

A large, light blue globe is centered in the background. It features a white dotted line for the equator and a solid orange line for a latitude line. Four regions are highlighted with white dotted circles: South America, Western Europe, North Africa, and Southeast Asia. The background also includes a pattern of small grey dots in the top left and a grey geometric pattern on the right.

Cnova

CDISCOUNT & NOVA PONTOCOM

HSBC LATAM Investor Forum

London, 4-5 June 2015



DISCLAIMER

IMPORTANT:

This document, the oral presentation of the information in this document by Cnova N.V. (the “Company”) or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively, the “Information”) contain forward-looking statements. All statements other than statements of historical fact included in the Information are forward-looking statements. Forward-looking statements give the Company’s current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the Company’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it will operate in the future.

This document contains a discussion of various non-GAAP measures, including Gross Margin, Gross Margin Post-Marketing Expenses, Adjusted EBITDA, Free Cash Flow and Net Financial Debt. These measures as calculated by the Company and as presented in this document may differ materially from similarly titled measures reported by other companies due to differences in the way these measures are calculated. These measures have important limitations as analytical tools and should not be considered in isolation from, or as a substitute for an analysis of, the Company’s operating results as reported under IFRS. A reconciliation of non-GAAP measures to GAAP financial measures is included as an appendix to this presentation.

1st QUARTER 2015 HIGHLIGHTS

1st Quarter 2015 Commercial Highlights

Cnova

Cdiscount

nova
PONTOCOM

Total
GMV



+28.2%

+28.5%

+27.9%

Marketplace
GMV



+132.3%

+110.9%

+284.8%

Mobile
GMV



+109.5%

+76.1%

+187.8%

Orders
Placed



+38.2%

+41.7%

+34.7%

Items
Sold

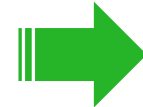


+38.9%

+48.2%

+26.8%

Total
Traffic



+42.2%

+47.6%

+37.8%

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1st Quarter 2015 Financial Highlights

Net Sales



€ **777.4** million

+ 17.8% yoy growth
(FR: +16.4% and BR: + 18.3%)

Gross Margin



+ **18** bps

at 12.6% excluding expansion to new countries

Recurring EBIT
Margin¹



- **2.5** %

excluding expansion to new countries, as a result of investments for future growth

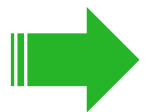
Net Financial
Expenses



- **17.1** %

excluding one-time effect of tax credit
(with tax credit effect: -64.3%)

Free Cash Flow



€ **28** million

over LTM, compared to - €47 million in 1Q14

Net Cash



€ **70.8** million

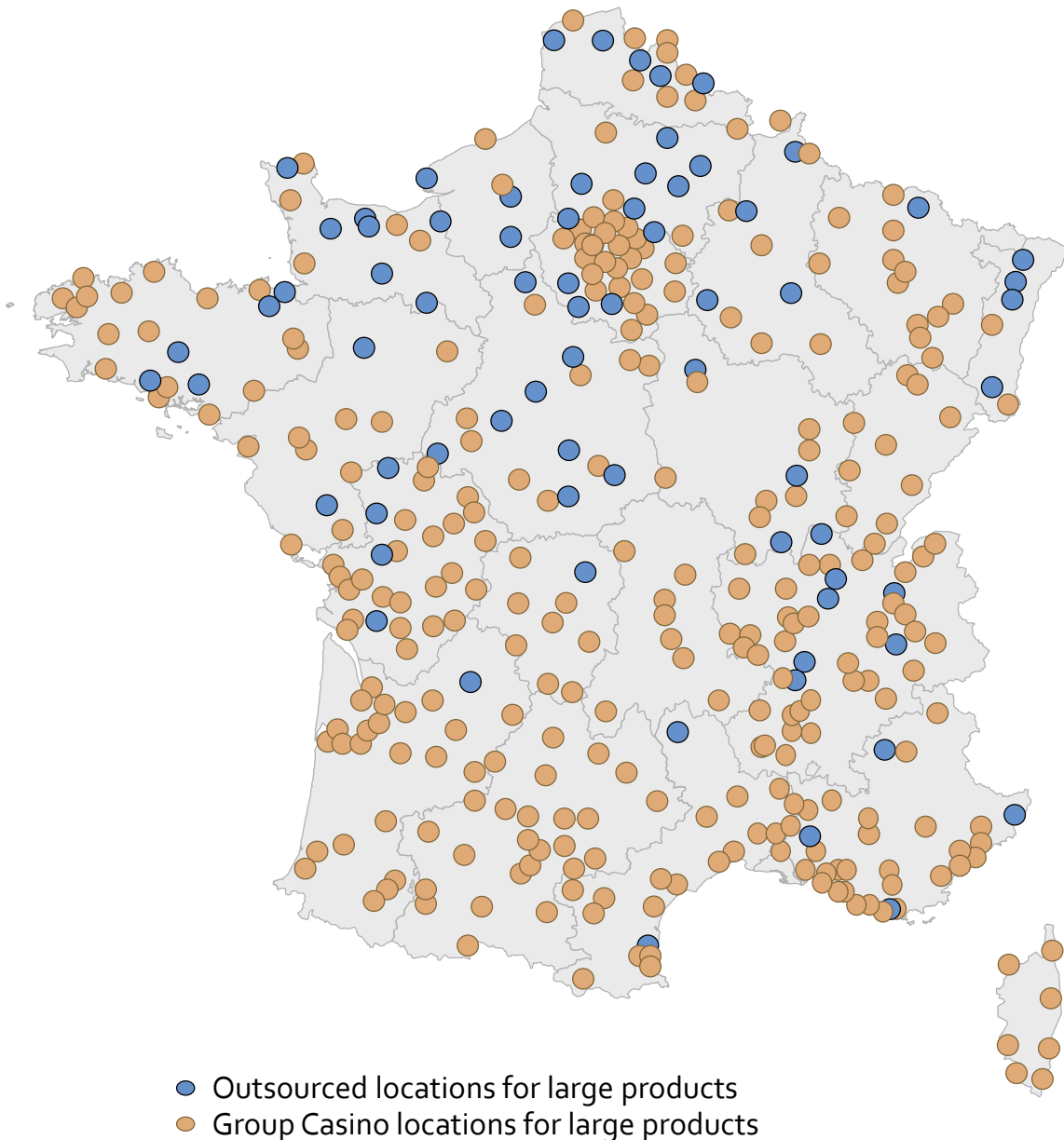
increase of €206 compared to net financial debt of - €135 million in 1Q14

Note

1) Operating profit (loss) before restructuring, litigation, initial public offering expenses, gain / (loss) from disposal of non-current assets and impairment of assets as percentage of net sales

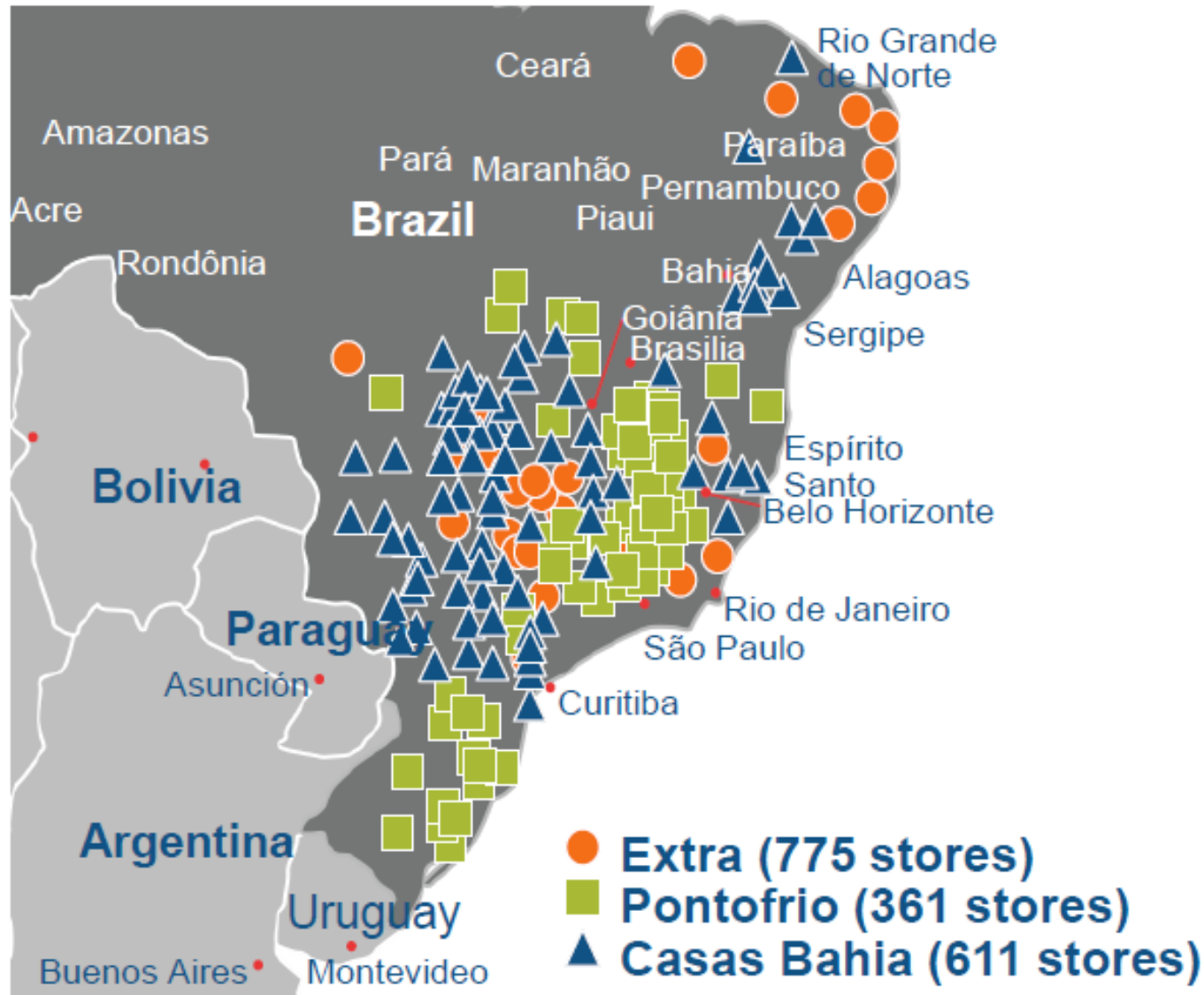
CNOVA COMPETITIVE ADVANTAGES

CLICK & COLLECT: A MARKET-LEADING COMPETITIVE ADVANTAGE IN FRANCE



- Extensive network of pick-up points:
c. 19,100, of which 593 for large goods
- Close to 70% of Net Sales delivered through C&C
- Customer advantage:
 - faster delivery
 - free of charge
 - convenient
- Cnova advantage:
 - On average, 40% lower cost to the company compared to home delivery

CLICK & COLLECT: A GROWING COMPETITIVE ADVANTAGE IN BRAZIL



Roll-out planned in Brazil

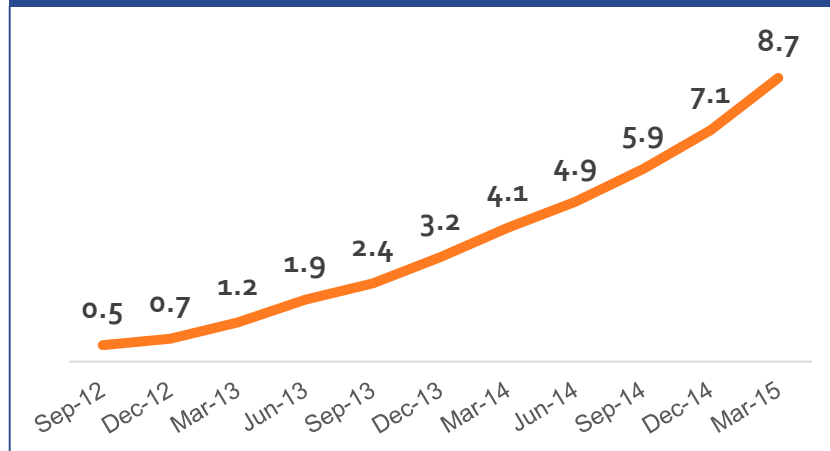
- 210 pick-up locations currently
- Targeting 1,200 pick-up points based on existing GPA/Viavarejo store network
- On average, 40% lower cost to the company compared to home delivery

MARKETPLACES: A KEY ELEMENT OF CNOVA BUSINESS MODEL

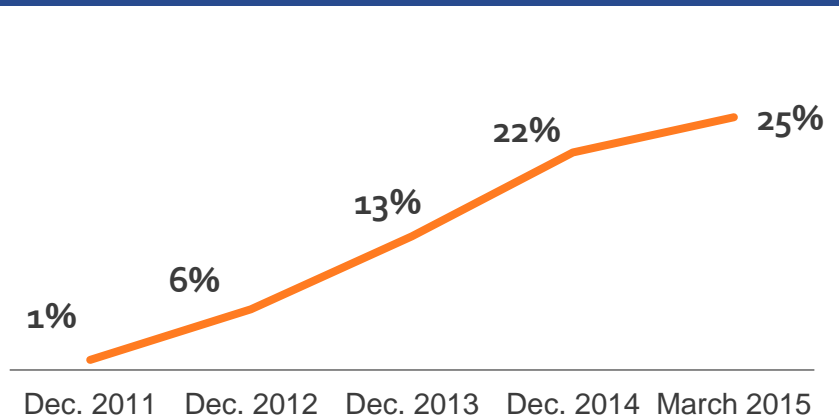
France: constant growth since 2011 launch
Brazil: plan to replicate French success

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Number of sellers (thousands)

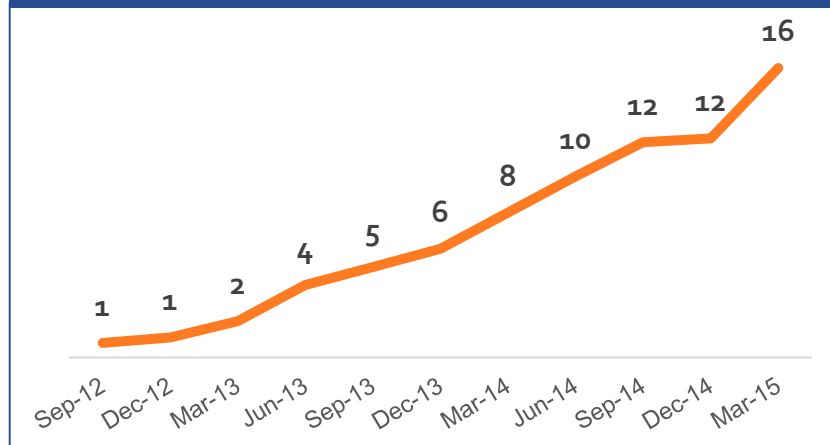


Cdiscount Marketplace as % of total GMV

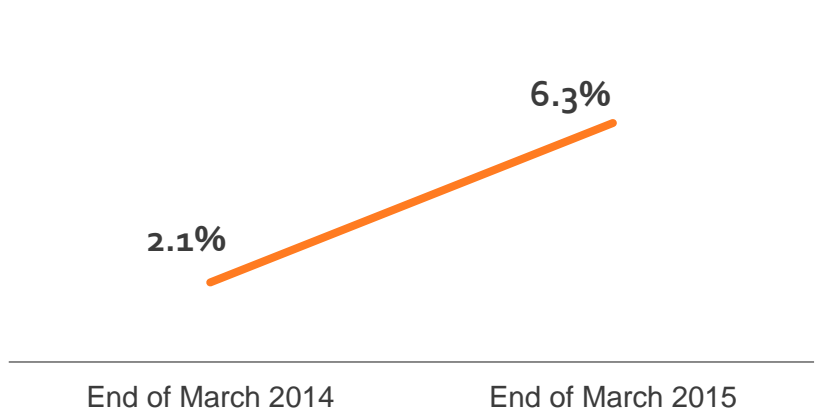


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Number of product offerings (m)



Cnova Brazil Marketplace as % of total GMV



Note

See Definitions section of this presentation for additional information regarding certain of the metrics used in this page

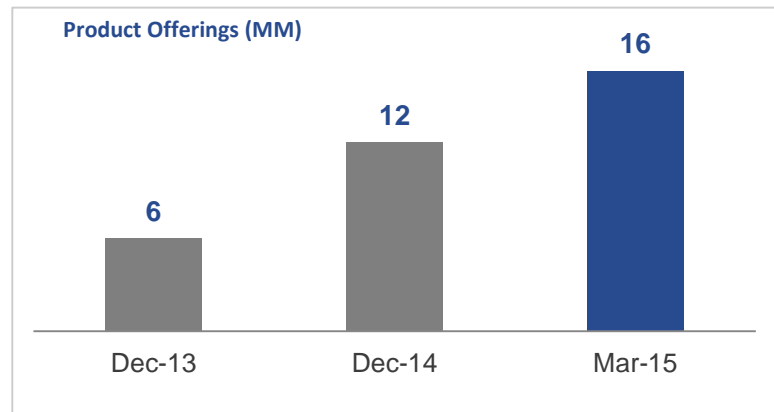
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MARKETPLACES: A KEY ELEMENT OF CNOVA BUSINESS MODEL

Value proposition to sellers

- ✓ Access to Cnova's traffic
- ✓ Opportunity to access Cnova fulfillment and delivery capabilities : distribution centers and Click & Collect
- ✓ Option to pay in installments
- ✓ Integration capabilities and marketplace operational tools

Fast ramp-up of marketplace in France and Brazil



Key benefits for Cnova

- ✓ Increases profitability
 - Commission-based business model
- ✓ Extends product assortment
 - Added 10M product offerings to Cnova's websites over last fifteen months
- ✓ Drives traffic (SEO, Direct Visit)

Note

See Definitions section of this presentation for additional information regarding certain of the metrics used in this page

SYNERGIES WITH PARENT COMPANIES

*Benefitting from: market leading purchasing power
exclusive access to vast pick-up point networks*

Purchasing

- 🇧🇷 • Purchasing synergies with Viavarejo
- 🇫🇷 • Purchasing synergies with Casino Group since 2008

Click & Collect

- 🇫🇷 • Over 400 pick-up points for large parcels within Casino stores
- 🇧🇷 • Ongoing expansion of pick-up points in Brazil

Fulfillment

- 🇫🇷
🇧🇷 • Shared distribution centers in France and Brazil

Brands

- 🇧🇷 • 20-year agreement with parent companies

STRATEGY & TARGETS

STRATEGIC PRIORITIES

Cnova intends to continue to focus on delivering strong top-line growth while gradually improving profitability (on an ex-new countries basis) mainly through:

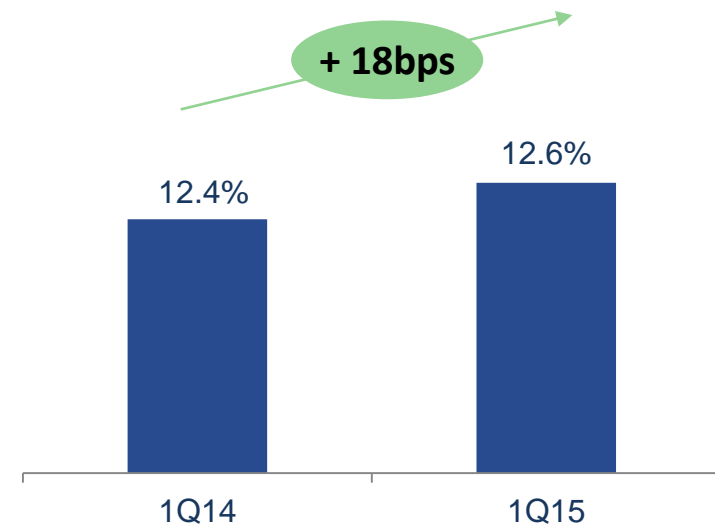
- The **fast development of marketplaces**, leveraging Cnova's traffic and direct sales
- Leveraging the our **low-cost business model** to maintain our attractive price positioning
- Strengthening **competitive advantages**, including the click-and-collect network and strong m-commerce position
- Broadening the **product assortment**, particularly in the higher margin home products category
- Accelerating the **development of specialty sites** with new country site launches
- Expanding the **international footprint**
- Generating **strong free cash flow** through effective working capital management

TARGETING GRADUAL GROSS MARGIN IMPROVEMENT

Gross margin improvement

- ✓ **Stable price positioning**
 - ✓ In Brazil since the end of 3Q14, after price investments were implemented over the 1Q-to-3Q14 period
 - ✓ In France since the end of 1Q14
- ✓ **Marketplace growth**
 - ✓ Increased marketplace contribution
 - ✓ Stable commission rates in both countries
- ✓ **International purchasing synergies**
 - ✓ Well on track to deliver international purchasing synergies, expected to be realized in 2H15

Gross Margin (excl. new countries, % of net sales)



- **Gross margin improvement excluding new countries : +18bps vs. 1Q14**
 - ✓ Including significant gross margin expansion in France year-over-year

From April to December 2015

Cnova is targeting net sales growth of

+19%

compared with the same period of 2014

within a plus or minus 150bps deviation on a constant currency basis¹.

Note 1. This guidance is in a consolidated basis (Cdiscount Group + Cnova Brazil) and in “constant currency basis” i.e. assuming 2014 exchange rate.
(Euro/BRL exchange rate in 2Q14=3.06; 3Q14= 3.01 and 4Q14=3.18)

- **OUR PRIMARY MARKETS**
- **MAIN BUSINESS UNITS**
- **A CLOSER LOOK AT CAPEX**
- **SUMMARY 1st QUARTER 2015 FINANCIAL STATEMENTS**
- **DEFINITIONS & NON-GAAP RECONCILIATIONS**

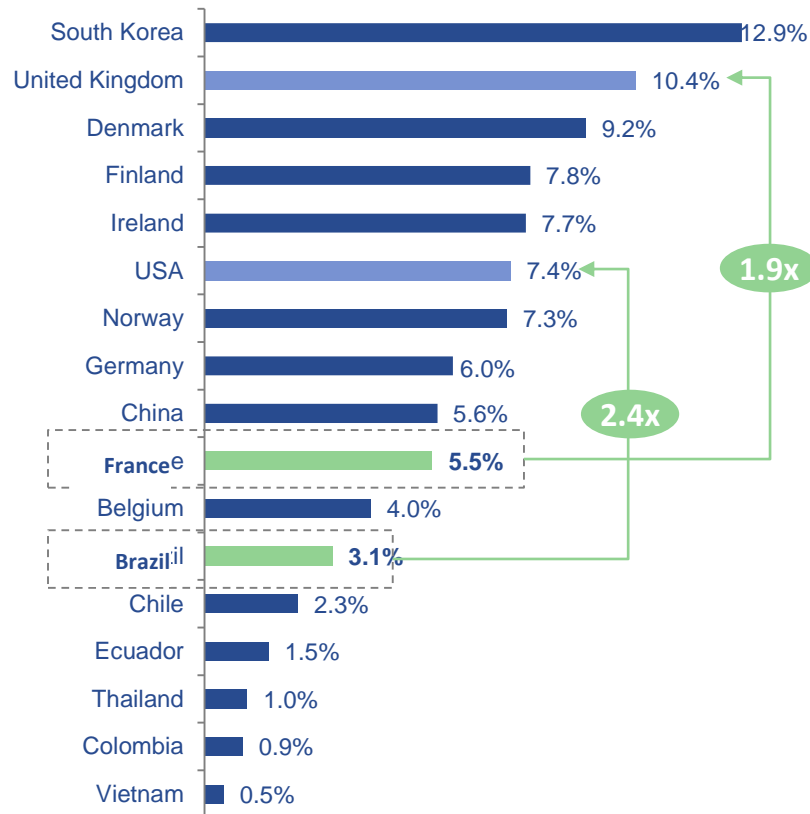
OUR PRIMARY MARKETS

OUR PRIMARY MARKETS: A SIGNIFICANT OPPORTUNITY

Brazil and France are large, underpenetrated markets

E-commerce penetration is low in France and Brazil

E-commerce market as % of total retail market, consumer goods
(excl. Services), 2013

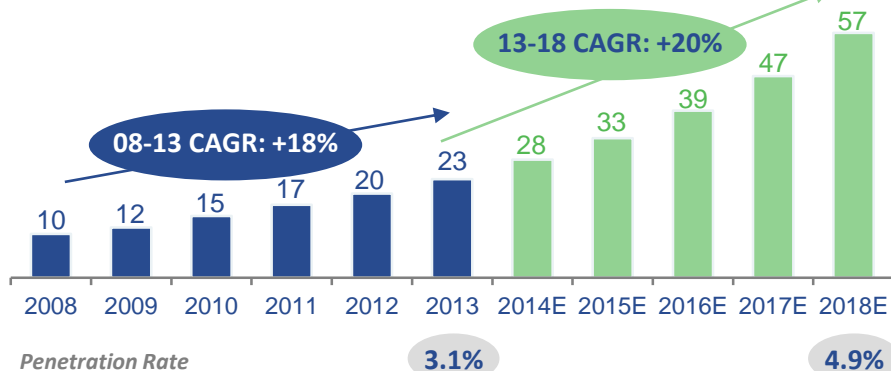


Growth potential in France and Brazil



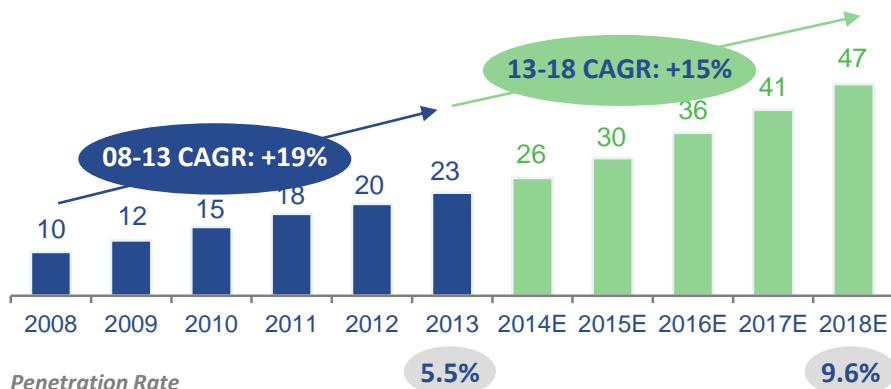
Brazil E-commerce market growth

E-commerce market sales excl. taxes (BRL Bn)



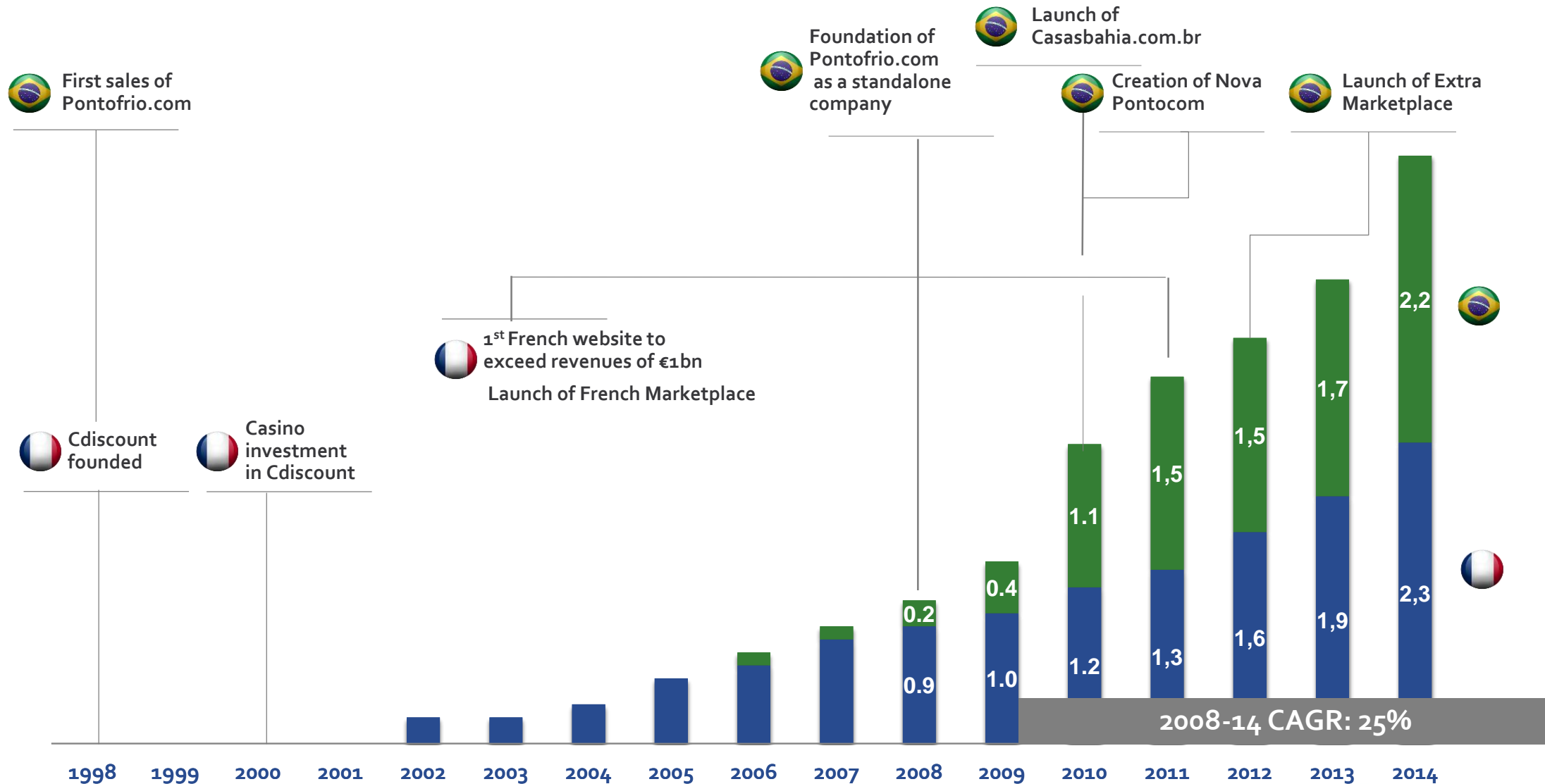
France E-commerce market growth

E-commerce market sales excl. taxes (€ Bn)

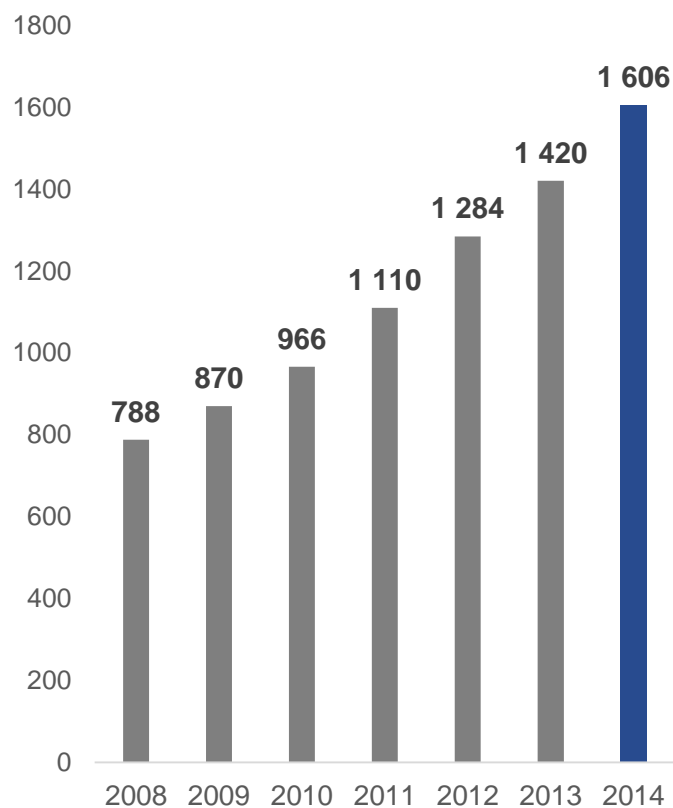


MAIN BUSINESS UNITS: **Cdiscount** 

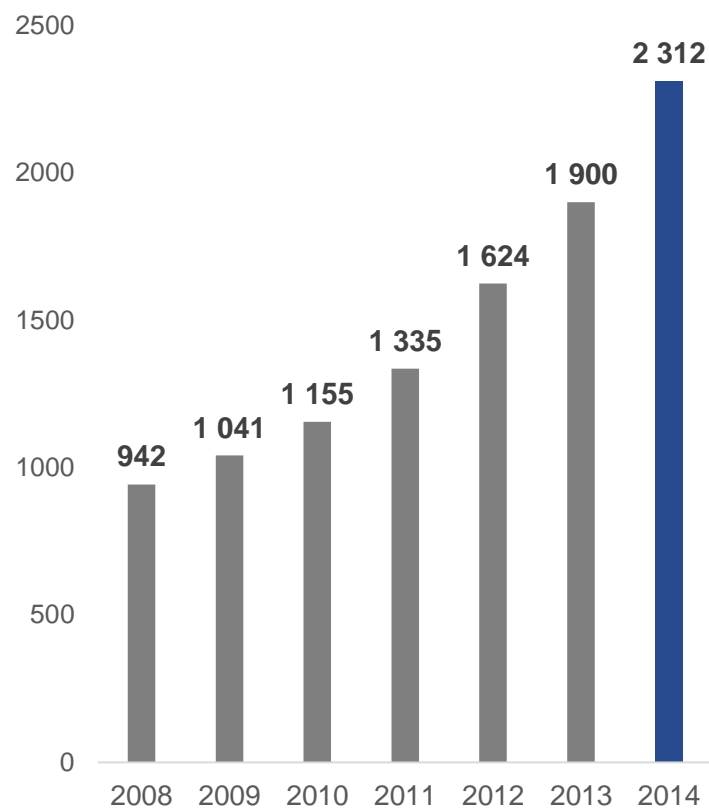
International

Proven success in both mature and emerging markets

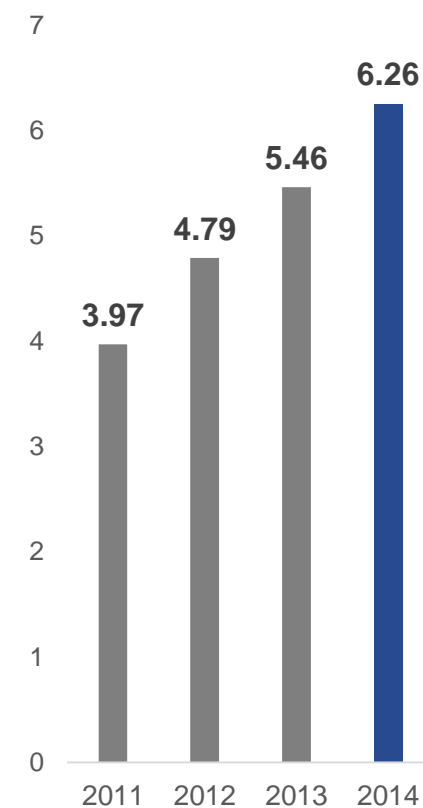
Net Sales - €m



GMV - €m

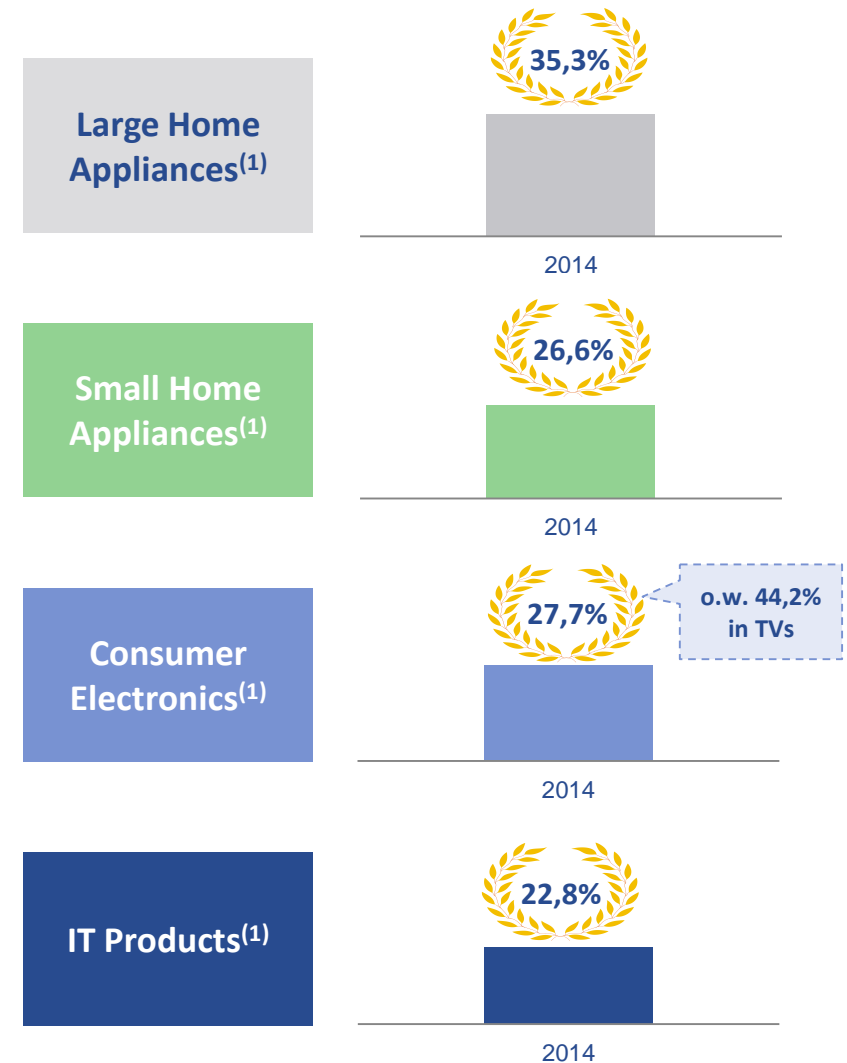
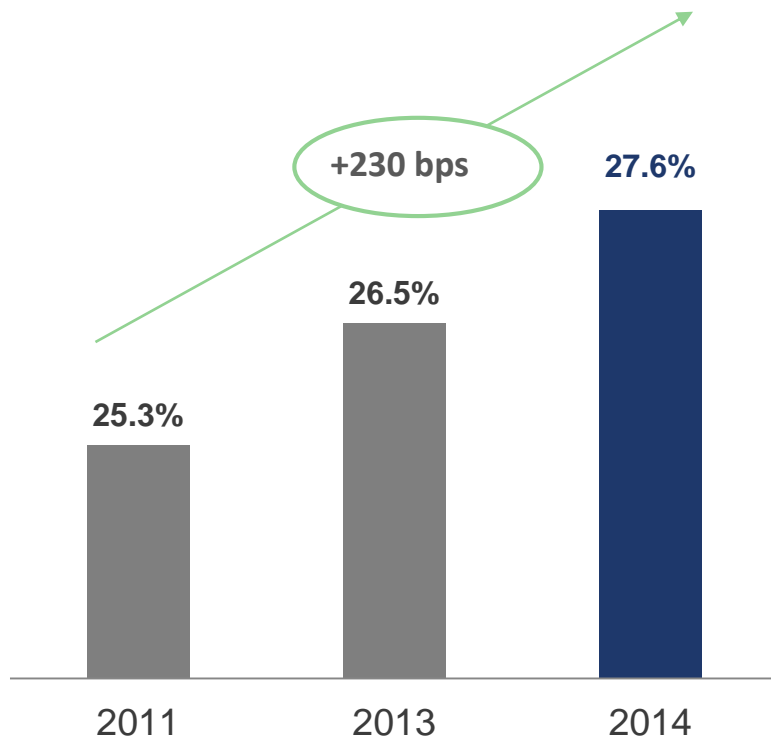


Active customers - millions



*A leading marketshare position in France based on **pricing leadership, click and collect** and **financing options***

Online market share in France in Technical Goods⁽¹⁾⁽²⁾

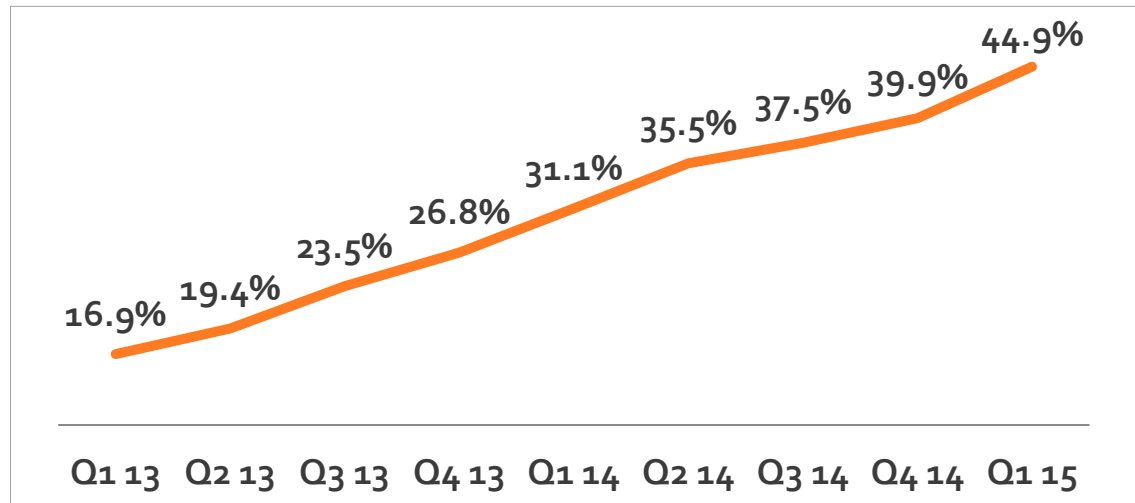


Notes

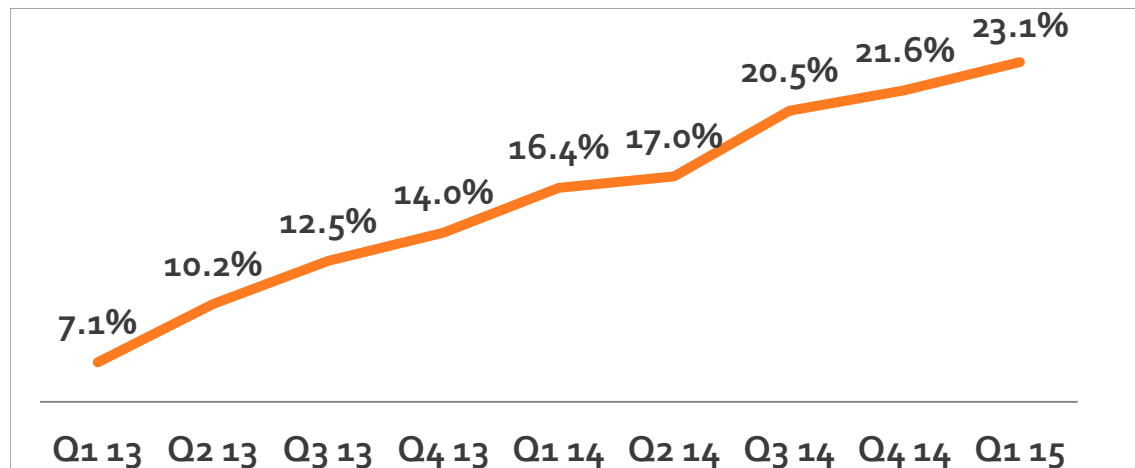
1. Source: GfK. GfK Technical Product Categories: Home appliances = small and large household appliances; Consumer Electronics= TV-Video, camera, sound, phones; IT Products = computers, laptops, printers, tablets, components
2. Internet market – annual average in 2011-14

Mobile contribution to traffic and GMV increasing at a fast pace

Traffic: evolution of Mobile contribution



GMV⁽¹⁾: evolution of Mobile contribution



Note

See Definitions section of this presentation for additional information regarding certain of the metrics used in this page

Cdiscount : A BROADER CUSTOMER BASE IN HIGHER MARGIN CATEGORIES

New specialty sites: addressing a broader customer base

- Expansion into higher growth and higher margin product categories, targeting a higher income customer base
- Launch of new sites: a quick and industrialized process requiring limited investment, leveraging Cnova's infrastructure and experience

Health and beauty August 2010



COMPTOIR SANTÉ

Apparel February 2013



MonShowroom.com

Do It Yourself December 2014



MON CORNER
BRICO

Garden / outdoor April 2015



MON CORNER
JARDIN

Specialty websites

- ✓ Premium brands
- ✓ Premium customers
- ✓ Advice and editorial content

Home Décor January 2013



MonCornerDéco

Baby products December 2014



Mon corner baby

Children Universe April 2015

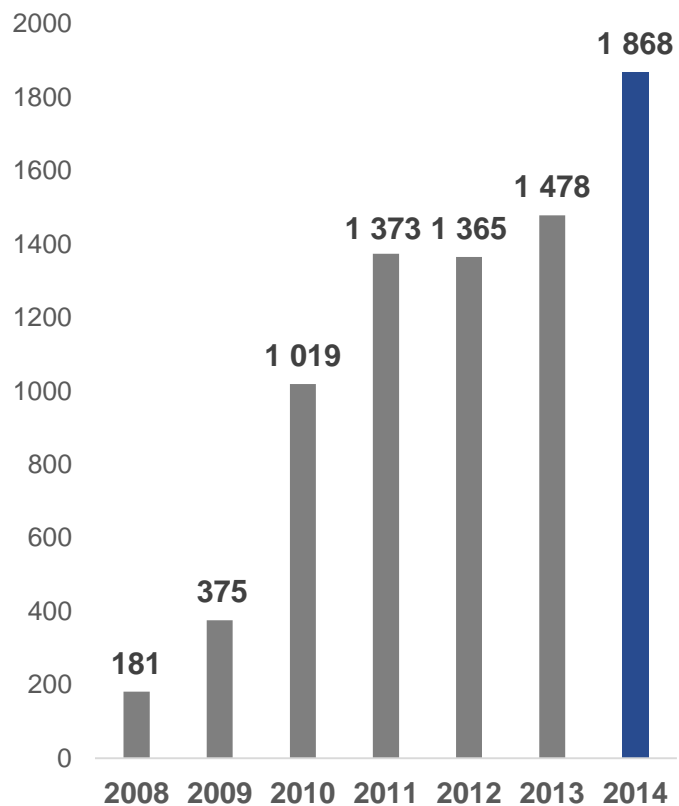


MON CORNER KIDS

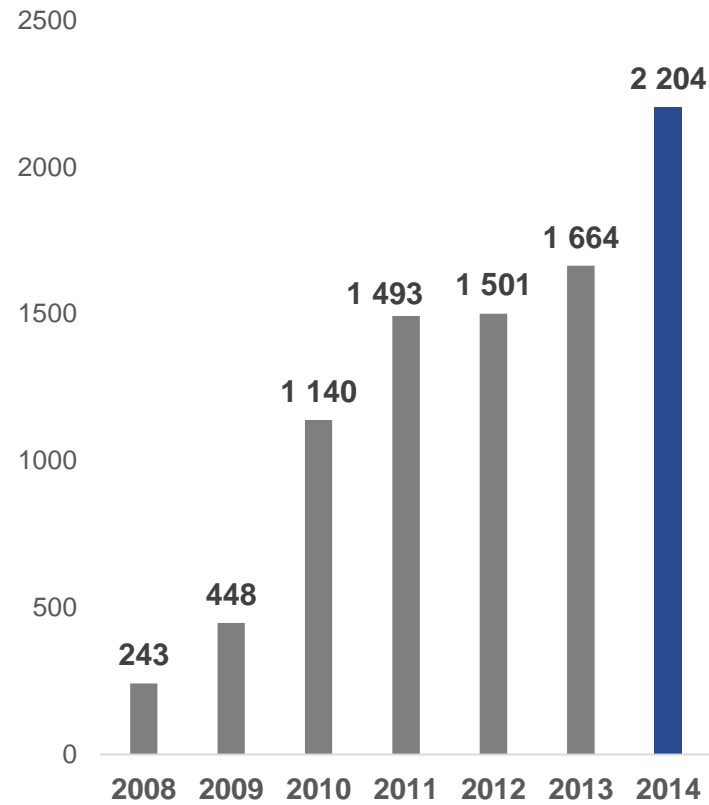
3

**Additional specialty
websites to be opened
by 2015 year end**

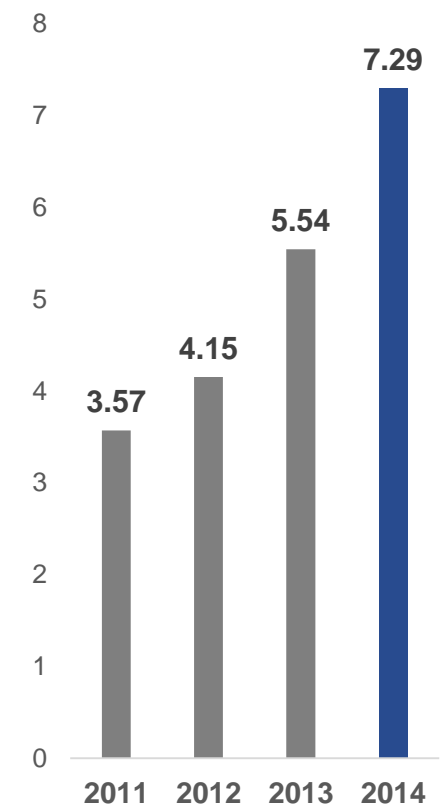
Net Sales - €m



GMV - €m

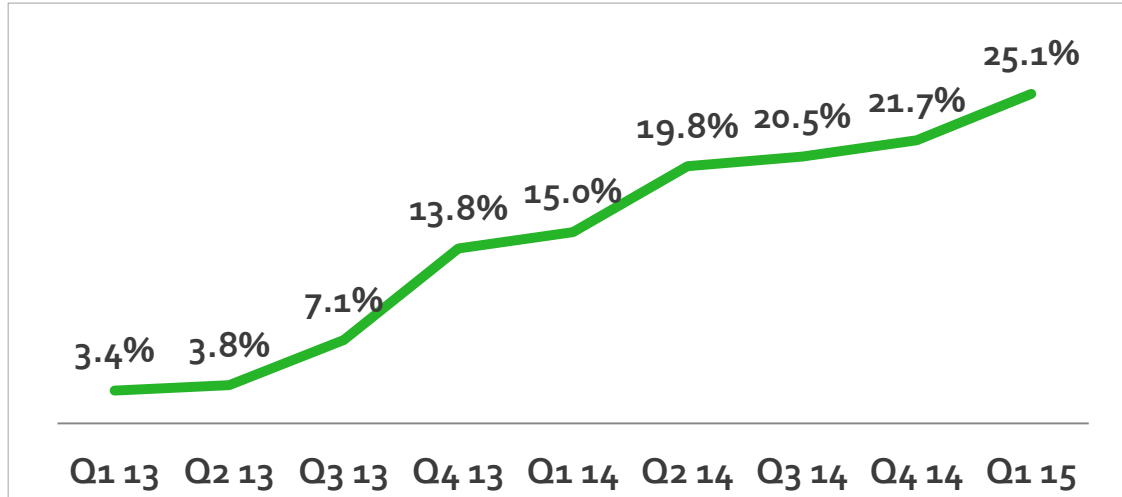


Active customers - millions

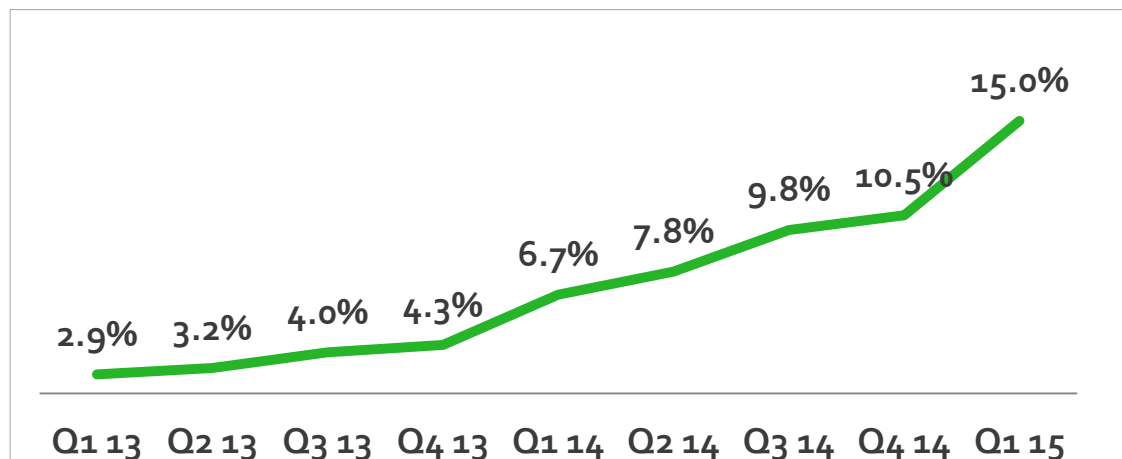


Mobile contribution to traffic and GMV increasing at a fast pace

Traffic: evolution of Mobile E-commerce contribution



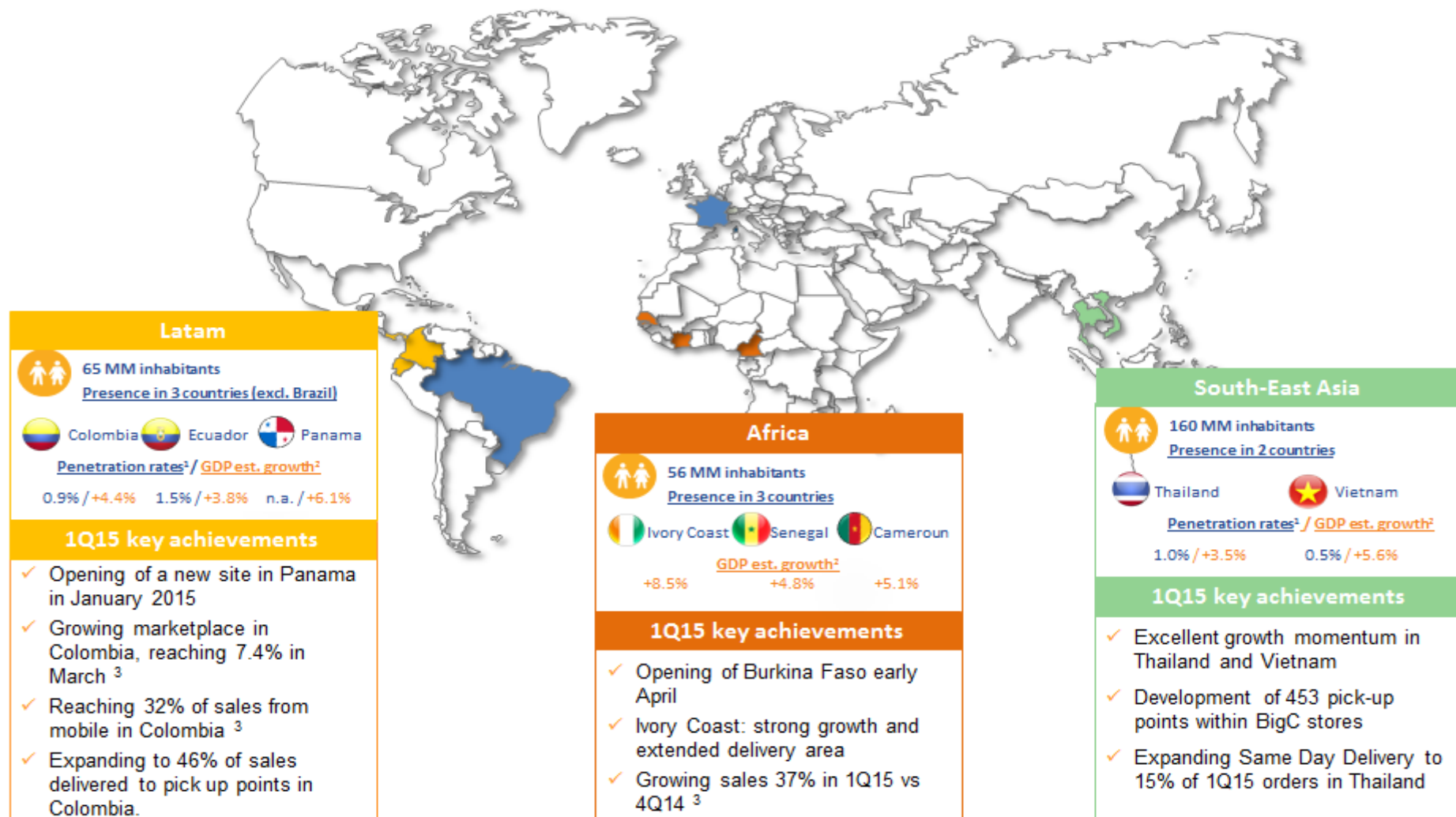
GMV : evolution of Mobile E-commerce contribution



Consumer financing in Brazil

- Similar to off line retailers, Cnova Brasil offers interest-free payments through installments
 - 70% to 80% of sales
 - Average ticket around 450 BRL (Approx 140 €)
 - Average maturity: around 3.5 months
- Receivables fully discounted with full transfer of collection risk to third parties: banks and credit card companies
- Cost of funding actively managed and represents around 3.5% of sales

International: fast growing expansion in new countries at a controlled rate



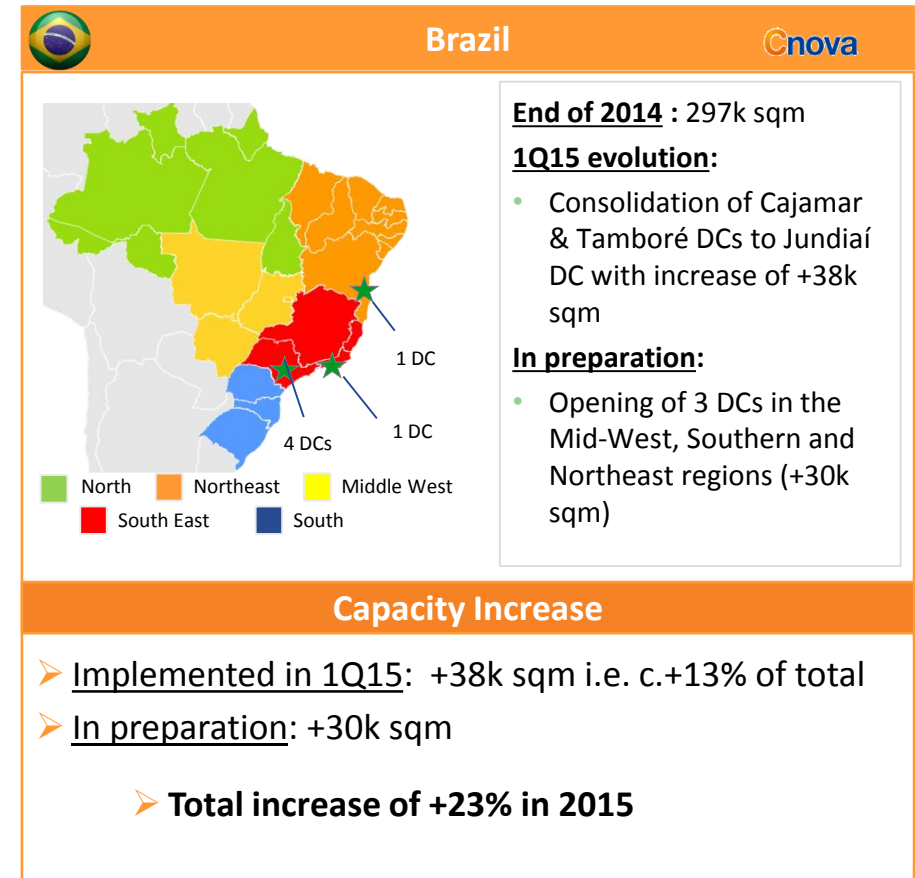
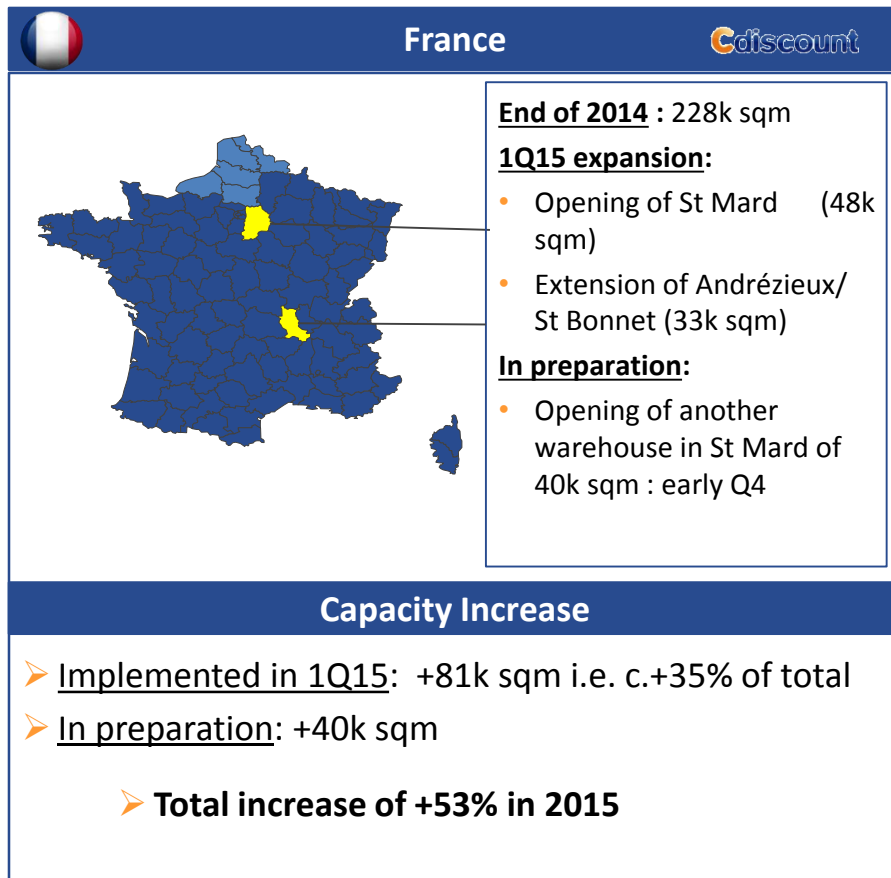
- Present in 11 countries - Total addressable population of 550 MM incl France and Brazil
- Preparation to launch 8 new countries by 2015 year-end, partly from expansion of existing sites (Europe, Africa)

(1) e-commerce market as % of total retail market, consumer goods (excl. services), 2013
 (2) Google analytics data
 (3) Promised merchandise sold (excluding tax) with shipping fees and without rebates (voucher / promo)

A CLOSER LOOK AT CAPEX

Increased investment to enhance future growth:

1. Infrastructure improvement to enhance customer service



Shorter delivery time



Higher capacity for extended product assortment



Increased fulfillment efficiency



Reduced transportation costs

Increased investment to enhance future growth:

2. Increased physical presence

Accelerated roll-out of the click and collect network

➤ France:

- ✓ Expansion of click-and-collect network to **19,100 points** (+10% vs. 1Q14)
- ✓ 593 pick-up points **for large items** (+34% vs. 1Q14)

➤ Brazil:

- ✓ **Doubling of pick-up points** compared to the end of 4Q14, reaching 210 at the end of 1Q15
- ✓ **Launch of immediate availability** currently tested in select Casas Bahia and Pontofrio stores

➤ Advantage for customers:

- ✓ Faster
 - ✓ Convenient
 - ✓ Free of charge
- On average, **40% lower cost for the Company** compared to home delivery

3. Key IT developments

Key strategic investments in IT systems

➤ France:

- ✓ **New warehouse management system (Manhattan)** which manages inventories across several warehouses and will provide same day delivery
- ✓ **New search engine (Solr)** which manages an extended product offering and improves navigation capability
- ✓ **New software (Responsive Design)** to better present products **on mobile devices**
- ✓ **Single registration for sellers** for multiple marketplace sites

➤ Brazil:

- ✓ Accelerated investment in a **new ERP system**, in conjunction with a **new warehouse management system** and a **new customer service system**
- ✓ Launch of a **new recommendation tool**

➤ Advantage for customers:

- ✓ Reduced delivery time
- ✓ Improved ability to offer customers their desired products

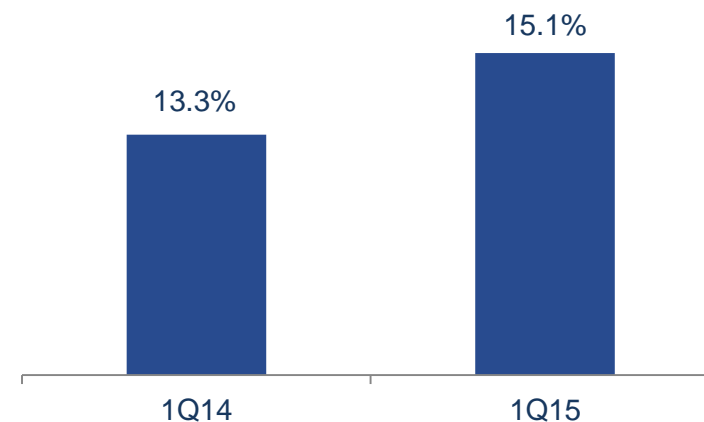
SG&A evolution reflecting the impact of increased investments for future growth

Accelerated Investments

- ✓ Impact of very strong GMV growth on fulfillment costs and SG&A
- ✓ Infrastructure improvement
 - -95bps in fulfillment costs
- ✓ Accelerated strategic IT investment
 - -53bps in Tech&Content costs
- ✓ Stable marketing costs : +2bps
 - Selective investment in customer acquisition in Brazil
 - Offset by the reduction in Cdiscount's marketing costs
- ✓ G&A costs up -30bps
 - Related to higher holding and corporate development expense

Operating Expenses

(excl. new countries and Other Expenses, % of net sales)



- As a % of net sales and excl. new countries, **SG&A increased by -175bps in 1Q15 vs 1Q14**
- As a % of GMV and excl. new countries, **SG&A increased by 40 bps from -10.6% to -11.0%**

SUMMARY 1st QUARTER 2015 FINANCIAL STATEMENTS

Income Statement Highlights

(€ million)	1Q15	1Q15 (ex- New Countries)	1Q14	Δ YoY (ex- New Countries)
Net sales	915.5		777.4	
Gross Profit	113.2	113.9	96.2	18.3%
<i>% of net sales</i>	<i>12.4%</i>	<i>12.6%</i>	<i>12.4%</i>	<i>18 bps</i>
Operating Expenses	-141.2	-136.7	-103.6	
Fulfillment	-73.2		-53.7	
Marketing	-20.7		-16.9	
Technology and content	-26.5		-18.5	
General and administrative	-20.7		-14.5	
Recurring EBIT¹	-28.0	-22.9	-7.4	
<i>% of net sales</i>	<i>-3.1%</i>	<i>-2.5%</i>	<i>-1.0%</i>	
Other Expenses	-14.1		0.0	
Operating Profit (loss)	-42.2		-7.4	
Net Financial Expense	-5.4		-15.0	
<i>% of net sales</i>	<i>-0.6%</i>		<i>-1.9%</i>	
Profit (loss) before tax	-47.5		-22.5	
Net loss for the period	-40.6		-18.7	
<i>% of net sales</i>	<i>-4.4%</i>		<i>-2.4%</i>	

Note

1) Operating profit (loss) before restructuring, litigation, initial public offering expenses, gain / (loss) from disposal of non-current assets and impairment of assets

Cash Flow Summary

	1Q15	1Q14
<i>(€ thousands)</i>		
Net cash from operating activities	(393,630)	(286,505)
Net cash used in investing activities	44,633	82,915
Net cash from/(used in) financing activities	143,949	(16,490)
Effect of changes in foreign currency translation adjustments	(23,585)	930
Change in cash and cash equivalents	(228,633)	(219,150)

Summary Balance Sheet

(€ thousands)	31-Mar-15	31-Dec-14
Cash and cash equivalents	344,809	573,321
Trade receivables, net	153,383	139,307
Inventories, net	483,522	417,164
Other current assets	131,033	204,093
Total current assets	1,112,747	1,333,885
Total non-current assets	805,459	827,574
TOTAL ASSETS	1,918,206	2,161,459
Trade payables	1,023,027	1,296,013
Current financial debt	264,414	102,557
Other current liabilities	105,000	160,629
Total current liabilities	1,392,441	1,559,198
Total non-current liabilities	29,185	17,969
Share capital	22,065	22,065
Reserves, retained earnings and additional paid-in capital	471,000	555,908
Non-controlling interests	3,515	6,318
Total equity	496,580	584,291
TOTAL EQUITY AND LIABILITIES	1,918,206	2,161,459

DEFINITIONS & NON-GAAP RECONCILIATIONS

1. DEFINITIONS 1/2

- **Active Customers** – customers who have made at least one purchase through Cnova’s sites during the relevant 12-month measurement period ; provided that, because we operate multiple sites, each with unique systems of identifying users, we calculate active customers on a website-by-website basis, which may result in an individual being counted more than once.
- **Adjusted EBITDA** – calculated as Operating Profit (Loss) Before Other Expenses and before depreciation and amortization expense and share based payments. See “Non-GAAP Reconciliations” section for additional information.
- **Adjusted EBITDA excluding expansion to new countries** - calculated as Adjusted EBITDA excluding the impact related to countries with operations starting after January 1, 2014. See “Non-GAAP Reconciliations” section for additional information.
- **Adjusted Net Profit** – calculated as Net Profit (Loss) attributable to equity holders of Cnova before Other Expenses and the related tax impacts. See “Non-GAAP Reconciliations” section for additional information.
- **Adjusted EPS or Adjusted Net Profit Per Share** – calculated as Adjusted Net Profit divided by the weighted average number of ordinary shares outstanding during the applicable period. See “Non-GAAP Reconciliations” section for additional information.
- **Free Cash Flow** – net cash from operating activities less financial expenses paid in relation to factoring activities and less purchase of property and equipment and intangible assets. See “Non-GAAP Reconciliations” section for additional information.
- **Gross Profit** – net sales less cost of sales. See “Non-GAAP Reconciliations” section for additional information.
- **Gross Margin** – gross profit as a percentage of net sales. See “Non-GAAP Reconciliations” section for additional information.
- **Gross Margin excluding expansion to new countries** – calculated as Gross Margin excluding the impact related to countries with operations starting after January 1, 2014. See “Non-GAAP Reconciliations” section for additional information.
- **Gross Merchandise Volume or “GMV”** - comprised of our products sales, other revenues and marketplaces business volumes, after returns, including taxes.

1. DEFINITIONS 2/2

- **Marketplace Share** – marketplace business volumes as a percentage of total GMV over the quarter. For France, Marketplace Share of www.cdiscout.com GMV only. For Brazil, Marketplace Share of total Cnova Brazil GMV.
- **Mobile Share of Traffic** – share of traffic on mobile devices excluding specialty and international websites.
- **Net Cash / (Net Financial Debt)** – calculated as the sum of (i) cash and cash equivalents and (ii) the current account provided by Cnova or its subsidiaries to Casino pursuant to cash pool arrangements, less financial debt. See “Non-GAAP Reconciliations” section for additional information.
- **Operating Profit Before Other Expenses** – calculated as operating profit (loss) before restructuring, initial public offering expenses, litigation, gain/(loss) from disposal of non-current assets and impairment of assets.
- **Operating Profit Before Other Expenses excluding expansion to New Countries** – calculated as Operating Profit Before Other Expenses excluding the impact related to countries with operations starting after January 1, 2014. See “Non-GAAP Reconciliations” section for additional information.
- **Other Expenses** – calculated as the sum of restructuring, initial public offering expenses, litigation, gain/(loss) from disposal of non-current assets and impairment of assets.
- **Operating Working Capital** – calculated as trade payables less net trade receivables less net inventories.
- **Placed Orders** – total number of orders placed before cancellation due to fraud detection or lack of payment by customers.
- **Product Offerings** – total number of products offered to our customers across all of our sites, including all products offered by us directly and through our marketplaces.
- **Unique Customer** – customer who have purchased a least once over the considered period but counted as a single customer irrespective of the number of orders placed by that customer over the considered period.

2. NON-GAAP RECONCILIATIONS 1/7

Gross Profit

Gross Margin

Gross Profit excluding expansion to new countries

Gross Margin excluding expansion to new countries

Gross Profit Post-Marketing Expenses

Gross Profit is calculated as net sales less cost of sales. Gross Margin is gross profit as a percentage of net sales. Gross Profit and Gross Margin are included in this presentation because they are performance measures used by our management and board of directors to determine the commercial performance of our business. We have also included Gross Profit Excluding Expansion to New Countries and Gross Margin Excluding Expansion to New countries, which further excludes the net sales and costs of sales related to countries with operations starting after January 1, 2014. In addition, we provide Gross Profit Post-Marketing Expenses because it indicates that our growth in sales has been achieved with only limited marketing expenses. The following tables present a computation of Gross Profit, Gross Margin, Gross Profit Excluding Expansion to New countries, Gross Margin Excluding Expansion to New countries and Gross Profit Post-Marketing Expenses for each of the periods indicated:

	Q1 March 31, 2014	Q1 March 31, 2015
€ thousands		
Net sales	777,396	915,470
Less Cost of sales	(681,166)	(802,307)
Gross Profit	96,230	113,163
<i>Gross Margin</i>	12.4%	12.4%
Less Net sales from Expansion to New Countries	-	(8,696)
Plus costs of sales from Expansion to New Countries	-	9,400
Gross Profit Excluding Expansion to New Countries	96,230	113,867
<i>Gross Margin Excluding Expansion to New Countries</i>	12.4%	12.6%
	Q1 March 31, 2014	Q1 March 31, 2015
€ thousands		
Gross Profit	96,230	113,163
Less Marketing expenses	(16,905)	(20,747)
Gross Profit post-marketing expenses	79,325	92,416

2. NON-GAAP RECONCILIATIONS 2/7

Adjusted EBITDA

Adjusted EBITDA excluding expansion to new countries

Adjusted EBITDA is calculated as operating profit (loss) before restructuring, initial public offering expenses, litigation, gain/(loss) from disposal of non current assets and impairment of assets and before depreciation and amortization expense and share based payment. We have also included Adjusted EBITDA Excluding Expansion to New Countries, which further excludes the adjusted EBITDA related to countries with operations starting after January 1, 2014. We have provided a reconciliation below of these measures to operating profit (loss) before restructuring, initial public offering expenses, litigation, gain/(loss) from disposal of non current assets and impairment of assets, the most directly comparable GAAP financial measure.

We have included Adjusted EBITDA and Adjusted EBITDA Excluding Expansion to New Countries in this presentation because they are key measures used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA facilitates operating performance comparisons on a period to period basis. In the case of exclusion of the impact of stock based compensation, it excludes an item that we do not consider to be indicative of our core operating performance. In the case of exclusion of expansion to new countries, it excludes activities that are still in an early development stage since having only launched in 2014.

The following table reflects the reconciliation of operating profit (loss) before restructuring litigation, initial public offering expenses, gain/(loss) from disposal of non currents assets and impairment of assets to Adjusted EBITDA and Adjusted EBITDA Excluding Expansion to New Countries for each of the periods indicated:

	Q1 March 31, 2014	Q1 March 31, 2015
€ thousands		
Operating profit before restructuring, litigation, gain/(loss) from disposal of non-current assets and impairment of assets	(7,409)	(28,020)
Excluding Share based payment expenses	127	196
Excluding Depreciation and amortization	5,836	9,662
Adjusted EBITDA	(1,446)	(18,162)
Excluding Expansion to New Countries	-	4,963
Adjusting EBITDA Excluding Expansion to New Countries	(1,446)	(13,199)

2. NON-GAAP RECONCILIATIONS 3/7

Operating Profit Before Other Expenses excluding expansion to new countries

Operating Profit Before Other Expenses Excluding Expansion to New Countries and Net of Factoring Costs

Operating Profit Before Other Expenses Excluding Expansion to New Countries is calculated as operating profit (loss) before restructuring, initial public offering expenses, litigation, gain/(loss) from disposal of non current assets and impairment of assets and excluding the impact related to countries with operations starting after January 1, 2014. Operating Profit Before Other Expenses Excluding Expansion to New Countries and Net of Factoring Costs further excludes the factoring costs incurred by the Company in discounting sales receivable. We have provided a reconciliation below of these two measures to operating profit (loss) before restructuring, initial public offering expenses, litigation, gain/(loss) from disposal of non current assets and impairment of assets, the most directly comparable GAAP financial measure.

These non-GAAP measures are used by Cnova's management and board of directors to gain a better understanding of the profitability of Cnova before the impact of expansion to new countries, which are still in their early stages of development, and before factoring costs, which are financial expenses specific to the discount of receivables related to sales.

The following table reflects the reconciliation of operating profit (loss) before restructuring litigation, initial public offering expenses, gain/(loss) from disposal of non current assets and impairment of assets to Operating Profit Before Other Expenses Excluding Expansion to New Countries and to Operating Profit Before Other Expenses Excluding Expansion to New Countries and Net of Factoring Costs for each of the periods indicated:

	Q1 March 31, 2014	Q1 March 31, 2015
€ thousands		
Operating profit before restructuring, litigation, gain/(loss) from disposal of non-current assets and impairment of assets	(7,409)	(28,020)
Excluding Expansion from new countries	-	5,141
Operating profit before other expenses and excluding expansion from new countries	(7,409)	(22,879)
Less financial expenses in relation to factoring activities	(12,777)	(16,630)
Operating profit before other expenses and net of factoring costs excluding expansion from new countries	(20,187)	(39,509)

2. NON-GAAP RECONCILIATIONS 4/7

Adjusted Net Profit/(Loss) Attributable to Equity Holders of Cnova

Adjusted EPS

Adjusted Net Profit/(Loss) Attributable to Equity Holders of Cnova is calculated as net profit/(loss) attributable to equity holders of Cnova before restructuring, initial public offering expenses, litigation, gain/(loss) from disposal of non current assets and impairment of assets and the related tax impacts. Adjusted EPS is calculated as Adjusted Net Profit/(Loss) Attributable to Equity Holders of Cnova divided by the weighted average number of outstanding ordinary shares of Cnova during the applicable period. We have provided a reconciliation below of Adjusted Net Profit/(Loss) Attributable to Equity Holders of Cnova to net profit/(loss) attributable to equity holders of Cnova, the most directly comparable GAAP financial measure.

Adjusted Net Profit/(Loss) Attributable to Equity Holders of Cnova is a financial measure used by Cnova's management and board of directors to evaluate the overall financial performance of the business. In particular, the exclusion of certain expenses in calculating Adjusted Net Profit/(Loss) Attributable to Equity Holders of Cnova facilitates the comparison of income on a period-to-period basis.

The following table reflects the reconciliation of net profit/(loss) attributable to equity holders of Cnova to Adjusted Net Profit/(Loss) Attributable to Equity Holders of Cnova and presents the computation of Adjusted EPS for each of the periods indicated.

	Q1 March 31, 2014	Q1 March 31, 2015
€ thousands		
Net Profit (Loss) (attributable to equity holders of Cnova)	(18,339)	(37,610)
Excluding restructuring expenses	16	4,314
Excluding litigation expenses	-	590
Excluding initial public offering expenses	-	3,535
Excluding gain / (loss) from disposal of non-current assets	-	277
Excluding impairment of assets charges	-	5,425
Excluding income tax effect on above adjustments	(6)	(1,109)
Excluding recognition of previously unrecognized tax losses	-	-
Excluding minority interest effect on above adjustments	0	(563)
Adjusted Net Profit (Loss) (attributable to equity holders of Cnova)	(18,328)	(25,141)
Weighted average number of ordinary shares	411,455,569	441,297,846
Adjusted EPS (€)	(0.04)	(0.06)

2. NON-GAAP RECONCILIATIONS 5/7

Free Cash Flow

Free Cash Flow is calculated as net cash provided (used) by operating activities as presented in our cash flow statement less capital expenditures (purchases of intangible assets and property and equipment) and less the financial expense paid in relation to factoring activities.

We have provided below a reconciliation of free cash flow to net cash (used in) from operating activities, the most directly comparable GAAP financial measure.

The following table presents a computation of Free Cash Flow for each of the periods indicated:

	Q1 March 31, 2014	Q1 March 31, 2015
Net cash flow from operating activities	(286,505)	(393,630)
Less financial expenses paid in relation to factoring activities	(12,777)	(16,630)
Less purchase of property and equipment and intangibles assets	(12,808)	(22,464)
Free cash flow	(312,089)	(432,724)

The following table presents a computation of Free Cash Flow for each of the twelve months periods ended at the indicated dates:

	March 31, 2014	March 31, 2015
Net cash flow from operating activities	55,107	177,874
Less financial expenses paid in relation to factoring activities	(48,268)	(63,937)
Less purchase of property and equipment and intangibles assets	(53,907)	(86,297)
Free cash flow (last twelve months)	(47,067)	27,639

2. NON-GAAP RECONCILIATIONS 6/7

Net Cash/(Net Financial Debt)

Net Cash/(Net Financial Debt) is calculated as the sum of (i) cash and cash equivalents and (ii) cash pool balances held in arrangements with Casino Group and presented in other current assets, less financial debt.

Net Cash/(Net Financial Debt) is a measure that provides useful information to management and investors to evaluate our cash and cash equivalents and debt levels and our current account position, taking into consideration the cash pool arrangements in place among certain members of the Casino Group, and therefore assists investors and others in understanding our cash position and liquidity.

The following table presents a computation of Net Cash/(Net Financial Debt) for each of the periods indicated:

	Q1 March 31, 2014	Q1 March 31, 2015
€ thousands		
Cash and cash equivalents	33,603	344,809
Cash pool balances with Casino presented in other current assets	5,094	-
Less current financial debt	(167,676)	(264,414)
Less non-current financial debt	(6,182)	(9,640)
Net Cash (Net Financial Debt)	(135,162)	70,755

2. NON-GAAP RECONCILIATIONS 7/7

Operating Working Capital

Operating Working Capital is calculated as trade payables less net trade receivables less net inventories. We have provided a reconciliation below of Operating Working Capital to trade payables, net trade receivables and net inventories, the most directly comparable GAAP financial measures.

Operating Working Capital is a financial measure used by Cnova's management and board of directors to evaluate the cash generation of the business. In particular, the comparison of the Operating Working Capital on a period-to-period basis takes into account our business seasonality.

The following table reflects the reconciliation of Operating Working Capital for each of the periods indicated.

	Q1 March 31, 2014	Q1 March 31, 2015
€ thousands		
Trade payables	623,323	1,023,027
Trade receivables, net	(75,552)	(153,383)
Inventories, net	(364,264)	(483,522)
Operating Working Capital	183,506	386,122
<i>In days of Net Sales (calculated over 1Q14 and 1Q15 Net Sales and 90 days per quarter)</i>	21	38

IR CONTACT:

Christopher Welton

+33 1 53 70 55 65

christopher.welton@cnovagroup.com