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CO.PA - Q4 2015 Casino Guichard Perrachon SA Corporate Sales Call

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**Nicolas Champ** *Barclays Capital - Analyst*

## PRESENTATION

**Operator**

Welcome to the Casino 2015 fourth-quarter conference call. I now hand over to Antoine Giscard d'Estaing, CFO of Group Casino. Sir, please go ahead.

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**Antoine Giscard d'Estaing** *- Casino Guichard Perrachon SA - CFO*

Thank you. Good morning, ladies and gentlemen. Thank you for joining this conference call on Casino's Q4 2015 sales. As you can read it in the press release issued this morning, our Q4 performance confirmed the trends we saw in Q3, with a good performance of retail operations both in France and in Latin America.

Let me first highlight the headline numbers. Total Group sales in Q4 amounted to EUR11.8b. Overall, ForEx had a negative impact on total Group sales of minus 11.7%. This is comparable to Q3 and this is mostly due to the depreciation of the Brazilian real and the Colombian peso against the euro.

There was no calendar effect this quarter. The perimeter had a positive impact of plus 0.9%, mostly with Super Inter and Exito in Colombia. At constant scope of consolidation and currency weights, both the organic and the like-for-like adjusted for calendar and fuel at minus 0.3% and minus 2.7% respectively are comparable to Q3.

Via Varejo and Nova sales were impacted by the reduction of discretionary spending in Brazil. Excluding these activities, Group organic growth was plus 3.5% in Q4 versus plus 3.2% in Q3.

Our two largest segments, France and food retail in LatAm, which account together for 73% of our sales, continued to grow satisfactorily in Q4. In France specifically this is 42% of our global sales. Organic sales grew plus 2.7% and like-for-like plus 1.4%, driven by solid performances at Geant, Leader Price, Monoprix and our convenience stores.

In LatAm, organic growth for food retail at plus 5.7% improved sequentially from 5.2% in Q3 with positive like-for-like 1.3%.

Three segments posted negative organic growth in Q4. In the electronic segment, which is 11% of our Group sales, organic sales were down 14.8% during the quarter versus 22.8% in Q3. In Asia, which is 8% of total Group sales, revenues declined by 2.4%. E-commerce, which is 8% of total Group sales, organic sales were down 8.1% while the gross merchandise volume was up 2.1%.

Sales of this segment take into account an adjustment of EUR30m identified during an investigation in connection with an employee misconduct in a Brazilian DC.

Let's start now with a deeper analysis on our French operation and I start with the traditional remarks on food inflation and consumption patterns in France during the fourth quarter of 2015. Food prices as published by the INSEE, excluding fresh, were almost flat year on year in November. The stabilization trend for food prices which we previously highlighted is confirmed. The market is progressively moving away from the low point of deflation reached at the end of the first quarter of 2015. Indices show that most retailers have kept the prices stable or increased them and we expect this behavior to continue.

As you know, our prices for hypermarkets and discount stores continue to be among the most attractive in the French scene. According to Banque de France data, the food retail market was positive in October and softer in November.

Our vision is our different banners outperform their respective markets. So in Q4 sales for France amounted to EUR4.9b, almost EUR5b, representing 42% of our total sales. Organic growth was up 2.7% in Q4 versus 2.6% in Q3, comparable sales 1.4% and customer traffic grew by 1.9%. Each French business yet posted positive or flat like-for-like in the fourth quarter.

It's worth mentioning that these results were achieved on the back of a more demanding base, as comparable sales had improved sequentially, if you remember well, in the last two quarters of 2014 by 2%.

The sales were supported by several initiatives, such as the commercial repositioning of Geant and Leader Price, the launch of new concepts at Franprix and Leader Price, again a focus on in-store execution with a reduction of out of stocks (inaudible) time at checkout.

Let's be little more specific and start with Geant. As anticipated, Geant grew its sales by a solid 3% in like-for-like and the banner continued to gain market share.

For Leader Price the banner performed quite well in Q4, with a solid plus 7.5% organic growth and a strong 3% on like-for-like. Sales were impacted by the transition to franchise of 103 stores and this has an impact of 3.6% negative. The market share of Leader Price increased by 0.1 points in the last Kantar P12 and the customer traffic grew by plus 6.7% in this quarter.

I'll move now to Monoprix. As you know, the November attacks, the very serious events that have happened in Paris, have impacted city center stores, especially in Paris. Despite this context, Monoprix posted a good performance in Q4, with a plus 2.8% organic growth. And expansion was steady with 42 openings. Like-for-like sales were positive in food, almost flat for non-food. Home furnishings sold well and offset a decline in textile sales, which is explained by the exceptionally mild winter conditions.

I'll move now to Franprix. Like-for-like sales were positive during the quarter, supported by the private label developments, the success of the new Mandarine concept. Organic growth was impacted by renovation of stores, store disposal. In renovated stores traffic has grown significantly, but market share was stable in the last Kantar P12.

Supermarkets Casino like-for-like sales were flat. Traffic was slightly positive. Organic sales were impacted by transfer of stores to Monoprix.

Last banner, Casino's convenience stores. Convenience formats kept on going this quarter at a very fast pace, with like-for-like sales at plus 6.1%, supported by Leader Price Express stores expansion. Franchises continued their rapid expansion.

I will now discuss the international activities. Let's start with LatAm retail. In Q4 sales for the LatAm retail segment amounted to EUR3.7b. This is 31% of our total sales and total growth was impacted, as mentioned, by negative ForEx as in previous quarters.

Organic growth improved versus Q3 at plus 5.7% with positive like-for-like at 1.3%. Organic growth for food sales was up 5.3%, ex petrol and calendar in Brazil, where GPA performed well in Q4 despite the economic slowdown.

Assai, which represents 30% of GPA food sales in Q4, posted excellent sales, outperforming its markets, plus 27.8% and over the year seven stores were opened.

Like-for-like sales at Via Varejo were resilient in food. Pao de Acucar, the premium supermarket banner, and the other proximity banners grew their market share.

62 extra stores were renovated in 2015, of which 35 hypermarkets, 77 -- 27, sorry, supermarkets, representing approximately 25% of the banner's sales.

On a standalone basis, that is to say excluding the consolidation of GPA sales, Exito accelerated its growth in Q4, with organic sales at plus 6.6% and like-for-like sales at plus 4.1%, with a good performance in Uruguay and Argentina. Customer traffic grew sequentially.

I'll move now to LatAm electronics. In Q4 LatAm electronics sales amounted to a little less than EUR1.3b. This is 11% of total Group sales.

Via Varejo launched several action plans to increase its competitiveness and promotional efficiency, which resulted into a global decline of the sales in this quarter. Organic and like-for-like were down respectively 14.8% and 15.2% versus 22.8% and 24.7%.

The Company will continue to focus on operational excellence to improve quality in stores and in its distribution centers and will strengthen its commercial strategy.

I'll move to Asia. Total sales amounted to a little less than EUR1b. This is 8% of Group sales, which grew 3%, thanks to positive impact of ForEx. Organic sales and like-for-like were down 2.4% and 5.3%.

In Thailand organic sales declined more slowly sequentially. Food volumes grew in this quarter and the like-for-like sales were positive in December despite the lower price context. Real estate activity was up with a plus 4.8% increase of rental income.

I'll move now to our last segment e-commerce. As you know, Cnova, as the others subsidiaries, listed subsidiaries of the Group, has already published its sales. They published them last Tuesday, January 12. So this is a short wrap-up.

GMV amounted to EUR1.3m for Q4 2015. This is plus 2.1% on a constant currency basis. The market place share of total GMV was 24.3% and net sales amounted to EUR876m. Traffic rose plus 16.3% year on year, with 400m -- 492m visits during the fourth quarter, with Cdiscount France being up plus 14.6% and Cnova Brazil plus 11% compared to the same period of 2015.

The mobile share of traffic continued to close in our goal of 40%, reaching 38.6% at the end of 2015. The number of click-and-collect pickup points, one of our unique competitive advantages, especially in France, increased plus 17.3% to 21,000 year on year.

As a conclusion, I would like to make the following comments. After two years of significant price investments, our revenues in France have recovered and all banners enjoyed a good sales momentum during the last two quarters of 2015. The Group market share has started to increase from the middle of 2015. The price repositioning of Geant hypermarkets and of Leader Price discount stores has fueled the volume growth.

French trading profits and EBITDA in H2 2015 will be significantly higher than in H2 2014, thanks to food retail activities with an improvement of margin. Purchasing partnership agreements with Intermarche and Dia will continue to support the performance.

As already stated, for French activities Casino expects to generate in 2016 an EBITDA of around EUR900m and trading profit should exceed EUR500m.

As we speak, the accounts closing process is underway and final consolidated statements will be published on March 9 to the markets.

Concerning the Group trading profits in 2015, relevant reports from analysts are those that have updated their forecasts with recent estimates for Via Varejo and Nova and with the current ForEx. Most of them get to EUR1.5b, which we think is a realistic estimate at this stage. For French operation EUR340m in 2015 is a reasonable assumption as well.

Lastly and before I move to your questions, I would like to mention that a list of questions concerning Casino has been brought to our knowledge yesterday. Most of them are a reiteration of subjects raised in December to which we already answered. We note that the real concern in yesterday's letter is whether there is a true recovery in our French retail operations. As illustrated by the trading we've just published for Q4 2015, we are very confident that it has taken place and that our commercial strategies will continue to deliver strong results in 2016.

This was my introduction. Thank you. I'm now ready to answer your questions.

## QUESTIONS AND ANSWERS

**Operator**

(Operator Instructions). [Richard Clark].

**Richard Clark** - - *Analyst*

Good morning, Antoine. Just three questions from me. I'm not going to ask the muddy water questions, but just on LatAm retail, just a mathematical question. GPA Food reported, I think, 1.9% like-for-like on Tuesday. You're saying Exito's at 4.2% and yet your average seems to come to a like-for-like of plus 1.3%. So I'm just wondering what am I missing there. I would have expected it to be higher.

The second one Asia. We've seen Tesco report this morning. Their Asian number for the Christmas period was, I think, plus 4%. Just any comments on how that compares to Casino and how Tesco are able to outperform Casino in Thailand at the moment.

And then the question is on this Leader Price franchise shift. What is the rationale behind moving Leader Price to franchises? And also how can I see that in the -- in your numbers? Is that -- would that be the gap between the total growth and the organic growth for Leader Price?

**Antoine Giscard d'Estaing** - *Casino Guichard Perrachon SA - CFO*

I would start -- thank you, Richard. I would start with the last question first. We have a model for smaller stores where we operate integrated stores and franchised stores. It happens that franchisees tend to be more efficient for certain -- in certain geographies or for certain smaller stores. So it's a constant policy we have to review on a regular basis whether we should operate our stores ourselves or with the help of partners. We do have very strong partners for years as franchisees and it's a continuous rebalancing that we operate.

So we think it's relevant for certain region or certain stores to operate with such partners. You have seen in the press release that we are -- it's true for Leader Price. It's true for smaller stores in general. We have a very strong network of convenience stores franchise with Vival and Spar, so it's similar and at Franprix as well. So there is a constant policy of partnering with such people.

And moving forward, we think it is wise for our expansion in the coming quarters to use these partners to accelerate growth. So there is no change here, just a vision that depending on the regions and the store size partners are probably are quite helpful.

I move to your second question on Tesco. I'm not knowledgeable exactly on which period you are discussing. What I can stress is what our colleagues from Big C Thailand have mentioned, which you can see in their own press release, the sales at Big C in Q4 have been negative in the non-food section and this in on the back of a very high comparison base last year.

On the food side, which is very important, Big C continues to offer very attractive prices. It continues the strategy to adjust prices to be relevant for the Thai consumers in an environment where people have less money. So this is our strategy to continue to have the best possible prices there. What's interesting to see is that this Group level of prices has started to generate volume growth and this is important probably for 2016.

I'm sorry, I missed -- I think I answered the last two. Can you please raise your first question again? I lost the exact.

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**Richard Clark** - - *Analyst*

Yes, yes. It's more of a mathematical question, I think. So on Tuesday GPA reported its food like-for-like. I believe plus 4.9%. You're that Exito ex-Brazil is plus 4.1% and yet the average on the front page of your release is for LatAm retail at plus 1.3%. And it just sort of seems that it comes in below the average of the two component parts.

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**Antoine Giscard d'Estaing** - *Casino Guichard Perrachon SA - CFO*

Well, you have -- there are sometimes small differences between GPA and ourselves, because when we publish ourselves is a sales number adjusted for fuel. So our numbers are consistent and are adjusted for fuel. If we look at fuel-adjusted numbers like-for-like for Brazil are zero plus and Exito is 4% and the other smaller countries like Uruguay, Argentina are much stronger. So this is where you get to the 1.3% I mentioned. It's just --

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**Richard Clark** - - *Analyst*

Okay, thank you. Thank you very much.

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**Operator**

Arnaud Joly.

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**Arnaud Joly** - *Societe Generale - Analyst*

Yes, good morning, Antoine and Regine. I have three questions, the first one on France. You mentioned a kind of stabilization of prices, so an ease of deflation. Given the ongoing economic backdrop in France, what is the level of inflation that could accepted by customers, just to see where -- if we could see the return a higher level of inflation?

Second question, still on France. Negotiations with suppliers with are well advanced, are you still comfortable with the expected synergies you plan to deliver thanks to the agreement with both Intermarche and Dia?

And the last question on Brazil, we saw an improvement for Via Varejo in Q4, do you believe that Via Varejo reached a low point in Q3 and what kind of like-for-like sales growth can be expected for the coming quarters? Thank you.

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**Antoine Giscard d'Estaing** - *Casino Guichard Perrachon SA - CFO*

Thank you, Arnaud. On the first question, it's a difficult one. The thing which is quite clear and we've discussed it several times with many of you, is that the cycle is a cycle where after a very strong deflation in prices where the lowest point was the first quarter 2015, when you look at price indices measured by analysts, this deflation has started to stop and we are in a phase where we see a re-stabilization of prices.

So the next question is, are we likely to turn to a positive inflation next year? We think it is possible. We don't anticipate as we speak it a significant inflation like might have been in the past; between zero and 1% is probably a realistic assumption.

What is important for Casino's business model and our profitability is our sales momentum. Our sales momentum is not built on price inflation, our sales momentum is built on our volume growth, our volume growth is excellent at the moment and is supported across the banners by the different commercial initiatives.

So if there is inflation next year it's a plus to our present growth rate which, as you've seen it, has been over the last two quarters on an organic basis between 2.5% and 3%. So this is the case we have today and, by definition, anything we get on the top of that if there is a little more inflation in the economy will be positive to us.

This is probably a good transition to your second question on discussions with suppliers. As you know they happen at the beginning of the year until the last days of February, we are in a round of discussing intensively. What I can share with you is our confidence that we will be capable to generate additional purchasing productivity because we have the excellent business case to discuss with our suppliers.

Our volume growth is excellent so when we are discussing prices for 2016 we have a good volume equation that we can share, and when you show good volume trends, suppliers, by definition, are always happy to adjust or adapt the prices accordingly.

The agreement we had -- the partnership that we had with Intermarche has been a success, Intermarche is a very solid and reliable partner. Their performances are fine as well, so we think that the JV for national, product national brands will be efficient as well.

What is new this year is that on the top of the Intermarche agreement we have an agreement with Dia, the international banner, and this will be a very good partner to get better purchasing conditions for private labels and some national brands in geographies where we have an overlap with Dia. This is another element of purchasing productivity which we built in our business case for next year.

Your last question is a tough question. By definition it's always difficult to make another forecast when you have a downturn cycle of the magnitude that we see in Brazil which mostly effects discretionary spending because people have less money to spend for furniture and electronics.

The vision we have is that we should have a slower decline next year and the fact that it's already started to be more moderate decline in Q4 is a sign of that. For next year we nevertheless build a business case for the company where we anticipate sales to be probably negative as well and we adjust the organization in line with that.

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**Arnaud Joly** - *Societe Generale - Analyst*

Thank you very much.

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**Operator**

Cedric Lecasble.

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**Cedric Lecasble** - *Raymond James - Analyst*

Yes, good morning, Cedric Lecasble from Raymond James, I have two questions if I may. So first one on your online Brazilian operations, Q4 was tough. What are the measures or the strategy of case to kind of have a better grip on profitability for the online operations in Brazil? Is it still a topline-driven strategy or do you want to be more careful on the eventual loss that you can have in Brazil in this segment? That's the first question.

And the second one on your guidance for French EBIT in 2016, I know it's as sales conference call but you give some guidance on earnings in France next year. So I have an easy question, how can you split the improvement between purchasing and OpEx efficiency? Thank you.

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**Antoine Giscard d'Estaing** - *Casino Guichard Perrachon SA - CFO*

Thank you. So I will start with your question on Cnova. Some of you may have attended the call that Cnova had yesterday so I might say things that are known by some of you. The first thing I wanted to say is, as you know, the Board of Cnova has hired advisers to assist them for an employee's conduct and this subject is taken extremely seriously and the company has given an update on this subject. This matter is being, once again, handled very seriously, very professionally, so on this front I think measures have been taken.

Now on the business of Nova for 2016, which is your question, the focus is on execution so a lot of measures, and the company will probably update the market regularly on this one, a lot of measures have been taken to, as you said, tighten the grip of management on operations.

It is clear that, and they acknowledge that, that the second half of 2015 was disappointing from a commercial standpoint and an operations standpoint, so the key priority is to significantly improve the EBIT to get as close as possible to breakeven point next year. And always in businesses like that this will be a combination of purchasing gains, cost cutting, better pricing, better execution, so as to be sure that the value proposition of Nova is efficient.

On your question on the French EBIT, you know our business model. You see that when you have operational leverage generated by good volume growth you get technically an improvement. So our improvement of EBIT year on year north of EUR150m will be generated by our food retail activities and will be driven by the improvements of our top line, probably for a little more than one-third, say 40%. Another 40% will be generated by the gross margin improvement in conjunction with the purchasing gains and the remaining portion, say around 20%, will be generated by cost cutting and efficiency plans in our fixed cost base.

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**Cedric Lecasble** - *Raymond James - Analyst*

Thank you.

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**Operator**

Fabienne Caron.

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**Fabienne Caron** - *Kepler Cheuvreux - Analyst*

Yes, good morning Antoine, Regine. Three quick questions from me. The first one, Antoine, I'm sorry, I missed what you said on the French hypermarkets so can you give a bit more color on food, non-food as well as traffic.

The second question is regarding the French EBIT, so you're happy with consensus 2015 of EUR340m? Can you tell us, although you had a good H2, which banners maybe didn't deliver as fast as you expected, because I know that originally you were going for roughly EUR400m and I've seen as well that you've done only four hypermarkets (inaudible) in H2 compared to eight, so I was wondering if it was one of the reasons maybe?

And the last question would be can you tell us if you are on track regarding delivering the EUR2b deleverage at the holding since the announcement mid-December? Thank you.

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**Antoine Giscard d'Estaing** - *Casino Guichard Perrachon SA - CFO*

Thank you, Fabienne. Let's start with hypermarkets. So traffic was quite positive in hypermarkets in Q4 again, so this is the best sign that we are on track with our plan to improve the banner relevance in all the catchment areas. So we are quite comfortable with that.

The trends we see in sales for the last four weeks, which include the holiday season and sales, but it's an important period of time for all the retailers, are quite positive with clients up more than 3% and sales up more than 5%, so the trends are well-established in hypermarkets.

Sales are very positive in food, above this number, non-food sales are still slightly negative but absolutely not of the magnitude of the decline we had in previous quarters. We are seeing the benefits of the renovation of our assortment in textile, in home furnishing and the case for 2016 is built with a stabilization of non-food sales and very good dynamics of food sales.

I think your second question was on our final landing for 2015 and versus what could have been a previous assumption around the middle of the year. I think what is true is that the mild conditions in the fall have been negative for all the textile sales that we have in some of our stores. Our vision is nevertheless that we performed better than specialized retailers in textile. You probably have more data than us on that front and you might have heard that most of the specialized textile retailers have had a very tough time. But we did a little below our initial expectation.

The last element you mentioned, which we think is very important, is to say that the recovery, and I will of course give more details when the final numbers are published in March, but I can already share with you the fact that the improvement of our profitability H2 on H2 is only driven by food retail operations and that the contribution of development projects that we book in our dual model is stable year on year in H2. So everything that we get is generated by the strong recovery of our profitability in our food retail operations.

One last word on this one, you remember that when you take a long-term view, which is one full year view, it's a combination of the first half of the year which was negative because of price investments and strong measures taken to boost efficiency in stores and a very good rebound in H2. So by definition, and this is why we've given such guidance for next year, the full-year profitability for 2015 is not representative we think of the current profitability of our business.

On the EUR2b deleveraging plan, it's a top priority for the Group. It's a subject which we take very seriously. We are very confident. You know that we want to reduce significantly the debt at the HoldCo level. This will be already the case in 2015, the final numbers will be published in March, but we are well on track for this. And there will be another significant improvement of our debt especially at the mother company level in 2016.

This plan was announced in December, as you know. It's a mix of real estate transactions and disposal of non-core assets. I want to stress, once again, that more than half of the total proceeds are expected to be generated by the disposal of assets that we fully own as Casino mother company. This plan is here to deliver value for shareholders. It's a commitment of the Company to really deleverage.

As we did in the past we intend to execute it swiftly. We've always delivered on deleveraging plans in the past; this will be the case again. If I can give you a short wrap-up of where we stand today, you know that disposing of Vietnam is a key component of this plan. As expected, we have received a large number of signs of interest from strategic financial players and the process has been initiated with our advisers. We expect this process to be fluid and we expect a signing in H1 2016 and we will update the market extremely regularly by definition.

Another element of the plan is a REIT for Big C in Thailand. Big C is currently undergoing a thorough preparation phase. Advisers are working actively on the structuring. Here again we expect a transaction to occur before 2016 yearend.

We have other disposals, assets are identified, advisers are selected, in order to manage this process as efficiently as possible. We won't disclose information at this stage but we are working diligently on such matters.

So this is where we stand, we are one month after the announcements of December, processes are started and it's our commitment to get results in 2016.

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**Fabienne Caron** - *Kepler Cheuvreux - Analyst*

Okay, thank you very much.

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**Antoine Giscard d'Estaing** - *Casino Guichard Perrachon SA - CFO*

One last question maybe in the interests of time, if you may, operator.

**Operator**

Yes, sir. Nicolas Champ.

**Nicolas Champ** - *Barclays Capital - Analyst*

Yes, good morning, everyone. Sorry to follow up on Fabienne's question regarding the French EBIT for 2015, but you reiterated at your third-quarter sales conference call last October a guidance of EUR400m for French EBIT last year, broadly stable compared with 2014. Can you explain again, sorry to come back on this but you came up with finally a French EBIT number which is 15% lower, or EUR60m, despite a relatively satisfying number in Q4.

The second question is about your guidance of a French EBITDA of around EUR900m for this year. Sorry to ask a stupid question but how much is to be expected to be generated by property disposals out of this EUR900m of French EBITDA for 2016.

And lastly regarding the performance of your French convenience store format in Q4, I mean the supermarkets Franprix and Monoprix. They appear to be relatively modest in Q4 despite, again, some tailwinds regarding the situation in France in October. Could you please provide us some more color to explain this relatively modest like-for-like sales performance at your value/convenience store format in Q4? Thank you very much.

**Antoine Giscard d'Estaing** - *Casino Guichard Perrachon SA - CFO*

Thank you. I'll start with the last question as well. So the like-for-like of the Supermarkets Casino are flat overall, slightly positive in H2, Q3 was slightly positive. We think, as I said, it's a performance which is in line with the market according to the data we gathered from the Banque de France of the sales per segment. Very important is that traffic is stable, so this is the key element, as you know. This is the key performance indicator that your prices are okay.

What we are currently doing is testing a couple of pilots to improve our concept, the supermarket concept is a concept which has not been renovated to date and our objective is to increase the basket size. We don't have a problem of traffic, it's a question of basket size and it's probably one of the subjects you can address in the easiest way when you improve your assortments.

Next year, this year 2016, should be a year that where we, provided that we get good results from the pilots we have, where we improve the concept of supermarkets so we think we are doing what is necessary at this stage to further improve the performances of these supermarkets.

The like-for-like at Franprix are stable. Franprix is probably one of our banners which was impacted by the low environment of consumption in Paris downtown from November onwards. This should not change our long-term vision that a good concept is the way to generate better sales. You know that we have 861 stores at Franprix and only a portion of that, a third of that has been renovated, so when you are in renovation phase you're hit by the renovation phase for a couple of weeks and you don't see the full benefit.

So in the ramp-up renovations should be much more significant at the end of 2016 and 2017, so this good impact of uplift in volumes at Franprix should fall through in our headline numbers, in our sales number for this banner in the coming quarters. There is no subject of concept, there is no subject of traffic, it's just that the new stores are more efficient, that they have a very attractive snacking section and they're doing quite well in that respect.

I think your last question was on how we see 2016, I think I answered already what we expect to get. The message I can add to what I already said is we do not anticipate for 2016 a higher contribution of real estate development projects than in 2015. So to be very clear, again in 2016 as in the second half of 2015, the improvement of our profitability will be only generated by our food retail operations with the elements that I mentioned around top-line productivity, purchasing productivity and operational productivity.

I will take one last question maybe if there is one in the line? Okay, if there is no further question, thank you very much for your attention and we will, as you know, publish the final numbers for 2015 on March 9. Thank you. Have a good day.

**Operator**

Ladies and gentlemen, this concludes the conference call. Thank you all for your participation. You may now disconnect.