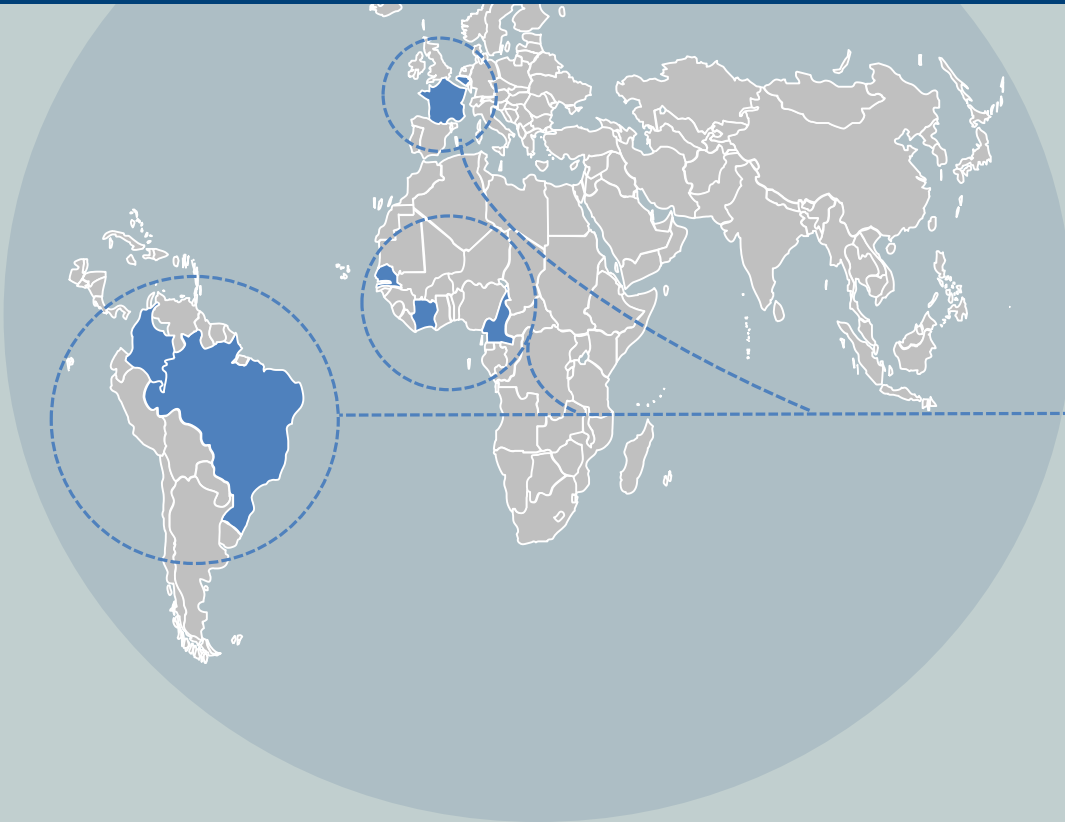


# Cnova 1Q16 Financial Results



**Cnova**

CDISCOUNT & NOVA PONTOCOM

April 26, 2016

# Disclaimers

## **Forward-Looking Statements**

*In addition to historical information, this presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements may include projections regarding Cnova's future performance and, in some cases, may be identified by words like "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "seek" and similar terms or phrases. The forward-looking statements contained in this press release are based on management's current expectations, which are subject to uncertainty, risks and changes in circumstances that are difficult to predict and many of which are outside of Cnova's control. Important factors that could cause Cnova's actual results to differ materially from those indicated in the forward-looking statements include, among others: the ability to grow its customer base; the ability to maintain and enhance its brands and reputation; the ability to manage the growth of Cnova effectively; changes to technologies used by Cnova; changes in global, national, regional or local economic, business, competitive, market or regulatory conditions; the ongoing internal review in Brazil; and other factors discussed under the heading "Risk Factors" in the U.S. Annual Report on the Form 20-F for the year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission on March 31, 2015, and other documents filed with or furnished to the U.S. Securities and Exchange Commission. Any forward-looking statement made in this press release speaks only as of the date hereof. Factors or events that could cause Cnova's actual results to differ from the statements contained herein may emerge from time to time, and it is not possible for Cnova to predict all of them. Except as required by law, Cnova undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.*

## **Non-GAAP Financial Measures**

*To provide investors with additional information regarding our financial results, this presentation includes certain financial measures which may be defined as "non-GAAP financial measures" by the U.S. Securities and Exchange Commission (SEC). These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with generally accepted accounting principles (GAAP).*

*For a reconciliation of these non-GAAP financial measures to the nearest comparable GAAP measures, see the Non-GAAP Reconciliations section included in this presentation.*

*The Company stresses that the 1st quarter 2015 figures presented herein are preliminary estimates, prepared solely by management. These figures are presented for comparison purposes only, and are subject to change depending on the developments of the ongoing internal review at Cnova Brazil.*

*Furthermore, the ongoing review in Cnova Brazil has recently identified other issues (related to intangible assets and possible improperly deferred operating expenses) that are currently the subject of further review. It is not possible at this time to: i) evaluate the impact that these issues may have on 2015 and prior periods, ii) determine how such an impact would be apportioned to the various quarters of those accounting periods, and iii) know whether those apportionments could ultimately also impact the first quarter 2016 financial results.*

*Finalized restated 2015 financial statements and the related auditor's report will be issued once the review has been completed, currently estimated to not occur before June 2016 at the earliest.*



## 1Q16 Highlights



1Q16 Financial Results



Brazil Update



Outlook & Strategy

# 1Q16 Financial Results

## Key indicators 1Q16\*



### GMV

€ **1,138**  
million

- Growth of +4.2% on neutral currency
- Cdiscount FR : +18.3%
- Cnova BR: -10.5% on local currency

### Marketplace share

**24.2%**  
(1Q15: 16.7%)

**Cdiscount FR: 29.0%**   **Cnova BR: 15.6%**  
*1Q15: 25.5%   7.1%*

### Net Sales\*

€ **742**  
million

- Cdiscount FR : +15.3%; MP commissions +59% y-o-y
- Cnova BR: -19.7% local currency, ex-ICMS impact\*; MP commissions: +142% y-o-y

### Gross Margin\*

**12.6%**  
(1Q15: 11.2%)

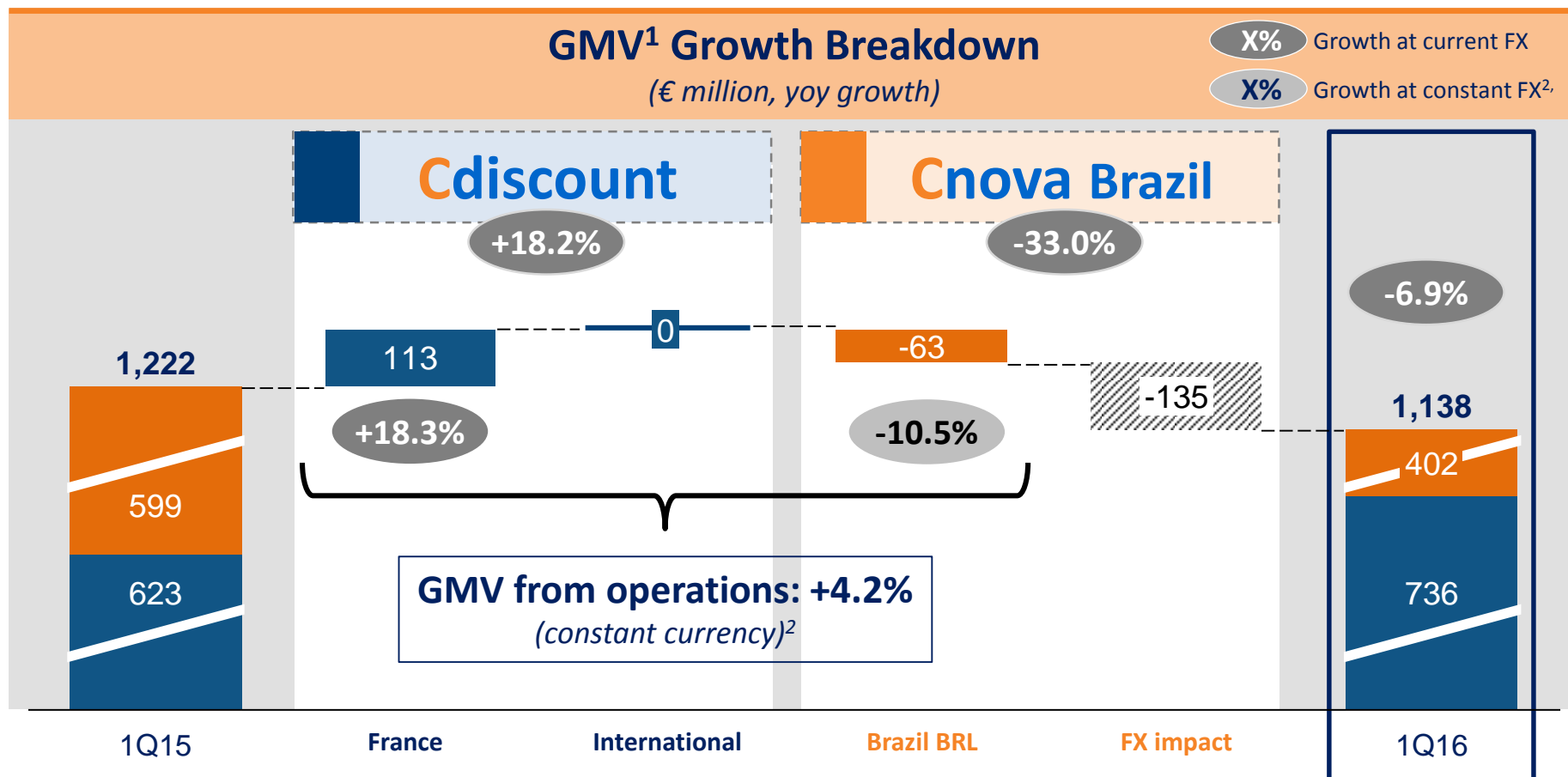
**Cdiscount FR: 14.0%**   **Cnova BR: 10.2%**  
*1Q15: 13.4%   9.5%*

### Free Cash Flow (last twelve months)

€ **(181)**  
million

- Cash loss from activities of € (118) million impacted by Brazilian macro
  - Change in working capital of € 7 million
- Capex of € (63) million

Note: \*) Since Jan 1, 2016, ICMS, the Brazilian indirect VAT on the interstate sale of goods and services, is transitioning from being 100% due in the state of the seller to being 100% due in the state of the buyer. The estimated decrease in 1Q16 at Cnova Brazil is approx. R\$ 82 million (approx. €19 million) in net sales and approx. R\$ 12 million (approx. €3 million) in gross margin.

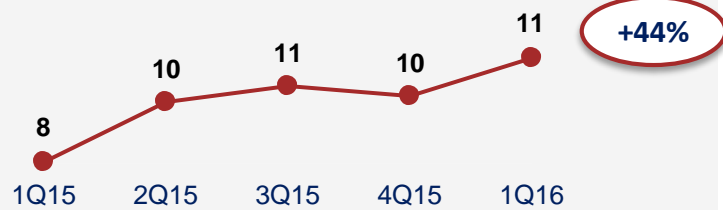
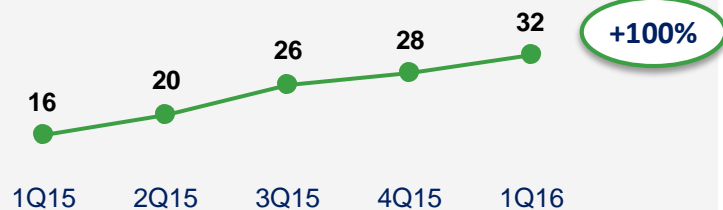


■ **GMV growth of 4.2%** on a currency neutral basis

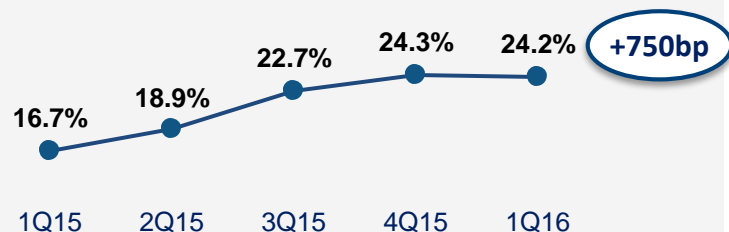
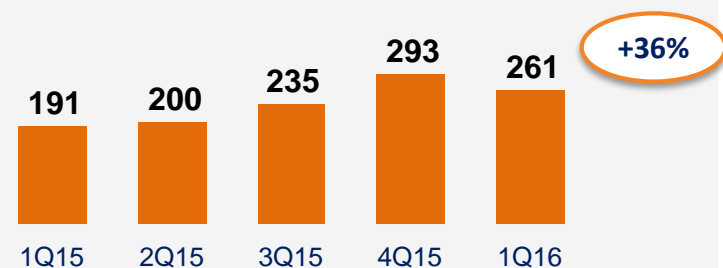
- **Marketplace share** of GMV of **24.2%**, up 750 bps vs. 1Q15, with a share of **29.0%** in **France** and **15.6%** in **Brazil**
- Increase in **active marketplace sellers** by **44%** vs. 1Q15 to **11.5 thousand**, with an increase over previous quarter
- Larger **assortment of product offerings**: from 16 million in 1Q15 to more than **32 million** in **1Q16**

## Marketplace evolution

Y-o-Y growth

Number of sellers  
(thousand)Product offerings  
(million)

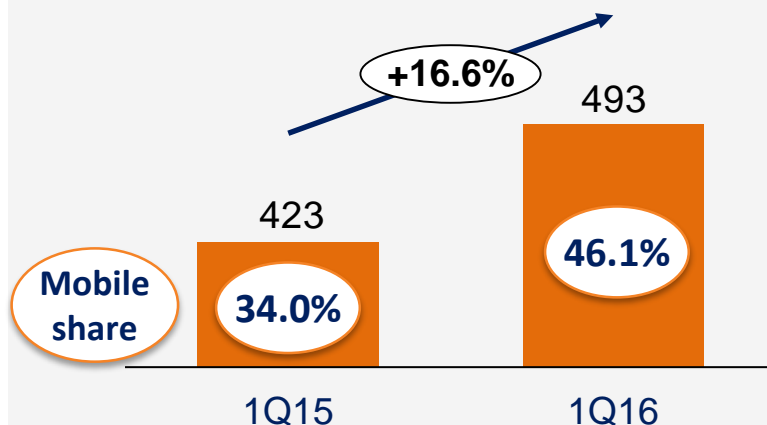
Share of total GMV\*

Mktplace GMV  
(€ million)

- Continuous development of **marketplace** as part of **long term strategy**
  - **Positive impact on gross margin improvement** as commissions revenues grow 59% in France and 142% in Brazil
  - **Development push** in France since **2011** and in Brazil since **2013**.
- **Milestones in France in 1Q16**
  - **3,800 foreign sellers** as of March
  - **Development of fulfillment services**, up to 5% of MKP GMV at the end of March representing more than 500 vendors
  - Increased **quality requirements imposed on sellers**
- **Milestones in Brazil 1Q16:**
  - **More than 650 sellers** added to Cnova Brazil's marketplaces this quarter
  - Focus on **prospection**, service **quality** and process **automation**

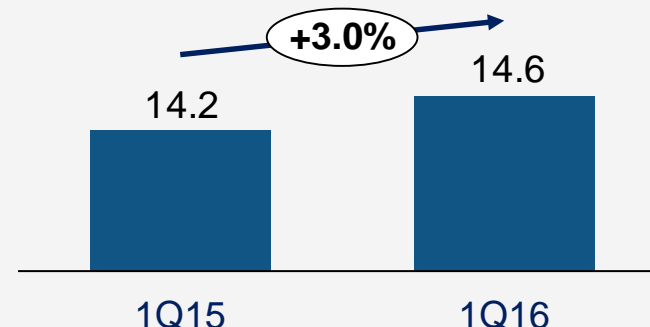
## Traffic

(million visits)



## Active customers\*

(million)

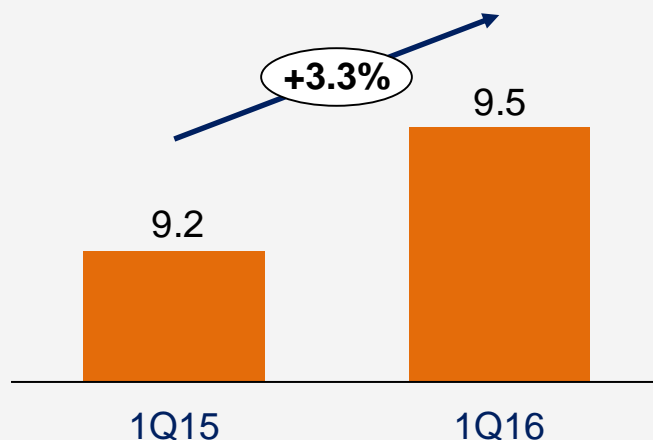


- **Continued increase in mobile** share of traffic: 50.6% at Cdiscount (+569 bps); 44.0% at Cnova Brazil (+1,884 bps)
- More than 160% increase on the number of subscribers to **“Cdiscount à volonté”**
- **Increasing focus on free traffic in Brazil**, leveraging expertise from Cdiscount France
- **Confirmed strong SEO performance of Cdiscount France** according to both SEM Rush and SearchMetrics:
  - For 1Q16, SEM Rush estimates that Cdiscount had a higher SEO free traffic than Amazon in France
  - Strong focus on Image visibility with unmatched experience for search engines: according to SearchMetrics, Cdiscount SEO image visibility is multiple times ahead of competitors (Amazon or Fnac)



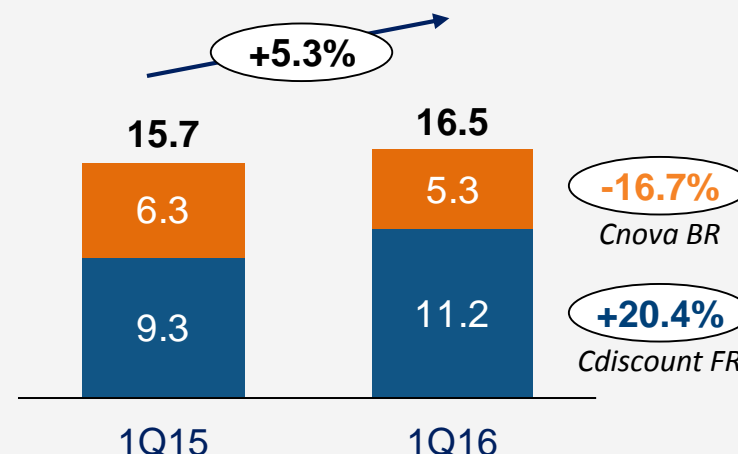
## Placed orders\*

(million)



## Items sold

(million)



■ Evolution on orders per customer :

Total

France

Brazil

+0%

+7%

-8%

■ Cdiscount FR:

Main categories in the quarter: home furnishings and consumer electronics

■ Cnova BR:

Improving pricing and promotional policy



1Q16 Highlights



**1Q16 Financial Results**



Brazil Update



Outlook & Strategy

# 1Q16 Financial Results

## Key Figures



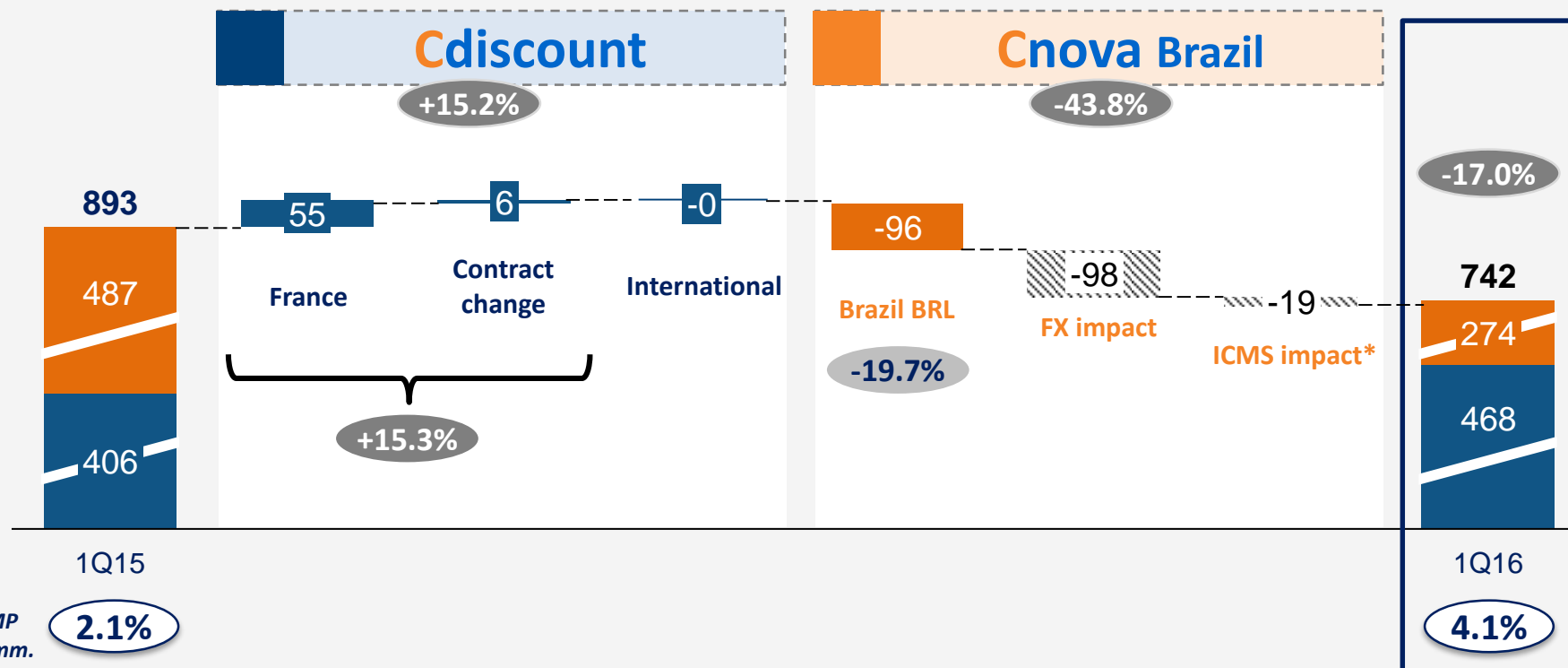
Cnova N.V. Key Figures (Unaudited, € million)	March 31, 2016	March 31, 2015 <i>Preliminary<sup>1</sup></i>
<b>1<sup>st</sup> quarter:</b>		
GMV	1,138	1,222
Net sales	742	893
Gross profit	93	100
<i>Gross margin</i>	12.6%	11.2%
SG&A	(124)	(135)
Operating EBIT	(31)	(35)
<i>o/w: France</i>	2	(8)
<i>Brazil</i>	(27)	(21)
<i>International &amp; Holding</i>	(6)	(6)
Net profit/(loss) from continuing activities	(66)	(49)
Adjusted EPS	(0.11)	(0.08)
<b>Last 12 months:</b>		
Net cash from continuing operating activities	(118)	286
<i>o/w Change in Operating Working Capital</i>	7	270
Capex	(63)	(76)
Free cash flow	(181)	210

Notes: 1) 1Q15 figures for Cdiscount and Cnova NV have been adjusted to take into account the disposal of MonShowRoom in 2015. 1Q15 and 1Q16 also take into consideration the reclassification of Cdiscount Thailand and Cdiscount Vietnam as discontinued activities. 1Q15 GMV, the marketplace share of GMV and net sales of Cnova Brazil and Cnova N.V. also reflect the preliminary, unaudited restatement of Cnova Brazil's 2015 financial statements pursuant to the ongoing internal review at Cnova Brazil, and are subject to revision following completion of that review (for more information on the Cnova Brazil internal review, please see Cnova press releases dated Dec. 18, 2015, Jan. 12, 2016, Feb. 24, 2016 and Apr. 26, 2016).

### Net Sales Growth Breakdown

(€ million, yoy growth)

X% Growth at current FX  
X% Growth at constant FX\*





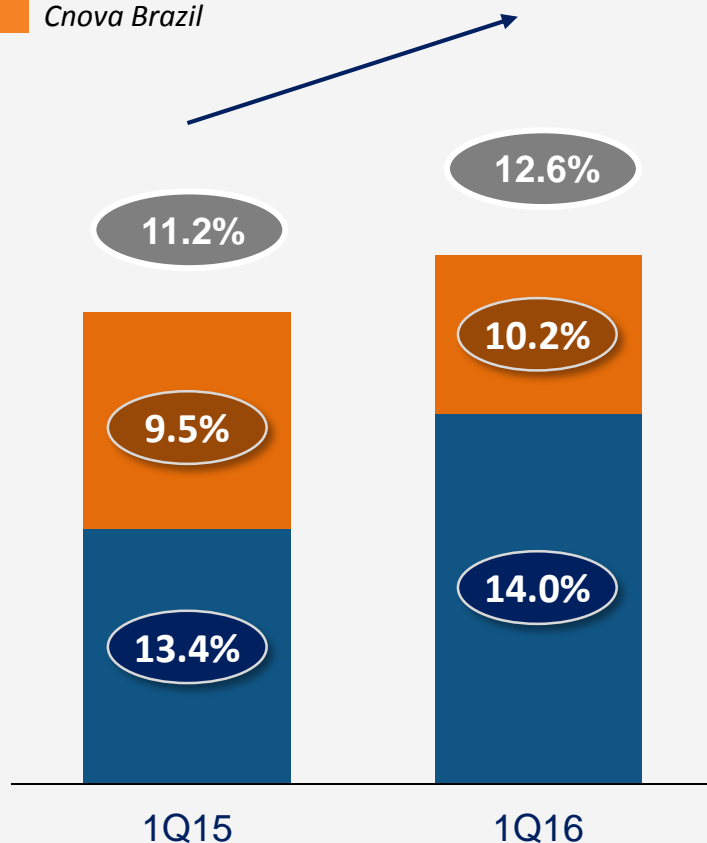
- **Cdiscount FR**: net sales up +15.3% with market share gain of 3.8 pts in January to 34.4% and of 1.5 pt in February to 30.3% in the high-tech, IT and appliances sectors (source : Gfk)
- **Cnova BR\***: -19.7% in net sales as a result of softer consumer environment in Brazil

Notes: \*) Brazilian real/Euro average exchange rate for 1Q15 = 3.22 1Q16 = 4.30; beginning January 1, 2016, ICMS, the Brazilian indirect VAT on the interstate sale of goods and services, is transitioning from being 100% due in the state of the seller to being 100% due in the state of the buyer. This has led to an estimated decrease in first quarter 2016 net sales at Cnova Brazil in the amount of approximately R\$ 82 million (approximately €19 million)

## Gross margin

*(% of net sales)*

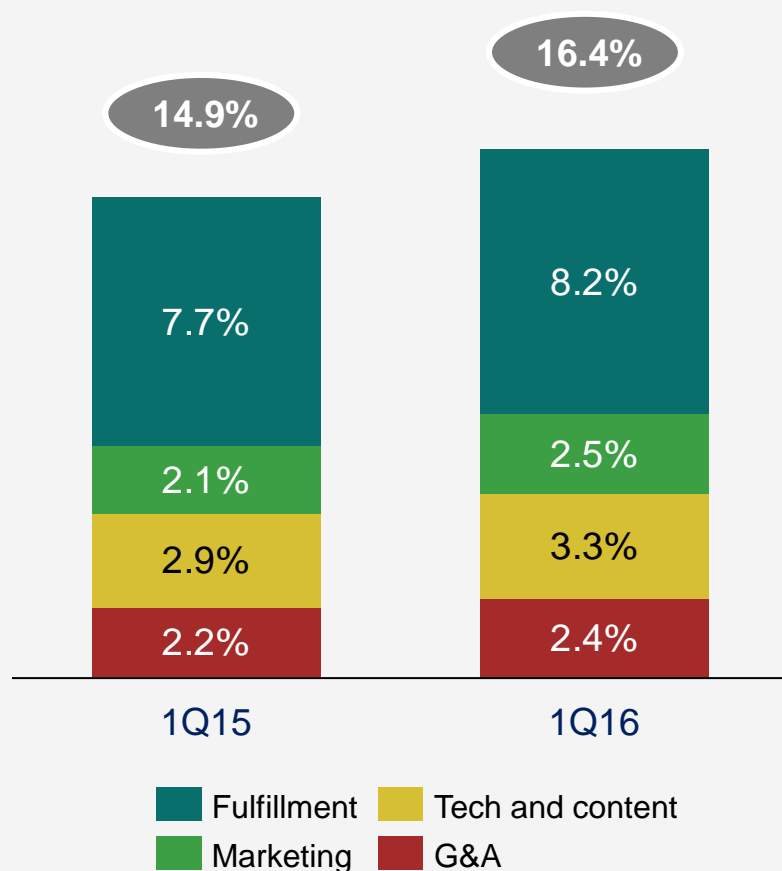
 Cdiscount France  
 Cnova Brazil



- **Group gross margin of 12.6%**
- **Cdiscount FR: 14.0%** (vs. 13.4% in 1Q15)
  - Positive contribution from marketplace expansion and renegotiated factoring arrangement, partially offset by
    - Negative seasonality effect in suppliers contribution
- **Cnova BR: 10.2%** (vs. 9.5% in 1Q15)
  - Positive impact from marketplace and shipping revenues offset by
    - Lower sales volume and supplier contribution

## SG&A Expenses

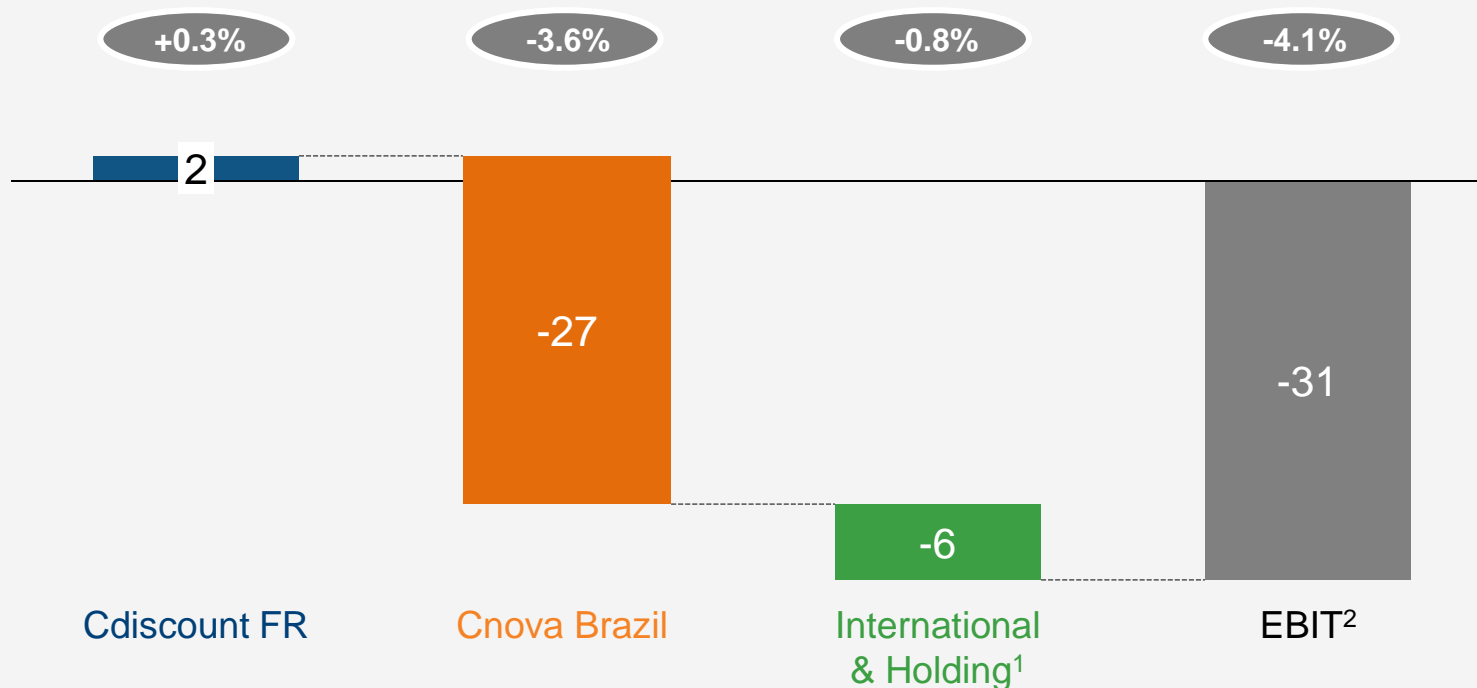
(ex-new countries\*, % of net sales)



- **SG&A of 16.4%** of net sales ex-new countries\*
- **Cdiscount FR: 13.6%** (vs. 15.4% in 1Q15)
  - Improvement in SG&A on the back of a higher basis of comparison in the 1st quarter 2015
  - Reduction of expenses as % of net sales in fulfillment, tech & content and G&A
- **Cnova BR: 20.0%** (vs. 13.7% in 1Q15)
  - Impacted by:
    - Tax and loss provisions
    - Marketing investments
    - ERP development
    - External fees

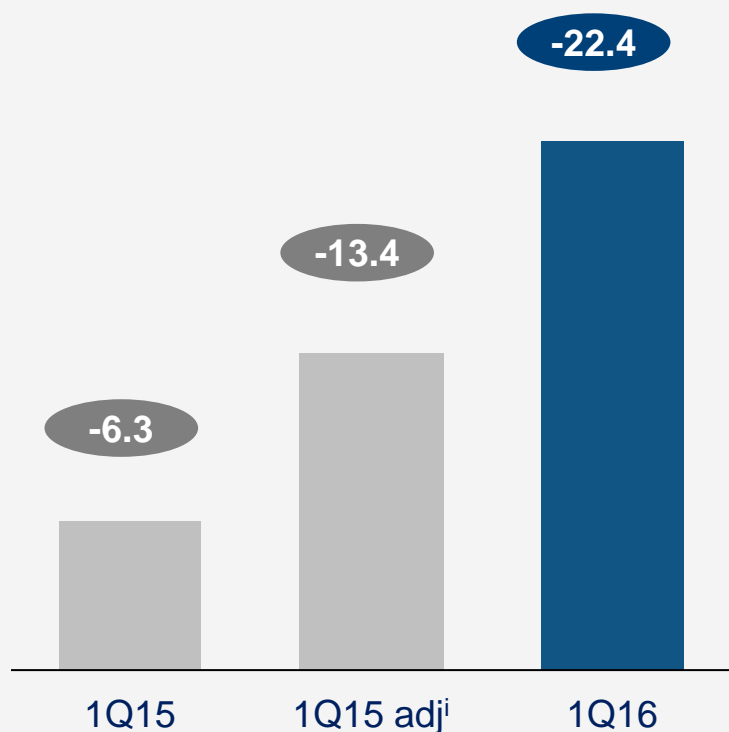
### Breakdown of 1Q16 Operating EBIT (€ million)

X%

% of total reported  
net sales

- **Positive contribution of Cdiscount FR of € 2 million** in the 1Q16
- **Strong negative impact of Cnova Brazil's operations** (- € 27 million)
- **Negative contribution** from International<sup>1</sup> operations (- € 3 million) and Holding (- € 3 million)

**Net financial expense**  
(ex-new countries\*, € millions)



■ Net financial expense impacted by:

- **Renegotiated factoring contract at Cdiscount France\*\***
- **Higher interest rate and cash burn situation at Cnova Brazil**

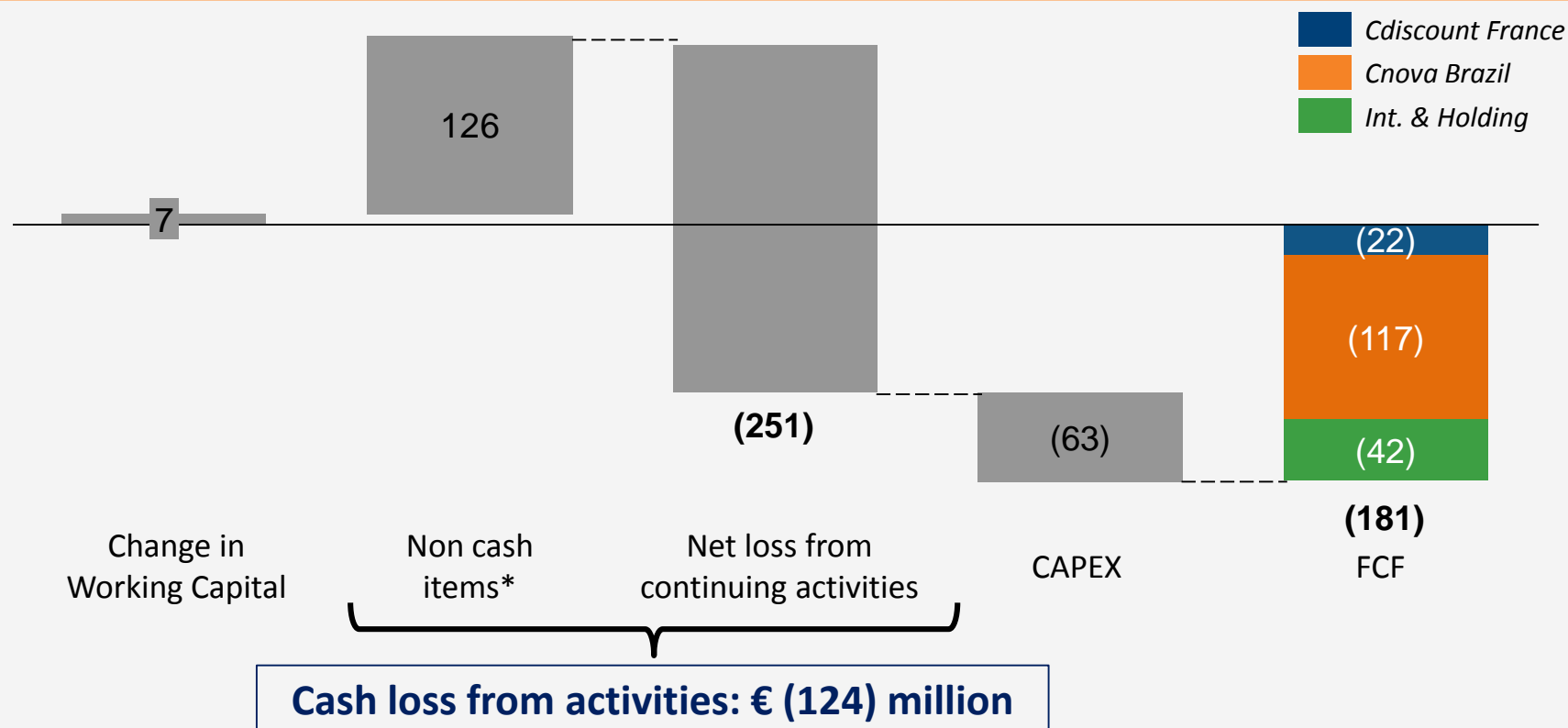
i) Effect of one-time accrued interest on tax credit of € 7.1 million in 1Q15

Notes: \*) International includes Colombia, Ivory Coast, Senegal, Cameroon; \*\*) In the second half of 2015, Cdiscount France renegotiated its customer installment payment plan contract. Previously, the installment payment plan was provided directly by the bank and related fees were netted against bank finance costs (commissions paid) and recorded as fulfillment costs. Under the new contract Cdiscount France now provides the installment payment plan directly to its clients and factors to a bank its receivables. Pursuant to IAS 39, the accounting treatment has been changed as follows: customer installment payment plan service fees are recorded as net sales while bank finance charges are recorded as a finance expense



## 1Q16 Free cash flow

(€ million, twelve months)



- Cash loss from activities of € (124) million impacted by Brazilian macro
- Change in working capital of € 7 million
- Capex of € (63) million



1Q16 Highlights



1Q16 Financial Results



**Brazil Update**



Outlook & Strategy

The internal review is continuing. As of the date of this presentation:

- The combined impact of the adjustments reported on February 24, 2016, in the amount of R\$ 177 million has been revised up to R\$ 219 million primarily due to unintentional reporting errors related to returned items in-transit as well as their shipping costs.
- The ongoing review has recently identified other issues (related to intangible assets and possible improperly deferred operating expenses) that are currently the subject of further review. It is not possible at this time to: i) evaluate the impact that these issues may have on 2015 and prior periods, ii) determine how such an impact would be apportioned to the various quarters of those accounting periods, and iii) know whether those apportionments could ultimately also impact the first quarter 2016 financial results.

Cnova now expects to file its 2015 annual report on Form 20-F, including restated financial statements, by no sooner than June 2016. As such, the Company will file a Form 12b-25 with the US Securities and Exchange Commission before April 30, 2016.



1Q16 Highlights



1Q16 Financial Results



Brazil Update



**Outlook & Strategy**

### ■ **Delivery services:**

- Accelerate express delivery services for big products (+30 Kg)
- Strengthen loyalty program *Cdiscount à Volonté* through inclusion of marketplace fulfilment offerings and cash back programs

### ■ **Mobile:**

- Implementation of ReactNative Q2 (one single platform for the mobile site and apps) to provide best in class mobile website and app experience

### ■ **Home category development:**

- Expand assortment to develop an offering which is already the largest one among peers and delivered on a same day basis in Paris and Lyon and next day elsewhere in France
- Develop more services: same-day-delivery and installation

### ■ **Marketplace expansion:**

- New organization to accelerate growth (with the target of 40% at the end of 2016) : accelerate merchant acquisition with a focus on strategic categories (home)
- Expand fulfillment services to sellers
- Continued focus on increased profitability: new advertisement packs and new services (FX, translation)

### ■ **Development of *Alimentaire Express***

■ **Operational excellence**

- Out of stock reduction
- Focus on fast SEO growth (free traffic)
- Improvement of customer service

■ **Client services enhancement**

- Expand Click-&-Collect services
- Continue to improve customer shopping and after-sale experience
- Improve mobile channel to increase traffic and conversion

■ **Marketplace expansion**

- Expand sellers base focusing on coaching and quality control

■ **Increase productivity in warehouses**

- Improve logistics operations, decrease out-of-order stocks

## Annex

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1. Complete Financial Statements
2. Definitions
3. Non-GAAP Reconciliations
4. Other Information

## 1<sup>st</sup> Quarter Preliminary Consolidated Financial Statements (unaudited)

Preliminary Consolidated Income Statement (€ millions, unaudited)	First Quarter*		Change
	2016	2015 Preliminary	
<b>Net sales</b>	<b>741.6</b>	<b>893.0</b>	-17.0%
Cost of sales	(648.3)	(793.0)	-18.3%
<b>Gross profit</b>	<b>93.3</b>	<b>99.9</b>	-6.6%
% of net sales (Gross margin)	12.6%	11.2%	+139 bps
<b>SG&amp;A (Selling, General &amp; Administrative expenses)</b>	<b>(123.9)</b>	<b>(135.3)</b>	-8.4%
% of net sales	-16.7%	-15.1%	-156 bps
Fulfillment	(61.0)	(69.5)	-12.2%
Marketing	(18.6)	(19.6)	-4.7%
Technology and content	(25.5)	(25.6)	-0.4%
General and administrative	(18.7)	(20.6)	-9.1%
<b>Operating profit/(loss) from ordinary activities (Operating EBIT)</b>	<b>(30.6)</b>	<b>(35.3)</b>	-13.5%
% of net sales	-4.1%	-4.0%	
Other expenses	(15.9)	(13.9)	+14.3%
<b>Operating profit/(loss)</b>	<b>(46.5)</b>	<b>(49.3)</b>	-5.7%
Financial net income/(expense)	(22.5)	(6.3)	+256.8%
<b>Profit/(loss) before tax</b>	<b>(69.0)</b>	<b>(55.6)</b>	+24.1%
Income tax gain/(expense)	3.2	7.1	-54.9%
<b>Net profit/(loss) from continuing operations</b>	<b>(65.8)</b>	<b>(48.5)</b>	+35.6%
Net profit/(loss) from discontinued operations	20.6	(3.1)	nm
<b>Net profit/(loss) for the period</b>	<b>(45.2)</b>	<b>(51.6)</b>	-12.5%
% of net sales	-6.1%	-5.8%	-31 bps
Attributable to Cnova equity holders	(41.3)	(48.5)	-15.0%
Attributable to non-controlling interests	(3.9)	(3.1)	+26.5%
Adjusted EPS (€) from continuing operations	(0.11)	(0.08)	+41.7%
Adjusted EPS (€) from discontinued operations	0.00	(0.00)	-151.9%
<b>Adjusted EPS (€)</b>	<b>(0.11)</b>	<b>(0.08)</b>	+31,8%

\* All 1st quarter 2015 figures for Cdiscount and Cnova NV have been adjusted to take into account the disposal of MonShowRoom in 2015. 1st quarter figures for 2015 and 2016 also take into consideration the reclassification of Cdiscount Thailand and Cdiscount Vietnam as discontinued activities.

1st quarter 2015 and 2016 figures of Cnova Brazil and Cnova N.V. are preliminary estimates, prepared solely by management based on its best knowledge to date. These figures should, therefore, be considered as a preliminary apportionment of unaudited adjustments of Cnova Brazil for 2015 that is subject to revision following completion of the on-going internal review. The preliminary estimates for the 1st quarter of 2015 and 2016 contained in this press release do not include any adjustments relating to intangible assets or possibly improperly deferred operating expenses; review of those matters is ongoing. For more information on the Cnova Brazil internal review, please see Annex C as well as Cnova press releases dated December 18, 2015, January 12, 2016, and February 24, 2016, April 12, 2016, and April 26, 2016 (available at: [www.cnova.com/en/investor-relations/press-releases/](http://www.cnova.com/en/investor-relations/press-releases/)). 1st quarter 2015 figures of Cnova Brazil and Cdiscount also reflect the reclassification of warehouse costs as communicated on Jan 12, 2016, and this is unrelated to the ongoing internal review at Cnova Brazil.



<b>Preliminary Consolidated Balance Sheet</b> (€ million, unaudited)	<b>March 31, 2016</b>	<b>Dec. 31, 2015</b>	<b>March 31, 2015</b>
<b>ASSETS</b>			
Cash and cash equivalents	207.8	400.8	344.8
Trade receivables, net	136.2	127.4	150.8
Inventories, net	402.7	423.1	476.3
Current income tax assets	0.5	0.8	1.7
Other current assets, net	198.1	199.6	129.5
Assets held for sale	--	4.3	--
<b>Total current assets</b>	<b>945.2</b>	<b>1,156.1</b>	<b>1,103.1</b>
Other non-current assets, net	26.1	20.2	96.4
Deferred tax assets	49.0	44.4	57.1
Property and equipment, net	38.1	38.3	43.8
Intangible assets, net	130.1	131.4	145.6
Goodwill	383.1	368.3	463.5
<b>Total non-current assets</b>	<b>626.3</b>	<b>602.7</b>	<b>806.4</b>
<b>TOTAL ASSETS</b>	<b>1,571.6</b>	<b>1,758.7</b>	<b>1,909.5</b>
<b>EQUITY AND LIABILITIES</b>			
Current provisions	6.8	7.5	0.5
Trade payables	754.8	1,221.3	1,044.3
Current financial debt	457.8	132.2	264.4
Current tax liabilities	59.8	51.3	35.4
Other current liabilities	141.7	171.7	88.4
Liabilities held for sale	--	0.9	--
<b>Total current liabilities</b>	<b>1,420.9</b>	<b>1,584.8</b>	<b>1,433.0</b>
Non-current provisions	10.8	11.8	9.3
Non-current financial debt	10.0	14.8	9.6
Other non-current liabilities	17.0	12.4	3.6
Deferred tax liabilities	--	--	6.6
<b>Total non-current liabilities</b>	<b>37.8</b>	<b>39.0</b>	<b>29.2</b>
Share capital	22.1	22.1	22.1
Reserves, retained earnings and additional paid-in capital	93.8	118.3	421.9
<b>Equity attributable to equity holders of Cnova</b>	<b>115.9</b>	<b>140.4</b>	<b>443.9</b>
<b>Non-controlling interests</b>	<b>(3.0)</b>	<b>(5.5)</b>	<b>3.4</b>
<b>Total equity</b>	<b>112.9</b>	<b>134.9</b>	<b>447.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,571.6</b>	<b>1,758.7</b>	<b>1,909.5</b>

Preliminary Consolidated Cash Flow Statement at March 31 (€ millions)	Last Three Months		Last Twelve Months	
	2016	2015 <sup>(1)</sup>	2016	2015 <sup>(1)</sup>
Net profit/(loss) from continuing operations	(64.4)	(46.6)	(244.1)	(78.2)
Net profit/(loss), attributable to non-controlling interests	(1.4)	(1.9)	(6.5)	(2.7)
<b>Net profit (loss) for the period excl. discontinued operations</b>	<b>(65.8)</b>	<b>(48.5)</b>	<b>(250.5)</b>	<b>(80.8)</b>
Depreciation and amortization expense	9.4	9.5	40.1	31.4
(Income) expenses on share-based payment plans	(0.1)	0.2	0.3	7.5
(Gains) losses on disposal of non-current assets and impairment of assets	4.2	5.5	13.2	2.6
Share of (profits) losses of associates	-	-	-	1.4
Other non-cash items	0.5	0.9	0.5	5.6
Financial expense, net	22.5	6.3	75.1	67.3
Current and deferred tax (gains) expenses	(3.2)	(7.1)	0.4	(14.0)
Income tax paid	(0.6)	(0.7)	(3.5)	(4.8)
Change in operating working capital	(486.6)	(353.4)	6.5	269.9
<i>Inventories of products</i>	25.9	(85.3)	36.0	(43.1)
<i>Trade payables</i>	(492.8)	(216.9)	(62.0)	354.5
<i>Operating payables</i>	(21.1)	(39.2)	19.0	12.9
<i>Operating receivables</i>	3.3	6.3	0.6	(47.5)
<i>Other</i>	(1.9)	(18.3)	12.9	(6.8)
<b>Net cash from/(used in) continuing operating activities</b>	<b>(519.7)</b>	<b>(387.4)</b>	<b>(117.9)</b>	<b>285.9</b>
<b>Net cash from/(used in) discontinued operating activities</b>	<b>19.6</b>	<b>(6.3)</b>	<b>15.7</b>	<b>(8.1)</b>
Purchase of property, equipment & intangible assets	(11.7)	(22.0)	(63.4)	(75.7)
Purchase of non-current financial assets	(0.5)	(0.4)	(1.0)	(1.9)
Proceeds from disposal of prop., equip., intangible assets	0.2	0.1	21.8	0.7
Proceeds from disposal of non-current financial assets	-	2.2	0.0	2.6
Acquisition of an entity net of cash acquired	16.7	-	7.8	0.1
Investments in associates	-	-	-	(1.4)
Changes in loans granted (including to related parties)	6.0	65.2	5.7	(2.1)
<b>Net cash from/(used in) continuing investing activities</b>	<b>10.8</b>	<b>45.1</b>	<b>(29.0)</b>	<b>(77.7)</b>
<b>Net cash from/(used in) discontinued investing activities</b>	<b>(24.0)</b>	<b>(0.4)</b>	<b>(25.6)</b>	<b>(10.2)</b>
Changes in loans received	216.5	168.6	62.9	37.2
Transaction with owners of non-controlling interests	(0.0)	(11.6)	(7.0)	5.8
Proceeds from IPO, net of costs	-	-	-	137.1
Additions to financial debt	137.3	-	141.2	35.9
Repayments of financial debt	(22.8)	(1.5)	(21.5)	(0.0)
Interest paid, net	(33.3)	(12.8)	(83.0)	(62.7)
<b>Net cash from/(used in) continuing financing activities</b>	<b>297.7</b>	<b>142.7</b>	<b>92.7</b>	<b>153.3</b>
<b>Net cash from/(used in) discontinued financing activities</b>	<b>(0.1)</b>	<b>1.3</b>	<b>5.5</b>	<b>0.0</b>
Effect of changes in foreign currency translation adjustments	9.3	(24.3)	(100.1)	(5.6)
<b>Change in cash and cash equivalents from continuing operations</b>	<b>(201.9)</b>	<b>(223.9)</b>	<b>(154.3)</b>	<b>356.0</b>
<b>Change in cash and cash equivalents from discontinued operations</b>	<b>(4.6)</b>	<b>(4.8)</b>	<b>(4.9)</b>	<b>(25.0)</b>
<b>Cash and cash equivalents, net, at period begin</b>	<b>391.8</b>	<b>573.2</b>	<b>344.5</b>	<b>13.5</b>
<b>Cash and cash equivalents, net, at period end</b>	<b>185.3</b>	<b>344.5</b>	<b>185.3</b>	<b>344.5</b>

## Additional Preliminary 1<sup>st</sup> Quarter Financial Information (unaudited)

Preliminary Key Figures (€ millions, unaudited)	First Quarter <sup>1</sup>		Change	
	2016	2015 Preliminary	Reported	Constant Currency
<b>Gross merchandise volume (GMV)</b>	<b>1,137.9</b>	<b>1,222.0</b>	<b>-6.9%</b>	<b>+4.2%</b>
Cdiscount France	732.4	619.4	+18.3%	
Cnova Brazil	401.8	599.2	-33.0%	-10.5%
International <sup>2</sup>	3.7	3.3	+10.2%	
<b>Net sales</b>	<b>741.6</b>	<b>893.0</b>	<b>-17.0%</b>	<b>-6.6%</b>
Cdiscount France	465.3	403.5	+15.3%	
Cnova Brazil	273.7	486.7	-43.8%	-24.9%
International	2.7	2.8	-4.3%	
<b>Gross profit</b>	<b>93.3</b>	<b>99.9</b>	<b>-6.6%</b>	
<i>% of net sales (Gross margin)</i>	<b>12.6%</b>	<b>11.2%</b>		
Cdiscount France	65.3	54.1	+20.6%	
<i>Gross margin</i>	14.0%	13.4%		
Cnova Brazil	28.0	46.0	-39.1%	
<i>Gross margin</i>	10.2%	9.5%		
International	0.0	(0.2)	nm	
<i>Gross margin</i>	1.6%	-7.1%		
<b>SG&amp;A</b>	<b>(123.9)</b>	<b>(135.3)</b>	<b>-8.4%</b>	
Cdiscount France	(63.3)	(62.2)	+1.8%	
Cnova Brazil	(54.7)	(66.8)	-18.2%	
International & Holding	(5.9)	(6.2)	-5.1%	
<b>Operating profit/(loss) from ordinary activities (Operating EBIT)</b>	<b>(30.6)</b>	<b>(35.3)</b>	<b>-13.5%</b>	
<i>% of net sales (EBIT margin)</i>	<b>-4.1%</b>	<b>-4.0%</b>		
Cdiscount France	1.9	(8.1)	nm	
<i>EBIT margin</i>	0.4%	-2.0%		
Cnova Brazil	(26.6)	(20.8)	+27.8%	
<i>EBIT margin</i>	-9.7%	-4.3%		
International & Holding	(5.9)	(6.4)	-8.7%	

- 1) All 1st quarter 2015 figures for Cdiscount and Cnova NV have been adjusted to take into account the disposal of MonShowRoom in 2015. 1st quarter figures for 2015 and 2016 also take into consideration the reclassification of Cdiscount Thailand and Cdiscount Vietnam as discontinued activities.

1st quarter 2015 and 2016 figures of Cnova Brazil and Cnova N.V. are preliminary estimates, prepared solely by management based on its best knowledge to date. These figures should, therefore, be considered as a preliminary apportionment of unaudited adjustments of Cnova Brazil for 2015 that is subject to revision following completion of the on-going internal review. The preliminary estimates for the 1st quarter of 2015 and 2016 contained in this press release do not include any adjustments relating to intangible assets or possibly improperly deferred operating expenses; review of those matters is ongoing. For more information on the Cnova Brazil internal review, please see Annex C as well as Cnova press releases dated December 18, 2015, January 12, 2016, and February 24, 2016, April 12, 2016, and April 26, 2016 (available at: [www.cnova.com/en/investor-relations/press-releases/](http://www.cnova.com/en/investor-relations/press-releases/)). 1st quarter 2015 figures of Cnova Brazil and Cdiscount also reflect the reclassification of warehouse costs as communicated on Jan 12, 2016, and this is unrelated to the ongoing internal review at Cnova Brazil.

- 2) Colombia, Ivory Coast, Senegal and Cameroon.

## 2. Definitions

**Adjusted EPS or Adjusted earnings per share** – calculated as adjusted net profit/(loss) divided by the weighted average number of ordinary shares outstanding during the applicable period. See “Non-GAAP Reconciliations” section for additional information.

**Adjusted net profit/(loss)** – calculated as net profit/(loss) before Other Expenses and the related tax impacts. See “Non-GAAP Reconciliations” section for additional information.

**Free cash flow** – Net cash from/(used in) operating activities less purchase of property and equipment and intangible assets as presented in the consolidated cash flow statement. 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 merchandise volume (GMV)** - Gross Merchandise Volume (GMV) is defined as product sales + other revenues + marketplace business volumes (calculated based on approved and sent orders) + taxes.

**Marketplace share** – Includes marketplace share of [www.cdiscout.com](http://www.cdiscout.com) in France as well as [extra.com.br](http://extra.com.br), [pontofrio.com](http://pontofrio.com), [casasbahia.com.br](http://casasbahia.com.br) and [cdiscout.com.br](http://cdiscout.com.br) in Brazil.

**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.

**Adjusted EBITDA** – calculated as operating profit/(loss) from ordinary activities (Operating EBIT) before depreciation and amortization expense and share based payment expenses. See “Non-GAAP Reconciliations” section for additional information.

**Operating profit/(loss) from ordinary activities (Operating EBIT)** – calculated as operating profit/(loss) before other expenses (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 as presented in our balance sheet. This non-GAAP measure is not being employed anymore as we prefer to rely on Change in Operating Working Capital as presented in the Consolidated Cash Flow Statement.

**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.

**Cash loss from activities** – calculated from entries on the cash flow statement in the following way: net profit/(loss) for the last twelve months, plus depreciation and amortization expense, plus (income)/expenses on share-based payment plans, plus (gains)/losses on disposal of non-current assets and impairment of assets, plus share of (profits)/losses of associates, plus other non-cash items plus financial expense, net, plus current and deferred tax (gains)/expenses, plus income tax paid.

**Unique customer** – customers who have purchased at 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.

### 3. Non-GAAP Reconciliations

#### **Adjusted net profit/(loss)**

#### **Adjusted earnings per share (Adjusted EPS)**

Adjusted net profit/(loss) is calculated as net profit/(loss) 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 net profit/(loss) 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) facilitates the comparison of income on a period-to-period basis.

Adjusted EPS is calculated as adjusted net profit/(loss) divided by the weighted average number of outstanding ordinary shares of Cnova during the applicable period.

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.

<i>€ millions</i>	<b><u>Q1 2016</u></b>	<b><u>Q1 2015</u></b>
<b>Net profit/(loss) for the period attributable to equity holders of Cnova</b>	<b>(41.3)</b>	<b>(48.5)</b>
Excluding:		
Restructuring expenses	2.4	4.3
Litigation expenses	10.1	0.6
Initial public offering expenses	-	3.5
Gain/(loss) from disposal of non-current assets	(21.9)	0.3
Asset impairment charges	3.2	5.4
Income tax effect on above adjustments	(0.1)	(1.1)
Minority interest effect on above adjustments	(0.1)	(0.6)
<b>Adjusted net profit/(loss) for the period attributable to equity holders of Cnova</b>	<b>(47.8)</b>	<b>(36.3)</b>
Weighted average number of ordinary shares	441,297,846	441,297,846
<b>Adjusted EPS (€) from continuing operations</b>	<b>(0.11)</b>	<b>(0.08)</b>

### 3. Non-GAAP Reconciliations

#### ***Free cash flow***

Free cash flow is calculated as net cash from/(used in) continuing operating activities less capital expenditures (purchases of property, equipment and intangible assets) as presented in our cash flow statement. Free cash flow is a financial measure used by Cnova's management and board of directors to evaluate the overall financial performance of the business. In particular, it allows the comparison of operational cash flow after capex on a period-to-period basis.

<i>€ millions</i>	<u>Mar. 31, 2016</u>	<u>Mar. 31, 2015</u>
	<u>(LTM)</u>	<u>(LTM)</u>
<b>Net cash from/(used in) continuing operating activities</b>	<b>(117.9)</b>	<b>285.9</b>
Less purchase of property, equipment & intangible assets	(63.4)	(75.7)
<b>Free cash flow</b>	<b>(181.3)</b>	<b>210.2</b>

### 3. Non-GAAP Reconciliations

#### ***Gross profit and Gross margin***

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 press release because they are performance measures used by our management and board of directors to determine the commercial performance of our business.

The following tables present a computation of gross profit and gross margin for each of the periods indicated:

<i>€ millions</i>	<u><b>Q1 2016</b></u>	<u><b>Q1 2015</b></u>
<b>Net sales</b>	<b>741.6</b>	<b>893.0</b>
Less: Cost of sales	(648.3)	(793.0)
<b>Gross Profit</b>	<b>93.3</b>	<b>99.9</b>
<b>Gross margin</b>	<b>12.6%</b>	<b>11.2%</b>

### 3. Non-GAAP Reconciliations

#### ***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 (iii) current and (iv) non-current 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:

<i>€ millions</i>	<u><b>Mar. 31, 2016</b></u>	<u><b>Mar. 31, 2015</b></u>
Cash and cash equivalents	207.8	344.8
Plus cash pool balances with Casino presented in other current assets	--	--
Less current financial debt	(457.8)	(264.4)
Less non-current financial debt	(8.1)	(9.6)
<b>Net cash/(Net financial debt)</b>	<b>(258.1)</b>	<b>70.8</b>



### 3. Non-GAAP Reconciliations

#### **Adjusted EBITDA**

Adjusted EBITDA is calculated as operating profit/(loss) from ordinary activities (operating EBIT) before depreciation and amortization expense and share based payment expenses. We have provided a reconciliation below of this measure to operating profit/(loss) from ordinary activities (operating EBIT) – see definition above - the most directly comparable GAAP financial measure, for each of the periods indicated.

<i>€ millions</i>	<u><b>Q1 2016</b></u>	<u><b>Q1 2015</b></u>
<b>Operating profit before restructuring, litigation, gain/(loss) from disposal of non-current assets and impairment of assets</b>	<b>(30.6)</b>	<b>(35.3)</b>
Excluding: Share based payment expenses	(0.1)	0.2
Excluding: Depreciation and amortization	9.2	9.5
<b>Adjusted EBITDA</b>	<b>(21.5)</b>	<b>(25.7)</b>

### 3. Non-GAAP Reconciliations

#### ***Cash loss from activities***

Cash loss from activities is calculated from entries on the cash flow statement in the following way: net profit/(loss) for the last twelve months, plus depreciation and amortization expense, plus/(income) expenses on share-based payment plans, plus (gains)/losses on disposal of non-current assets and impairment of assets, plus share of (profits)/losses of associates, plus other non-cash items plus financial expense, net, plus current and deferred tax (gains)/expenses, plus income tax paid.

<i>€ millions</i>	<b><u>Mar. 31, 2016</u></b> <b><u>(LTM)</u></b>
Net profit/(loss) for the period	(250.5)
Depreciation and amortization expense	40.1
(Income) expenses on share-based payment plans	0.3
(Gains) losses on disposal of non-current assets and impairment of assets	13.2
Share of (profits) losses of associates	-
Other non-cash items	0.5
Financial expense, net	75.1
Current and deferred tax (gains) expenses	0.4
Income tax paid	(3.5)
<b>Cash loss from activities</b>	<b>(124.4)</b>

## First Quarter 2015 preliminary restatement reconciliation

Cnova N.V. (€ millions, unaudited)	First Quarter 2015		Change
	Preliminary* (on March 31, 2016)	Original (on March 31, 2015)	
<b>GMV</b>	<b>1,222.0</b>	<b>1,248.2</b>	-26.2
Cdiscount France	619.4	625.1	-5.7
Cnova Brazil	599.2	613.7	-14.5
International	3.3	9.4	-6.1
<b>Net sales</b>	<b>893.0</b>	<b>915.5</b>	-22.5
Cdiscount France	403.5	408.1	-4.6
Cnova Brazil	486.7	498.7	-12.0
International	2.8	8.7	-5.9
<b>Gross profit</b>	<b>99.9</b>	<b>113.2</b>	-13.2
Cdiscount France	54.1	54.5	-0.4
Cnova Brazil	46.0	59.3	-13.3
International	(0.2)	(0.7)	+0.5
<b>SG&amp;A</b>	<b>(135.3)</b>	<b>(141.2)</b>	+5.9
Cdiscount France	(62.2)	(64.0)	+1.8
Cnova Brazil	(66.8)	(69.0)	+2.2
International & Holding	(6.2)	(8.1)	+1.9
<b>Operating profit/(loss) from ordinary activities (Operating EBIT)</b>	<b>(35.3)</b>	<b>(28.0)</b>	-7.3
Cdiscount France	(8.1)	(9.5)	+1.4
Cnova Brazil	(20.8)	(9.7)	-11.1
International & Holding	(6.4)	(8.8)	+2.4

\* All 1st quarter 2015 figures for Cdiscount and Cnova NV have been adjusted to take into account the disposal of MonShowRoom in 2015 (originally part of Cdiscount France). 1st quarter figures for 2015 and 2016 also take into consideration the reclassification of Cdiscount Thailand and Cdiscount Vietnam as discontinued activities.

1st quarter 2015 figures of Cnova Brazil and Cnova N.V. are preliminary estimates, prepared solely by management based on its best knowledge to date. These figures should, therefore, be considered as a preliminary apportionment of unaudited adjustments of Cnova Brazil for 2015 that is subject to revision following completion of the on-going internal review. The preliminary estimates for the 1st quarter of 2015 contained in this press release do not include any adjustments relating to intangible assets or possibly improperly deferred operating expenses; review of those matters is ongoing. For more information on the Cnova Brazil internal review, please see Cnova press releases dated December 18, 2015, January 12, 2016, and February 24, 2016, April 12, 2016, and April 26, 2016 (available at: [www.cnova.com/en/investor-relations/press-releases/](http://www.cnova.com/en/investor-relations/press-releases/)).

1st quarter 2015 figures of Cnova Brazil and Cdiscount also reflect the reclassification of warehouse costs as communicated on Jan 12, 2016, and this is unrelated to the ongoing internal review at Cnova Brazil.