Mr.Bricolage sa

Group of 832 stores in 12 countries (volume of business of €2.16 billion in 2015)

With its REBOND strategic plan, Mr. Bricolage is moving into a new dynamic phase and returning to the business model that has been the foundation for its success since 1964

Orléans, 16 November 2016

- *REBOND, Mr. Bricolage's strategic plan, aims to ensure a sustainable return to growth for the Group and its networks based around: redefining its offering, accelerating its digital transformation and optimizing its organization.*
- *REBOND will further integrate the members-entrepreneurs at the heart of the Group's decision-making process.*
- *REBOND plans to accelerate the divestments to members of part of the directly-owned store network and the closure in 2017 of 17 directly-owned stores in critical situations. This resizing of the directly-owned store network will give the Group the additional flexibility needed to invest and develop its business.*

REBOND: carrying out a new vision for Mr. Bricolage

Mr. Bricolage SA, which groups local independent home improvement, decoration and gardening stores, presented the REBOND strategic plan to the Board of Directors at its meeting today.

Driven by the new leadership team, headed by Christophe Mistou, CEO, and with the support of Paul Cassignol, Chairman of the Board of Directors, REBOND aims to create new dynamics within the Group and its network of members-entrepreneurs. A "vision lab" has been set up, working with the members-entrepreneurs, shareholders, employees, customers and partners, to jointly build a new vision faithful to its values – entrepreneurial spirit, local connections, customer proximity – that will enable it to stand out on its market.

To clarify the Mr. Bricolage Group's fundamentals and develop the performance of directly-owned and member stores, the REBOND plan is built around three core pillars:

- **Offering**: redefining a better-performing, more competitive range, more adapted to changes in customer expectations and consumer habits
- **Digital:** accelerating the Group's digital transformation in order to further enhance the customer experience, from digital to in-store (100% connected stores, development of new digital services)
- **Organization**: reaffirming the originality of Mr. Bricolage's model, with its economic performance supported by a network of members-entrepreneurs who have historically outperformed the market. Among other developments, this will involve the rapid deployment of one dedicated management system across 100% of the stores, in addition to resizing the directly-owned store network.

To support the implementation of the REBOND plan, the members-entrepreneurs will be further integrated within the Group's decision-making process.

Resizing the directly-owned store network

REBOND therefore marks the refocus of Mr. Bricolage SA on its Network Services business, with plans to divest its directly-owned stores to the members-entrepreneurs whose operational management expertise will secure their future performance.
Today, the network is made up of 87 directly-owned stores located exclusively in France with diverse performance levels. Out of these 87 directly-owned stores, there are plans for:

- Around 30 stores to be divested in ”as is” condition within two years
- Around 30 stores to benefit from investments to ensure the sustainability of their business before they are sold. From 2017, the Mr. Bricolage Group plans to invest €13 million
- 17 stores in critical situations (structural operational losses representing 50% of the total losses for the Retail business in 2015) to be closed in 2017.

This proposal to resize the directly-owned store network was presented to the employee representatives today. The plans would involve a loss of 238 positions out of the 2,507[1] within the Group and the 10,000 employees across the network. Mr. Bricolage SA intends to establish in-depth social dialogue with its employee representatives and will make every effort to offer solutions that will help facilitate the professional redeployment of the employees concerned within Mr. Bricolage or establish new career opportunities outside of the Group.

The provisions, net of tax, linked to the redefinition of the commercial offering and the restructuring operation, which will include non-recurring staff costs and depreciations of goodwill and inventories to prepare for the divestments of the Group directly-owned stores and optimize store layouts to welcome the new product range, are estimated at around €65 million. These provisions will impact the Group’s results for 2016.

The resizing of the directly-owned store network will give the Group the additional flexibility needed to invest, to develop its business and its profitability. From the second half of 2017, the resources freed up will be reallocated, focusing in priority on developing the Group’s Network Services business and returning to a sustainable competitive position for directly-owned stores planning ahead for their potential disposal to the members-entrepreneurs.

****

“REBOND represents a new step forward with the development of our Group. The coordination and development of our networks of independent local retailers are the foundation for the success of our Mr. Bricolage brand. In a very competitive environment, marked by a deep transformation of consumer habits, we have decided to refocus ourselves on our core business and generate fresh momentum for Mr. Bricolage by redefining our offering and accelerating our digital transformation. We will be moving forward with this work to adapt our organization, which is crucial for the development and growth of our networks, while favouring in-depth dialogue with our employee representatives, as well as with the regions that we operate in”, declared Paul Cassignol, Chairman of the Board of Directors of Mr. Bricolage SA.

“Mr. Bricolage’s story is first and foremost a story of entrepreneurs: our customer proximity and the reputation of our brand are our core assets. That is why we want to focus our efforts on supporting our network of members-entrepreneurs, creating value for the entire Group. The resizing of our directly-owned store network is the necessary condition to enable us to keep developing us in France and

[1] At 31 December 2015

internationally. We aim to continue investing, optimizing our organization, giving ourselves the means to reinvent our offering and accelerate our digital transformation in order to sustainably return to our growth and competitiveness", declared Christophe Mistou, Mr. Bricolage's CEO.

Trading in Mr. Bricolage shares, suspended today at the company's request, will resume tomorrow, Thursday 17 November, when the markets open.

About the Mr. Bricolage Group *(figures as at 30 September 2016)*

The Mr. Bricolage Group, which develops well-known brands Mr Bricolage and Les Briconautes, is a French specialist in DIY local independent retail with 759 outlets operating under the brands or through affiliates. Internationally, the Group is present in 11 others countries with 73 stores.

Mr. Bricolage SA (MRB FR0004034320) is listed in compartment C of Euronext Paris and is part of the Enternext PEA-PME 150 and CAC All Shares indices.

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

Contacts

Anne-Claire Moyer
Head of Internal Communications, Mr. Bricolage
Tel: +33 (0)2 38 43 77 97
anne-claire.moyer@mrbricolage.fr

Eve Jondeau
Head of Financial Communications, Mr. Bricolage
Tel: +33 (0)2 38 43 21 88
eve.jondeau@mrbricolage.fr

For more information about the Mr. Bricolage Group, visit www.mr-bricolage.com