

Mr.Bricolage sa

2014 annual results

- **Networks resistance in a difficult market context**
 - › France Network business (-1.2% like-for-like store basis) in line with a market decline of 1.1% in 2014 (Source: Banque de France)
 - › Growth in international markets (+1.2% on a like-for-like store basis)
- **Marked improvement in profits and strong debt reduction**
 - › Operating profit 2014: €26.6 M, +20.5%
 - › Group net attributable income 2014: €14.0 M, +106.6%
 - › Strong Group debt reduction: €-26.7 M (Net Debt of €91.6 million at 31 December 2014)
- **Dividend proposed at the Annual General Meeting: 0.40 € per share**
 - › Equivalent of a distribution rate of 30 % of net income
- **Merger with Kingfisher – Clearances process still being considered by the anti-trust Authority and appointment of an independent expert**

"The difficult consumer context as forecast for the second half of the year has impacted the Group's performances. 2014 has nevertheless been satisfying, having achieved our objectives to significantly improve our profits and to reduce debt. The good resistance of member stores and the international development are also positive factors, which comfort us for the future", states Jean-François Boucher, CEO of Mr Bricolage SA.

Consolidated results

<i>In € million (at 31 December)</i>	2014	2013	<i>% change</i>
Consolidated turnover	544.0	552.1	-1.5 %
Ordinary operating profit (ROPO) ⁽¹⁾	31.3	26.9	+16.1 %
Of which Retail	(9.2)	(10.0)	+7.0 %
Of which Network Services	40.5	36.9	+9.9 %
Operating profit (ROP)	26.6	22.1	+20.5 %
Of which Retail	(11.4)	(14.8)	+ 22.8%
Of which Network Services	38.0	36.9	+3.5 %
Profit before tax ⁽²⁾	21.1	17.2	+ 22.2 %
<i>as % of turnover</i>	<i>3.9 %</i>	<i>3.1 %</i>	<i>+ 0.8 pts</i>
Share of net result from associates	1.7	(2.0)	<i>ns</i>
Income tax	(8.6)	(8.0)	+8.3 %
Net profit, Group share	14.0	6.8	+ 106.6 %
<i>as a % of turnover</i>	<i>2.6 %</i>	<i>1.2 %</i>	<i>+ 1.4 pts</i>

Accounts audited by the auditors and approved by the Board on 4 March 2015.

(1) ROPO: Operating profit excluding capital gains (losses) on disposals and non-recurring items.

(2) Profit before tax: profit before tax excluding share in net profit of associates and result from assets held for sale.

Operating profit (ROP): €26.6 M

In € million (at 31 December 2014)	Retail			Network Services	Total consolidated turnover
	Directly owned stores	Online sales	TOTAL Retail		
Consolidated turnover	348.4	12.8	361.2	182.8	544.0
Economic turnover ⁽¹⁾	348.4	13.0	361.2	264.3	
Ordinary operating profit (ROPO)⁽²⁾	(8.3)	(1,0)	(9.2)	40.5	31.3
<i>As % of turnover</i>	<i>(2.4%)</i>	<i>(7.3%)</i>	<i>(2.6 %)</i>	<i>15.3 %</i>	<i>5.7 %</i>
Operating profit (ROP)	(10,5)	(1.0)	(11.4)	38.0	26.6
<i>As % of turnover</i>	<i>(3.0%)</i>	<i>(7.3%)</i>	<i>(3.2 %)</i>	<i>14.4 %</i>	<i>4.9 %</i>

Accounts audited by the auditors and approved by the Board on 4 March 2015.

(1) Economic turnover: turnover before restatement inter-sector sales.

(2) ROPO (Ordinary Operating Profit): Operating profit excluding capital gains (losses) on disposals and non-recurring items.

Operating result Retail: up €3.4 M

- Directly Owned Stores: operating loss goes from €-12.7 M in 2013 to €-10.5 M in 2014, benefiting particularly from the restructuring conducted since 2013.
- Online sales: the operational loss of this business was halved from 2013 to 2014, with an operating result sitting at €-1.0 M in 2014.

Operating profit Network Services: increase of €1.1 M

The Operating profit of Network Services, €38.0 M in 2014, has increased by €1.1 M compared to 2013, in particular as a result of the improvement in the productivity of logistics and the management of other costs. It includes, for a sum of €2 M, the non-recurring costs linked to the merger project with the Kingfisher group.

The "ordinary" operational profit (ROPO/Turnover) has increased to 15.3%.

Thus, the consolidated operational profit has grown by 20.5% reaching €26.6 M.

Annual consolidated net profit doubled at €13.9 M

The share of net profit from associates has contributed positively to the profit, €1.7 M (versus a loss of €2.0 M in 2013). It includes, in particular, the capital gains from the disposal of the DEDB business (L'Entrepôt du Bricolage), which reached €1.2 M and the benefits of the restructuring undertaken, particularly in Eastern Countries, the result of which is positive again (€0.4 M over the financial year).

After considering income tax, **the Group share of net profit increased +106.6 % over the year to reach €14.0 M.**

The Board decided to propose a dividend of €0.40 per share to the General Shareholders' Meeting, the equivalent of a distribution rate of 30% of net income.

Strong Group debt reduction

The net financial debt amounted to €91.6 million as at 31 December 2014, namely debt reduction of €26.7 million over 12 months. The gearing⁽¹⁾ decreased from 48.4 % as at 31 December 2013 to 35.4 % as at 31 December 2014.

(1) Gearing: Net financial debt/ Equity

Outlook 2015

In a still difficult market in January (-2.0%) ⁽²⁾, the networks business in France is resistant, at 0.1%.

In this context, the Group remains confident and continues its actions across three pillars: increased networks turnover, recovery of Directly Owned Stores and developing the networks.

In France, 5 openings of Mr.Bricolage stores and 5 Les Briconautes conversions to the Mr.Bricolage brand are expected over the year. Directly Owned Stores should see one transfer and one brand change happen this year. Abroad, in addition to the planned openings (5 Mr.Bricolage stores), 3 Alexandre in Belgium stores shall be converted into Mr.Bricolage stores.

(2) Change in value of the French DIY (GSB France market) in January 2015 (vs. n-1): -2.0% (source Banque de France)

Update on the merger with Kingfisher

As a reminder, Mr Bricolage signed a binding agreement protocol with Kingfisher, dated 23 July 2014. The acquisition by Kingfisher of the shares held in Mr Bricolage by its main shareholders (namely the ANPF and the Tabur family which hold 41.9% and 26.2% of the share capital, respectively) is currently subject to anti-trust clearances.

The merger operation has been officially notified by Kingfisher to the Anti-trust Authority on 26 January 2015 and the clearances process is still in progress.

In the context of the agreement between Kingfisher and the main shareholders of Mr Bricolage, the purchase price for shares in Mr Bricolage has been set at 15 euros per share (2014 dividend included).

We also wish to point out that should Kingfisher manage to acquire the shareholdings of the ANPF and the Tabur family, Kingfisher would be required to launch, in accordance with current regulations, a proposed compulsory takeover bid for all the shares held by the shareholders.

Reminder of the steps of the transaction:

- 2 April 2014: signing of a preliminary non-binding agreement
- 23 July 2014: signing of a binding agreement protocol
- Process subject to anti-trust clearances
- 26 January 2015: official notification of the merger operation has been officially referred by Kingfisher to the French Competition Authority
- The acquisition of the controlling blocks of shares by Kingfisher and the launch of a proposed takeover bid to occur after and subject to the anti-trust clearances.

In the context of this transaction, the Board of directors of Mr Bricolage held today has appointed the firm Ledouble, represented by its President Mrs. Agnès Piniot, as independent expert responsible for issuing, pursuant to Article 261-1 of the general regulations of the AMF (French financial markets regulator), a report on the financial terms of the takeover bid that would be filed by Kingfisher. The report of the independent expert will be included in Mr Bricolage's document in response that would be submitted to the AMF in accordance with applicable regulations.

About the Mr Bricolage Group (as at 31 December 2014)

Mr Bricolage is France's no.1 DIY retailer (797 branded or affiliated stores as at 31 December 2014), and has 69 stores in 9 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 brand. 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 Index (selection of responsible 70 small and midcaps), the CAC Mid&Small Index, the CAC All-Tradable Index and EnterNext© PEA-PME 150 Index (launched 17 November 2014).

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



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