

**SECOND SUPPLEMENT DATED 23 MARCH 2018  
TO THE BASE PROSPECTUS DATED 30 MAY 2017**

**THALES**

*(established as a société anonyme with limited liability in France)*

**€5,000,000,000  
Euro Medium Term Note Programme**

This supplement (the "**Supplement**") constitutes a second supplement to and must be read in conjunction with the base prospectus dated 30 May 2017 granted visa no. 17-241 on 30 May 2017 by the *Autorité des marchés financiers* (the "**AMF**") prepared by Thales (the "**Issuer**"), as supplemented by the first supplement to the base prospectus dated 10 January 2018 granted visa no. 18-009 on 10 January 2018 by the AMF (the "**Base Prospectus**") with respect to its €5,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**").

Application has been made to the AMF in France for approval of this Supplement to the Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in this Supplement.

This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive for the purposes of (A) increasing the aggregate nominal amount of the Programme; (B) amending the "*Important Notices*" section to include legends relating to Directive 2014/65/EU (as amended, "**MiFID II**") and Regulation EU 2016/011 (the "**Benchmarks Regulation**"); (C) in the "*Risk Factors*" section, amending the risk factor on early redemption of the Notes at the Issuer's option and adding a risk factor relating to the regulation and reform of "benchmarks"; (D) amending the "*General Description of the Programme*" section to reference an option for the Issuer to redeem Notes early if an Acquisition Event (as defined below) occurs; (E) amending the "*Documents Incorporated By Reference*" section to include the 2017 audited consolidated financial statements of the Issuer as at 31 December 2017 in the French language; (F) amending the "*Terms and Conditions*" section to include an option for the Issuer to redeem Notes early if an Acquisition Event occurs; (G) amending the "*Pro-Forma Final Terms*" section to include a MiFID II legend, to reference an option for the Issuer to redeem Notes early if an Acquisition Event occurs and a paragraph relating to the Benchmarks Regulation; (H) amending the "*Taxation*" Section in respect of amendments to French tax law; and (I) amending the "*General Information*" section to update the no material adverse change and no significant change statements, amend the use of proceeds paragraph and add a paragraph on the Benchmarks Regulation.

Copies of this Supplement will be available on the website of the Issuer ([www.thalesgroup.com](http://www.thalesgroup.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes to be issued under the Programme since the publication of the Base Prospectus.

This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purpose of giving information with regard to the Issuer and

the Notes to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus.

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#### **INCREASE IN THE AGGREGATE NOMINAL AMOUNT OF THE PROGRAMME**

This Supplement has been prepared in order to increase the aggregate nominal amount of the Programme from €3,000,000,000 to €5,000,000,000 (or the equivalent of this amount in any other currency). All references in the Base Prospectus to the aggregate nominal amount of the Programme shall be deemed to be modified accordingly.

## IMPORTANT NOTICES

The following paragraphs are inserted at the end of the "*Important Notices*" section on page 4 of the Base Prospectus:

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

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

"Amounts payable under the Floating Rate Notes may be calculated by reference to Reference Rates including EURIBOR or LIBOR which are respectively provided by the European Money Markets Institute ("**EMMI**") and ICE Benchmark Administration Limited ("**ICE**"). As at the date of this Base Prospectus, the EMMI and ICE do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI and ICE are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)."

## RISK FACTORS

The following risk relating to the regulation and reform of "benchmarks" is inserted as paragraph 1.16 of "General Risks Relating to the Notes" on page 28 of the Base Prospectus:

### **"1.16 The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to such "benchmarks"**

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and has been in force since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a "benchmark".

On 27 July 2017, the Chief Executive of the UK Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions of outstanding Floating Rate Notes of any Series, which may require a General Meeting of the Noteholders of such Series, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the LIBOR benchmark is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the

foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR."

Paragraph 2.3 of "*Risks related to the structure of a particular issue of Notes*" appearing on page 28 of the Base Prospectus is deleted and replaced with the following:

**"2.3 Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated.**

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes. The Notes may also be redeemed early if an Acquisition Event (as described in Condition 10(h) (*Redemption on Acquisition Event*)) occurs.

The existence of an early redemption option in a particular Series of Notes could limit the market value of such Notes.

In particular, with respect to the Clean-up Call Option (Condition 10(g) (*Redemption, Purchase and Options – Clean-up Call Option*)), there is no obligation on the Issuer to inform investors if and when 80 per cent. or more of the original aggregate principal amount of the relevant Series of Notes has been redeemed or is about to be redeemed, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-up Call Option the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested."

## **GENERAL DESCRIPTION OF THE PROGRAMME**

The following paragraph is inserted immediately following the paragraph entitled "*Redemption*" in the "*General Description of the Programme*" section on page 33 of the Base Prospectus:

### **"Acquisition Event Call Option:**

If specified in the relevant Final Terms, the Issuer may redeem the Notes in the case of an Acquisition Event as described in Condition 10(h) (*Redemption on Acquisition Event*)."



## DOCUMENTS INCORPORATED BY REFERENCE

The following paragraph will be added as paragraph (c) in the section "*Documents Incorporated by Reference*" appearing on page 36 of the Base Prospectus and the reference to "paragraphs (a) and (b)" in the second paragraph on page 36 will be replaced with a reference to "paragraphs (a) to (c)":

"(c) the sections identified in the cross-reference table below of the 2017 audited consolidated financial statements in the French language relating to the Issuer, including the statutory audited consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2017 and the related notes thereto (the "**2017 Financial Statements**"),"

In addition, the following paragraph should be included on page 36 of the Base Prospectus in place of the current paragraph on the same subject:

"The Base Prospectus and all documents incorporated by reference therein and English translations of the 2017 Financial Statements, the 2016 Reference Document and the 2015 Reference Document will be available on the website of the Issuer ([www.thalesgroup.com](http://www.thalesgroup.com))."

The section relating to Rule 11 of Annex IX of the Prospectus Regulation appearing in the cross-reference table on pages 38 and 39 of the Base Prospectus is deleted and replaced with the following:

| Rule  | Prospectus Regulation – Annex IX  | Document incorporated by reference  | Page(s)                        |
|-------|---|---|--------------------------------|
| 11.   | FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES   |   |                                |
| 11.1. | <u>Historical Financial Information</u><br><br>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year<br><br>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following: |   |                                |
|       | (a) the balance sheet   | 2017 Financial Statements<br><br>2016 Reference Document<br><br>2015 Reference Document | 6<br><br>30-31<br><br>32-33    |
|       | (b) the income statement  | 2017 Financial Statements<br><br>2016 Reference Document<br><br>2015 Reference Document | 3<br><br>27<br><br>29          |
|       | (c) the accounting policies and explanatory notes   | 2017 Financial Statements<br><br>2016 Reference Document<br><br>2015 Reference Document | 8-53<br><br>34-70<br><br>35-79 |
| 11.2  | <u>Financial statements</u>   | 2017 Financial Statements   | 3-53                           |

|         |  |  |                              |
|---------|--|--|------------------------------|
|         | If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.  | 2016 Reference Document<br>2015 Reference Document     | 27-71<br>29-81               |
| 11.3.   | <u>Auditing of historical annual financial information</u>   |  |                              |
| 11.3.1. | A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given  | 2016 Reference Document<br><br>2015 Reference Document | 70-71<br><br>79-80           |
| 11.5.   | <u>Legal and arbitration proceedings</u><br><br>Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement | 2016 Reference Document                                | 20, 21,<br>64, 71<br>and 101 |

## TERMS AND CONDITIONS OF THE NOTES

The following is inserted as a new Condition 10(h) in the "*Terms and Conditions of the Notes*" section appearing on page 57 of the Base Prospectus. The following sub-conditions will be re-numbered accordingly.

### "(h) **Redemption on Acquisition Event**

If an Acquisition Event Call Option is specified as applicable in the relevant Final Terms, if an Acquisition Event (as defined below) occurs, and provided that the Issuer has given notice to the Noteholders, in accordance with Condition 18 (*Notices*) and on or prior to 12 months after the Issue Date of the relevant Series of Notes, that the Acquisition Event has occurred, then the Issuer may at any time within 60 days following such notice, subject to having given notice to the Fiscal Agent and, in accordance with Condition 18 (*Notices*), the Noteholders (which notice shall be irrevocable) not more than 45 nor less than 30 days before the redemption, redeem all, but not some only, of the Notes at the Acquisition Event Redemption Amount specified in the relevant Final Terms together, if appropriate, with any interest accrued to the date fixed for redemption. The Issuer may waive its right to call the Notes in accordance with this Condition 10(h) by giving notice (which shall be irrevocable) pursuant to Condition 18 (*Notices*).

An "**Acquisition Event**" shall have occurred if:

- (i) the Issuer has not completed and closed the acquisition of Gemalto which was announced in a press release dated 17 December 2017; or
- (ii) the Issuer has publicly stated that it no longer intends to pursue the acquisition of Gemalto."

The current Condition 10(h) (*No other redemption*) in the "*Terms and Conditions of the Notes*" section appearing on page 57 of the Base Prospectus shall become Condition 10(i) (*No other redemption*) and shall be deleted and replaced as follows:

"(i) The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (h) above."

As a consequence of the above change, the current Condition 10(i) (*Early redemption of Zero Coupon Notes*) shall become Condition 10(j) (*Early redemption of Zero Coupon Notes*), the current Condition 10(j) (*Purchase*) shall become Condition 10(k) (*Purchase*) and the current Condition 10(k) (*Cancellation*) shall become Condition 10(l) (*Cancellation*).

**PRO-FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES  
WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON AN  
EU REGULATED MARKET**

The following introductory paragraph is inserted immediately following the title on page 73 of the Base Prospectus:

"[[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines on Directive 2014/65/EU (as amended, "**MiFID II**") product governance requirements published by ESMA dated 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]]"

The following is inserted as a new paragraph 22 in the "*Pro-Forma Final Terms*" section appearing on page 77 of the Base Prospectus. Subsequent paragraphs will be re-numbered accordingly.

|     |                                      |  |
|-----|--------------------------------------|--|
| 22. | <b>Acquisition Event Call Option</b> | [Applicable/Not Applicable]                                  |
|     | Acquisition Event Redemption Amount  | [•] per cent. of the aggregate principal amount of the Notes |

The following paragraph is inserted as a new paragraph 7 on page 82 of the Base Prospectus:

**"7. [FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES**

**[BENCHMARKS**

Amounts payable under the Notes will be calculated by reference to [•] which is provided by [•]. As at [•],[•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). [As far as the Issuer is aware the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable]"

## TAXATION

The French taxation section on page 83 of the Base Prospectus is deleted and replaced in its entirety by the following:

### "France

The following is a general overview of certain French tax considerations relating to the Notes, focusing specifically on withholding taxes applicable to payments under the Notes. This overview is based on French tax laws currently in force and does not purport to constitute a complete tax analysis of all the tax considerations relating to the Notes nor to be viewed as legal advice. Prospectus purchases are urged to consult with their own tax advisers prior to purchasing the Notes to determine the tax implications of investing in the Notes in light of each purchaser's circumstances.

*The following is an overview of certain withholding tax consequences that may be relevant to Noteholders who do not concurrently hold shares of the Issuer.*

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 75 per cent. if they are paid on an account opened in a financial institution located in a Non-Cooperative State (subject to the more favourable provisions of any applicable tax treaty), or (ii) 30 per cent. otherwise (it being noted that such withholding tax rate should be reduced to 25 per cent. by 2022) or a lower rate if the holder is an individual (in each case subject to the more favourable provisions of any applicable treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code general des impôts* nor the Deductibility Exclusion and the withholding tax set out under Article 119 *bis* 2 of the French *Code general des impôts* that may be levied as a result of the Deductibility Exclusion will apply in respect of the issue of the Notes if the Issuer can prove that (i) the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**") and (ii) in respect of the Deductibility Exclusion, the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* (BOI-INT-DG-20-50-20140211, n°550 and n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70 and BOI-IR-DOMIC-10-20-20-60-20150320, n°10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if such Notes are, *inter alia*:

(i) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(ii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depositories or operators are not located in a Non-Cooperative State.

If the Notes are admitted, at the time of their issue, to the operations of Euroclear France, the Notes will benefit from the Exception and will therefore be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*. In addition, they will be subject neither to the Deductibility Exclusion nor to the withholding tax set out under Article 119 bis 2 of the same *Code* solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State, to the extent that the Issuer can prove that the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

Pursuant to Articles 125 A and 125 D of the French *Code général des impôts* and subject to certain exceptions, interest and other similar revenues received by individuals who are fiscally domiciled in France, as from January 1, 2018, are subject to a 12.8 per cent. mandatory withholding tax, along with social contributions withheld at source at an aggregate rate of 17.2 per cent. (CSG, CRDS and other related contributions), *i.e.* an overall withholding tax rate of 30 per cent. (*le prélèvement forfaitaire unique*). Practical steps to be taken for purposes of levying this withholding tax will depend on the place where the paying agent is located. The 12.8 per cent. withholding tax should correspond to the final tax liability, except if the taxpayer has elected for income tax at progressive rates (from 0 to 45 per cent.) on all his/her investment income. If the withholding tax exceeds the personal income tax, the excess will be refunded."

## GENERAL INFORMATION

The paragraphs entitled "*Use of Proceeds*", "*No Material Adverse Change*" and "*No Significant Change*" in the "*General Information*" section appearing on page 89 of the Base Prospectus are deleted and replaced with the following:

### **"Use of Proceeds**

Unless otherwise specified in the relevant Final Terms, the net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general financing requirements.

### **No Material Adverse Change**

Except as disclosed in this Base Prospectus (including the documents incorporated by reference), there has been no material adverse change in the prospects of the Issuer or any of its Subsidiaries since 31 December 2017.

### **No Significant Change**

Except as disclosed in this Base Prospectus (including the documents incorporated by reference), there has been no significant change in the financial or trading position of the Issuer or any of its Subsidiaries since 31 December 2017."

The following paragraph is inserted at the end of the "*General Information*" section which begins on page 89 of the Base Prospectus:

### **"Benchmark Regulation**

Amounts payable under the Floating Rate Notes may be calculated by reference to Reference Rates including EURIBOR or LIBOR which are respectively provided by the European Money Markets Institute ("**EMMI**") and ICE Benchmark Administration Limited ("**ICE**") or other reference rates as indicated in the relevant Final Terms. As at the date of this Base Prospectus, the EMMI and ICE do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI and ICE are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The relevant Final Terms in respect of an issue of Floating Rate Notes will specify whether the benchmark administrator appears on the register of administrator and benchmarks established and maintained by the European Securities and Markets Authority pursuant to the Benchmark Regulation and whether, as far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply in relation to such benchmark administrator."

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SUPPLEMENT

### Person responsible for the Supplement

Thales, Tour Carpe Diem, 31 place des Corolles, CS 20001 92098 Paris La Défense, France

### Declaration by the person responsible for the Supplement

I declare, having taken all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this Supplement is in accordance with the facts and that it contains no omission which could affect its import.

Thales  
Tour Carpe Diem  
31 place des Corolles

CS 20001 92098 Paris La Défense

France

duly represented by Jean-Claude CLIMEAU, Vice President, Corporate, Finance & Treasury on 23 March 2018.



AUTORITÉ  
DES MARCHÉS FINANCIERS

In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Supplement its visa n° 18-093 on 23 March 2018. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and understandable, and whether the information it contains is consistent". It does not imply approval by the AMF of the appropriateness of the issue of Notes under the Programme nor that the AMF has verified the accounting and financial data set out herein. In accordance with Article 212-32 of the General Regulations (*Règlement Général*) of the AMF, any issue or admission of Notes under the Base Prospectus, as supplemented, will require the publication of final terms.