

Mr.Bricolage sa

2014 half-yearly results

- **Group performance remains well on track in a highly volatile market**
 - › Market registered a growth of 1.3% at end-June (6-month total), with a 1.4% decline in the second quarter (source: Banque de France)
 - › Consolidated turnover growth: +2.2%
 - › Change in Networks turnover: +1.4% (on a like-for-like store basis)
- **Profits soared up**
 - › Operating profit: €15.3 million (+72.2%)
 - › Net profit, Group share: €8.4 million (x 8.4)
- **Outlook**
 - › Negative trend observed in the market since June
 - › Focus on stores' dynamic and on profitability of Directly-owned stores
 - › Targets confirmed: marked increase in operating profit and net profit

"At end-June, Group performance was good, in terms of both sales and earnings. After this buoyant first half-year, we expect the second half to be more tensed on the consumption front. In this challenging environment, we remain focused on maintaining the positive dynamic of our stores and on the profitability of our Directly-owned stores." stated Jean-François Boucher, Chairman and Chief Executive Officer of Mr Bricolage SA.

Consolidated income statement H1 2014

Financial statements audited by Statutory Auditors and adopted at the Board of Directors' meeting of 10 September 2014.

€ million, at 30 June	2014	2013	% change
Consolidated turnover ⁽¹⁾	283.0	276.9	+2.2%
Ordinary operating profit ⁽²⁾	16.0	12.7	+25.5%
Of which, Retail	(6.5)	(9.1)	N/A
Of which, Network Services	22.5	21.8	+3.1%
Operating profit	15.3	8.9	+72.2%
Of which, Retail	(6.2)	(12.3)	N/A
Of which, Network Services	21.5	21.2	+ 1.6%
Profit before tax ⁽³⁾	12.3	6.3	+94.5%
as % of turnover	4.3%	2.3%	+2.0 pts
Share of profit of from associates	1.3	(1.2)	N/A
Income tax	(5.2)	(4.1)	+27.6%
Net profit, Group share	8.4	1.0	x 8.4
as % of turnover	3.0%	0.4%	+2.6 pts
Net debt-to-EBITDA	3.0x	3.2x	
Gearing ⁽⁴⁾	52.0%	53.0%	

(1) Reclassification of the Les Herbiers, Château du Loir and Sillé-le-Guillaume stores in application of IFRS 10 and 11 (retroactively from 1 January)

(2) Ordinary operating profit = operating profit excluding gains (losses) on disposals and non-recurring items

(3) Profit before tax excludes portion of profit (loss) of associates and income from assets held for sale

(4) Gearing: Net financial debt/Shareholders' equity

Operating profit soared to €15.3 million

€ million (at 30 June 2014)	Retail			Network Services	Consolidated total
	Directly-owned Stores	Online sales	Total		
Consolidated turnover	177.9 ⁽¹⁾	8.0	185.9	97.1	283.0
Economic turnover ⁽²⁾	-	-	185.9	141.5	-
Ordinary operating profit⁽³⁾	(6.2)	(0.3)	(6.5)	22.5	16.0
as % of turnover	(3.5%)	(3.9%)	(3.5%)	15.9%	5.6%
Operating profit	(5.9)	(0.3)	(6.2)	21.5	15.3
as % of turnover	(3.3%)	(3.9%)	(3.4%)	15.2%	5.4%

(1) Reclassification of the Les Herbiers, Château du Loir and Sillé-le-Guillaume stores in application of IFRS 10 and 11 (retroactively from 1 January)

(2) Economic turnover: turnover before restatement for inter-sector sales

(3) Ordinary operating profit: operating profit excluding gains (losses) on disposals and non-recurring items

Operating result **Retail**: up €6.1 million

- Directly-owned Stores: operating result improved from -€11.3 million in H1 2013 to -€5.9 million in H1 2014, benefiting from the restructuring of stores in 2013 and better sales performance in H1 2014.
- Online sales: operating result also rose during the half-year period and stood at -€0.3 million compared to -€1.0 million in H1 2013.

Operating profit **Network Services** remained stable, at €21.5 million

Operating profit for Network Services was up €0.3 million compared to H1 2013, notably owing to the ramp-up of the new warehouse in Cahors.

Ordinary operating margin (Ordinary operating result/Economic turnover) remained stable at 15.9% compared to the H1 2013.

Consolidated operating profit for the first half year therefore shot up by 72.2% to €15.3 million, against €8.9 million in the first half year of 2013.

Marked increase in the half-year net profit at €8.4 million

The share of income contributed by associates to the half-year profit stood at €1.3 million (compared to the €1.2 million loss at 30 June 2013). It includes, in particular, €1.2 million in capital gain on disposal of DEDB (L'Entrepôt du Bricolage) and the benefits of the restructuring operations undertaken by other partnerships.

After considering income tax, **the Group share of net profit strongly increased in the half-year to €8.4 million, compared to €1.0 million in H1 2013.**

Healthy financial structure

At 30 June 2014, net debt amounted to €131.0 million and the gearing ratio was 52.0%. Over 24 rolling months, the Group's net debt decreased of €25.6 million, reducing the gearing ratio by 13.9 points.

2014 Outlook

Since the month of June, the Group has seen a negative ⁽¹⁾ market trend predicting a tense second half-year on the consumption front. In this challenging environment, the Group remain focused on maintaining the positive dynamic of its stores and on the profitability of its Directly-owned stores. In parallel, the reconfiguration of the Directly-owned stores network will be pursued with 4 other disposals planned between September and December 2014.

The Group confirmed its annual target: marked increase in operating profit and net profit in 2014.

(1) Decline in the French DIY market value by -4.3% (compared to N-1) in June 2014, and by -6.4% in July 2014, resulting in +0.09% (7-month total) at end-July 2014 (source Banque de France).

A word on the merger with Kingfisher

As a reminder, Mr Bricolage successfully concluded a binding agreement with Kingfisher on 23 July 2014. The acquisition by Kingfisher of Mr Bricolage's shares hold by its main shareholders is now subject solely to the anti-trust clearances.

Run-up to the operation:

- 2 April 2014: preliminar non-binding agreement signed
- April – June 2014: internal consultation between Mr Bricolage SA and the member stores operating under the Mr.Bricolage banner that gained their wide acceptance of the project
- 23 July 2014: binding agreement signed
- Operation submitted to the approval of anti-trust clearances
- Acquisition of controlling block of shares would follow agreement

Next press release

> Q3 2014 turnover: Thursday, 13 November, after market close

About the Mr Bricolage Group (as at 30 June 2014)

Mr Bricolage is France's no. 1 local DIY retailer (818 branded or affiliated stores 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 as well as through a number of affiliates under their own brands. The Group continues to implement its multi-channel strategy, through its store and webstore networks.

Mr Bricolage SA (MRB - FR0004034320) is listed on Euronext Paris Compartment C and is included in the Gaia Index (selection of 70 responsible small and midcaps) as well as the CAC Mid&Small and CAC All-Tradable indexes.

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



Contacts

- **Head of Financial Communications:**
 - › **Eve Jondeau** - + 33 (0)2 38 43 50 00 - eve.jondeau@mrbricolage.fr
- **Financial Communications - Actifin:**
 - › **Nicolas Meunier** - +33 (0)1 56 88 11 11 - nmeunier@actifin.fr
 - › **Charlène Masson** - +33 (0)1 56 88 11 11 - cmasson@actifin.fr
- **For the full Group financial information:**

www.mr-bricolage.com