

Q3 2017 sales: Group organic growth of +3.4%

- ❖ **In France**, same-store growth of +2.5% of which +0.6% in the Retail segment and +18.4% at Cdiscount:
 - **Monoprix**: sustained growth of +4.0% on an organic basis and +3.1% on a same-store basis, with customer traffic up +1.8%.
 - **Géant Casino**: same-store growth of +0.8% led by a good performance in food sales (up +2.0%) and better non-food sales. Market share gain of +0.1 pt in the last two Kantar periods⁽¹⁾.
 - **E-Commerce (Cdiscount)**: sharp increase in same-store sales: up +18.4% versus +6.7% in Q2. Same-store GMV up +14.9% in Q3, with sustained traffic and market share gains⁽²⁾.

In all, **cumulative Géant and Cdiscount non-food sales** increased by **+11.2%**.

- ❖ **In Latin America**, sales up +6.1% on an organic basis in a context of strong deceleration in inflation in all countries, especially marked in Brazil (food price inflation: -4.5% vs. +16.3% in Q3 2016⁽³⁾):
 - **GPA Food**: up +8.2% on an organic basis and +3.3% on a same-store basis, led by very strong growth at Assaí (volumes and traffic) and the recovery of Pão de Açúcar. Market share gains at Multivarejo over the last 12 periods.
 - **Éxito (excluding Brazil)**: roll-out of the cash & carry format continued in Colombia.

SALES TRENDS BY SECTOR (EXCL. TAX)

In €m Data excl. tax	Q2 2017 / Q2 2016 Change				Q3 2017 / Q3 2016 Change			
	Q2 2017	Total growth	Organic growth	Same-store growth	Q3 2017	Total growth	Organic growth	Same-store growth
France Retail	4,757	+0.9%	+0.8%	+1.9%	4,764	+0.1%	-0.2%	+0.6%
Cdiscount	402	+3.6%	+5.6%	+6.7%	487	+19.1%	+18.0%	+18.4%
Total France	5,159	+1.1%	+1.2%	+2.4%	5,251	+1.6%	+1.4%	+2.5%
Latam Retail	4,118	+17.7%	+6.4%	+3.7%	3,965	+2.4%	+6.1%	+2.0%
TOTAL GROUP	9,277	+7.9%	+3.3%	+3.0%	9,216	+1.9%	+3.4%	+2.2%

Following the end-2016 decision to sell Via Varejo (including Cnova Brazil) and in accordance with IFRS 5, Via Varejo (including Cnova Brazil) has been reclassified under discontinued operations and is no longer included in the Group's consolidated net sales from continuing operations in 2016 and 2017.

In Q3 2017, sales totalled €9.2 billion, up +1.9% as reported, benefiting from organic growth of +3.4% but held back by a -1.5% negative currency effect (versus a +4.3% positive currency effect in Q2). Calendar effect was -0.1% and fuel effect was -0.1%.

(1) Kantar P08 (10 July – 6 August) and P09 (7 August - 3 September) surveys.

(2) GfK Online market share data, July and August 2017.

(3) Household food inflation.

NB: - Data including tax are estimated based on amounts paid at in-store checkouts.

- Organic and same-store changes exclude fuel and calendar effects.

France Retail

Data excl. tax BY BANNER	Q2 2017 / Q2 2016 Change				Q3 2017 / Q3 2016 Change			
	Q2 2017	Total growth	Organic growth ⁽¹⁾	Same-store growth ⁽¹⁾	Q3 2017	Total growth	Organic growth ⁽¹⁾	Same-store growth ⁽¹⁾
Monoprix	1,083	+2.6%	+3.9%	+3.6%	1,007	+3.7%	+4.0%	+3.1%
Casino Supermarkets	817	+0.0%	+2.3%	+3.2%	874	-3.2%	-0.3%	+0.5%
Franprix	416	+1.2%	+2.6%	+3.2%	370	+0.0%	-0.1%	-0.5%
Convenience & Other ⁽²⁾	613	-4.2%	-3.3%	+0.4%	656	-4.3%	-4.5%	-1.4%
<i>o/w Convenience⁽³⁾</i>	316	+1.7%	+3.2%	+3.7%	371	-3.3%	-2.8%	-2.0%
Leader Price	663	+3.5%	-3.3%	+0.5%	610	+2.1%	-3.2%	-0.2%
Hypermarkets ⁽⁴⁾	1,166	+1.1%	+0.5%	+0.4%	1,247	+1.2%	+0.8%	+0.5%
<i>o/w Géant food</i>	760	+3.5%	+3.9%	+4.0%	802	+1.8%	+2.0%	+2.0%
<i>o/w Géant non-food</i>	135	-14.9%	-14.5%	-14.2%	160	-6.2%	-6.0%	-6.0%
FRANCE RETAIL TOTAL	4,757	+0.9%	+0.8%	+1.9%	4,764	+0.1%	-0.2%	+0.6%

Sales for the **France Retail** segment totalled **€4,764 million**, up +0.6% on a same-store basis. During the third quarter, sales were impacted at seasonal stores by the late start to the school holidays and at urban stores by the late start to the academic year. In addition, fruits and vegetables prices experienced deflation in July and August.

- Same-store sales and traffic at **Monoprix** increased by +3.1% and +1.8% respectively, confirming the dynamic initiated since the beginning of the year. This performance reflects the roll-out of the new loyalty card, the development of existing services or of new services (such as one-hour delivery, click & collect, “leave your shopping cart at store”, etc.) and extended opening hours. Online sales continued their strong two digit growth. Lastly, the organic banner Naturalia continued to grow at a sustained pace, both on a same-store and an aggregate basis.
- Same-store sales at **Casino Supermarkets** rose by +0.5% during the quarter and by +3.3% over a two-year period. Market share was up +0.1 pt⁽⁵⁾ during the quarter and over the first nine months of the year. The roll-out of service counters and of the click & collect programme helped to strengthen the stores' commercial attractiveness.
- At **Franprix**, sales were stable during Q3, which is traditionally the weakest business period of the year. On a same-store basis, year-to-date cumulative sales were up +1.4%. The banner resumed sustained pace of expansion with the opening of 39 new stores, of which 33 in Paris / the Paris region over the nine last months (not included in the same-store scope). Furthermore, twelve stores were closed over the same period. Market share was stable and traffic was up +2.2% over a two-year period, reflecting the roll-out of new concepts. During the quarter, the banner opened its first two Franprix stores in Paris under the “Noé” concept, very qualitative, aimed at urban shoppers desirous of “better consuming”. Franprix also renovated its website and launched its application, which offers 30-minute delivery from stores.
- Same-store sales in **Convenience** declined by 2.0%⁽³⁾ as the banners' model continued to evolve. In the integrated store network, the new concept continued to be rolled out (232 stores deployed as of end-September), notably with an offering enriched in local products and national brands. At the same time, franchised stores saw growth in same-store sales of +0.9%.

⁽¹⁾ Excluding fuel and calendar effects.

⁽²⁾ Other: mainly Vindémia and Cafeterias.

⁽³⁾ Same-store sales in Convenience include the same-store sales of franchises, excluding LPE.

⁽⁴⁾ Including Géant Casino and mainly the business of the four Codim stores in Corsica.

⁽⁵⁾ Nielsen MPH market share data (FMCG and fresh produce excluding wine and beauty & personal care items).

- Same-store sales at **Leader Price** were down slightly (-0.2%). The organic sales performance was partly impacted by variations in the store network. The banner continued its renovation into the Bleu Blanc Rouge concept, particularly in the Paris region. This process was accompanied by the renovation of the offering, with a particular focus on private label and an enhanced fresh foods range, particularly in the fruit & vegetable category.
- At **Géant Casino**, same-store sales were up +0.8%. Food sales grew +2.0%, led by groceries, fresh produce and service counters. Sales of organic goods outperformed the market. Sales at adjacent drive-through (103 stores) grew by +10% since the beginning of the year. Non-food saw a sequential improvement. Growth was strong in household products during the quarter, and the banner initiated a multi-channel strategy for technical goods and home furnishings with the support of Cdiscount. In all, cumulative non-food sales at Géant and Cdiscount grew by +11.2%. The banner continued to reduce retail space (with total retail surface area down -1.1% over the last 12 months). Food sales per square metre continued to improve, as did total margin per square metre.

• Cdiscount

As part of its growth strategy, Cdiscount continued to extend its product assortment. Since January 2017, the number of direct sales references has nearly tripled and that of marketplace items increased by more than 50%. In addition, Cdiscount strengthened its multi-channel strategy by managing the Géant non-food assortment. In the third quarter, traffic on the Cdiscount website surged +15.6%, with an increase in the mobile share of traffic (60% in Q3). The number of visits totalled 222 million over the period. Cdiscount gained +1.9 pt and +1.0 pt of market share in value as well as +3.5 pts and +2.0 pts in volume in July and August respectively, according to GfK⁽¹⁾.

Gross merchandise volume amounted to €842 million, up +14.9% on a same-store basis. The marketplace's share of total GMV reached 31.2% in the third quarter.

Cdiscount reported an excellent performance in sales, which amounted to €539 million, for a total increase of +30.1%. This figure includes €50 million of sales generated in hypermarkets in Q3. On a same-store basis, sales advanced by +18.4%⁽²⁾, led by the upgrading in the IT offering and growth in the household appliance and high-tech categories.

As part of the Group's multi-channel strategy, Cdiscount is continuing to strengthen synergies with hypermarkets and supermarkets: in-store corners equipped with tablets presenting the Cdiscount product catalogue, complete with customer recommendations and pre-sales advice service. At the Géant hypermarket Toulouse Fenouillet, a more than 300 square-meter showroom dedicated to the Cdiscount home goods offering was inaugurated on 21 September.

Cdiscount also enhanced its delivery service by offering same-day delivery in Paris for small and large parcels and deploying Sunday delivery in 14 new cities. To help further the transformation of its supply chain, an incubator hosting five start-ups was also inaugurated. Lastly, Cdiscount continued to refine the technological features of its platforms (personalisation, augmented reality) and diversifies its sources of revenue with the accelerated deployment of supply chain services for marketplace merchants ("fulfilment-by-Cdiscount" programme).

Key figures ⁽²⁾	Q3 2016	Q3 2017	Total growth	Same-store growth ⁽³⁾
Gross merchandise volume (GMV) ⁽⁴⁾ including tax	681	842	+23.6%	+14.9%
Sales (in millions)	414	539	+30.1%	+18.4%
Traffic (visits in millions)	192	222		+15.6%
Mobile traffic contribution (%)	54.2%	59.8%		+558bp
Active customers ⁽⁵⁾ (in millions)	7.9	8.6		+8.3%
Units sold (in millions)	11.1	11.9		+7.1%
Orders ⁽⁶⁾ (in millions)	5.7	6.2		+9.2%

Cdiscount provided a detailed report on its Q3 sales on 12 October 2017.

(1) GfK Online market share data, July and August 2017.

(2) Data published by the subsidiary. Data concerning Cnova NV are not being audited and have been adjusted for all periods to take into account: i) the business merger between Cnova Brazil and Via Varejo on 31 October 2016, ii) the sale or closure of Cdiscount's international websites and iii) the sale of the MonShowroom website. In accordance with IFRS 5, these businesses have been presented in discontinued operations as from 1 January 2016.

(3) Same-store data have been adjusted for i) the sale or closure in 2016 of specialised sites Comptoir des Parfums, Comptoir Santé and MonComerDéco, ii) the planned reduction of B2B sales initiated in Q3 2016, iii) the restatement of the calendar impact related to the summer 2017 sales, which started one week later than in 2016 (impact of +1.6 pt and +1.8 pt on growth in GMV and sales, respectively), iv) sales generated by Cdiscount with the Casino Group's hypermarket and supermarket customers in France, following the multi-channel agreement in effect as from 19 June 2017 (impact of +9.1 pt and +12.4 pt respectively on growth in GMV and sales).

(4) GMV includes sales of merchandise, other revenues and the marketplace's sales volume based on confirmed and shipped orders, including tax.

(5) Active customers at 30 September who made at least one purchase on Cdiscount.com websites in the last 12 months.

(6) Total number of orders placed before cancellation due to detection of fraud or the absence of customer payment.

- **Latam Retail**

The Group's sales in **Latin America (Éxito Group excluding Brazil and GPA Food)** rose by +6.1% on an organic basis during the quarter. This performance was notably impacted by the sharp decrease in inflation in Brazil.

- **Éxito Group** (excluding GPA Food) continued to roll out the cash & carry format upon the Assaí model, with the aim of opening eight stores in Colombia by the end of the year.
- In Q3, **GPA Food** sales rose by +8.2% on an organic basis and +3.3% on a same-store basis in context of sharply slowing food price inflation (-4.5% in Q3 2017 vs. +16.3% in Q3 2016 according to the *Household Food Inflation* index).
 - At **Multivarejo**, same-store sales increased by a slight +0.6%⁽¹⁾. The quarter was marked by the recovery in performance at Pão de Açúcar (volumes up +12% versus Q2 2017), and by further growth at Extra hypermarkets, coupled with market share gains. The Meu Desconto application, downloaded 3 million times, helped to enrich the customer base with 1 million new profiles. Personalised promotions are now to be found in 25% of Pão de Açúcar baskets and in nearly 20% of Extra ones.
 - Sales at **Assaí** continued to rise sharply, with organic growth of +25.3% generated in the third quarter. Same-store sales grew +7.7%⁽¹⁾, despite sharp deflation in some major food categories such as staple, dairy, meat and produce. The banner is continuing its expansion, with a continuous increase in customer traffic and volumes. As of end-September, the banner's sales accounted for 43% of GPA's sales vs. 40% in Q2.
 - During the quarter, four Extra hypermarket were converted to the Assaí format and 1 new store was opened, bringing the total number of cash & carry stores to 115. In the last 12 months, 17 Assaí stores were opened and sales tripled at converted stores, a performance that was better than expected. Nine store conversions are still planned in Q4 2017. At the other banners, six stores were opened during Q3: 1 Pão de Açúcar, 3 Minuto Pão and two drugstores.

GPA provided a detailed report on its Q3 sales on 16 October 2017.

Éxito will provide a detailed report on its Q3 sales on 15 November 2017.

⁽¹⁾ Data published by the subsidiary.

APPENDICES

Details and sales trends in Q3 2017

Organic growth corresponds to growth at constant scope of consolidation and exchange rates, excluding fuel and calendar effects, unless otherwise mentioned.

France Retail: breakdown and change in total gross sales under banners in Q3 2017

Gross food sales

ESTIMATED GROSS FOOD SALES		Change (excluding calendar effects)	
UNDER BANNERS (in €m, excluding fuel)	Q3 2017	Q3 2017	9M 2017
Monoprix	1,034	+3.8%	+3.2%
Casino Supermarkets	821	-0.2%	+1.7%
Franprix	407	-0.3%	+1.9%
Convenience & Other	769	-1.8%	-2.2%
<i>o/w Convenience</i>	458	+0.3%	+1.0%
Hypermarkets	880	+2.2%	+1.9%
Leader Price	710	+7.5%	+4.8%
TOTAL FOOD	4,621	+1.9%	+2.0%

Gross non-food sales

ESTIMATED GROSS NON-FOOD SALES		Change (excluding calendar effects)	
UNDER BANNERS (in €m, excluding fuel)	T3 2017	T3 2017	9M 2017
Hypermarkets	166	-3.9%	-10.2%
Cdiscount	778	+14.9%	+10.9%
TOTAL NON-FOOD	944	+11.0%	+6.5%

Main changes in the scope of consolidation

- Disposal of operations in Asia in 2016.
- Reclassification of Via Varejo and Cnova Brazil as discontinued operations.
- Full consolidation of Geimex as from 31 October 2016.

Exchange rates

AVERAGE EXCHANGE RATES	Q3 2016	Q3 2017	Currency effect
Argentina (EUR/ARS)	16.6901	20.3057	-17.8%
Uruguay (EUR/UYP)	32.5450	33.7317	-3.5%
Colombia (EUR/COP) (x1,000)	3.2884	3.4932	-5.9%
Brazil (EUR/BRL)	3.6223	3.7150	-2.5%

Store network at period end

FRANCE	31 March 2017	30 June 2017	30 September 2017
Géant Casino Hypermarkets	129	121	121
<i>o/w French Affiliates</i>	7	7	7
<i>International Affiliates</i>	12	4	4
Casino Supermarkets	446	430	430
<i>o/w French Franchised Affiliates</i>	104	104	104
<i>International Franchised Affiliates</i>	32	16	16
Monoprix	750	763	774
<i>o/w Franchises/Affiliates</i>	200	204	207
<i>Naturalia</i>	144	146	151
<i>Naturalia franchises</i>	5	7	7
Franprix	869	880	885
<i>o/w Franchises</i>	402	405	406
Leader Price	791	791	789
<i>o/w Franchises</i>	380	387	385
Total Supermarkets and Discount	2,856	2,864	2,878
Convenience	5,506	5,502	5,444
Other businesses (Cafeterias, Drive, etc.)	636	627	621
Indian Ocean	186	193	201
TOTAL France	9,313	9,307	9,265

INTERNATIONAL	31 March 2017	30 June 2017	30 September 2017
ARGENTINA	28	29	29
Libertad Hypermarkets	15	15	15
Mini Libertad and Petit Libertad mini-supermarkets	13	14	14
URUGUAY	80	82	83
Géant Hypermarkets	2	2	2
Disco Supermarkets	29	29	29
Devoto Supermarkets	24	24	24
Devoto Express mini-supermarkets	25	27	28
BRAZIL	1,117	1,108	1,073
Extra Hypermarkets	129	119	118
Pão de Açucar Supermarkets	185	185	185
Extra Supermarkets	194	194	188
Assaí (Cash & Carry):	106	110	115
Mini Mercado Extra and Minuto Pão de Açucar mini-supermarkets	274	276	265
Drugstores	152	147	130
+ Service stations	77	77	72
COLOMBIA	1,899	1,823	1,810
Éxito Hypermarkets	87	90	90
Éxito and Carulla Supermarkets	164	163	161
Super Inter Supermarkets	67	67	71
Surtimax (discount)	1,471	1,391	1,373
<i>o/w "Aliados"</i>	1,336	1,255	1,243
B2B ⁽¹⁾	2	2	4
Éxito Express and Carulla Express mini-supermarkets	108	110	111
TOTAL International	3,124	3,042	2,995

⁽¹⁾ Previously included in the Surtimax line.

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