**
1 January 2014	25,079	—	5,280
Expenses / settlements	6,693	—	5,654
Incremental expense for transition from IAS 19 to IFRS 2	(31,772)	29,241	22,470
30 September 2014	—	29,241	33,404

22. Contingencies

22.1 Contingent liabilities

Bank borrowings to franchisers of the Group are often secured by a guarantee given by the Group to the bank. The guarantees given are secured by the activities, store rental contracts, the inventories and store furniture of the franchisers. No other guarantees have been given by the Group. For the mentioned guarantees no net outflow of cash is expected.

The Group currently has a dispute with a lens manufacturer "Zeiss" who participated but did not win the lens tender organized by the Group in 2012. Consequently Zeiss existing lens supply contract expired on the contractual expiration date of October 31, 2013. Zeiss formally sued GrandVision France before the Paris commercial courts on April 10, 2014 claiming damages of approximately € 57 million on the ground of unlawful termination of the lens purchase agreement. As GrandVision is confident in their (legal) position in this dispute, no provision is recognized in the interim financial statements.

Pursuant to Zeiss complaint, the French competition law body DGCCRF (Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes) visited the Company's offices in France in November 2013 and requested documentation regarding the GrandVision corporate structure and past lens tenders. Following an interview with management in May 2014, the DGCCRF issued a report that is favorable to GrandVision.

In June 2009, the French competition authority ("Autorité de la concurrence") began investigations against certain optical suppliers and optical retailers active in the branded sunglasses and branded frames sector in France, including against the Group. The authorities are investigating whether these parties have entered into vertical restraints in relation to the distribution of branded sunglasses and branded frames in violation of article L. 420-1 of the French Code de Commerce and 101-1 of the Treaty on the Functioning of the European Union. In 2012, certain Group employees were interviewed by the French competition authorities and in 2014 the Group received further written inquiries from the French competition authority. Under French law, there is no formal date by which the French competition authorities are required to complete their investigation. As of the date of these condensed consolidated interim financial statements, the Group has not been formally accused of having violated the laws in question; however, the Group may receive a statement of objections ("*notification de griefs*") during the first quarter of 2015, which would be the next step in the procedure. If the Group is ultimately determined to have violated applicable law, it may be subject to fines. As the Group has not been formally accused, it is unable to estimate any such fine. At this stage, the Group has not made a provision in its financial statements for this matter. The Group's practice is to continue to comply with all laws and regulations applicable to its business, including antitrust laws, and it has systems and procedures in place to prevent violations. Its practice is also to cooperate with relevant regulatory authorities.

In December 2010, the Hungarian Competition Office dawn raided Fotex-Ofotért, CooperVision, Johnson&Johnson, Kleffmann and Partner and CIBA Vision on suspicion of cartel activity in the Hungarian contact lens market. The Hungarian Competition Office alleges the companies were exchanging information disguised as market research undertaken by Kleffmann and Partner for the period between 2003 and 2010. In November 2013, the Competition Office shared its Statement of Objections. According to Fotex-Ofotért this Statement of Objections is unfounded and the accused companies defended their position in court on 4 February 2014. The Hungarian Competition Office requested some additional information which was provided on February 14, 2014. No provision has been recognized locally. At Group level a provision for € 0.5 million has been recognized. On June 19, 2014 the defendants were fined. Fotex-Ofotert was fined approximately € 0.2 million and this fine has already been paid. However, all defendants have appealed this decision by the Hungarian Competition Office.

23. Related parties

23.1 Loans from related parties

In September 2014 the Group has fully settled the loans from HAL (see note 18), bearing an interest of 5.545%.

23.2 Loans to related parties

The Group has granted loans to members of the management as part of the long term incentive plan. For more details refer to the note 21.

The loans to related parties bear interest rates varying from 4% to 6% and are secured through share pledges. All loans have been granted to senior managers of the Company as part of various long term incentive plans. Each of these plans contains an exit option whereas the Group and/or HAL may purchase the shares as held by the management against fair market value. Upon sale the managers will have to redeem their loans.

23.3 Remuneration

Key management includes the CEO and CFO. The remuneration to key management comprises a fixed and variable part and includes salary, post-employment benefits and long term incentive plan benefits.

	30 September 2014	30 September 2013
Short-term employee benefits	1,196	1,027
Post-employment benefits	145	135
Other long-term benefits	—	72
Termination benefits	—	—
Share-based payments	1,340	2,163
Total	2,681	3,397

23.4 Other transactions with related parties

Per 30 September 2014 the Group acquired HAL Optical Turkey B.V. and its subsidiary and HAL Investment Asia B.V. and its subsidiaries from the parent company HAL Holding. The consideration paid is € 82.7 million and the transaction is based on arm's length conditions.

During the nine months of 2014 GrandVision acquired goods from Safilo (an associate of HAL) for an amount of € 55.9 million (December 31, 2013: € 56.3 million). These transactions are based on arm's length conditions. Trade Receivables includes a receivable of € 1.6 million from Safilo and Trade payable includes a liability to Safilo of € 14.6 million.

24. Events after the balance sheet date

GrandVision B.V. will be converted into GrandVision N.V. immediately after determination of the offer price in the initial public offering. Up to that time GrandVision B.V. will remain in existence.

In December 2014, GrandVision acquired 19 stores from Conlons & Sons (Opticians) Ltd. in the United Kingdom and 100% of the shares of Angelo Randazzo S.r.l. in Italy.

On 20 January 2015 GrandVision issued 241,721,553 ordinary shares.

Schiphol, 26 January 2015

Board of Directors

Th. A. Kiesselbach
P.J. de Castro Fernandes

Supervisory Board

C.J. van der Graaf
P. Bolliger
J.A. Cole
W. Eelman
M.F. Groot

REVIEW REPORT

To: the Board of Directors of GrandVision B.V.

Introduction

We have reviewed the accompanying Condensed Interim Consolidated Financial Statements for the nine-month period ended 30 September 2014 of GrandVision B.V., Haarlemmermeer, which comprises the consolidated interim balance sheet as at 30 September 2014, the consolidated interim income statement, the consolidated interim statement of other comprehensive income, the consolidated interim statement of changes in shareholders' equity, the consolidated interim cash flow statement and the selected explanatory notes for the nine-month period then ended. The Board of Directors is responsible for the preparation and presentation of these Condensed Interim Consolidated Financial Statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Consolidated Financial Statements as at 30 September 2014 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Rotterdam, 26 January 2015

PricewaterhouseCoopers Accountants N.V.

1. THE GROUP'S CONSOLIDATED INCOME STATEMENT AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

		Year ended 31 December		
(all amounts in thousands of euros)	**Notes**	**2013**	**2012**	**2011**
Revenue	11	2,620,180	2,518,410	2,395,875
Cost of sales and direct related expenses	12	-671,743	-642,955	-607,291
Gross profit		1,948,437	1,875,455	1,788,584
Selling and marketing costs	12	-1,376,839	-1,344,414	-1,292,278
General & administrative costs	12	-302,857	-301,938	-273,160
Share of result of associates	14	1,411	2,255	-1,472
Operating result		270,152	231,358	221,674
Financial income	15	6,745	12,791	1,949
Financial costs	15	-47,778	-52,386	-60,923
Financial result		-41,033	-39,595	-58,974
Result before tax		229,119	191,763	162,700
Income tax	16	-73,204	-74,266	-60,915
Result for the year		155,915	117,497	101,785
Attributable to:				
Equity holders		141,473	101,039	97,554
Non-controlling interests		14,442	16,458	4,231
		155,915	117,497	101,785
Earnings per share, basic and diluted (in € per share)	17	11.29	8.08	7.80

The notes on pages F-33 to F-90 are an integral part of these special purpose consolidated financial statements.

2. THE GROUP'S CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

		Year ended 31 December		
(all amounts in thousands of euros)	**Notes**	**2013**	**2012**	**2011**
Result for the year		155,915	117,497	101,785
Other comprehensive income:				
Items that will not be reclassified to profit and loss				
Re-measurement of post-employment benefit obligations	28	2,809	-11,542	-1,716
Income tax		-758	3,238	407
		2,051	-8,304	-1,309
Items that may be subsequently reclassified to profit and loss				
Currency translation differences	28	-36,437	6,481	-8,224
Change in fair value of interest rate swaps		4,887	-6,709	766
Income tax effect		-2,141	2,299	-226
		-33,691	2,071	-7,684
Other comprehensive income/ loss (net of tax)		-31,640	-6,233	-8,993
Total comprehensive income for the year (net of tax):		124,275	111,264	92,792
Attributable to:				
Equity holders		111,525	92,863	86,850
Non-controlling interests		12,750	18,401	5,942
		124,275	111,264	92,792

The notes on pages F-33 to F-90 are an integral part of these special purpose consolidated financial statements.

3. THE GROUP'S CONSOLIDATED BALANCE SHEET AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

(all amounts in thousands of euros)	Notes	31 December 2013	31 December 2012	31 December 2011	1 January 2011
ASSETS					
Non-current assets					
Property, plant and equipment	18	358,905	368,601	361,521	344,970
Goodwill	19	726,321	740,993	694,993	688,304
Other intangible assets	20	397,020	405,276	384,609	393,783
Deferred income tax assets	30	48,356	55,258	46,838	44,530
Associates	23	33,584	35,169	52,506	53,780
Derivative financial instruments	34	—	—	—	3,447
Other non-current assets	22	44,923	46,574	53,792	54,071
		1,609,109	1,651,871	1,594,259	1,582,885
Current assets					
Inventories	24	192,620	184,972	192,790	197,383
Trade and other receivables	25	228,951	266,713	238,873	206,383
Current income tax receivables		7,813	14,583	19,028	5,514
Derivative financial instruments	34	143	143	1,174	1,488
Cash and cash equivalents	26	102,562	91,045	162,126	103,271
		532,089	557,456	613,991	514,039
Total assets		2,141,198	2,209,327	2,208,250	2,096,924
EQUITY					
Equity attributable to equity holders					
Share capital	27	27,775	23,439	250	250
Other reserves		-38,705	-8,757	-581	10,123
Retained earnings		512,616	373,393	295,247	197,693
		501,686	388,075	294,916	208,066
Non-controlling interests	28	44,366	42,444	33,064	28,099
Total equity		546,052	430,519	327,980	236,165
LIABILITIES					
Non-current liabilities					
Borrowings	29	844,823	1,003,236	1,041,606	970,044
Deferred income tax liabilities	30	117,086	127,472	121,534	120,338
Post-employment benefit	31	54,641	54,958	38,706	34,680
Provisions	32	31,931	35,489	36,251	40,167
		1,048,481	1,221,155	1,238,097	1,165,229
Current liabilities					
Trade and other payables	33	390,987	409,979	387,963	380,250
Current income tax liabilities		33,058	22,833	19,819	27,258
Borrowings	29	89,184	94,793	197,224	262,139
Derivative financial instruments	34	6,011	10,594	4,310	5,410
Provisions	32	27,425	19,454	32,857	20,473
		546,665	557,653	642,173	695,530
Total liabilities		1,595,146	1,778,808	1,880,270	1,860,759
Total equity and liabilities		2,141,198	2,209,327	2,208,250	2,096,924

The notes on pages F-33 to F-90 are an integral part of these special purpose consolidated financial statements.

4. THE GROUP'S CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

		Attributable to the equity holders							
(all amounts in thousands of euros)	Notes	Share Capital	Cumulative currency translation reserve	Cash flow hedge reserve	Actuarial gains/ (losses)	Retained earnings	Total	Non-controlling interest	Total Equity
Balance at 1 January 2011		**250**	**5,503**	**-2,954**	**7,574**	**197,693**	**208,066**	**28,099**	**236,165**
Result 2011		—	—	—	—	97,554	97,554	4,231	101,785
Other comprehensive income		—	-9,935	540	-1,309	—	-10,704	1,711	-8,993
Total comprehensive income	2	—	-9,935	540	-1,309	97,554	86,850	5,942	92,792
Acquisitions	28	—	—	—	—	—	—	23	23
Acquisitions of NCI	28	—	—	—	—	—	—	-1,071	-1,071
Issue of share capital	27, 28	—	—	—	—	—	—	5,550	5,550
Dividends paid	5	—	—	—	—	—	—	-5,479	-5,479
Total transactions with equity holders		—	—	—	—	—	—	-977	-977
Balance at 31 December 2011		250	-4,432	-2,414	6,265	295,247	294,916	33,064	327,980
Balance at 1 January 2012		**250**	**-4,432**	**-2,414**	**6,265**	**295,247**	**294,916**	**33,064**	**327,980**
Result 2012		—	—	—	—	101,039	101,039	16,458	117,497
Other comprehensive income		—	4,539	-4,411	-8,304	—	-8,176	1,943	-6,233
Total comprehensive income	2	—	4,539	-4,411	-8,304	101,039	92,863	18,401	111,264
Acquisitions	28	—	—	—	—	—	—	8,589	8,589
Acquisitions of NCI	28	—	—	—	—	—	—	-11,229	-11,229
Issue of share capital	27	23,189	—	—	—	-22,893	296	—	296
Dividends paid	5	—	—	—	—	—	—	-6,381	-6,381
Total transactions with equity holders		23,189	—	—	—	-22,893	296	-9,021	-8,725
Balance at 31 December 2012		23,439	107	-6,825	-2,039	373,393	388,075	42,444	430,519
Balance at 1 January 2013		**23,439**	**107**	**-6,825**	**-2,039**	**373,393**	**388,075**	**42,444**	**430,519**
Result 2013		—	—	—	—	141,473	141,473	14,442	155,915
Other comprehensive income		—	-34,745	2,746	2,051	—	-29,948	-1,692	-31,640
Total comprehensive income	2	—	-34,745	2,746	2,051	141,473	111,525	12,750	124,275
Acquisitions	28	—	—	—	—	—	—	—	—
Acquisitions of NCI	28	—	—	—	—	—	—	-2,745	-2,745
Capital contribution	27	2,086	—	—	—	—	2,086	—	2,086
Issue of share capital	27	2,250	—	—	—	-2,250	—	—	—
Dividends paid	5	—	—	—	—	—	—	-8,083	-8,083
Total transactions with equity holders		4,336	—	—	—	-2,250	2,086	-10,828	-8,742
Balance at 31 December 2013		**27,775**	**-34,638**	**-4,079**	**12**	**512,616**	**501,686**	**44,366**	**546,052**

The notes on pages F-33 to F-90 are an integral part of these special purpose consolidated financial statements.

5. THE GROUP'S CONSOLIDATED CASH FLOW STATEMENT AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

(all amounts in thousands of euros)	Notes	2013	2012	2011
Cash flows from operating activities				
Cash generated from operations	35	391,653	386,332	330,360
Tax paid		-58,456	-64,352	-77,486
Net cash from operating activities		**333,197**	**321,980**	**252,874**
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash, acquired	10	-13,901	-79,536	-15,062
Investment in associates		-931	-2,538	-4,375
Purchase of property, plant and equipment	18	-96,533	-94,268	-114,414
Proceeds from sales property, plant and equipment	18	4,346	—	5,742
Purchase of intangible assets	20	-16,635	-19,775	-18,987
Proceeds from sales intangible assets	20	2,305	1,876	1,996
Loans to shareholders and management redemptions	22	—	-2,235	1,560
Other non-current receivables additions	22	—	-3,689	-2,676
Dividends received	23	2,700	4,495	4,016
Interest received		5,262	6,681	2,107
Net cash used in investing activities		-113,387	-188,989	-140,093
Cash flows from financing activities				
Proceeds from shareholder contribution	27	1,886	—	5,550
Proceeds from borrowings	29	147,539	53	609,292
Repayment of shareholders loan	29	-75,000	—	-318,000
Repayments of other borrowings	29	-282,139	-39,155	-364,929
Interest swap payments		-4,770	-814	-4,851
Acquisition of non-controlling interest	10	-668	-3,709	-734
Dividends paid		-8,083	-6,381	-5,479
Interest paid		-37,557	-48,180	-50,903
Net cash used in financing activities		-258,792	-98,186	-130,054
Inflow / (outflow) in cash and cash equivalents		**-38,982**	**34,805**	**-17,273**
Movement in cash and cash equivalents				
Cash and cash equivalents at beginning of the year		55,090	20,970	39,056
Inflow / (outflow) in cash and cash equivalents		-38,982	34,805	-17,273
Exchange gains/ (losses) on cash and cash equivalents		6,053	-685	-813
Cash and cash equivalents at end of year	26	22,161	55,090	20,970

The notes on pages F-33 to F-90 are an integral part of these special purpose consolidated financial statements.

6. General information

GrandVision B.V. ('the Company') incorporated on 8 July 2010 as a private limited liability company and is incorporated and domiciled in The Netherlands. The address of its registered office is as follows: World Trade Center Schiphol Airport, Tower G, 5th floor Schiphol Boulevard 117, 1118 BG Schiphol, The Netherlands.

GrandVision B.V. is 98.67% owned by HAL Optical Investments B.V. The remaining shares are held by management of GrandVision. HAL Optical Investments B.V. is indirectly controlled by HAL Holding N.V. All HAL Holding N.V. shares are held by HAL Trust. HAL Trust is listed on the Euronext Amsterdam stock exchange.

GrandVision B.V. and its subsidiaries (together, referred to as 'the Group') comprises a number of optical retail chains operated under different retail banners. The Group, including its associates, as per December 31, 2013 operated 4,993 optical retail stores in Argentina, Austria, Bahrain, Belgium, Brazil, Bulgaria, Chile, Colombia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, India, Ireland, Italy, Kuwait, Luxembourg, Malta, Mexico, Monaco, Norway, Oman, Poland, Portugal, Russia, Qatar, Saudi Arabia, Slovakia, Spain, Sweden, Switzerland, The Netherlands, The United Arab Emirates, United Kingdom and Uruguay. An overview of the main subsidiaries can be found in note 42. At year end 2013 the number of full-time equivalents within the Group (excluding associates) was 22,235.

7. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these special purpose consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

7.1 Basis of preparation

These special purpose consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted within the European Union to be included in the filing for the listing. The Company has adopted IFRS 1 – first time adoption of IFRS. The Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at 1 January 2011 and its closing statement at 31 December 2013. Note 40 discloses the impact of the transition to IFRS (applying IFRS 1 D16) on the Group's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the consolidated financial statements for the year ended 31 December 2013 reported to our parent company.

The financial statements are presented in euros (€). Amounts are shown in thousands of euros unless otherwise stated. The euro is the presentation currency of the Group's entities. Preparing the financial statements in accordance with IFRS means that management is required to make assessments, estimates and assumptions that influence the application of regulations and the amounts reported for assets, equity, liabilities, commitments, income and expenses. The estimates made and the related assumptions are based on historical experience and various other factors, such as relevant knowledge, which are considered to be reasonable under the given circumstances. The IFRS financial statements have been prepared under the historical cost convention except for financial derivatives, long term incentive plans and post-employment benefits. The estimates and assumptions serve as the basis for assessing the value of recognised assets and liabilities whose amounts cannot currently be determined from other sources. However, actual results may differ from the estimates. Estimates and underlying assumptions are subject to constant assessment. Changes in estimates and assumptions are recognised in the period in which the estimates are revised.

Assessments made by management under IFRS that have a significant impact on the special purpose consolidated financial statements and estimates that carry the risk of a possible material inaccuracy are stated in note 9. The principles of valuation and determination of results have been applied consistently by the Group companies during the periods presented in these special purpose consolidated financial statements.

7.2 Changes in accounting policy and disclosures

7.2.1 New and amended standards and interpretations adopted by the Group

The below mentioned new and amended standards and interpretations effective for the current reporting period are adopted by the Group and implemented as per 1 January 2013 with retrospective application.

- IAS 1 (amendment), 'Presentation of Financial Statements'; Presentation of items of Other Comprehensive Income. The amendment is effective for annual periods beginning on or after 1 July 2012. The amendment changes the grouping of items presented in OCI. Items that would be reclassified (or recycled) to profit or loss at a future point in time would be presented separately from items that will never be reclassified. This split is currently included in these financial statements.

- IFRS 7, 'Financial instruments: Disclosures', effective for annual periods beginning on or after 1 January 2013. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. Furthermore the amendment requires disclosure of information about rights of offset and related arrangements for financial instruments are under and enforceable master netting agreement or similar agreement. The amendment has no effect on the reporting of the Group since financial instruments are not set off in the face of balance sheet.

- IAS 19 (revised), 'Employee Benefits', effective for annual periods beginning on or after 1 January 2013. The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).
  The effect of the amended standard on the fair value of plan assets is minimal as for the funded plans the fair value of plan assets is already determined with nearly the same discount rate (3.4% vs 3.5%) as with which the defined benefit obligation is determined.

- IFRS 13, 'Fair value measurement', effective for annual periods beginning on or after 1 January 2013. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard has an insignificant impact on the measurement of our financial assets and liabilities.

- IFRS 10, 'Consolidated financial statements', IAS 27 'Separate Financial Statements', effective for annual periods beginning on or after 1 January 2013 and has been adopted as from 1 January 2011. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control (power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's return) where this is difficult to assess.

- IFRS 11, 'Joint Arrangements', IAS 28 'Investment in Associates and Joint Ventures', effective for annual periods beginning on or after 1 January 2013 and has been adopted as from 1 January 2011. IFRS 11 replaces IAS 31 and SIC-13. Joint control under IFRS 11 is defined as the contractually agreed sharing of control of an arrangement, which exists only when the decision about the relevant activities, require the unanimous consent of the parties sharing control (joint control in IFRS 10). IFRS 11 also changes the accounting for joint arrangements to two categories:

  — Joint operations: An arrangement in which parties with joint control have rights to the assets and liabilities relating to that arrangement. Joint operations are accounted for by applying proportionate consolidation.

  — Joint ventures: An arrangement in which parties with joint control have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity accounting method. The effect of the amended standards IFRS 10 and 11 is the following:

- The activities in Denmark, Norway and Sweden ("The Synoptik Group") will be treated as a subsidiary instead of a joint venture and will be fully consolidated. For the shares not held by the Group a non-controlling interest will be recognised for 36.71%.

- The franchise stores in UK and Ireland have agreements comprised of an equal number of both "A" and "B" shares from which "A" are held by the joint venture partner and give rights to all the profits and "B" are held by the Group and give rights to control the decision making. The Group has control and a 100% non-controlling interest under these agreements In our adoption of IFRS 10, UK and Ireland franchise stores are consolidated as of the opening balance sheet date of 1 January 2011. Refer to note 40 for further information.

- The activities in India will no longer be proportionally consolidated and will be treated as an associate and accordingly accounted at net equity value. These activities were considered as a joint venture also before adopting IFRS 10 and 11.

- IFRS 12, 'Disclosures of interests in other entities' effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. Applying IFRS 12 will have no effect on Net income or Equity.

- IFRIC 21, 'Levies', effective for annual periods beginning on or after 1 January 2014 but has been early adopted per 1 January 2011. This is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

7.2.2 New standards, amendments and interpretations issued but not effective for the reported period and not early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these special purpose consolidated financial statements (according to European Financial Reporting Advisory Group it is allowed to adopt the standards from 1 January 2014). None of these is expected to have a significant effect on the consolidated financial statements of the Group.

Following standards, amendments and interpretations will be adopted by the Group at the moment they become effective:

- IAS 32, 'Financial instruments: Presentation' effective for annual periods beginning on or after 1 January 2014. These amendments are to the application guidance in IAS 32, clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- IAS 36, 'Impairment of assets' effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- IAS 39, 'Novation of derivatives', effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counter party meets specified criteria.

- IFRS 9, 'Financial instruments', effective date to be announced. IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. We will assess the impact in next years.

7.3 Group accounting

7.3.1 Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

7.3.2 Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquired subsidiary either at fair value or at the non-controlling interest's proportionate share of the acquired subsidiary's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired subsidiary and the acquisition-date fair value of any previous equity interest in the acquired subsidiary over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement.

Grandvision applies the anticipated acquisition method where it has the right and the obligation to purchase (so-called put/call arrangements) any remaining non-controlling interest. Under the anticipated acquisition method the interests of the non-controlling shareholder are not recognised when the Group's liability relating to the purchase of its shares is recognised. The recognition of the financial liability implies that the interests subject to the purchase are deemed to have been acquired already. Therefore the corresponding interests are presented as already owned by the Group even though legally they are still non-controlling interests. The initial measurement of the fair value of the financial liability recognised by the Group forms part of the contingent consideration for the acquisition.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for in equity.

Acquisition related expenses are taken into the Income Statement at the moment they are incurred.

7.3.3 Common control acquisitions

Acquisitions done by the Group, acquired from the parent company (HAL Holding), are treated as common control transactions and predecessor accounting is applied. Under predecessor accounting no purchase price allocation is performed. The acquired net assets are included in the GrandVision consolidation at carrying value as included in the consolidation of HAL Holding. The difference between the consideration transferred and the net assets is recognised in equity.

7.3.4 Transactions and non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity holders of the Group. For purchases of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

7.3.5 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investment in associates is accounted for using the equity method and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition results is recognised in the Income Statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised results on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group determines at each reporting date whether there is an objective evidence that an investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in share of result of associates in the Income Statement.

7.3.6 Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method. The Group's interests in the jointly controlled entity (India) are accounted for at net equity value. The accounting treatment of Group's jointly controlled operations in India is accounted for as an associate. For more details regarding the accounting treatment refer to note 7.3.5.

7.4 Foreign currency

7.4.1 General

Items in the financial statements of the various group companies are measured in the currency of the primary economic environment in which each entity operates (the functional currency). The consolidated financial statements are presented in euros (€), this being the GrandVision B.V.'s presentation currency.

7.4.2 Foreign currency transactions, balances and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign currency results that relate to borrowings and cash and cash equivalents are presented in the Income Statement within financial result. All other foreign exchange gains and losses are presented in the Income Statement within the item of Operating result to which the foreign currency result relates.

7.4.3 Financial statements of foreign subsidiaries

The assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on consolidation, are translated into the presentation currency at the exchange rate applicable at the balance sheet date. The income and expenses of foreign subsidiaries are translated into the presentation currency at rates approximate to the exchange rates applicable at the date of the transaction. Resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate.

7.5 Segmentation

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expenses. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. These operating segments were defined based on geographic markets. All operating segments operate in optical retail and do not have different lines of business or different sources of revenue from external customers other than optical retail. The operating segments operating result is reviewed regularly by the CEO and CFO (Chief Operating Decision-Maker), which makes decisions as to the resources to be allocated to the segments and assesses its performance, based on discrete financial information available.

The Company's reportable segments are defined as follows:

- G4
- Other Europe
- Latin America & Asia

7.6 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for sale of products or services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each agreement.

The Group operates multiple chains of retail outlets for selling optical products including insurance related to those products. Revenue is recognised only when the earning process is complete. This indicates that any prepayments made by customers is not considered as revenues yet and should be accounted for as deferred income. The earning process is considered complete upon delivery to the customer. The moment of ordering by the customer is no determining factor. Retail revenue is usually in cash or by debit or credit card. Insurance related income is recognised based upon historical data regarding claim ratios and upon the duration of the insurance contracts.

Merchandise revenue mainly comprises sales to franchisees. The earning process is considered complete upon delivery to the franchisee and the entity has transferred significant risks and rewards of ownership of the products to the buyer and does not retain continuing managerial involvement or control over the products sold.

Franchise royalty is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Other revenues represent supplier allowances and other revenue. Supplier allowances are only recognised as revenue if there is no direct relationship with a purchase transaction; otherwise the supplier allowance is deducted from cost of revenue.

It is the Group's policy to sell its products to the retail customer with a right to return. Experience is used to estimate and provide for such returns at the time of sale as described in 7.23.4.

7.7 Customer loyalty

The Group operates customer loyalty programs in several countries. In these programs customers accumulate points for purchases made or receive vouchers for rebates on future purchases. The reward points and vouchers are recognised as a separately identifiable component of the initial sale transaction by allocating the fair value of the consideration received between the award points or vouchers and the other components of the sale such that the reward points are initially recognised as deferred income at their fair value. Revenue from the reward points and vouchers are recognised when the points and vouchers are redeemed. Reward points and vouchers expire after a number of months after initial sales depending on each loyalty program.

7.8 Store expenses

Store expenses, not classified as Property, plant and equipment, are not capitalised but immediately expensed in sales & marketing costs in the Income Statement when incurred.

7.9 Operating lease

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

7.10 Financial income

Financial income comprises interest received on outstanding monies and upward adjustments to the fair value and interest result of foreign currency derivatives.

7.11 Financial costs

Financial costs comprise interest due on funds drawn, calculated using the effective interest method, downward adjustments to the fair value and realised value of derivative financial instruments, other interest paid, commitment fees and the amortisation of transaction fees related to borrowings.

7.12 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Depreciation is calculated using the straight-line method to write off the cost of each asset, to its residual value over its estimated useful life.

Useful lives used are:

Buildings	30 years
Leasehold and building improvements	5 – 10 years
Machinery	6 – 10 years
Furniture & upholstery	7 – 10 years
Other equipment	5 – 7 years
Computer and Telecom equipment	4 – 5 years
Vehicles	5 years

The useful lives and the residual values of the assets are subject to an annual review.

Where the carrying amount of an asset is higher than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating result under the relevant heading. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Property, plant and equipment acquired via a financial lease is carried at the lower of fair value and the present value of the minimum required lease payments at the start of the lease, less the cumulative depreciation and impairment (see 7.15). Lease payments are recognised in accordance with 7.20. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

7.13 Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the Company's share of the net identifiable assets, liabilities and contingent liabilities of the acquired investment in an associate or subsidiary at the date of obtaining control. For the purpose of impairment testing, goodwill is allocated to those groups of cash-generating units expected to benefit from the acquisition. Each of those cash-generating units represents the Group's investment in a country, being the lowest level at which the goodwill is monitored for internal management purposes. Goodwill is not amortised but is subject to annual impairment testing (7.15). Any impairment is recognised immediately as an expense and is not subsequently reversed.

Any negative goodwill resulting from acquisitions is recognised directly in the Income Statement.

If an entity is divested, the carrying amount of its goodwill is recognised in the Income Statement. If the divestment concerns part of a group of cash-generating units, the amount of goodwill written off and recognised in income is determined on the basis of the relative value of the part divested compared to the value of the group of cash-generating units. Goodwill directly attributable to the divested unit is written off and recognised in the Income Statement.

7.14 Other intangible assets

7.14.1 Franchise contracts

Franchise contracts acquired in a business combination are initially valued at fair value, being the present value of the estimated future cash flows, which is subsequently used as cost and amortised on a straight line basis over its useful life being the remaining duration of the franchise contract but not exceeding ten years.

7.14.2 Research & Development

Cost incurred on development projects (i.e. internally developed software) are recognised as an Intangible asset when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use it
- There is an ability to use the product
- It can be demonstrated how the product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and use the product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

The project expenditure that is capitalised include purchases prices and the directly attributable employee costs. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development costs are amortised when taking the product in use and charged to the Income Statement using the straight-line method, based on an estimated useful life of five years.

7.14.3 Key money & rights of use

Other intangible assets include expenditure associated with acquiring existing operating lease agreements for company operated stores ('key money') in countries where there is an active market for Key money (e.g. regular published transaction prices), also referred to as 'Rights of use, key money is not amortised but annually tested for impairment. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and impaired to its recoverable amount. Key money paid to previous tenants in countries where there is not an active market for Key money and Key money paid to landlords (operating leases) is recognised as prepaid rent within other non-current assets and the short term amount in trade & other receivables and amortised over the contractual lease period.

7.14.4 Trademarks

Trademarks are initially recognised at fair value using the relief from royalty approach. The fair value is subsequently regarded as cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful lives but not longer than 10 years.

7.14.5 Reacquired rights

As part of a business combination, an acquirer may acquire a right that it had previously granted to the acquiree to use one or more of the acquirer's recognised or unrecognised assets. Examples of such rights include a right to use the acquirer's trade name under a franchise agreement. A reacquired right is an identifiable intangible asset that the acquirer recognises separately from goodwill. Also a right or an obligation disappearing because of a business combination (e.g. a legal dispute) is a reacquired right and is recognised separately from goodwill in business combination. Reacquired rights are initially valued at the present value of the future expected future cash flows, which is subsequently used as cost and amortised on a straight line basis over its useful life being the remaining contractual period, but not exceeding ten years.

7.15 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined using the discounted cash flow method applying a discount factor derived from the average cost of capital. If the discount cash flow method results in a lower value than the carrying value, the recoverable amount is determined by the fair value less cost to sell which is determined by a multiple on the average sales of the last three years. The multiple is based on peers of GrandVision taking into account risk factors of the CGU for which the fair value less cost to sell is calculated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairments are recognised in the Income Statement. Impairment recognised in respect of cash-generating units are first allocated to goodwill and then to other assets of the cash-generating unit.

7.16 Financial instruments

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and assesses the designation at every reporting date.

Trade and other receivables are recognised initially at fair value. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The provision is recognised in the Income Statement within "selling & marketing costs". When a receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "selling & marketing costs" in the Income Statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Initial recognition of loans is at fair value; subsequently the loans are stated at amortised costs using the effective interest method.

The Group has granted loans to certain members of the management of the Group and to management of the subsidiaries. The loans are secured by pledges on the shares held by management. The applied interest rates are based on effective interest rates. The net receivable is initially recognised at fair value; subsequently the receivable is stated using the effective interest method which equals the nominal interest. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Shareholdings in commercial centres where stores are operated are also classified under this category.

Shareholdings

The Company owns certain limited shareholdings in commercial centres or buildings where the Company is operating stores. These shareholdings are accounted for against fair value, based on recent transactions. A change in the fair value is recognised in the Income Statement.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('a loss event') and that the loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Financial liabilities

Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in other variables such as a specified interest rate or a foreign exchange rate; and
- it requires no initial net investment or an initial net investment that is significantly smaller than the value of the underlying notional amount; and
- it is settled at a future date. Derivatives are initially recognized at fair value (external valuation performed by financial institutions or other valuation techniques) on the date a derivative contract is entered into, and are subsequently re-measured at their fair value based on external valuations performed by financial institutions or other valuation techniques such as mathematical models (Black-Scholes).

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The Group uses derivative financial instruments principally in the management of its interest and foreign currency cash flow risks. Applying IAS 39, the Group measures all derivative financial instruments based on fair values derived from external quotes of the instruments.

Hedge accounting

The Company designates certain derivatives as either:

(1) hedges of highly probable forecast transactions (cash flow hedges);

(2) hedges of the fair value of recognized assets and liabilities or a firm commitment (fair value hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, whether the derivatives that are being used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Cash flow hedge

The highly effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income. Amounts accumulated in equity are recycled in the consolidated statement of income in the periods when the hedged item affects profit or loss. However, when the projected transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a liability, the gains and losses previously deferred in shareholders' equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the projected transaction is ultimately recognized in the consolidated statement of income. When a projected transaction is no longer expected to occur, the cumulative gain or loss that was reported in shareholders' equity is immediately transferred to the consolidated statement of income in financial expense. For the movements in the cash flow hedge refer to note 4.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of income as financial expense, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each statement of financial position date. Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the consolidated statement of income as financial expense.

The fair value of various derivative instruments used for hedging purposes is disclosed in the notes of these financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Derivative financial instruments are initially recognised in the balance sheet at fair value on the date a derivative contract is entered into (trade date) and are subsequently re-measured at their fair value. On the date a derivative contract is entered into, the Group designates interest rate swaps or foreign currency swaps and options (hedge instruments) as a hedge of the exposure to the fluctuations in the variable interest rates on borrowings or foreign currency rates on transactions (hedged items).

When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, the Group discontinues hedge accounting prospectively. Any ineffectiveness is recognised in the Income Statement.

Interest payments and receipts arising from interest rate derivatives such as interest rate swaps are matched to those arising from the underlying debt. Payments made or received in respect to the early termination of interest rate derivatives are spread over the term of the originally hedged borrowing so long as the underlying exposure continues to exist and are matched with the interest payments on the underlying borrowing.

The fair values of derivative instruments used for hedging purposes are disclosed in note 34. Movements on the hedging reserve in other comprehensive income. The full fair value of a hedging derivative is classified as non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently recognised at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement during the term of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to postpone settlement of the liability for at least 12 months after the balance sheet date.

7.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains and losses on qualifying cash flow hedges on purchases of inventories.

7.18 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, which are available on demand and are carried in the balance sheet at face value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

The cash pooling agreement is reported as a net amount as there is a legally enforceable right to offset and an intention to settle on a net basis the debit and credit cash positions in different countries and currencies.

7.19 Share capital

Ordinary shares are classified as equity attributable to equity holders. Costs directly connected to the issuance of new shares are deducted from the proceeds and recognised in equity.

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid including any attributable transaction costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received, net of transaction costs, is included in shareholders' equity.

Dividends on ordinary and priority shares are recognised in equity in the reporting period in which they are declared.

7.20 Financial Leases

Lease contracts whereby the risks and rewards associated with the ownership lie wholly or primarily with the lessee are classified as financial leases. The minimum lease payments are recognised partly as financial costs and partly as settlement of the outstanding liability. The financial expenses are charged to each period in the total lease period in such a way that this results in a constant, regular interest rate on the outstanding balance of the liability. The interest element of the finance cost is charged to the Income Statement over the lease period.

The corresponding rental obligations, net of finance charges, are classified as current liabilities unless the Group has an unconditional right to postpone settlement of the liability for at least 12 months after the balance sheet date.

7.21 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised for loss-carry forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group assumes future taxable profits probable if a taxable entity has been profitable for two consecutive years and it is expected to maintain its profitability in future.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

7.22 Employee benefits

7.22.1 Pension obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability in respect of defined benefit pension plans is the present value of the defined benefit of obligations at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and which have terms of maturity approximating the terms of the related pension obligation.

The Group operates defined benefit plans in France, The Netherlands, Germany, Austria, Italy, Greece and Mexico. In The Netherlands the assets are held in separately administered funds. The pension plans are funded by payments by the relevant Group companies and partly by the employees (The Netherlands), taking account of the recommendations of independent qualified actuaries. Actuarial gains and losses related to both defined benefit of obligation and fair value of plan assets arising from experience adjustments and changes in actuarial assumptions are charged or credited to Equity in Other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the Income Statement.

In a number of countries the Groups runs defined contribution plans. The contributions are recognised as employee benefit expense when they are due. The Group has no further payment obligations once the contributions have been paid.

7.22.2 Other post-employment obligations

Some countries provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is conditional on the employee remaining in service up to retirement age and includes the estimation that (former) employees make use of this arrangement. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for the defined benefit pension plans.

7.22.3 Long Term Incentive Plans

Group and local management are rewarded with Long Term Incentive Plans (LTIP). The Group operates three kind of Long Term Incentive Plans. For all plans the liability to the employees is based on results for which the employee holds responsibility and the results of the Group over a period of three to six years.

For the first plan the employee buys shares which are repurchased by the Group after a number of years for a price in principle calculated by multiples of EBITA adjusted for net debt. Through put and call options the repurchase is certain to happen within an agreed number of years.

For the second plan the employee is rewarded with phantom shares. After an agreed number of years the fair value of the phantom shares is calculated based on multiples of EBITA adjusted for net debt whereby the value of these phantom shares is paid to the employee.

The fair value of the amounts payable to employees in respect of the above mentioned plans which are settled in cash, is recognised as an expense, with a corresponding increase in liabilities, over the period that the employee becomes unconditionally entitled to payment. The liability is initially recognised against the value of the shares at issuance date. The liability is re-measured at each reporting date and settlement date. Any changes in the fair value of the liability are recognised as employee expenses in the Income Statement.

The third plan is based on phantom options. The costs of these phantom options is based on a fictitious calculated option value which is calculated using a phantom share price per moment of possibly exercising the phantom option minus the phantom share price at moment of initial assignment of the phantom option allocated to the performance period.

The performance period is the period between initial awarding of the long term incentive plan to the participant and the moment of pay-out. The participant is required to be employed with the Group during the whole performance period to be entitled to a pay-out.

The Group also has earn-out obligations on the interests held by management of the subsidiaries in the subsidiaries, these non-controlling interests are recognised as financial liabilities in the balance sheet. Changes in the value of these non-controlling interests held by managements of the subsidiaries are recognised in the Income Statement.

7.23 Provisions

7.23.1 General

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are classified as current liabilities unless the Group has an unconditional right to postpone settlement of the liability for at least 12 months after the balance sheet date. Provisions are not recognised for future operating losses.

7.23.2 Restructuring provisions

Restructuring provisions comprise lease termination penalties, future lease payments for closed stores and offices and employee termination payments (see 7.23.3). Restructuring expenses due more than 12 months after the end of the reporting period are discounted to their present value.

7.23.3 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

7.23.4 Warranty provision

Provisions for the right of return are classified as warranty provisions. The provision is based on past experience and future expectations of warranty claims. Warranty costs are recognised in the Income Statement under cost of goods sold and other direct expenses.

7.23.5 Guarantee provision

Bank borrowings to franchisers of the Group are often secured by a guarantee given by the Group to the bank. The guarantees given are secured with the activities, store rental contracts, the inventories and store furniture of the franchisers. When a cash out flow is likely, a provision is formed being the present value of the expected cash out flow. If a cash out flow is not likely, the guarantee is included in the contingent liabilities.

7.23.6 Other provisions

Other provisions are mainly related to legal claims which are valued at the present value of the expected cash-out flow.

7.24 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

7.25 Principles for the statement of cash flows

The statement of cash flows is compiled using the indirect method. The statement of cash flows distinguishes between cash flows from operating, investment and financing activities. Cash flows in foreign currencies are translated at the rate at the transaction date. Income and expenditure before income tax on profit is recognised as cash flows from operating activities. Interest paid and received is included under cash flow from financing activities. Cash flows arising from the acquisition or disposal of financial interests (subsidiaries and participating interests) are recognised as cash flows from investment activities, taking into account any cash and cash equivalents in these interests. Dividends paid out are recognised as cash flows from financing activities.

8. Financial risk management

8.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The group uses derivative financial instruments to hedge certain risk exposures.

Group's management provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

8.1.1 Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The current Group treasury's risk management policy is to hedge its expected cost cash flows of its main currencies, mainly by making use of derivative financial instruments as described in note 7.16. The Group only has cash flow hedges.

The Group operates largely in the 'Eurozone', which comprises 63.4% (2012: 64.2%; 2011: 65.4%) of total Revenue. Exposure to foreign exchange risk relates to those activities outside the Eurozone; these activities were mainly limited in 2011 till 2013 to operations in the UK, Latin America, Eastern Europe, Scandinavia, Russia and India, whose net assets are exposed to foreign currency translation risk. The currency translation risk is not hedged.

Should the currencies of these operations had been 5% weaker against the Euro with all other variables held constant, post-tax profit for the year of the Group would have been 1.0% lower (2012: 1.5% higher; 2011: 0.6% higher) and equity would have been 3.7% lower (2012: 3.3% lower; 2011: 1.8% higher).

Further foreign exchange risks with respect to operational contracts are mainly limited to purchases of goods in Asia which are US Dollar denominated. This risk is considered low as these purchases only represent, in value, a minor part of the total purchases made by the Company. Based on the treasury guidelines the risk is party hedged and cash flow hedge accounting is applied when the transaction is highly probable. Fair value hedge accounting is applied when the invoice is received.

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group generally borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

In 2013, taking hedging measures into account and with all other factors being equal a change in one-month EURIBOR rate would not have any impact on the income before taxes. Increase of 50 basis points in the one-month EURIBOR rate has a positive impact of € 3.9 million on other comprehensive income. A decrease of 50 basis points would have a negative impact of € 4.0 million.

In 2012, an increase of 50 basis points in the one-month EURIBOR rate has a negative impact of € 0.2 million (2011: € 1.4 million) on income before taxes, taking hedging measures into account and with all other factors being equal, and based on the financial instruments at year end. On Other Comprehensive income the increase of 50 basis points has a positive effect (before income taxes) of € 6.7 million (2011: € 4.2 million). A decrease of 50 basis points in the one-month EURIBOR rate has a positive impact of € 0.2 million on income before taxes (2011: € 1.4 million), taking hedging measures into account and with all other factors being equal. On Other Comprehensive income the decrease of 50 basis points has a negative effect (before income taxes) of € 6.8 million (2011: € 4.3 million).

note 34 describes which financial derivatives the Group uses to hedge the cash flow interest rate risk.

(iii) Price risk

Management believes that the price risk is limited, because there are no listed securities held by the Group and the Group is not exposed to commodity price risk.

8.1.2 Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The Group has no significant concentrations of credit risk as a result of the nature of its retail operations. In addition in some countries (part of the) credit risk is transferred to the credit card company. The Group has certain claims at health insurance institutions in the course of normal business. Furthermore the Group has receivables on its franchisees. Management believes that the credit risk in this respect is limited, because the franchisee receivables are secured by pledges on the inventories of the franchisees. The utilization of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major debit and credit cards.

8.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed and uncommitted overdraft credit facilities (immediately available funds) and committed medium term facility (available at 4 days' notice) and the ability to close our market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available (not fully drawn). Group management monitors its liquidity periodically on the basis of expected cash flows and local management of the operating companies in general even more frequent.

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Within 1 year	1-2 years	2-5 years	After 5 years	Total
December 31, 2013					
Borrowings	76,264	24,897	577,169	388,180	1,066,510
Derivative financial instruments	3,902	1,528	235	—	5,665
Trade and other payables	276,176	—	—	—	276,176

	Within 1 year	1-2 years	2-5 years	After 5 years	Total
December 31, 2012					
Borrowings	132,267	31,787	679,747	500,980	1,344,781
Derivative financial instruments	4,708	5,192	4,715	—	14,615
Trade and other payables	284,111	—	—	—	284,111

	Within 1 year	1-2 years	2-5 years	After 5 years	Total
December 31, 2011					
Borrowings	187,124	27,697	610,162	400,000	1,224,983
Derivative financial instruments	2,200	2,289	-179	—	4,310
Trade and other payables	309,878	—	—	—	309,878

For the bank borrowings, the Group agreed to certain covenants such as the senior leverage ratio and the interest coverage ratio. Compliance with the bank covenants is tested and reported on twice a year. As per the balance sheet date the Group is in compliance with the bank covenants and has been so for the duration of the loan.

8.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There are no externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The Group monitors capital (Equity attributable to equity holders) on the basis of leverage ratio (defined as net debt over EBITDA).

Management believes the current capital structure; operational cash flows and profitability of the Group will safeguard the Group's ability to continue as a going concern and will allow the payment of dividend. No specific targets have been formalised regarding capital levels and ratios. Management assumes the loan (2013: € 325 million; 2012: € 400 million; 2011: € 400 million) provided by its shareholder to be part of its capital when it reviews the capital structure.

	2013	2012	2011
Equity attributable to equity holders	501,686	388,075	294,916
Shareholder loan	325,000	400,000	400,000
Total Capital	826,686	788,075	694,916
Net debt	512,313	617,435	679,840
EBITDA	400,454	371,875	348,233
Leverage ratio	1.3	1.7	2.0

8.3 Fair value estimation

The financial instruments carried at fair value can be valued using different levels of valuation methods. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) (level 2). Valuation techniques are used to determine the value. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates are used to determine the value. All significant inputs required to fair value an instrument have to be observable.
- Inputs for asset or liability that are not based on observable market data (unobservable inputs) (level 3).

If multiple levels of valuation methods would be available for an asset or liability, Group will always use level 1.

The assets and liabilities for the Group measured at fair value qualify for the level 3 category except for the derivative financial instruments (note 34) which qualify for level 2 category. Group does not have any assets and liabilities that would qualify under level 1 category.

At 31 December 2013	Level 2	Level 3
Assets		
Trading derivatives	—	—
Derivatives used for hedging	143	—
Non-current receivables	—	3,488
Total assets	143	3,488
Liabilities		
Contingent consideration	—	4,539
Derivatives used for hedging	6,011	—
Total liabilities	6,011	4,593

At 31 December 2012	Level 2	Level 3
Assets		
Trading derivatives	—	—
Derivatives used for hedging	143	—
Non-current receivables	—	3,684
Total assets	143	3,684
Liabilities		
Contingent consideration	—	—
Derivatives used for hedging	10,594	—
Total liabilities	10,594	—

At 31 December 2011	Level 2	Level 3
Assets		
Trading derivatives	—	—
Derivatives used for hedging	—	—
Non-current receivables	1,174	3,282
Total assets	1,174	3,282
Liabilities		
Contingent consideration	—	—
Derivatives used for hedging	4,310	—
Total liabilities	4,310	—

There were no transfers between Levels 1, 2 and 3 during the periods.

Non-current receivables in 2011 relates to the option which was acquired with the acquisition of 25% in Grupo Opticas Lux s.a. de c.v. The option allowed acquiring an additional 45% share in Grupo Opticas Lux. The fair value of the option is determined using a Black & Scholes option valuation method. The option was exercised in 2012.

Level 2 category

An instrument is included in Level 2 if the financial instrument is not traded in an active market and if the fair value is determined by using valuation techniques based on maximum use of observable market data for all significant inputs. For the derivatives Group uses the estimated fair value of financial instruments determined by using available market information and appropriate valuation methods, including relevant credit risks. The estimated fair value approximates to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Specific valuation techniques used to value financial instruments include:

— quoted market prices or dealer quotes for similar instruments;

— the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

— the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

Level 3 category

The level 3 category refers to investments held in shopping malls and contingent considerations. For the investments held in shopping malls, an external expert performed a valuation of the shares and there were no additions or disposals, only a movement relating to foreign currency which is recorded in Financial Income Expenses. The valuation technique is consistent compared to prior years and is done on an annual basis. The contingent consideration is re-measured based on the agreed business targets.

The amendments made to IFRS 13 have an insignificant impact for the Group. The fair value estimation according to IFRS 13 within the Group is used only for the financial instruments and not for the other assets.

8.4 Offsetting financial assets and financial liabilities

The only items netted are assets and liabilities under cash pool agreement and derivatives; please refer to note 26 for more details on the cash pool.

9. Estimates and judgements by management

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

9.1 Critical valuation estimates in the application of the Group's reporting rules

The Company makes estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

9.2 Consolidation of The Synoptik Group

The application of IFRS 10 resulted in judgments made by management. The Company's ownership interest in The Synoptik Group is 63% and the agreement is set up that the partner has both protective and substantive rights. However considering the substance of the situation we concluded that the partner has not used their substantive rights. Consequently the Company has de facto control and The Synoptik Group is consolidated. At each reporting date this assessment will be reconsidered.

9.3 Estimated impairment of goodwill

The Group tests annually whether its goodwill is subject to impairment, as described in notes 7.13 and 7.15. Goodwill is allocated to the Company' cash generating units (CGUs) according to the country of its presence. The recoverable amount is determined by the value in use, being the discounted cash flow method applying a discount factor derived from the average cost of capital relevant for the CGUs. If the value in use is lower than the carrying value, then the fair value less cost to sell is also considered, which is determined by a multiple on the average sales of the last three years. The multiple is based on peers of GrandVision and recent market transactions taking into account risk factors of the CGU for which the fair value less cost to sell is calculated. The recoverable amount is the higher of the value in use and the fair value less costs to sell.

A 10% reduction of the sales multiple used in the Group impairment test for the most sensitive countries (Latin American) would result in an additional impairment of € 13.9 million (2012: € 10.2 million).

9.4 Estimated impairment of key money

The Group tests annually whether its non-amortised key money is subject to impairment as described in 7.14.3 and 7.15. The recoverable amount is the higher of the fair value less costs to sell of the key money and the key money's value in use, which is calculated using the discounted cash flow method applying a discount factor derived from the weighted average cost of capital or the market value of the key money.

A reduction of the expected revenue growth to 0%, all other factors used in calculating the value in use remaining unchanged, would lead to an impairment of € 10.1 million (2012: € 0.7 million; 2011: € 0.7 million).

9.5 Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the total provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period for which such determination is made. Given a reasonable change in the key assumptions used in determining total deferred tax assets and liabilities, there will be no material impact on the financial statements.

9.6 Post-employment benefits

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at year end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds with duration and currency consistent with the term and currency of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

9.7 Intangible assets

When a company is acquired, a value is assigned to intangible assets such as trademarks and customer base. The determination of the value at the time of acquisition and estimated useful life is subject to uncertainty. One of the calculations used to determine the value is the discounting of expected future results of existing customers at the time of the acquisition. Useful life is estimated using past experience and the useful life period as broadly accepted in the retail sector.

9.8 Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The expected expenditures are uncertain future cash flows for which management uses its knowledge, experience and judgement to determine if a provision for the expected future cash flows should be recognised.

10. Acquisitions of subsidiaries, associates and non-controlling interests

Acquisitions 2013

Early 2013 the Group acquired the remaining 50% of shares of Central Lab VE Ltd and on 25 October 2013 the Group acquired 100% of the shares in LGL Ltd. LGL is an online retailer of contact lens in the United Kingdom operating under the brand name ''Lenstore''.

The Group paid for these UK acquisitions € 6.7 million (GBP 5.7 million) directly in cash and € 5.7 million is recognised as a contingent consideration which requires the Group to pay in cash, to the former owners, conditional to meeting certain business targets. After the initial allocation of the consideration transferred for the acquisition an amount of € 4.4 million (GBP 3.8 million) was identified as Intangible Asset (Customer Base and Trademark) and an amount of € 7.5 million was identified as Goodwill. The goodwill represents future synergies and future growth in profitability of the business. The contingent consideration covers a period from April 2014 to April 2017 and is valued based on the probability of the conditions to be met and discounted. In addition € 1.4 million (GBP 1.2 million) is treated as remuneration as this is solely based on the condition to be employed. Hence this will be incurred in the Income Statement over the period till 31 March 2017.

Further the Group acquired 19 stores in France, Netherlands, UK, Italy, Portugal, Poland, Scandinavia and Argentina. The acquisitions are recognised using the purchase price method. After the initial allocation of the consideration transferred for the acquisitions of the assets, liabilities and contingent liabilities, an amount of € 6.5 million was identified as goodwill. The goodwill is attributable to the high profitability of the acquired business and the expected synergies following the integration of the acquired business into our existing organisation. The goodwill mainly comprises the acquired customer base, the skilled employees and the locations of the acquired stores, which each cannot be recognised as separately identifiable assets.

In 2013 the Group purchased 9 stores in UK from former franchisees. The consideration paid in cash was € 0.7 million and the intercompany debt was settled. As the Group already had control the amount paid represents the acquired non-controlling interest.

The fair value of the net assets arising from the acquisitions in 2013 at acquisition date is as follows:

	UK acquisitions	Other stores	Total
Property, plant & equipment	1,402	439	1,841
Other Intangible assets	4,420	1,958	6,378
Other non-current receivables	—	356	356
Inventory	1,048	448	1,496
Accounts receivable	690	8	698
Prepayments & accruals	23	-413	-390
Cash & cash equivalents	754	1	755
Retirement benefit obligations	—	-64	-64
Deferred tax liabilities	-1,115	-90	-1,205
Other non-current liabilities	—	-34	-34
Accounts payable	-1,355	-619	-1,974
Accrued expenses	-1,030	-24	-1,054
Other current liabilities	—	-53	-53
Provisions (current)	-36	—	-36
Current borrowings (excluding bank overdrafts)	-1,023	—	-1,023
	3,778	1,913	5,691
Consideration paid in cash and cash equivalents	6,742	7,914	14,656
Consideration to be transferred	4,539	505	5,044
Total consideration transferred or to be transferred	11,281	8,419	19,700
Consideration paid and to be paid in cash and cash equivalents	11,281	8,419	19,700
Cash and cash equivalents and bank overdrafts at acquired subsidiary	754	1	755
Outflow of cash and cash equivalents and divestment of associate as a result of acquisition	10,527	8,418	18,945
Consideration paid and payable	11,281	8,419	19,700
Fair value of acquired net assets and liabilities	3,778	1,913	5,691
Goodwill (note 19)	7,503	6,506	14,009

The acquisitions contributed the following in Revenue and Net result of the Group:

Revenue	2,818	3,009	5,827
Net result	1,256	270	1,526

Would the acquisitions have been consolidated for the full year, Revenue and Net result would amount to as indicated below:

Revenue	11,639	6,749	18,388
Net result	2,187	530	2,717

Acquisitions 2012

On 30 July 2012 the Group acquired 100% of the shares in Optical Service Group B.V., the company operated 89 optical retail stores in the Netherlands under the brand name “Het Huis”. The consideration paid was € 42.0 million. An amount of € 7.2 million was identified as Trademark and € 29.8 million as goodwill. Integrating “Het Huis” with the existing organisation allows creating stronger position in the medium to high-end segments of the optical retail market in The Netherlands. The goodwill mainly represents the acquired customer base, the skilled employees and the locations of the acquired stores, which each cannot be recognised as separately identifiable assets.

On 7 December 2012 the Group acquired 45% of the shares of Grupo Optico Lux S.A. de C.V. in Mexico bringing the shareholding in this subsidiary up to 70% through which the Group obtained control. € 30.5 million was paid directly in cash and the 25% investment held as an associate was derecognized (€ 16.9 million). An amount of € 10.3 million was identified as Trademark and € 28.0 million as goodwill. The goodwill represents the presence in the Mexican optical retail market, skilled employees, the acquired customer base and the locations of the acquired stores, which each cannot be recognised as separately identifiable assets.

Further the Group acquired 29 stores in France, Germany, Netherlands and Scandinavia. The acquisitions are recognised using the purchase price method. After the initial allocation of the consideration transferred for the acquisitions of the assets, liabilities and contingent liabilities, an amount of € 7.8 million was identified as goodwill. The goodwill is attributable to the high profitability of the acquired business and the expected synergies following the integration of the acquired business into our existing organisation. The goodwill mainly comprises the acquired customer base, the skilled employees and the locations of the acquired stores, which each cannot be recognised as separately identifiable assets.

In 2012 the Group purchased 29 stores in UK from former franchisees. The consideration paid in cash was € 3.7 million and the intercompany debt was settled. As the Group already had control the amount paid represents the acquired non-controlling interest.

The fair value of the net assets arising from the acquisitions in 2012 at acquisition date is as follows:

	Het Huis	**Grupo Opticas Lux**	**Other stores**	**Total**
Property, plant & equipment	3,361	6,841	631	10,833
Other Intangible assets	7,198	10,326	2,706	20,230
Deferred tax assets	53	811	—	864
Other non-current receivables	—	1,424	—	1,424
Inventory	3,440	10,347	639	14,426
Accounts receivable	909	2,578	55	3,542
Prepayments & accruals	293	625	48	966
Other receivables	412	1,579	69	2,060
Corporate income tax receivables	—	1,895	—	1,895
Cash & cash equivalents	1,905	3,291	1,339	6,535
External borrowings	—	—	-71	-71
Retirement benefit obligations	—	-1,187	—	-1,187
Provisions (non-current)	—	-98	-21	-119
Deferred tax liabilities	-2,267	-3,308	-126	-5,701
Accounts payable	-1,201	-1,949	113	-3,037
Accrued expenses	—	-663	—	-663
Other current liabilities	-1,317	-2,325	428	-3,214
Corporate income tax payables	—	-2,197	179	-2,018
Provisions (current)	-555	—	—	-555
	12,231	27,990	5,989	46,210
Consideration paid in cash and cash equivalents	42,000	30,502	13,569	86,071
Consideration to be transferred	—	—	202	202
Non-controlling interests	—	8,589	—	8,589
Divestment of associate	—	16,945	—	16,945
Total consideration transferred or to be transferred	42,000	56,036	13,771	111,807
Consideration paid and to be paid in cash and cash equivalents	42,000	30,502	13,771	86,273
Cash and cash equivalents and bank overdrafts at acquired subsidiary	1,905	3,291	1,339	6,535
Outflow of cash and cash equivalents and divestment of associate as a result of acquisition	40,095	27,211	12,432	79,738
Consideration paid and payable	42,000	56,036	13,771	111,807
Fair value of acquired net assets and liabilities	12,231	27,990	5,989	46,210
Goodwill (note 19)	29,769	28,046	7,782	65,597

The acquisitions contributed the following in Revenue and Net result of the Group:

Revenue	11,819	4,498	7,299	23,616
Net result	-1,280	624	611	-45

Would the acquisitions have been consolidated for the full year, Revenue and Net result would amount to as indicated below:

Revenue	28,000	48,386	7,783	84,169
Net result	0	4,696	839	5,535

Acquisitions 2011

On 27 January 2011 the Group acquired 100% of the shares LAFAM S.A.S., Opti Productos S.A.S. and Vision 2020 s.a. from Colombia. The Group paid € 6.5 million. An amount of € 1.5 million was identified as Trademark and € 5.4 million as goodwill. The goodwill represents the presence in the Colombian optical retail market, skilled employees, the acquired customer base and the locations of the acquired stores, which each cannot be recognised as separately identifiable assets.

On 5 April 2011 the Group acquired 80.5% of the shares in GrandVision Marinopoulos s.a.r.l from Luxemburg with activities in Greece and Cyprus bringing the shareholding to 100%. The 19.5% investment held as an associate was derecognized (€ 0). The Group paid € 1; no intangible assets were identified. The identified goodwill of € 9.2 million was fully impaired in 2011 (refer to note 19).

On 12 April the 100% of the shares of Ottica Tirreno Srl Unipersonale in Italy were acquired. The Group paid € 3.2 million directly in cash and € 0.4 million is recognized as a contingent consideration. An amount of € 3.7 million was identified as goodwill. Integration with the existing organisation allows creating stronger position in the optical retail market in the northern Italy. The goodwill mainly represents the acquired customer base, the skilled employees and the locations of the acquired stores, which each cannot be recognised as separately identifiable assets.

Further the Group made several individual store acquisitions throughout Europe (mainly Netherlands, Germany, Italy and Scandinavia). The acquisitions are recognised using the purchase price method. After the initial allocation of the consideration transferred for the acquisitions of the assets, liabilities and contingent liabilities, an amount of € 3.3 million was identified as goodwill. The goodwill is attributable to the high profitability of the acquired business and the expected synergies following the integration of the acquired business into our existing organisation. The goodwill mainly comprises the acquired customer base, the skilled employees and the locations of the acquired stores, which each cannot be recognised as separately identifiable assets.

In 2011 the Group purchased 6 stores in UK from former franchisees. The consideration paid in cash was € 0.7 million and the intercompany debt was settled. As the Group already had control the amount paid represents the acquired non-controlling interest.

The fair value of the net assets arising from the acquisitions in 2011 at acquisition date is as follows:

	Ottica Tirreno Srl Unipersonale	Lafam, Colombia	Greece & Cyprus	Other stores	Total
Property, plant & equipment	1	769	2,547	860	4,177
Other Intangible assets	22	1,597	2	1,004	2,625
Deferred tax assets	—	353	—	348	701
Other non-current receivables	—	3	177	—	180
Inventory	313	149	1,170	637	2,269
Accounts receivable	13	129	1,180	38	1,360
Cash & cash equivalents	—	29	—	—	29
Provisions (non-current)	-128	-347	-73	-58	-606
Deferred tax liabilities	—	-35	—	-302	-337
Other non-current liabilities	-238	—	-11,423	—	-11,661
Accounts payable	—	-1,200	-2,188	-304	-3,692
Corporate income tax payables	—	-89	-57	—	-146
Provisions (current)	—	—	—	-60	-60
Current borrowings (excluding bank overdrafts)	—	-159	-503	—	-662
	-17	1,199	-9,168	2,163	-5,823
Consideration paid in cash and cash equivalents	3,231	6,540	—	5,320	15,091
Consideration to be transferred	430	—	—	144	574
Total consideration transferred or to be transferred	3,661	6,540	—	5,464	15,665
Consideration paid and to be paid in cash and cash equivalents	3,661	6,540	—	5,464	15,665
Cash and cash equivalents and bank overdrafts at acquired subsidiary	—	29	—	—	29
Outflow of cash and cash equivalents and divestment of associate as a result of acquisition	3,661	6,569	—	5,464	15,694
Consideration paid and payable	3,661	6,569	—	5,464	15,694
Fair value of acquired net assets and liabilities	-17	1,199	-9,168	2,163	-5,823
Goodwill (note 19)	3,678	5,370	9,168	3,301	21,517

The acquisitions contributed the following in Revenue and Net result of the Group:

Revenue	4,463	7,109	4,656	398	16,626
Net result	-388	-1,415	-1,280	-27	-3,110

Would the acquisitions have been consolidated for the full year, Revenue and Net result would amount to as indicated below:

Revenue	5,919	7,760	6,072	447	20,198
Net result	-492	-1,439	-2,155	-28	-4,114

The acquisition costs for the acquisitions mentioned above are disclosed in note 12.

11. Revenue

The Group's revenue can be further divided as follows:

	2013	2012	2011
Own store sales	2,429,144	2,330,968	2,213,647
Merchandise revenue	105,754	101,047	93,165
Franchise royalties and contributions	63,204	63,139	62,315
Other revenues	22,078	23,256	26,748
	2,620,180	2,518,410	2,395,875

12. Cost of sales and direct related expenses

The following costs have been included in operating result:

	2013	2012	2011
Direct materials	620,446	607,725	588,822
Employee costs	857,370	825,279	780,179
Depreciation and impairments (note 18)	92,392	91,512	91,175
Amortisation and impairments (note 19 & 20)	37,910	49,005	35,384
Operating lease	401,188	387,766	363,573
Acquisition costs	90	1,441	135
Marketing & publicity costs	148,306	148,519	151,744
Other costs	193,737	178,060	161,717
Total costs	2,351,439	2,289,307	2,172,729

The employee costs can be specified as follows:

	2013	2012	2011
Salaries & wages	629,441	602,620	581,754
Social security	138,970	136,268	128,577
Pension costs – Defined benefit plans (note 31)	7,563	6,478	5,100
Pension costs – Defined contribution plans	6,554	6,304	4,663
Other employee related costs	74,842	73,609	60,085
	857,370	825,279	780,179

The FTE (excluding Associates) at the end of 2013 was 22,235 (2012: 21,487; 2011: 20,211).

13. Long Term Incentive Plans

	2013	2012	2011
Costs recognised for LTIP plans	8,610	4,871	249
Number of participants	131	127	118

The costs for LTIP are included in the General & Administrative expenses in the Income Statement. The increase of the LTIP costs in 2013 is caused by the change in value of the shares used in the calculation of the LTIP liability.

14. Share of result of associate

	2013	2012	2011
Visilab s.a.	3,367	3,114	1,556
Reliance India	-1,956	-2,466	-2,289
Grupo Opticas Lux s.a. de c.v.	—	1,607	637
Impairment investment GrandVision Marinopoulos s.a.r.l	—	—	-1,376
	1,411	2,255	-1,472

In December 2012, the Company acquired a controlling interest in Grupo Opticas Lux and owns 70% of the shares and is therefore consolidated as from December 2012. Please refer to note 23 for further financial information of the associates.

15. Finance result

	2013	2012	2011
Financial costs			
— Commitment fee	-352	-1,636	-900
— Result on other derivatives	-6,101	-1,174	-8,898
— Interest loans from shareholders (note 37.1)	-21,315	-22,180	-19,678
— Bank borrowings	-15,535	-26,190	-24,918
— Other	24	-565	-6,533
Total Financial costs	-43,279	-51,745	-60,927
Financial income			
— Interest loans to shareholders (note 37.2)	714	432	726
— Interest deposits	466	3,187	815
— Interest other	4,547	2,987	1,305
— Result on other derivatives	1,074	399	—
— Other financial income	—	5,500	—
Total Financial income	6,801	12,505	2,846
Net foreign exchange results	-4,555	-355	-893
Financial result	-41,033	-39,595	-58,974

Result on other derivatives in Financial income relates to the interest result of foreign currency derivatives. Result on other derivatives in Financial costs relates to the net result arising from interest rate swaps. Other financial income in 2012 relates to the change in fair value of the long term incentive plan liability relating to Lensmaster.

16. Income tax

	2013	2012	2011
Current income tax	81,093	77,216	58,651
Deferred income tax	-7,889	-2,950	2,264
Charge in Income Statements	73,204	74,266	60,915

The reconciliation between the computed weighted average rate of income tax expense, which is generally applicable to GrandVision companies, and the actual rate of taxation is as follows:

	2013	%	2012	%	2011	%
Result before tax	229,119	100.0%	191,763	100.0%	162,700	100.0%
Computed weighted average tax rate	70,046	30.5%	55,181	28.7%	48,883	30.0%
Expenses not deductible for tax purposes	9,021	3.9%	14,779	7.7%	12,977	8.0%
Incentive tax credits	-7,102	-3.1%	-12,466	-6.5%	-11,620	-7.1%
Effect of (de)recognition of tax losses	4,658	2.0%	13,144	6.9%	10,152	6.2%
Changes in tax rate	-3,112	-1.3%	-584	-0.3%	0	0.0%
(Over)/ Under provided in prior years	-307	-0.1%	4,212	2.2%	523	0.3%
Tax charge	73,204	31.9%	74,266	38.7%	60,915	37.4%

The weighted average applicable tax rate amounts to 30.5% (2012: 28.7%; 2011: 30.0%). The effective tax rate for the Group is 31.9% (2012: 38.7%; 2011: 37.4%).

The changes in tax rate in 2013 are mainly in Finland and France and in 2012 mainly in UK.

17. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2013	2012	2011
Result for the year attributable to equity holders of the parent	141,473	101,039	97,554
Average number of outstanding ordinary shares (attributable to equity holders of the parent)	12,525,688	12,508,577	12,499,901
Earnings per ordinary share, basic and diluted (in €)	11.29	8.08	7.80

18. Property, plant and equipment

	Buildings and Leasehold improvements	Machinery & Equipment	Furniture & Vehicles	Total
At 1 January 2011				
Cost	325,764	462,771	242,171	1,030,706
Accumulated depreciation and impairment	-179,404	-338,532	-167,800	-685,736
Carrying amount	146,360	124,239	74,371	344,970
Reclassification	-662	245	-217	-634
Acquisition of subsidiaries / activities (note 10)	1,865	1,142	1,170	4,177
Additions	41,997	40,600	30,041	112,638
Disposals / Retirements	-3,201	-978	-914	-5,093
Depreciation charge (note 12)	-27,621	-39,179	-24,375	-91,175
Exchange differences	-1,334	-908	-1,120	-3,362
Carrying amount	157,404	125,161	78,956	361,521
At 31 December 2011				
Cost	356,617	481,240	250,512	1,088,369
Accumulated depreciation and impairment	-199,213	-356,079	-171,556	-726,848
Carrying amount	157,404	125,161	78,956	361,521
Year ended 31 December 2012				
Opening net book amount	157,404	125,161	78,956	361,521
Reclassification	7,760	-10,645	-1,412	-4,297
Acquisition of subsidiaries / activities (note 10)	3,877	6,171	785	10,833
Additions	41,204	37,191	16,723	95,118
Disposals / Retirements	-2,209	-1,031	-2,149	-5,389
Depreciation charge (note 12)	-31,723	-37,738	-22,051	-91,512
Exchange differences	1,058	854	415	2,327
Carrying amount	177,371	119,963	71,267	368,601
At 31 December 2012				
Cost	434,080	445,504	295,302	1,174,886
Accumulated depreciation and impairment	-256,709	-325,541	-224,035	-806,285
Carrying amount	177,371	119,963	71,267	368,601
Year ended 31 December 2013				
Opening net book amount	177,371	119,963	71,267	368,601
Reclassification	-4,256	-941	3,877	-1,320
Acquisition of subsidiaries / activities (note 10)	783	812	246	1,841
Additions	36,728	37,986	22,378	97,092
Disposals / Retirements	-2,687	-1,464	-822	-4,973
Impairments (note 12)	—	-15	-211	-226
Depreciation charge (note 12)	-32,208	-38,320	-21,864	-92,392
Exchange differences	-5,360	-1,786	-2,572	-9,718
Carrying amount	170,371	116,235	72,299	358,905
At 31 December 2013				
Cost	420,124	461,368	295,225	1,176,717
Accumulated depreciation and impairment	-249,753	-345,133	-222,926	-817,812
Carrying amount	170,371	116,235	72,299	358,905

The reclassifications mainly relates to a reclassification of Software to Other Intangible assets.

Leased assets included in the Machinery & equipment as shown above, where the Group is a lessee under a finance lease, comprise mainly equipment. The carrying amount of assets leased is 943 (2012: 1,486; 2011: 2,584). The impairments on fixed assets relate to closing of stores.

19. Goodwill

	2013	2012	2011
Opening balance	740,993	694,993	688,304
Acquisition (note 10)	14,009	65,597	21,517
Adjustment purchase price allocation & earn-outs	-44	-972	4,337
Reclassification (note 20)	-3,955	-3,061	-2,697
Impairment	-8,406	-21,347	-9,394
Disposals	—	-276	-479
Exchange differences	-16,276	6,059	-6,595
	726,321	740,993	694,993
Costs	762,258	768,646	701,595
Accumulated impairment	-35,937	-27,653	-6,602
	726,321	740,993	694,993

In 2013 impairment has been taken on the activities in Brazil (€ 5.5 million), as it takes longer than anticipated to realize the profits, and on the sunglass business (Sunglass Island) in Mexico (€ 2.9 million), due to fierce competition and loss of a significant contract impacting the revenue developments for the future years. Both of these CGUs operate in the Latin America & Asia segment.

In 2012 impairments have been taken on the activities in Brazil (€ 14.3 million) and Chile (€ 6.6 million) operating in the Latin America & Asia segment and on some stores closed and to be closed in different countries (€ 0.4 million). The 2011 impairment mainly relates to the activities in Greece and Cyprus (€ 9.2 million) operating in Other Europe segment.

In 2011 the adjustment of purchase price allocation & earn-outs relates mainly to the purchase price allocation of Sunglass Island, acquired in 2010 (€ 5.4 million).

	Year ended 31 Dec			
	2013	2012	2011	1 Jan 2011
The goodwill can be allocated to the following regions:				
G4	387,466	383,597	352,502	354,652
Other Europe	263,904	265,453	252,349	246,211
Latin America & Asia	74,951	91,943	90,142	87,441
	726,321	740,993	694,993	688,304

20. Other intangible assets

	Franchise Contracts	Trade-marks	Key Money	Other	Total
At 1 January 2011					
Cost	31,539	233,751	203,169	66,291	534,750
Accumulated amortisation and impairment	-18,475	-70,226	-8,382	-43,884	-140,967
Carrying amount	13,064	163,525	194,787	22,407	393,783
Reclassification	—	-4,047	692	1,934	-1,421
Acquisition	975	1,522	31	97	2,625
Additions	—	95	8,309	10,925	19,329
Disposals	-4	—	-1,204	-136	-1,344
Amortisation charge (note 12)	-3,559	-9,741	—	-10,919	-24,219
Impairment	—	—	-1,771	—	-1,771
Exchange differences	243	-1,270	-968	-378	-2,373
Carrying amount	10,719	150,084	199,876	23,930	384,609
At 31 December 2011					
Cost	33,096	229,881	204,876	83,975	551,828
Accumulated amortisation and impairment	-22,377	-79,797	-5,000	-60,045	-167,219
Carrying amount	10,719	150,084	199,876	23,930	384,609
Reclassification	-69	-745	7,203	3,506	9,895
Acquisition	1,012	18,178	—	1,040	20,230
Additions	809	—	3,978	14,409	19,196
Disposals	-23	—	-30	-1,659	-1,712
Amortisation charge (note 12)	-3,573	-13,131	—	-10,606	-27,310
Impairment	—	—	-348	—	-348
Exchange differences	256	1,769	-1,282	-27	716
Carrying amount	9,131	156,155	209,397	30,593	405,276
At 31 December 2012					
Cost	35,913	249,427	215,166	110,341	610,847
Accumulated amortisation and impairment	-26,782	-93,272	-5,769	-79,748	-205,571
Carrying amount	9,131	156,155	209,397	30,593	405,276
Reclassification	—	-21	5,910	1,491	7,380
Acquisition (note 10)	408	1,611	—	4,359	6,378
Additions	336	122	2,706	13,562	16,726
Disposals	—	-24	-1,237	-127	-1,388
Amortisation charge (note 12)	-2,128	-14,411	—	-11,616	-28,155
Impairment	—	—	-1,349	—	-1,349
Exchange differences	-213	-5,227	-1,909	-499	-7,848
Carrying amount	7,534	138,205	213,518	37,763	397,020
At 31 December 2013					
Cost	34,231	243,280	218,959	128,489	624,959
Accumulated amortisation and impairment	-26,697	-105,075	-5,441	-90,726	-227,939
Carrying amount	7,534	138,205	213,518	37,763	397,020

The reclassification includes a reclassification between Property, Plant & Equipment and Other Intangibles because of Software previously included with Property, Plant & Equipment and a reclassification from Goodwill to Key Money.

Key Money

Key Money as part of Intangible assets has an indefinite useful life, relating to stores in France and Brazil. As in France these assets are not amortised but are subject to an annual impairment test using cash-flow projections covering a five year period. As for key money in Brazil there is an active market, if available, market value is used in the impairment test. Public Information with cost per square meter and latest key money transactions for the main shopping malls is available for public access.

If the calculated value in use is less than the carrying value of the assets, external valuations were performed to arrive at a fair value less cost to sell.

During 2013 the impairment test on key money resulted in impairment in France of € 1.3 million (2012: € 0.3 million; 2011: € 1.2 million in France and € 0.6 million in Brazil).

Carrying amount of the key money with indefinite useful life is tested on a store by store basis and per country amounts to:

	Year ended 31 Dec			1 Jan
	2013	**2012**	**2011**	**2011**
France	203,887	197,835	189,227	184,314
Brazil	9,631	11,562	10,649	10,473
	213,518	209,397	199,876	194,787

Key assumptions used to determine the recoverable

	2013	**2012**	**2011**
Revenue growth rate (average)	2.0%-10%	2.0%-10%	2.0%-10%
WACC before tax	10.26%-18.31%	10.08%-15.0%	9.96%-16.41%

Internal Development

In 2013, the business project iSynergy was initiated to implement SAP in the 4 largest countries in 2014 to 2016. The business objectives are:

- Master the growing complexity of our supply chain and to leverage our global scale to deliver local advantage.
- Provide for common master data standards for product and financial data
- Consistency and transparency in financial control & reporting
- Flexibility to integrate new acquisitions

Development costs of these systems are recognised as Intangible assets. Research expenditure is expensed as incurred and amount € 0.2 million (2012: € 0 million; 2011: € 0 million). The Group capitalised licenses amounting € 4.3 million that are not yet in use.

21. Impairment tests for goodwill

Goodwill is allocated to the Company' cash generating units (CGUs) according to the country of its presence. The recoverable amount is determined by the value in use, being the discounted cash flow method applying a discount factor derived from the average cost of capital relevant for the CGUs. If the value in use is lower than the carrying value, then the fair value less cost to sell is also considered, which is determined by a multiple on the average sales of the last three years. By applying a multiple on average sales of last three years the Group uses a well balanced approach for both mature and emerging markets. For mature markets it eliminates the impact of incidentals that could have occurred in one of the years. For emerging markets one year sales figure would be too volatile as it would not reflect the real growth. The sales multiple is based on recent market transactions and peers of GrandVision taking into account risk factors of the CGU for which the fair value less cost to sell is calculated. The recoverable amount is the higher of the value in use and the fair value less costs to sell.

Key assumptions used to determine the recoverable amount 2013

	Revenue growth rate (average)	EBITA percentage (average)	WACC before tax	Sales multiple (when used)
G4	2.1%-6.9%	11.5%-19.1%	10.05%-12.95%	—
Other Europe	3.0%-4.1%	10.4%-13.4%	9.77%-16.68%	1
Latin America & Asia	5.9%-8.3%	5.6%-6.3%	11.93%-18.31%	0.6-1.36

Key assumptions used to determine the recoverable amount 2012

	Revenue growth rate (average)	EBITA percentage (average)	WACC before tax	Sales multiple (when used)
G4	1.4%-3.6%	10.1%-18.9%	14.3%-15.4%	—
Other Europe	2.1%-4.0%	9.1%-12.2%	12.3%-18.7%	—
Latin America & Asia	7.3%-8.6%	2.6%-4.2%	15.2%-20.9%	1

Key assumptions used to determine the recoverable amount 2011

	Revenue growth rate (average)	EBITA percentage (average)	WACC before tax	Sales multiple (when used)
G4	2.6%-6.0%	10.4%-21.8%	10.0%-10.9%	—
Other Europe	2.2%-4.7%	8.3%-17.0%	9.7%-16.8%	—
Latin America & Asia	8.8%-14.2%	-1.9%-1.2%	12.3%-16.4%	1

The assumptions reflect the averages of each of the CGUs in the segments for the five-year period. The growth rate for the 4th and 5th year is in line with the third year and zero percent for the subsequent years. The EBITA is assumed to remain at a constant level after the three year period. The EBITA and growth rate are based on historical performance as well as our assessment of the development of those rates in the upcoming years. The discount rates used are pre-tax and reflect the country specific risks relating to our industry.

For recognized impairment losses during the periods please refer to note 19.

22. Other non-current assets

	Year ended 31 Dec			
	2013	2012	2011	1 Jan 2011
Loans to management (note 37.2)	15,302	15,142	11,537	13,772
Rental deposits	21,748	21,767	28,299	26,009
Other	7,872	9,665	13,956	14,290
	44,922	46,574	53,792	54,071

Other mainly includes shareholdings in commercial centres where stores are operated, receivables on franchisees, receivables on health insurance companies and deposits paid for stores. The carrying value less impairment provision approximates the fair value. The provision for impairment in 2013 included in the loans to shareholders amounts € 256. The rental deposits relate to key money subject to amortisation in line with the related rental contract.

23. Associates

	Year ended 31 Dec 2013	2012	2011	1 Jan 2011
Visilab s.a. in Switzerland	30,237	30,322	32,154	30,096
Reliance India	3,347	4,847	5,002	5,362
Grupo Optico Lux s.a. de c.v. in Mexico	—	—	15,350	16,945
GrandVision Marinopoulos s.a.r.l	—	—	—	1,377
	33,584	35,169	52,506	53,780

	2013	2012	2011
At 1 January	35,169	52,506	53,780
Investment in associates	881	577	4,235
Result on associates	1,411	1,742	-95
CTA on associates	-1,177	1,271	-21
Dividend received	-2,700	-4,495	-4,016
Step-up to fair value of associate Grupo Opticas Lux	—	513	—
Consolidation of Grupo Opticas Lux (note 10)	—	-16,945	—
Impairment	—	—	-1,377
At 31 December	33,584	35,169	52,506

The financial information of the associates is as follows:

	Year ended 31 Dec 2013	2012	2011
Non-current assets	62,798	64,626	76,948
Current assets	29,161	32,451	48,296
Equity	72,166	71,872	91,677
Non-current liabilities	1,263	5,526	11,334
Current liabilities	18,530	19,679	22,233
Commitments	20,076	19,500	25,147

	2013	2012	2011
Revenue	146,712	148,845	181,850
Result for the year	9,606	6,246	5,855

24. Inventories

	Year ended 31 Dec 2013	2012	2011	1 Jan 2011
Finished goods	207,139	201,966	208,400	213,701
Raw materials	1,536	1,688	3,171	4,348
Provision for obsolete	-16,055	-18,682	-18,781	-20,666
	192,620	184,972	192,790	197,383

An amount of €9,395 (2012: €9,611; 2011: €9,431) has been recognised in the Income Statement for obsolete inventories as part of the other costs.

25. Trade and other receivables

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Trade receivables	130,420	139,588	139,751	92,644
Less: provision of impairment of trade receivable	-9,327	-8,918	-8,658	-6,194
Trade receivables – net	121,093	130,670	131,093	86,450
Receivables from related parties (note 37.4)	4,661	11,902	247	1,929
Taxes and social security	23,970	35,879	15,057	14,337
Other receivables	45,797	41,136	55,019	68,416
Prepayments	33,430	47,126	37,457	35,251
	228,951	266,713	238,873	206,383

The Group's historical experience in collection of accounts receivable is considered in the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables. The Group has recognised a provision of € 9,327 (2012: € 8,918; 2011: € 8,658) for the impairment of its trade receivables. The creation and usage of the provision for impaired receivables have been included in the line "Selling & Marketing" in the Income Statement.

Movement on the provision of impairment of trade receivable are as follows:

	2013	2012	2011
At 1 January	8,918	8,658	6,194
Additions to provision for bad and doubtful debts	3,322	3,077	4,531
Receivables written off during the year as uncollectible	-1,744	-1,579	-2,048
Unused amounts reversed	-812	-1,221	140
Exchange differences	-357	-17	-159
At 31 December	9,327	8,918	8,658

As of 31 December 2013 an amount of € 31,787 of the net trade receivables were past due but not impaired (2012: € 48,117; 2011: € 26,462). The due date of these receivables varies from 1 month to more than 9 months. These relate to a number of franchisees and customers, for whom there is no recent history of default.

The ageing analysis for the trade receivables is as follows:

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Up to 3 months	109,351	106,485	119,658	80,961
Between 3 and 6 months	9,592	15,068	12,076	8,514
Between 6 and 9 months	3,367	7,212	3,144	716
Over 9 months	8,110	10,823	4,873	2,453
	130,420	139,588	139,751	92,644

The carrying value less provision of impairment of trade receivable is equal to the fair value.

The carrying amounts of the Group's trade receivables, including provision, are denominated in various currencies which at year end rate have the following values in €:

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Euro (EUR)	63,024	73,613	73,102	53,835
Brazilian Real (BRL)	14,028	17,111	17,379	2,829
Great Brittan Pound Sterling (GBP)	13,485	9,670	15,428	6,982
Chilean Peso (CLP)	8,142	7,709	5,110	5,090
Danish Krone (DKK)	5,358	5,595	6,396	7,636
Norwegian Krone (NOK)	6,609	6,943	6,216	4,849
Mexican Peso (MXN)	2,501	2,308	—	—
Hungarian Forint (HUF)	985	1,981	1,931	1,123
Swedish Krone (SEK)	2,847	2,609	2,694	3,005
Polish Zloty (PLN)	1,521	1,432	1,639	—
Other	2,593	1,699	1,198	1,101
Total	121,093	130,670	131,093	86,450

26. Cash and cash equivalents

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Cash at bank and in hand	99,494	88,208	161,707	69,455
Short term bank deposits and marketable securities	3,068	2,837	419	33,816
	102,562	91,045	162,126	103,271

The cash and cash equivalents contain the net position for the cash pooling agreement. At 31 December 2013, the gross amount is € 439,955 as assets and € 439,848 as liabilities (31 December 2012: € 293,749 as assets and € 293,925 as liabilities; 31 December, 2011: € 106,509 as assets and € 106,527 as liabilities).

Cash and cash equivalents by currency

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Euro (EUR)	37,756	30,127	121,607	76,107
Great British Pound (GBP)	7,694	3,565	—	—
Norwegian Krone (NOK)	7,456	10,267	7,091	4,214
Polish Zloty (PLN)	18,723	6,945	3,715	3,594
Mexican Peso (MXN)	4,009	5,500	—	—
US Dollar (USD)	735	5,023	5,702	—
Swedish Krone (SEK)	7,065	6,191	11,322	6,722
Danish Krone (DKK)	2,135	4,605	10	10
Colombian Peso (COP)	1,300	2,828	—	—
Hungarian Forint (HUF)	5,076	2,149	4,736	5,619
Chilean Peso (CLP)	1,655	2,120	—	—
Other	8,958	11,725	7,943	7,005
	102,562	91,045	162,126	103,271

At 31 December 2013 an amount € 1.9 million in USD is kept by a custody company in Mexico in order to be exchanged in local currency. The Group expects to have full access to the amount in 2014.

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Cash and bank balances	102,562	91,045	162,126	103,271
Bank overdrafts (note 29)	-80,401	-35,955	-141,156	-64,215
	22,161	55,090	20,970	39,056

27. Share capital

	Number of shares outstanding	Ordinary shares € 000	Share premium € 000	Total € 000
At 1 January 2011	12,500,000	250	—	250
Issue of ordinary shares	1	—	—	—
Conversion of shares	-100	—	—	—
At 31 December 2011	12,499,901	250	—	250
Issue of ordinary shares	186,005	4	23,185	23,189
At 31 December 2012	12,685,906	254	23,185	23,439
Issue of ordinary shares	16,893	—	2,250	2,250
Capital contribution	—	—	2,086	2,086
At 31 December 2013	12,702,799	254	27,521	27,775

The Company's authorised share capital is comprised of 62,499,900 ordinary shares with a nominal value of € 0.02 each and 1 priority share with a nominal value of € 2.00. The total authorised share capital amounts to € 1,250. All issued shares have been paid-up in full. The Company's paid-up capital comprises 12,702,799 (2012: 12,685,906; 2011: 12,499,901) ordinary shares and 1 (2012: 1; 2011: 1) priority share. The issued and outstanding ordinary shares are 98.67% held by HAL Optical Investments B.V. (2012: 98.7%; 2011: 100%) and where possible for the remainder by management of GrandVision BV and its subsidiaries.

The 2013 and 2012 issued shares were issued under the Long Term Incentive Plan for an average price of € 135.05 (2013) and € 124.67 (2012) per share. The capital contribution of 2,086 was done by HAL Optical Investments B.V. for the repurchase of the shares under the Long Term Incentive Plan.

28. Non-controlling interest

	2013	2012	2011
Balance 1 January	42,444	33,064	28,099
Acquisition of subsidiaries	—	8,589	23
Acquisition of NCI	-2,745	-11,229	-1,071
Result for the year	14,442	16,458	4,231
Change due to issuance of shares	—	—	5,550
Dividends paid	-8,083	-6,381	-5,479
Re-measurement of post-employment benefit obligation in OCI	3	—	—
Currency translation differences	-1,695	1,943	1,711
Balance 31 December	44,366	42,444	33,064

The acquisition of non-controlling interest represents the consideration transferred (cash paid and loan settled).

The issuance of shares in 2011 is related to acquisition of Grupo Opticas Lux.

29. Borrowings

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Non-current				
Bank borrowings	518,977	602,612	640,758	250,586
Financial lease	846	624	848	1,458
Shareholders loan	325,000	400,000	400,000	718,000
	844,823	1,003,236	1,041,606	970,044
Current				
Bank overdrafts	80,401	35,955	141,156	64,215
Current portion long term debt	757	30,907	43,383	195,723
Financial lease	1,071	1,367	1,842	2,201
Other	6,955	26,564	10,843	—
	89,184	94,793	197,224	262,139
Total borrowings	934,007	1,098,029	1,238,830	1,232,183

Syndicated bank facilities

The syndicated credit facilities of GrandVision Europe B.V. (€ 270 million) and MultiBrands S.A.S. (€ 275 million) were replaced with a new fully unsecured group credit facility of € 800 million at the end of June 2011; it is cross-guaranteed by each of the Group's main subsidiaries excluding the Synoptik Group. Less than 2/3 of the facility is drawn leaving extra liquidity available. Other syndicated facilities have been fully repaid: the Synoptik facility of DKK 320 million (€ 43 million) was fully repaid in October 2012, and the Chile Holding Optico facility (€ 29 million) was fully repaid in August 2013. At the end of 2013 the Group also has multiple bank guarantee facilities for a total amount of € 22 million (2012: € 20.5 million; 2011: € 91.2 million).

Shareholders loan

With the refinancing of the syndicated bank loans an amount of € 318 million was repaid to the Shareholder HAL, reducing the loan from € 718 million at the beginning of 2011 to € 400 million at the end of 2011. The shareholders loan is subordinated on other debts. The interest on the shareholders loan is 5.545%, payable at year end.

The maturity of the borrowings of the Group is as follows:

	< 1 year	1-2 Years	2-5 Years	5+ years	Total
At 31 December 2013					
Borrowings at fixed rates	—	2,046	—	325,000	327,046
Borrowings at variable rates	88,113	—	516,931	—	605,044
Financial leases	1,071	547	299	—	1,917
	89,184	2,593	517,230	325,000	934,007

	< 1 year	1-2 Years	2-5 Years	5+ years	Total
At 31 December 2012					
Borrowings at fixed rates	29,783	3,212	—	400,000	432,995
Borrowings at variable rates	63,644	—	599,399	—	663,043
Financial leases	1,367	479	145	—	1,991
	94,794	3,691	599,544	400,000	1,098,029

	< 1 year	1-2 Years	2-5 Years	5+ years	Total
At 31 December 2011					
Borrowings at fixed rates	7,427	31,444	769	400,000	439,640
Borrowings at variable rates	178,979	—	608,545	—	787,524
Financial leases	1,842	526	322	—	2,690
	188,248	31,970	609,636	400,000	1,229,854

The fair value of the borrowings is approximately equal to the carrying amounts since these loans have a floating interest rate. The fair value of the fixed rate borrowings is estimated by discounting against 3.65% and is classified within level 2 of the fair value hierarchy.

The weighted average effective interest rates at balance sheet date were as follows:

	2013	2012	2011
Bank borrowings	2.2%	2.7%	4.2%

Interest rates on variable rate loans are Euribor based increased by a certain margin. This margin is determined based on the interest cover and the senior leverage ratio (8.1.3).

The Group has the following floating undrawn borrowing facilities:

	2013	2012	2011
— Expiring within one year	52,495	103,430	49,652
— Expiring beyond one year	280,500	187,000	220,879
	332,995	290,430	270,531

The facilities have been arranged for potential expansion of the Group's activities.

Financial lease commitments

The largest part of the financial lease commitments relate to the Central lab equipment in UK and leased cars in Poland and Portugal.

The financial lease commitments fall due as follows:

	2013			2012			2011		
	Payment	Interest	Principal	Payment	Interest	Principal	Payment	Interest	Principal
Within 1 year	1,114	43	1,071	1,419	52	1,367	1,902	60	1,842
1 – 2 years	565	18	547	503	24	479	553	27	526
2 – 5 years	301	2	299	149	4	145	330	8	322
Total	1,980	63	1,917	2,071	80	1,991	2,785	95	2,690

30. Income taxes

Deferred income taxes are calculated in full on temporary differences arising in the various countries, between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The liability method is applied using tax rates prevailing at the balance sheet dates in the different jurisdictions. The offset amounts are as follows:

The gross movement on the deferred income tax assets is as follows:

	2013	2012	2011
At beginning of the year	55,258	46,838	44,530
Acquisitions (note 10)	—	864	701
Income Statement charge	1,220	1,281	-461
Change because of income rate change	308	162	356
Processed through Other comprehensive income	-5,116	7,569	236
Reclassification	-1,858	—	2,117
Exchange differences	-1,456	-1,456	-641
At end of year	48,356	55,258	46,838
Expected usage of the deferred tax assets is as follows:			
— Deferred tax asset to be settled after more than 12 months	35,123	37,393	38,660
— Deferred tax asset to be settled within 12 months	13,233	17,865	8,178
	48,356	55,258	46,838

The gross movement on the deferred income tax liability is as follows:

	2013	2012	2011
At beginning of the year	127,472	121,534	120,338
Acquisitions (note 10)	1,205	5,701	337
Income Statement charge	-3,545	328	1,729
Change because of income rate change	-2,817	-1,835	430
Processed through Other comprehensive income	-2,217	2,032	55
Exchange differences	-3,012	-288	-1,355
At end of year	117,086	127,472	121,534
Expected usage of the deferred tax liabilities is as follows:			
— Deferred tax liability to be settled after more than 12 months	110,674	121,292	115,948
— Deferred tax liability to be settled within 12 months	6,412	6,180	5,586
	117,086	127,472	121,534
Net deferred income taxes	68,730	72,214	74,696

Deferred income tax assets

	Year ended 31 Dec 2013	2012	2011	1 Jan 2011
Property, plant & equipment	3,079	3,369	2,858	2,540
Inventory	3,029	2,527	1,026	874
Intangible assets	4,629	3,626	3,964	4,336
Pensions	9,147	10,872	6,365	6,778
Derivatives	1,443	3,743	1,363	1,505
Goodwill	38	2,060	1,942	2,045
Provisions	2,034	2,754	2,181	6,154
Deferred revenue & to be invoiced amounts	4,061	5,380	3,444	3,157
Accruals & pre-payments	5,748	4,473	5,283	273
Deferred taxes on temporary differences	33,208	38,804	28,426	27,662
Deferred taxes on carry forward losses	15,148	16,454	18,412	16,868
Total deferred tax assets	48,356	55,258	46,838	44,530

Deferred income tax liabilities

	Year ended 31 Dec 2013	2012	2011	1 Jan 2011
Property, plant & equipment	12,382	14,351	10,177	9,228
Inventory	23	556	1,000	959
Intangible assets	76,449	82,377	81,123	83,096
Pensions	135	2,165	2,020	2,432
Derivatives	294	911	6	384
Goodwill	24,872	25,282	23,313	21,757
Provisions	471	247	323	410
Deferred revenue & to be invoiced amounts	836	146	79	1,534
Accruals & pre-payments	1,624	1,437	3,493	538
Total deferred tax liabilities	117,086	127,472	121,534	120,338

Deferred tax assets on carry forward losses have been recognised for an amount of € 15.1 million (2012: € 16.5 million; 2011: € 18.4 million). The related losses recognised amount to € 58.8 million based on budget and forecast planning.

Non-recognized tax losses amount to € 196,742. These tax losses expire as follows:

Expiring within one year	11,990
Expiring between one and two years	4,432
Expiring between two and five years	14,554
Expiring after more than five years	34,816
Off settable for an unlimited period	130,950
	196,742

The unrecognized tax losses off settable for an unlimited period mainly relate to Brazil and Spain.

31. Post-employment benefits

The amounts recognised in the balance sheet are determined as follows:

	Year ended 31 Dec			1 Jan
	2013	**2012**	**2011**	**2011**
Present value of benefit obligation	153,015	149,892	115,164	98,650
Fair value of plan assets	-98,435	-95,017	-76,521	-63,970
Net position	54,580	54,875	38,643	34,680
Present value of unfunded obligation	61	83	63	—
Provision in the Balance Sheet	54,641	54,958	38,706	34,680

The most recent actuarial valuation was performed on December 2013.

The amounts recognised in the income statement are as follows:

	2013	**2012**	**2011**
Current service costs	5,876	4,563	3,182
Interest expense	1,660	1,893	1,756
Administrative costs	27	22	162
Total defined benefit costs (note 12)	7,563	6,478	5,100

In 2014 the Group expects to pay an employer contribution in the defined benefit pension plans of € 3,964, excluding the effect of possible changes to the employee base.

The movement in the defined benefit obligation over the year is as follows:

	Present value of obligation	Fair value of plan assets	Total
At 1 January 2011	98,650	-63,970	34,680
Current service costs	3,182	—	3,182
Interest expense/ (income)	5,073	-3,317	1,756
Acquisitions	—	—	—
Employee contributions	1,779	-1,779	—
Employer contributions	—	-1,979	-1,979
Experience adjustments	-210	—	-210
Change in financial assumptions	8,597	—	8,597
Change in demographic assumptions	-53	—	-53
Return on plan assets excluding amounts in interest	—	-6,618	-6,618
Benefits paid	-1,791	1,142	-649
Exchange effect	—	—	—
At 31 December 2011	115,227	-76,521	38,706
Current service costs	4,563	—	4,563
Interest expense/ (income)	5,741	-3,848	1,893
Acquisitions	3,841	-2,932	909
Employee contributions	1,969	-1,969	—
Employer contributions	—	-2,275	-2,275
Experience adjustments	1,269	—	1,269
Change in financial assumptions	18,058	—	18,058
Change in demographic assumptions	1,411	—	1,411
Plan amendments and curtailments	274	—	274
Return on plan assets excluding amounts in interest	—	-9,073	-9,073
Benefits paid	-2,397	1,601	-796
Exchange effect	19	—	19
At 31 December 2012	149,975	-95,017	54,958
Current service costs	5,876	—	5,876
Interest expense/ (income)	5,008	-3,348	1,660
Acquisitions	—	—	—
Employee contributions	2,014	-2,014	—
Employer contributions	—	-3,913	-3,913
Experience adjustments	2,916	—	2,916
Change in financial assumptions	-9,376	—	-9,376
Plan amendments and curtailments	-421	—	-421
Settlements	—	176	176
Return on plan assets excluding amounts in interest	—	3,862	3,862
Benefits paid	-2,689	1,819	-870
Exchange effect	-227	—	-227
At 31 December 2013	153,076	-98,435	54,641

Assumptions

The principal actuarial assumptions used were as follows:

	2013	2012	2011
Discount rate	3.6%	3.4%	5.1%
Expected return on plan assets	3.6%	3.4%	5.1%
Future salary increases	3.0%	2.2%	2.6%
Rate of benefit increase	1.9%	0.8%	1.6%
Future inflation	2.0%	2.1%	2.0%

The most recent available mortality tables have been used in determining the pension liability. Experience adjustments have been made. The assumptions are based on historical experiences. The expected return on plan assets is based on the expected return on high-quality corporate bonds.

A 1% increase in the discount rate used to calculate the defined benefit obligation would result in 18% decrease of the defined benefit obligation. An increase of other assumptions (+0.25% in salary, +1% in inflation, +1 year in life expectancy) would result in slight increase between 1-5% of the defined benefit obligation.

The expected maturity of the undiscounted pension and post-employment benefits is:

	2013
Less than 1 year	2,199
Between 1 and 2 years	3,235
Between 2 and 5 years	8,966
Over 5 years	549,180
Total	563,580

32. Provisions

	Restruc-turing	Warranty	Long Term Incentive plan	Other Employee related	Other	Total
At 1 January 2011	166	—	47,925	3,388	9,161	60,640
Acquisitions	—	—	—	—	—	—
Addition to provision	1,414	8,320	2,095	1,807	10,109	23,745
Reversal of provision	—	-13	-1,846	-813	-238	-2,910
Utilised during the year	-166	-1,728	-7,493	-2,489	—	-11,876
Exchange differences	-19	-15	-201	-11	-245	-491
At 31 December 2011	1,395	6,564	40,480	1,882	18,787	69,108
Non-current	—	4,257	23,664	1,389	6,941	36,251
Current	1,395	2,307	16,816	493	11,846	32,857
At 31 December 2011	1,395	6,564	40,480	1,882	18,787	69,108
At 1 January 2012	1,395	6,564	40,480	1,882	18,787	69,108
Acquisitions	—	—	—	—	1,026	1,026
Addition to provision	762	2,026	4,412	2,531	5,274	15,005
Reversal of provision	-98	—	-6,047	-320	-2,044	-8,509
Utilised during the year	-482	-2,319	-11,943	-187	-6,640	-21,571
Exchange differences	33	5	80	8	-242	-116
At 31 December 2012	1,610	6,276	26,982	3,914	16,161	54,943
Non-current	721	4,330	17,246	3,369	9,823	35,489
Current	889	1,946	9,736	545	6,338	19,454
At 31 December 2012	1,610	6,276	26,982	3,914	16,161	54,943
At 1 January 2013	1,610	6,276	26,982	3,914	16,161	54,943
Addition to provision	657	2,725	12,886	642	2,914	19,824
Reversal of provision	-525	—	-726	-1,324	-2,151	-4,726
Utilised during the year	-314	-1,684	-5,400	-824	-1,785	-10,007
Exchange differences	-11	-102	—	-2	-563	-678
At 31 December 2013	1,417	7,215	33,742	2,406	14,576	59,356
Non-current	249	4,867	17,293	1,842	7,680	31,931
Current	1,168	2,348	16,449	564	6,896	27,425
At 31 December 2013	1,417	7,215	33,742	2,406	14,576	59,356

Restructuring

Provision for restructuring programs that are planned and controlled by management, and materially changes either the scope of a business undertaken by the Group or the manner in which that business is conducted. Also includes decommissioning liability for bringing back a store or office in its original state.

Warranty

The Group together with the sales of its products often provides a warranty. Warranty provision exists to cover possible future expenses that may incur to rectify defects in or to replace the product the Group has sold.

Long term incentive plans

Management of the Company and of certain subsidiaries own non-controlling interests in the capital of the Company and of these subsidiaries. The Group has the conditional obligation to acquire these equity instruments for cash.

These obligations are generally included in management participation agreements which include conditions such as vesting criteria, lock up arrangements, non-compete agreements and good leaver/ bad leaver provisions. The nature of the different agreements is similar. The liabilities are initially recorded based on the value of the equity instruments transferred and subsequently remeasured to fair value. The calculation of fair value is generally based on a multiple of EBITA less net debt. Multiples applied are contractually determined.

Other Employee related

Provision related to employees not being pensions, not being restructuring and not being employee payables. Mostly relates to employee termination benefits.

Other provisions

Other provisions mainly relates to legal and fiscal claims. Please refer to note 36.1 for more details related to the provision in Hungary.

33. Trade and other payables

	Year ended 31 Dec			1 Jan
	2013	2012	2011	2011
Trade payables	91,166	87,452	106,707	106,259
Accrued expenses	86,951	85,232	87,186	103,138
Other taxes and social security	62,788	79,322	44,949	81,086
Payables to related parties (note 37.4)	10,284	23,129	6,687	7,067
Deferred income	52,023	46,546	33,136	24,716
Other payables	87,775	88,298	109,298	57,984
	390,987	409,979	387,963	380,250

The carrying value is assumed to approximate the fair value due to the short term nature.

34. Derivative financial instruments

The fair value of the derivative financial instruments is as follows:

	Year ended 31 Dec						1 Jan	
	2013		2012		2011		2011	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives – cash flow hedge	—	5,664	—	10,425	—	4,310	1,488	5,241
Currency derivatives – cash flow hedge	143	347	143	169	—	—	—	169
Currency derivatives – fair value hedge	—	—	—	—	—	—	—	—
Option Grupo Opticas Lux	—	—	—	—	1,174	—	3,447	—
Total	143	6,011	143	10,594	1,174	4,310	4,935	5,410
Less non-current portion:								
Interest rate derivatives – cash flow hedge	—	4,629	—	10,425	—	3,637	1,310	4,681
Option Grupo Opticas Lux	—	—	—	—	—	—	3,447	—
Current portion	143	1,382	143	169	1,174	673	178	729

The valuation of the derivatives is based on valuations provided by banks and third parties. At year end 2013 there are no fair value currency derivatives outstanding (2012: € 0; 2011: € 0).

Interest rate derivatives

The nominal amount of the syndicated loans (see note 29) hedged by interest rate derivatives amount to € 550 million (2012: € 550 million; 2011: € 360 million). The interest derivatives meet the requirements for hedge accounting in full.

Currency derivatives

The Group has commercial cash flows in multiple currencies and is exposed to volatility of these currencies against the Euro. Group policy is to hedge on one part amounts recorded as trade payable and receivable and in another part purchases and sales in foreign currency for a maximum amount equivalent to budget volumes for the current and following year. The exposure to CLP, GBP, HUF, PLN and USD has been (partially) hedged. Derivative financial instruments are aimed to reduce the exposure to adverse currency change. Some of the currency derivatives qualify for hedge accounting. The fair value is recorded in the hedging reserve in equity for the effective part and in the Income Statement for the ineffective part. At the end of 2013 the following foreign currency derivatives were outstanding:

Currency	Notional amount
USD	12,527
HUF	7,560
GBP	4,969
PLN	4,719
CLP	2,901

All these Foreign Exchange currency deals are partially hedging underlying 2014 commitments of GV Group entities in the corresponding foreign currency.

35. Cash generated from operations

	2013	2012	2011
Result before tax	229,119	191,763	162,700
Adjusted for:			
Depreciation & impairment (note 18)	92,392	91,512	91,175
Amortisation & impairment (note 19 & 20)	37,910	49,005	35,384
Result on sale Property, plant & equipment	-2,356	-1,889	-535
Result on sale Intangibles	-841	168	147
Financial result (note 15)	41,033	39,595	58,974
Result from associates (note 14)	-1,411	-2,255	1,472
Changes in working capital:			
— Inventories	-19,688	25,135	3,504
— Trade and other receivables	26,748	-9,838	-26,295
— Trade and other payables	-33,465	-10,632	3,136
Changes in provisions	22,212	13,768	698
Cash generated from operations	391,653	386,332	330,360

Changes in working capital exclude exchange differences and the effect of acquisitions.

36. Contingencies

36.1 Contingent liabilities

Bank borrowings to franchisers of the Group are often secured by a guarantee given by the Group to the bank. The guarantees given are secured with the activities, store rental contracts, the inventories and store furniture of the franchisers. No other guarantees have been given by the Group. For above mentioned guarantees no net outflow of cash is expected.

The Group currently has a dispute with a lens manufacturer "Zeiss" who participated but did not win the lens tender organised by the Group in 2012. Consequently Zeiss existing lens supply contract expired on the contractual expiration date of October 31, 2013. Zeiss subsequently claimed that GrandVision termination of the agreement was unlawful. GrandVision intends to vigorously defend these actions taken by Zeiss and has not included a provision.

Pursuant to Zeiss complaint, the French competition law body DGCCRF (Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes) visited the Company's offices in France in November 2013 and requested documentation regarding the GrandVision corporate structure and past lens tenders.

In June 2009, the French competition authority ("Autorité de la concurrence") began investigations against certain optical suppliers and optical retailers active in the branded sunglasses and branded frames sector in France, including against the Group. The authorities are investigating whether these parties have entered into vertical restraints in relation to the distribution of branded sunglasses and branded frames in violation of article L. 420-1 of the French Code de Commerce and 101-1 of the Treaty on the Functioning of the European Union. In 2012, certain Group employees were interviewed by the French competition authorities and in 2014 the Group received further written inquiries from the French competition authority. Under French law, there is no formal date by which the French competition authorities are required to complete their investigation. As of the date of these special purpose consolidated financial statements, the Group has not been formally accused of having violated the laws in question; however, the Group may receive a statement of objections ("*notification de griefs*") during the first quarter of 2015, which would be the next step in the procedure. If the Group is ultimately determined to have violated applicable law, it may be subject to fines. As the Group has not been formally accused, it is unable to estimate any such fine. At this stage, the Group has not made a provision in its financial statements for this matter. The Group's practice is to continue to comply with all laws and regulations applicable to its business, including antitrust laws, and it has systems and procedures in place to prevent violations. Its practice is also to cooperate with relevant regulatory authorities. See also note 41.

In December, 2010 the Hungarian Competition Office dawn raided Fotex-Ofotért, CooperVision, Johnson&Johnson, Kleffmann and Partner and CIBA Vision on suspicion of cartel activity in the Hungarian contact lens market. The Hungarian Competition Office alleges the companies were exchanging information disguised as market research undertaken by Kleffmann and Partner for the period between 2003 and 2010. In November 2013, the Competition Office shared its Statement of Objections. See also note 41.

36.2 Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases for are as follows:

	2013	2012	2011
Not later than 1 year	176,322	191,893	222,857
Later than 1 year and not later than 5 years	473,900	522,172	514,975
Later than 5 years	144,865	170,456	195,599
	795,087	884,521	933,431

The lease commitments are mainly related to the lease of stores and offices. For commitments related to Associates please refer to note 23. The amount recognised in the Income Statement as rental expenses amount € 329,895 (2012: € 317,451; 2011: € 301,836).

37. Related parties

37.1 Loans from related parties

At 31 December 2013 the Group has a loan from HAL of € 325 million (2012: € 400 million; 2011: € 400 million), bearing an interest of 5.545% (see note 29).

37.2 Loans to related parties

The Group has granted loans to members of the management as part of the long term incentive plan. For more details refer to the notes 22 and 25.

Group and subsidiary's management

	2013	2012	2011
Balance 1 January	15,142	11,537	13,772
Acquisition of subsidiaries	—	—	-354
Additions	3,012	7,810	—
Redemptions	-3,566	-4,637	-2,607
Accrued interest	714	432	726
Balance 31 December	15,302	15,142	11,537

The loans to key management have the following terms and conditions:

Name of key management	Amount of loan	Term	Interest rate
2013			
Th. A. Kiesselbach	869	June 2005 – unlimited	5%
Th. A. Kiesselbach	96	June 2008 – 6 years	4.85%
Th. A. Kiesselbach	82	June 2010 – 6 years	4%
Th. A. Kiesselbach	76	June 2012 – unlimited	4%
Th. A. Kiesselbach	76	June 2012 – unlimited	4%
P.J. de Castro Fernandes	718	June 2012 – unlimited	4%
P.J. de Castro Fernandes	718	June 2012 – unlimited	4%
2012			
Th. A. Kiesselbach	828	June 2005 – unlimited	5%
Th. A. Kiesselbach	91	June 2008 – 6 years	4.85%
Th. A. Kiesselbach	79	June 2010 – 6 years	4%
Th. A. Kiesselbach	73	June 2012 – unlimited	4%
Th. A. Kiesselbach	73	June 2012 – unlimited	4%
P.J. de Castro Fernandes	691	June 2012 – unlimited	4%
P.J. de Castro Fernandes	691	June 2012 – unlimited	4%
2011			
Th. A. Kiesselbach	1,317	June 2005 – unlimited	5%
Th. A. Kiesselbach	680	December 2010 – 4 years	6%

All loans have been granted to senior managers of the Company as part of various long term incentive plans. Each of these plans contains an exit option whereas the Group and/or HAL may purchase the shares as held by the management against fair market value. Upon sale the managers will have to redeem their loans.

37.3 Remuneration

Key management includes CEO and CFO. The remuneration to key management comprises a fixed and variable part and includes salary, post-employment benefits and long term incentive plan benefits.

	2013	2012	2011
Short term employee benefits	1,369	1,418	4,430
Post-employment benefits	180	175	81
Other long term benefits	92	23	—
Termination benefits	—	—	—
Long term incentive plan benefits	2,438	-126	347
	4,079	1,490	4,858

The remuneration paid or payable to the Supervisory Board is shown below:

	2013	2012	2011
Short term benefits	201	199	186

37.4 Other transactions with related parties

During 2013 GrandVision acquired goods from Safilo (a subsidiary of HAL) for an amount of € 56,268 (2012: € 63,888; 2011: € 32,004). Trade Receivables (note 25) includes a receivable for marketing activities of € 4,661 from Safilo (2012: € 11,902; 2011: € 18) and in 2011 also a receivable of 229 from HAL Investments. Trade payables (note 35) include a liability to Safilo of € 8,199 (2012: € 21,119; 2011: € 6,627) and a payable to HAL Investments and Atasun of € 2,085 (2012: € 2,010; 2011: € 60).

38. Segments

The Chief Executive Officer and Chief Financial Officer is the group's chief operating decision(s) maker ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The Group's business is organized and managed on a geographic basis and operates through three business segments: G4 European business unit, Other Europe and Latin America & Asia. All geographic segments are involved in the optical retail industry and there are no other significant product lines or sources of revenue for the Company.

The most important measures assessed by the CODM and used to make decisions about resources to be allocated are Total Net Revenue and adjusted EBITDA. Measures of assets and liabilities are not reported to the CODM.

The accounting policies applied in the segment information are in line with the accounting policies applied for GrandVision B.V. Group as described in the accounting policies.

The following table presents Total Net Revenue and Adjusted EBITDA regarding operating segments for 2013, 2012 and 2011 respectively. The Adjusted EBITDA is defined as EBTIDA excluding other reconciling items and exceptional non-recurring items. A reconciliation from Adjusted EBITDA to earnings before taxes is within each table below. Other reconciling items represent the corporate costs that are not allocated to a specific segment.

31 December 2013	**G4**	**Other Europe**	**Latin America & Asia**	**Total**
Total Net Revenue	1,686,039	694,465	239,676	2,620,180
Adjusted EBITDA	325,680	92,170	5,594	423,444
Other reconciling items				-22,990
Total Adjusted EBITDA				**400,454**
Non-recurring items				—
Depreciation				-92,392
Amortization and impairments				-37,910
Operating income/loss				270,152
Non-operating items:				
— Interest income/expense				-41,033
Earnings before tax				229,119

31 December 2012	**G4**	**Other Europe**	**Latin America & Asia**	**Total**
Total Net Revenue	1,647,390	672,177	198,843	2,518,410
Adjusted EBITDA	314,701	83,681	-3,215	395,167
Other reconciling items				-23,292
Total Adjusted EBITDA				**371,875**
Non-recurring items				—
Depreciation				-91,512
Amortization and impairments				-49,005
Operating income/loss				231,358
Non-operating items:				
— Interest income/expense				-39,595
Earnings before tax				191,763

31 December 2011	G4	Other Europe	Latin America & Asia	Total
Total Net Revenue	1,556,510	662,701	176,664	2,395,875
Adjusted EBITDA	294,677	86,082	-4,042	376,717
Other reconciling items				-28,484
Total Adjusted EBITDA				**348,233**
Non-recurring items				—
Depreciation				-91,175
Amortization and impairments				-35,384
Operating income/loss				221,674
Non-operating items:				
— Interest income/expense				-58,974
Earnings before tax				162,700

The breakdown of revenue from external customers by geography is shown as follows:

	2013	2012	2011
Revenue by geography			
France	547,903	541,024	523,986
Germany	364,382	352,818	343,939
UK	331,125	335,346	310,385
Other countries	1,376,770	1,289,222	1,217,565
	2,620,180	2,518,410	2,395,875

The breakdown of non-current assets by geography is shown as follows:

	2013	2012	2011
Non-current assets by geography			
The Netherlands	101,005	102,676	59,101
France	238,876	235,068	260,144
Other countries	1,220,872	1,258,869	1,228,176
	1,560,753	1,596,613	1,547,421

Revenue in the Netherlands, the Group's country of domicile, is € 226,552 (2012: € 212,601; 2011: € 191,401). There are no customers that comprise 10% or more of revenue in any year presented.

39. Non-GAAP measures

In the internal management reports GrandVision measures its performance primarily based on EBITDA and Adjusted EBITDA, (refer to note 38) these are non-GAAP measures not calculated in accordance with IFRS.

The table below presents the relationship with IFRS measures, the operating result and GrandVision non-GAAP measures being EBITDA.

	2013	2012	2011
Adjusted EBITDA	400,454	371,875	348,233
Non-recurring items	—	—	—
EBITDA	400,454	371,875	348,233
Depreciation & amortization software	-103,228	-99,910	-96,690
EBITA	297,226	271,965	251,543
Amortization & impairments	-27,074	-40,607	-29,869
Operating result	270,152	231,358	221,674

40. First-time adoption of IFRS

The effect of the Company's transition to IFRS is summarized as follows:

- Transition elections;
- Reconciliation of equity and comprehensive income as previously reported to the parent company;
- Adjustments to the cash flow statement.

40.1 Transition elections

The company has applied the following transition exceptions and exemptions to full retrospective application of IFRS. No optional exemptions have been applied.

Estimates

Hindsight is not used to create or revise estimates. The estimates previously made by the company as part of its group reporting to its parent were not revised.

Hedge accounting

Only hedging relationships that satisfied the hedge accounting criteria as of its Transition date are reflected as hedges under IFRS.

40.2 Reconciliation of equity and comprehensive income as previously reported under IFRS to Parent Company to IFRS reported by GrandVision B.V

(all amounts in thousands of euros)	Notes	31 December 2013	1 January 2011
Equity			
Equity as reported to Parent Company under IFRS		515,714	199,984
IFRS adjustments increase (decrease):			
IFRS 10 Consolidation	a	29,807	28,076
IAS 19R Post-employment benefits	b	—	7,574
IFRIC 21 Levies	c	531	531
Equity as reported under IFRS		546,052	236,165

(all amounts in thousands of euros)	Notes	31 December 2013
Comprehensive income		
As reported to Parent Company under IFRS		111,043
Increase (decrease) in net income for:		
IFRS 10 Consolidation	a	14,364
Increase (decrease) in other comprehensive income for:		
IFRS 10 Consolidation	a	-1,132
As reported under IFRS		124,275

(a) These changes relate to the retrospective application of IFRS 10 and new principles of control resulted in the change of consolidation for the Group:

- The activities in Denmark, Sweden and Norway ("The Synoptik Group") has been treated as subsidiary and fully consolidated. The activities previously were reported as joint venture and proportionally consolidated. Upon retrospective application of IFRS 10 it was concluded that the Group has power to affect variable returns from its involvement with the investee and thus has control. As a result The Synoptik Group has been consolidated as from 1 January 2011 and a non-controlling interest of 36.71% is recognized for the shares not owned by the Group.
- The franchise stores in UK and Ireland has been treated as a subsidiary and fully consolidated with a 100% non-controlling interest. Previously the results of these stores were not included in the Group figures and only the franchise fees from the stores were recognized. The conclusion to fully consolidate the franchise stores is based on the way agreements with the Group and Joint Venture partners are set up. Each Joint Venture company comprises a shareholding of an equal number of both "A" and "B" shares. The "B" shares are held by the Group give the right to appoint a majority of directors on the Board of the company and thus control over the partners. The Franchisees hold the "A" shares, which have the rights to all of the profits from the store and thus 100% non-controlling interest should be recognized.
- The activities in India have no longer been proportionally consolidated and will be treated as an associate. It was concluded that the Group does not have control by a 50% ownership and thus the activities cannot be treated as a subsidiary.

(b) The application of revised IAS 19 "Employee Benefits" resulted in the change of how actuarial gains and losses are recognized. The Group has adopted IAS 19R per 1 January 2012 however for this set of special purpose financial statements the company retrospectively applied this revised standard to 1 January 2011. The corridor approach applied by the Group was eliminated and all actuarial gains and losses are recognized in OCI as they occur including a tax effect.

(c) The Group applied IFRIC 21 "Levies" which resulted in an adjustment of opening balance. It was concluded that the triggering event for recognizing the obligation, stable from year-to-year, is in the subsequent year compared to the expense recognition which result in a positive effect on opening equity.

40.3 Adjustments to the cash flow statement

The adjustments to the cash flow statements mainly relate to the application of IFRS 10. The impact on the cash flow for 2013 was € 21,746 on operating activities, – € 9,208 on investing activities and – € 9,711 on financing activities.

41. Events after the balance sheet date

Zeiss formally sued GrandVision France before the Paris commercial courts on April 10, 2014 claiming damages of approximately € 57 million on the ground of unlawful termination of the lens purchase agreement. As GrandVision is confident in their (legal) position in this dispute, no provision is recognized in the interim financial statements.

Following an interview with management in May 2014, the DGCCRF issued a report that is favorable to GrandVision.

In June 2009, the French competition authority ("Autorité de la concurrence") began investigations against certain optical suppliers and optical retailers active in the branded sunglasses and branded frames sector in France, including against the Group. The authorities are investigating whether these parties have entered into vertical restraints in relation to the distribution of branded sunglasses and branded frames in violation of article L. 420-1 of the French Code de Commerce and 101-1 of the Treaty on the Functioning of the European Union. In 2012, certain Group employees were interviewed by the French competition authorities and in 2014 the Group received further written inquiries from the French competition authority. Under French law, there is no formal date by which the French competition authorities are required to complete their investigation. As of the date of these special purpose consolidated financial statements, the Group has not been formally accused of having violated the laws in question; however, the Group may receive a statement of objections ("*notification de griefs*") during the first quarter of 2015, which would be the next step in the procedure. If the Group is ultimately determined to have violated applicable law, it may be subject to fines. As the Group has not been formally accused, it is unable to estimate any such fine. At this stage, the Group has not made a provision in its financial statements for this matter. The Group's practice is to continue to comply with all laws and regulations applicable to its business, including antitrust laws, and it has systems and procedures in place to prevent violations. Its practice is also to cooperate with relevant regulatory authorities.

In December, 2010 the Hungarian Competition Office dawn raided Fotex-Ofotért, CooperVision, Johnson&Johnson, Kleffmann and Partner and CIBA Vision on suspicion of cartel activity in the Hungarian contact lens market. The Hungarian Competition Office alleges the companies were exchanging information disguised as market research undertaken by Kleffmann and Partner for the period between 2003 and 2010. In November 2013, the Competition Office shared its Statement of Objections. According to Fotex-Ofotért this Statement of Objections is unfounded and the accused companies defended their position in court on 4 February 2014. The Hungarian Competition Office requested some additional information which was provided on February 14, 2014. No provision has been recognized locally. At Group level a provision for € 0.5 million has been recognized. On June 19, 2014 the defendants were fined. Fotex-Ofotert was fined approximately € 161,000 and this fine has already been paid. However, all defendants have appealed this decision by the Hungarian Competition Office.

GrandVision B.V. will be converted into GrandVision N.V. immediately after determination of the offer price in the initial public offering. Up to that time GrandVision B.V. will remain in existence.

On 20 January 2015 GrandVision issued 241,721,553 ordinary shares.

42. Principal subsidiaries, joint ventures and associates

	%			
Company	**2013**	**2012**	**2011**	**Country of incorporation**
Pearle Österreich GmbH	100.00%	100.00%	100.00%	Austria
Grand Opticiens Belgium N.V.	100.00%	100.00%	100.00%	Belgium
GrandVision Belgium S.A.	—	—	99.80%	Belgium
VE Bulgaria EOOD	100.00%	100.00%	100.00%	Bulgaria
GrandVision Cyprus Ltd.	100.00%	100.00%	100.00%	Cyprus
Fotex Ceska Republika s.r.o.	100.00%	100.00%	90.00%	Czech Republic
Synoptik A/S	63.29%	63.29%	63.29%	Denmark
Instrumentarium Optika OÚ	100.00%	100.00%	100.00%	Estonia
Instru optiikka Oy	100.00%	100.00%	100.00%	Finland
GrandVision S.A.	100.00%	100.00%	100.00%	France
GrandVision France S.A.S.	100.00%	100.00%	100.00%	France
Solaris S.A.S.	99.90%	99.55%	99.40%	France
Multibrands S.A.S.	—	100%	100%	France
Apollo Optik Holding GmbH & Co KG	100.00%	100.00%	100.00%	Germany
Apollo Optik GmbH	100.00%	100.00%	100.00%	Germany
GrandVision Hellas S.A.	100.00%	100.00%	100.00%	Greece

	%			
Company	**2013**	**2012**	**2011**	**Country of incorporation**
GrandVision Marinopoulos s.a.r.l.	100.00%	100.00%	100.00%	Luxembourg
F.O. Optikai és Fotocikk Kereskedelmi Kft.	100.00%	100.00%	90.00%	Hungary
Vision Express Ireland Ltd.	100.00%	100.00%	100.00%	Ireland
Abbeyfield Vision Express Ireland Ltd.	100.00%	100.00%	100.00%	Ireland
Solaris Italy S.R.L.	99.90%	99.55%	99.40%	Italy
Avanzi Holding Srl.	98.67%	98.38%	98.38%	Italy
GrandVision Luxembourg S.A.	100.00%	100.00%	100.00%	Luxembourg
GrandOptical Monaco S.A.R.L.	98.00%	98.00%	98.00%	Monaco
Solaris Monaco S.A.R.L.	99.90%	99.55%	99.40%	Monaco
Synoptik Norge AS	63.29%	63.29%	63.29%	Norway
Vision Express Polska SP Sp. z o.o.	100.00%	100.00%	100.00%	Poland
Solaris Portugal S.A.	99.90%	99.55%	99.40%	Portugal
GrandVision Portugal Unipessoal, Lda	100.00%	100.00%	100.00%	Portugal
MultiOpticas Unipessoal S.A.	100.00%	100.00%	100.00%	Portugal
GrandOptical Slovakia s.r.o	100.00%	100.00%	90.00%	Slovakia
Solaris Gafas de sol S.L.	99.90%	99.55%	99.40%	Spain
Masvision Grupo Optico S.A.	100.00%	100.00%	100.00%	Spain
Synoptik Sweden AB	63.29%	63.29%	63.29%	Sweden
Visilab S.A.	30.19%	30.19%	30.19%	Switzerland
GrandVision Retail Holding B.V.	100.00%	100.00%	100.00%	The Netherlands
GrandVision Benelux B.V.	100.00%	100.00%	100.00%	The Netherlands
Brilmij Groep B.V.	100.00%	100.00%	100.00%	The Netherlands
Optical Retail Group B.V.	100.00%	100.00%	—	The Netherlands
Vision Express Middle East B.V.	100.00%	100.00%	100.00%	The Netherlands
Vision Express Group Ltd.	100.00%	100.00%	100.00%	UK
Vision Express UK Ltd.	100.00%	100.00%	100.00%	UK
Abbeyfield Vision Express Ltd.	100.00%	100.00%	100.00%	UK
Vision Express (CLS) Ltd.	100.00%	100.00%	100.00%	UK
Central Lab VE Ltd.	100.00%	50.00%	50.00%	UK
LGL Ltd.	100.00%	—	—	UK
La Óptica SA	100.00%	100.00%	100.00%	Argentina
Fototica Ltda	100.00%	100.00%	100.00%	Brazil
Rotter y Krauss Ltda	100.00%	100.00%	100.00%	Chile
LAFAM S.A.S.	100.00%	100.00%	100.00%	Colombia
Tide Ti, S.A. de C.V.	70.00%	70.00%	70.00%	Mexico
Grupo Óptico Lux, S.A. de C.V.	70.00%	70.00%	25.00%	Mexico
Alcazar S.R.L.	100.00%	100.00%	100.00%	Uruguay
Reliance-Vision Express Private Ltd	50.00%	50.00%	50.00%	India
Reliance-GrandVision India Supply Private Ltd	50.00%	50.00%	50.00%	India
Lensmaster OOO	100.00%	89.09%	81.00%	Russia

The indicated shareholding reflects the ownership of the shareholding of GrandVision B.V., directly or indirectly, in such subsidiary.

Schiphol, 26 January 2015

Board of Directors

Th. A. Kiesselbach
P.J. de Castro Fernandes

Supervisory Board

C.J. van der Graaf
P. Bolliger
J.A. Cole
W. Eelman
M.F. Groot

INDEPENDENT AUDITOR'S REPORT

To: the Board of Directors of GrandVision B.V.

Report on the consolidated financial statements

We have audited the accompanying Special Purpose Consolidated Financial Statements for inclusion in the prospectus for the years ended 31 December 2013, 2012 and 2011 of GrandVision B.V., Haarlemmermeer ('the Special Purpose Consolidated Financial Statements'), which comprise the consolidated balance sheets as at 31 December 2013, 31 December 2012 and 31 December 2011, the consolidated income statements, the consolidated statements of comprehensive income, changes in equity and cash flows for the three respective years then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Board of directors' responsibility

The board of directors is responsible for the preparation and fair presentation of these Special Purpose Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the Special Purpose Consolidated Financial Statements Years ended 31 December 2013, 2012 and 2011 that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Special Purpose Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Purpose Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the Special Purpose Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the Special Purpose Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Special Purpose Consolidated Financial Statements for inclusion in the prospectus for the years ended 31 December 2013, 2012 and 2011 give a true and fair view of the financial positions of GrandVision B.V. as at 31 December 2013, 31 December 2012 and 31 December 2011 and of its results and its cash flows for the three respective years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis of preparation and restriction of use

We draw attention to paragraph 7.1 of the Special Purpose Consolidated Financial Statements, which describes the special purpose of the Special Purpose Consolidated Financial Statements, including the basis of preparation. As a result the Special Purpose Consolidated Financial Statements and our auditor's report thereto are intended solely for the Board of Directors of GrandVision B.V. for including these in the prospectus in connection with the initial public offering of ordinary shares by GrandVision B.V. and are not suitable for any other purpose. As a consequence, we do not accept or assume any liability or duty of care if our report is used for any other purpose than described above. Our report is not qualified in respect of this matter.

Rotterdam, 26 January 2015

PricewaterhouseCoopers Accountants N.V.

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