

NET SALES – Q3 2018

Increase in net sales of +5.4% on an organic basis and +3.3% on a same-store basis
Accelerated growth in France and Latin America
Success of the Cdiscount marketplace

- **In France**, sales rose +2.0% on an organic basis and +1.9% on a same-store basis:
 - **Monoprix**: growth of +1.8% on an organic basis and +1.4% on a same-store basis; strong growth in traffic and food; excellent performance by Parisian stores.
 - **Franprix**: organic growth of +4.1% and same-store growth of +2.7%; very robust traffic during the quarter reflecting the banner's positioning.
 - **Casino Supermarkets¹**: growth of +2.0% on an organic basis and +1.5% on a same-store basis; development of the franchise network.
 - **Géant hypermarkets¹**: organic growth of +3.2% and same-store growth of +2.8%; excellent momentum in food and continued market share gains²; success of Cdiscount corners.
 - **Convenience**: organic growth of +4.3% and same-store growth of +3.2%; ongoing strong momentum among franchisees and sharp recovery at integrated stores.
 - **Leader Price**: stable organic performance and same-store growth of +1.9%; sequential improvement in traffic and increase in the average basket.
- **Cdiscount**: gross merchandise volume (GMV) up +9.3%³ on an organic basis; accelerated growth in the marketplace, representing 36.0%³ of GMV; increase in data monetisation revenues.
- **In Latin America**, sales were up +10.4% organically and +5.5% on a same-store basis:
 - **GPA Food**: organic growth of +12.6% led by Multivarejo's ongoing recovery and Assaí's very good performance.
 - **Éxito Group (excluding GPA Food)**: sequential improvement in organic and same-store sales.

Based on the performance observed to date and the progress of the disposal plan, the Group confirms all its annual objectives.

CHANGE IN NET SALES

BY SEGMENT (in € millions)	Q2 2018 / Q2 2017 change				Q3 2018 / Q3 2017 change			
	Q2 2018	Total growth	Organic growth ⁴	Same-store growth ⁴	Q3 2018	Total growth	Organic growth ⁴	Same-store growth ⁴
France Retail	4,759	+0.8%	+1.3%	+1.8%	4,832	+2.0%	+2.0%	+1.9%
Cdiscount	403	+5.4%	+5.3%	+5.1%	452	-3.1%	-3.1%	-3.1%
Total France	5,162	+1.1%	+1.6%	+2.1%	5,284	+1.5%	+1.5%	+1.4%
Latam Retail	3,754	-8.1%	+9.7%	+4.4%	3,638	-7.5%	+10.4%	+5.5%
TOTAL GROUP	8,916	-3.0%	+5.2%	+3.2%	8,922	-2.4%	+5.4%	+3.3%

2017 and 2018 financial statements prepared in accordance with IFRS 15 and not restated for the application of IAS 29 (see appendices). Pursuant to the 2016 decision to dispose of Via Varejo and in accordance with IFRS 5, Via Varejo (including Cnova Brazil) is still recognised as a discontinued operation.

In Q3 2018, net sales totalled €8.9bn, down -2.4% overall compared with Q3 2017, impacted by an unfavourable currency effect of -7.6%.

Sales increased +5.4% in organic terms and +3.3% on a same-store basis, year on year (yoy). The scope effect was +0.3%, the fuel effect came to +0.3%, and the calendar effect was -0.8%.

¹ Excluding Codim stores in Corsica: eight supermarkets and four hypermarkets.

² Kantar market share, in value, measured over the P09 2018 period, on a cumulative basis to date

³ GMV figures published by Cnova NV and unaudited. The organic changes include sales at Cdiscount corners but exclude sales of technical products and household equipment generated with hypermarket and supermarket customers.

⁴ Excluding fuel and calendar effects.

■ France Retail

BY BANNER	Q2 2018 / Q2 2017 change				Q3 2018 / Q3 2017 change			
	Q2 2018	Total growth	Organic growth ¹	Same-store growth ¹	Q3 2018	Total growth	Organic growth ¹	Same-store growth ¹
Monoprix	1,129	+2.9%	+2.1%	+1.4%	1,049	+3.3%	+1.8%	+1.4%
Franprix	416	+0.0%	+1.0%	+1.3%	380	+2.7%	+4.1%	+2.7%
Supermarkets	805	+1.0%	+1.6%	+1.5%	878	+2.1%	+1.9%	+1.7%
<i>o/w Casino Supermarkets²</i>	762	+1.0%	+1.4%	+1.4%	818	+2.4%	+2.0%	+1.5%
Hypermarkets	1,174	+3.0%	+2.8%	+2.5%	1,256	+2.2%	+2.2%	+1.8%
<i>o/w Géant²</i>	1,117	+3.5%	+3.2%	+2.8%	1,191	+3.2%	+3.2%	+2.8%
<i>o/w food</i>	772	+2.0%	+4.0%	+4.3%	821	+2.9%	+4.4%	+4.5%
<i>o/w non-food</i>	122	-7.4%	-5.4%	-5.2%	147	-5.9%	-4.4%	-4.3%
Convenience & Other³	593	-2.5%	-1.0%	+0.7%	667	+1.5%	+2.5%	+3.5%
<i>o/w Convenience⁴</i>	319	+1.2%	+3.0%	+0.2%	390	+4.4%	+4.3%	+3.2%
Leader Price	642	-3.2%	-0.7%	+2.2%	602	-1.2%	+0.0%	+1.9%
FRANCE RETAIL	4,759	+0.8%	+1.3%	+1.8%	4,832	+2.0%	+2.0%	+1.9%

Total sales in France came to €4,832m in Q3 2018, up +2.0% on an organic basis and +1.9% on a same-store basis.

- Monoprix** maintained the solid momentum of previous quarters, with same-store growth of +1.4%. Organic growth, representing +1.8%, benefited from the opening of 10 stores during the quarter, including 9 Naturalia outlets. Sales were particularly strong in Paris thanks to a +6.2% increase in customer traffic in Q3, on a steady climb since Q1. Since 12 September 2018, the banner has been offering its products to Amazon Prime Now customers through a partnership with Amazon. The number of orders placed through this new service has exceeded business plan projections.
- Franprix** continued to expand both organically and on a same-store basis, with growth of +4.1% and +2.7%, respectively, over the quarter. Traffic, up +5.3%, was lifted by dynamic tourist activity in Paris in the summer months and the banner's latest innovations, particularly in snacks and restaurant services. Franprix introduced a new concept, "le drugstore Parisien" (beauty, health and well-being), with the first two stores enjoying very robust traffic. In addition, nearly 40 stores are now equipped with technology allowing them to stay open 24/7.
- Casino Supermarkets** reported organic growth of +2.0% (with growth of +14.0% among franchisees), and same-store growth of +1.5%. Network expansion and new independent retailers joining the network underscored the banner's appeal. In addition, a new concept store, "Le 4 Casino", was inaugurated in early October near the Champs-Élysées in Paris. An innovation laboratory for the Group, "Le 4 Casino" is inventing the retail experience of the future, serving as a place to eat, relax and shop where digital services enhance the customer experience.

¹ Excluding fuel and calendar effects.

² Excluding Codim stores in Corsica: eight supermarkets and four hypermarkets.

³ Other: mainly Vindémia and Cafeterias.

⁴ Convenience banners excluding Leader Price Express. Net sales on a same-store basis include the same-store performance of franchised stores.

- **Géant** hypermarkets continued the very positive trend observed over the past several quarters, with growth of +3.2% in organic terms and +2.8% on a same-store basis. This good momentum translated into a 0.1 pt¹ market share gain. Performance was led by food retail, organic products, home equipment and by the attractiveness of Cdiscount corners, which generated additional traffic in stores, leading to a 1 pt outperformance in their net sales. Drive-throughs continued to report double-digit growth thanks to an improved customer experience.
- In **Convenience**², sales advanced +4.3% organically and +3.2% on a same-store basis, reflecting the benefits of a robust tourist season. Franchised stores continued to deliver strong growth, representing +3.0% yoy, while growth at integrated stores made a sharp recovery to +3.7% with the influx of new customers, driven by the renovated promotional policy and offering, featuring more organic products. The Casino Max loyalty and promotions mobile app has now been rolled out to all integrated stores.
- **Leader Price** maintained its good momentum. Same-store sales grew by +1.9% over the quarter, lifted by the very strong performance of renovated stores, the fresh market category and the offer being redesigned (packaging, the so-called line). Organic sales, stable over the period after several quarters of decline, were impacted by the Leader Price Express store closures that occurred in 2017. The banner continued to roll out the "Next" concept, with 100 stores converted to date.

■ Cdiscount³

Cdiscount's gross merchandise volume (GMV) totalled €872m, representing growth of +6.1%, of which +9.3%⁴ was organic over the quarter. Cdiscount benefited from very strong growth in the marketplace, whose contribution to total GMV rose by +5.3 pts to 36.0%, and in data monetisation revenues, both key profitability drivers for the banner. The transfer of a portion of direct sales to marketplace sales (remunerated by commission) had a very favourable impact on profitability. It had the effect of reducing net sales (by -2.9%), as marketplace sales are recognised in net sales to the extent of the commissions received.

Strategic marketplace expansion led to the achievement of a record performance in Q3. Marketplace GMV rose by +19.5% over the quarter, driven by the Telephony, Home and Computer categories. B2B services such as transport, marketing, financial services and "Fulfillment by Cdiscount", whose contribution to GMV increased by +4.0 pts, developed rapidly. The corresponding revenues more than doubled over the quarter and had a positive impact on profitability. Data monetisation revenues totalled €15m, up +17%, thanks to the proceeds from 3W and RelevanC advertising sales and from B2B2C (Energy, Mobile, etc.) and financial services.

Traffic totalled a very high 216m visits in the quarter, driven mainly by mobile traffic, up +11.3%, which now represents 64.1% of total traffic. Cdiscount consolidated its no. 2 status in terms of unique monthly visitors and is closing in on the no.1 spot, according to Médiamétrie⁵. Cdiscount is continuing to develop its CDAV loyalty programme by adding new services and expanding the assortment of products eligible for express delivery. In addition, Cdiscount is further broadening its value proposition for customers with the launch of new B2C services such as Cdiscount Billetterie (ticketing).

¹ Kantar market share, in value, measured over the P08 2018 period.

² Convenience excluding Leader Price Express. Net sales on a same-store basis include the same-store performance of franchised stores.

³ Data presented in this section correspond to those published by Cnova NV on 12 October 2018 (unaudited)

⁴ The organic changes include sales at Cdiscount corners but exclude sales of technical products and household equipment generated with hypermarket and supermarket customers.

⁵ June and July 2018 Médiamétrie studies.

As part of the Group's multi-channel strategy, 14 new Cdiscount corners were rolled out in Géant hypermarkets during the quarter, bringing the total to 35. They now contribute 2.1 pts to total GMV growth.

Cdiscount is continuing to improve its delivery service, extending delivery to additional countries in Europe. Small product delivery is now available in Italy, Germany, Spain and Belgium, and partnerships have been set up to sell Cdiscount products in seven other marketplaces in Eastern Europe.

Key figures ⁽¹⁾	Q3 2017	Q3 2018	Reported growth ^(1;2)	Organic growth ⁽³⁾
GMV^(4;5) total including tax	822	872	+6.1%	+9.3%
o/w direct sales	522	493	-5.5%	
o/w marketplace sales	232	277	+19.5%	
Marketplace contribution to e-commerce GMV (%)	30.7%	36.0%		+527 bp
Net sales⁽⁵⁾ (in €m)	518	503	-2.9%	+0.5%
Traffic (millions of visits)	203	216		+6.6%
Mobile traffic contribution (%)	61.4%	64.1%		+271 bp
Active customers ⁽⁶⁾ (millions)	8.6	8.8		+2.5%

Cnova provided a detailed report on its Q3 net sales on 12 October 2018.

- (1) Unaudited data published by Cnova NV.
- (2) The data published by the subsidiary include all sales generated by Cdiscount, including its sales of technical products to hypermarket and supermarket customers, further to the multi-channel agreement in effect since 19 June 2017.
- (3) The organic changes exclude the sales generated with hypermarket and supermarket customers, except for sales generated by the corners (total impact of exclusion of +3.2 pts and +3.4 pts respectively in GMV growth and net sales).
- (4) Gross merchandise volume (GMV) includes sales of merchandise, other revenues and the marketplace's sales volume based on confirmed and shipped orders, including tax, and the sales volume of services that contributed to GMV growth, for +2.0 pts in Q3 2018 and +0.01 pt in Q3 2017.
- (5) After entry into effect of the new accounting standard IFRS 15 – Revenue from Contracts with Customers, 2017 GMV and net sales were restated by -€24m and -€20m, respectively, in order to present comparable data.
- (6) Active customers at 30 September 2018 who made at least one purchase on the Cdiscount websites or app during the previous 12 months.

■ Latam Retail

Sales at the Group's businesses in **Latin America** (Éxito Group and GPA Food) continued to accelerate in Q3, up +10.4% on an organic basis and +5.5% on a same-store basis. Consolidated net sales were impacted by an unfavourable currency effect of -17.6%.

- **GPA Food** posted organic growth in sales of +12.6% and same-store growth of +7.0%¹, even as inflation bounced back to +2.7%² in the food categories during the quarter (following -2.8% deflation in Q2 2018).

¹ Data reported by the subsidiary.
² IPCA Food at Home index.

- Sales at **Assaí** grew by +25.8% on an organic basis and +8.2%¹ on a same-store basis, lifted by a sharp increase in volumes, customer traffic and market share (+1.9 pts²). Assaí now represents 48% of sales, an increase of +4.9 pts compared with 2017. The 19 stores converted to the banner in the last 12 months have significantly contributed to its growth. The other stores posted very robust same-store growth of +7.4%¹ for the quarter. Currently, 10 new stores are under construction and 1 is being renovated. The loyal customer base is continuing to expand and nearly half a million customers now hold the Passaí card.
- **Multivarejo** has been enjoying a sharp recovery since March and its same-store growth, representing +6.0%¹ for the quarter, has accelerated further. The banner's market share, up +1.7 pts² over the period, was higher in all formats. The current strategy focused on promotions and commercial events has paid off, leading to faster growth in volumes and customer traffic.

Among the Multivarejo banners, **Extra hypermarkets** grew by +7.4%³ on a same-store basis over the period, reflecting an upturn in food sales and double-digit growth in non-food sales. **Extra supermarkets** returned to growth in sales and traffic. The optimization of the store network continues: since the beginning of the year, 10 stores have been transformed to the new concept Mercado Extra and report a double-digit growth, while 13 conversions to the new Compre Bem format are under way. **Pão de Açúcar** continued to benefit from its unique urban positioning, based on the quality of service and of the assortment, as well as store renovations. Lastly, **convenience** stores reported a very rapid acceleration in same-store growth, representing +13.1%³, following a sharp rebound in Q2, thanks to a renewed assortment, revised prices and the implementation of promotional programmes.

Food e-commerce enjoyed double-digit growth, driven by the expansion of express and in-store pick-up services. The "Meu Desconto" digital loyalty app, downloaded 6.5 million times, rapidly expanded its customer base. Loyal app users, representing 40% of the customer base, have a basket twice the size of other customers.

- During the quarter, 4 Assaí stores were opened of which 1 Extra hypermarket converted into Cash & Carry. At Multivarejo, the main changes in the network were on Extra supermarkets: 2 stores were closed, 6 stores were converted into Mercado Extra and 13 stores are being converted into the Compre Bem format.

- Sales at **Éxito Group** (excluding GPA Food) were up on both an organic and same-store basis, with a sequential same-store improvement in Colombia.

GPA provided a detailed report on its Q3 net sales on 15 October 2018.

Éxito Group will provide a detailed report on its Q3 net sales on 14 November 2018.

¹ Data reported by the subsidiary.

² Nielsen market share data in August 2018.

³ Growth in gross sales, reported by the subsidiary.

APPENDICES

Main changes in consolidation scope

- Integration of Sarenza as of 30 April 2018 (Monoprix)

Exchange rate

AVERAGE EXCHANGE RATES	Q3 2017	Q3 2018	Currency effect
Brazil (EUR/BRL)	3.7150	4.5974	-19.2%
Colombia (EUR/COP) (x 1000)	3.4932	3.4409	+1.5%
Uruguay (EUR/UYP)	33.7317	36.9326	-8.7%
Argentina (EUR/ARS)	20.3057	37.1183	-45.3%

Implementation of IFRS 15

In the first nine months of 2018, the Casino Group applied IFRS 15 – Revenue from Contracts with Customers retrospectively to 2017.

The application of IFRS 15 has led to reclassifications between net sales, other revenues, cost of goods sold and selling expenses.

The following table describes the standard's impact on 2017 net sales.

Net sales (in € millions)	Q1 2017 reported	Q1 2017 restated	Q2 2017 reported	Q2 2017 restated	Q3 2017 reported	Q3 2017 restated
France Retail	4,504	4,485	4,757	4,723	4,764	4,739
E-commerce	469	453	402	382	487	467
Latam Retail	4,348	4,310	4,118	4,087	3,965	3,932
TOTAL	9,321	9,248	9,277	9,192	9,216	9,138

Implementation of IAS 29

The contribution of Argentina to Q3 2018 sales (Latam Retail segment) has not been restated under IAS 29 on hyperinflation, given the non-materiality of the impact and the late determination of application procedures.

Gross sales under banner

TOTAL ESTIMATED GROSS FOOD SALES	Q3	Change (excl. calendar effects)
UNDER BANNER (in €m, excluding fuel)	2018	Q3 2018
Monoprix	1,081	+5.0%
Franprix	431	+3.1%
Supermarkets	831	+2.8%
Hypermarkets	895	+3.9%
Convenience & Other	778	+2.9%
of/which Convenience	477	+5.5%
Leader Price	720	+1.6%
FRANCE RETAIL	4,737	+3.5%

TOTAL ESTIMATED GROSS NON-FOOD SALES	Q3	Change (excl. calendar effects)
UNDER BANNER (in €m, excluding fuel)	2018	Q3 2018
Hypermarkets	160	-4.9%
Cdiscount	652	+7.2%
FRANCE RETAIL	812	+4.5%

Store network at period-end

FRANCE	31 Dec. 2017	31 March 2018	30 June 2018	30 Sep. 2018
Géant Casino hypermarkets	122	123	124	123
<i>o/w French franchised affiliates</i>	7	8	8	7
<i>International affiliates</i>	5	5	6	6
Casino Supermarkets	433	435	436	439
<i>o/w French franchised affiliates</i>	106	108	111	101
<i>International franchised affiliates</i>	17	17	17	17
Monoprix	789	790	794	797
<i>o/w franchised affiliates</i>	211	214	213	210
<i>Naturalia</i>	161	162	166	171
<i>Naturalia franchises</i>	7	7	7	11
Franprix	893	901	902	902
<i>o/w franchises</i>	399	413	420	422
Leader Price	777	773	776	768
<i>o/w franchises</i>	377	449	454	414
Convenience	5,392	5,362	5,260	5,235
Other activities (Restaurants, Drive, etc.)	606	609	610	598
Indian Ocean	209	214	223	231
TOTAL France	9,221	9,207	9,125	9,093
INTERNATIONAL	31 Dec. 2017	31 March 2018	30 June 2018	30 Sep. 2018
ARGENTINA	29	29	29	28
Libertad hypermarkets	15	15	15	15
Mini Libertad and Petit Libertad mini-supermarkets	14	14	14	13
URUGUAY	88	86	87	88
Géant hypermarkets	2	2	2	2
Disco supermarkets	29	29	29	29
Devoto supermarkets	24	24	24	24
Devoto Express mini-supermarkets	33	31	32	33
BRAZIL	1,081	1,072	1,074	1,063
Extra hypermarkets	117	113	113	112
Pão de Açúcar supermarkets	186	186	186	186
Extra supermarkets	188	187	187	173
Assaí (cash & carry)	126	127	130	134
Mini Mercado Extra & Minuto Pão de Açúcar	265	265	265	265
Drugstores	127	123	123	123
+ Service stations	72	71	70	70
COLOMBIA	1,852	1,847	1,912	1,897
Éxito hypermarkets	90	90	90	90
Éxito and Carulla supermarkets	162	163	160	160
Super Inter supermarkets	71	71	73	73
Surtimax (discount)	1,409	1,410	1,477	1,461
o/w "Aliados"	1,278	1,286	1,353	1,348
B2B	9	9	13	15
Éxito Express and Carulla Express mini-supermarkets	111	104	99	98
CAMEROON			1	1
Cash & carry			1	1
TOTAL International	3,050	3,034	3,103	3,077

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