

Mr.Bricolage SA

Business in the first half of 2014

- **2.2% growth in consolidated turnover, which rose to €283.0 million**
 - Retail: +1.8%, with Directly Owned Stores up 2.3% (+0.4% on a like-for-like store basis)
 - Network Services: +3.1 %
- **Rise in pre-tax turnover for the Networks: +1.4% (on a like-for-like store basis)**
 - France: +1.4 % (DIY superstore market +1.3 %; source Banque De France)
 - International: +1.7 %
- **Merger project with Kingfisher: signing of a binding agreement on 23 July 2014**

"Thanks to our focus on development and all the work undertaken in our stores, the Group stood up well in the first half of the year, despite a market that is still volatile. We are continuing along the path we have set: restoring a sustainable positive dynamic for both Directly Owned Stores and Online Sales", comments Jean-François Boucher, Chairman and CEO of Mr.Bricolage SA.

Change in consolidated turnover - 1st half of 2014

Pre-tax turnover (€ million)	Q2 2014	% change	30.06.2014	30.06.2013	% change H1 2014/H1 2013
Retail	103.2	+1.6%	185.9	182.7	+1.8%
Sales in Directly Owned Stores	97.9	+2.6%	177.9	174.0	+2.3%
Online Sales	5,3	-13.3%	8.0	8.7	-8.2%
Network Services	46.9	-1.2%	97.1	94.2	+3.1%
Total consolidated turnover	150.1	+0.7%	283.0	276.9	+2.2%

Against a slower market in the second quarter (-1.4% as compared with Q2 2013 and +1.3% over the first half of the year; source Banque de France), Mr.Bricolage has stood up well, posting consolidated turnover of € 150.1 million in the second quarter, reflecting a 0.7% rise. **At 30 June 2014, Mr.Bricolage SA therefore announces consolidated turnover of €283.0 million**, equating to an increase of 2.2%, as compared with €276.9 million in the first half of 2013.

"Retail" business: turnover of €185.9 million at 30 June 2014 (+1.8 %)

Change in turnover for Directly Owned Stores

<i>Pre-tax turnover (€ million)</i>	30.06.14	Change (total-store basis)	Change (like-for-like store basis)	Number of stores at 30/06/2014
Turnover 2 nd quarter 2014	97.9	+2.6%	-2.5%	
Total turnover H1 2014	177.9	+2.3%	+0.4%	87

The Directly Owned Stores business registered growth of:

- +0.4% on a like-for-like store basis, with the 2nd quarter reflecting the more difficult market conditions;
- + 2.3% on a total-store basis, deriving from changes in the scope of consolidation of the accounts
 - o undertaken in 2013 (following two disposals, three definitive closures, the provisional closure of Querqueville, and the acquisition of the Coulommiers store);
 - o undertaken in the first half of 2014 (acquisition of the Hagetmau store in January, opening of the Orléans store and reopening of the Querqueville store in April, the reclassification of the Les Herbiers, Château Du Loir and Sillé Le Guillaume stores in line with International Financial Reporting Standards (IFRS) 10 and 11 retroactively to 1 January). The impact of this reclassification on the turnover has been € 3.4 million.

Turnover of €8.0 million - Online Sales

Sales through the Le Jardin de Catherine and La Maison de Catherine websites, as well as through the national website mr-bricolage.fr (home delivery) amounted to €8.0 million in the first half of 2014, of which €5.3 million was generated in the second quarter of 2014.

"Network Services" business: turnover of €97.1 million at 30 June 2014 (+3.1 %)

Change in turnover for Network Services

<i>Pre-tax turnover (€ million)</i>	Q2 2014	% change	30.06.2014	30.06.2013	% change H1 2014/H1 2013
Sales of goods	28.4	-0.8 %	60.1	58.0	+3.7%
Sales of services	18.6	-1.9 %	37.0	36.2	+2.1%
Total turnover	47.0	-1.2%	97.1	94.2	+ 3.1%

"Network Services" posted growth in turnover of 3.1% in the 1st half of the year, higher than the growth in the networks themselves:

- **Sales of goods to member stores:** €60.1 million, up 3.7%, owing to the increase in volumes passing through the outsourced logistics platform, the continued growth of the warehouse in Cahors and the rise in online sales through the national website mr-bricolage.fr taken from the store (delivery centers);
- **Sales of services to approved suppliers and member stores:** €37.0 million, an increase of 2.1 %. This positive trend is mainly linked to international development.

Strong financial structure

At 30 June 2014, the Group's net debt amounted to €131.0 million, as compared with €126.0 million in the same period the previous year (based on unaudited figures). The level of net borrowing at 30 June 2014 reflected the impact of the reclassifications in line with IFRS standards 10 and 11, equating to €1.0 million.

Networks business: 886 stores and tax-inclusive turnover of €1.1 billion at 30 June 2014

Change in the turnover for Networks

Tax-inclusive turnover (€ million)	30.06.2014	Change (total-store basis)	Change (like-for-like store basis) ⁽³⁾	Number of stores at 30.06.2014
In-store sales	1 086.3	-0.4%	+1.4%	886
of which France ⁽¹⁾	979.4	-1.1%	+1.4%	818
of which International ⁽²⁾	106.9	+7.0%	+1.7%	68
Online sales	10.7	-5.7%	-	-
Total Tax-inclusive turnover	1 097.0	-0.4%	+1.4%	886

(1) Of which 305 affiliated stores operating outside the brand, 137 stores operating under the Les Briconautes brand and 376 stores operating under the Mr.Bricolage brand

(2) 68 stores operating under the Mr.Bricolage and Alexandre brands established in 9 countries: Andorra (1 store), Belgium (43 stores), Eastern Europe (14 stores, including 10 in Bulgaria, 1 in Macedonia and 3 in Romania), Morocco (4 stores), Mauritius (2 stores), Madagascar (2 stores) and Uruguay (2 stores)

(3) Changes calculated on the basis of all Mr.Bricolage stores, a selection of 75 Les Briconautes stores and 23 affiliates

In **France**, the networks under the Mr.Bricolage and Les Briconautes brands posted growth in turnover on a like-for-like store basis of 1.5% and 1.1%⁽³⁾ respectively. In the first half of 2014, these brands opened all eight of the stores planned for the entire year.

The turnover for the five stores operating under the L'Entrepôt Du Bricolage brand (sold in March 2014 with effect from 1 January 2014) will not contribute to that of the Networks business in 2014. The contribution of those stores in H1 2013 was €8.0 million, that is to say 0.7%.

Finally, the business was boosted by online sales of €10.7 million in the first half of 2014, as compared with €11.3 million in the same period the previous year.

In **international** terms, the business saw growth of 7.0% on a total-store basis and 1.7% on a like-for-like store basis, resulting from:

- strong sales performance in Belgium (+16.9% on a total-store basis and +4.6% on a like-for-like store basis), boosted in particular by five store openings or acquisitions conducted in the last 12 months;
- a downturn in sales in Eastern European countries (-2.6% on a total-store basis and -0.4% on a like-for-like store basis) linked to the reorganizations conducted in Romania and Serbia. At the same time, organic growth continued in Bulgaria (+3.4% on a like-for-like store basis).

Merger project with Kingfisher: signing of a binding agreement on 23 July 2014

On 3 April 2014, Mr Bricolage announced that Mr Bricolage, its principal shareholders (i.e. ANPF and Tabur Family¹, who hold respectively 41.9% and 26.2% of Mr Bricolage SA share capital) had entered into exclusive negotiations with Kingfisher, to discuss the possible merger of the two groups. This announcement followed the signature between both groups on 2 April 2014, of a preliminary non-binding agreement, marking the start of exclusive negotiations during which the operating businesses of Kingfisher in France (Castorama and Brico Dépôt) and of the group Mr Bricolage would meet with their respective works councils and would propose improved commercial terms to the Mr.Bricolage franchisees.

The outcome of these negotiations has been successful and accordingly, a binding agreement was entered into on 23 July 2014.

The acquisition by Kingfisher of Mr Bricolage's shares hold by its principal shareholders will now proceed subject to anti-trust clearances. Subsequently, a mandatory offer would be made by Kingfisher to acquire the shares held by the minority shareholders, in accordance with applicable law. The remainder of the process is expected to be completed in early 2015 year.

Upcoming events:

Publication of H1 2014 results

- > Press release : Wednesday 10th September, after market close
- > Analysts and investors meeting : Thursday 11th September, at 11.30 AM

About the Mr Bricolage Group

Mr Bricolage is France's no. 1 local DIY retailer (818 branded or affiliated stores as at 30 June 2014) and has 68 stores in nine other countries. **The Mr Bricolage Group** operates under the Mr.Bricolage and Les Briconautes brands, and also through affiliates. The Group continues to implement its multi-channel strategy, through networks of stores and online stores.

Mr Bricolage SA (MRB - FR0004034320) is listed on compartment C of Euronext Paris, and is part of the Gaïa (selection of 70 responsible SMEs), CAC Mid&Small and CAC All-Tradable indices.

Mr Bricolage SA is eligible for the PEA-PME savings plan



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For full Group financial information

www.mr-bricolage.com

(1) The Tabur family is composed of Mr. Michel Tabur, Ms. Janine Tabur, the companies SCPT, Forcole, Elimel Investissement and Dicarol, and some other members of Mr. Michel Tabur's family.