PRESS RELEASE

Sèvres, July 31, 2015

2015 Second-quarter Revenue

2015 First-Half Results

- **Fall of the automotive segment sales in the Maghreb : group revenue down -4.3% in the first-half and -5.7% in the second quarter**
- **Consolidation of the recurring operating income at €119.9 million with a slightly improved margin to 7.2% of sales**
- **Attributable net income rising by +2.4% versus H1 2014 to €43.1 million**

In a statement, Richard Bielle, Chairman of CFAO's Management Board said:

“The group results keep reflecting the healthy behavior of most of our businesses, leading to a group net income maintained at a level comparable to the past year. I am particularly satisfied with this situation considering notably the slowdown that has affected oil producing countries and the current stagnation of some markets.

Since the beginning of the year, CFAO teams have continued to actively work on development projects that will build a solid base for future growth. These projects will progressively materialize and the second half of the year will notably see the launch of our mall in Abidjan, first of many to come.

In this transitional year, I remain confident in our ability to find new growth drivers to offset over the long term the contract losses in Automotive. The retail project, amongst others, will put the group in an ideal position to capture the growth of the African continent and its rising middle class.”

In this press release like-for-like changes mean changes at same group scope and constant exchange rates.

1. Second-quarter revenue and 2015 first-half

The table below presents the breakdown of the revenue per business line:

Revenue trends by business line	Second quarter 2014 (in €millions)	Second quarter 2015 (in €millions)	Change (like-for-like)	Change (reported)	First-Half 2014 (in €millions)	First-Half 2015 (in €millions)	Change (like-for-like)	Change (reported)
Consumer Goods	92.1	83.8	-8.6%	-9.0%	181.5	168.3	-7.1%	-7.2%
Healthcare	300.9	305.0	-1.8%	+1.4%	588.4	628.4	+3.1%	+6.8%
Equipment & Services	488.1	442.4	-12.4%	-9.4%	982.1	879.4	-13.3%	-10.5%
Group total	**881.1**	**831.2**	**-8.4%**	**-5.7%**	**1,751.9**	**1,676.2**	**-7.2%**	**-4.3%**

CFAO's second-quarter revenue was down by -8.4% compared to the same period in 2014 largely impacted by the poor performance of the Automotive business in Maghreb and by a slowdown affecting oil producing countries.

The Group's revenue for the first half of 2015 decreased by -4.3% to €1,676.2 million compared to the first-half of 2014 at €1,751.9 million.

Changes in Group structure in the first half of 2015 chiefly concerned the healthcare business line, with the consolidation of SEP Congo (+€10.3 million) and Fazzini (+€7.5 million). These changes had a positive impact on the revenue of €25.2 million.

Over the first half of 2015, exchange rate fluctuations had a positive impact on the translation of revenue into euros of €28.5 million. The Equipment & Services business line mainly benefited from this effect driven by local currencies, including the Congo franc and Kenyan shilling, appreciating against the euro.

On a like-for-like basis (constant Group structure and exchange rates), first-half 2015 revenue declined by -7.2%.

The table below presents the breakdown of the revenue of the **Consumer Goods** business line:

Consumer Goods revenue trends	First-Half 2014 (in €millions)	First-Half 2015 (in €millions)	Change (reported)
Breweries	111.2	110.2	-0.8%
Plastics	18.9	20.3	+7.7%
Food, Hygiene & Spirits	51.4	37.8	-26.6%
Retail	0.0	0.0	
Consumer Goods total	**181.5**	**168.3**	**-7.2%**

The Consumer Goods business line revenue for the first-half 2015 decreased by -7.2% to €168.3 million.

After several years of ongoing growth, the Beverages segment sales recorded a slight decrease of -0.8% to €110.2 million due to a sluggish market in Congo combined with in an intensifying competition.

The Food, Hygiene & Spirits segment suffered from a difficult business environment in Nigeria that implied a -26.6% drop in revenue to €37.8 million.

The good performance of the Plastics segment with revenues up by +7.7% at €20.3 million partially offset the slowdown of the two other segments of the consumer goods business line.

The table below presents the breakdown of the revenue of the **Healthcare** business line:

Healthcare revenue trends	First-Half 2014 (in €millions)	First-Half 2015 (in €millions)	Change (reported)
Import-wholesale-retail	400.5	421.0	+5.6%
Pre-Wholesale	104.4	97.5	-6.6%
Distribution agent	41.9	44.4	+6.1%
International procurement	40.3	64.2	+59.2%
Others	1.3	1.4	+5.4%
Healthcare total	**588.4**	**628.4**	**+6.8%**

The Healthcare business line posted sustained revenue growth during the first-half 2015 at +6.8% to €628.4 million, driven by both an ongoing organic growth (+3.1% like-for-like) and 2014 acquisitions.

Sales increased in all segments, excluding Pre-Wholesale which showed a -6.6% drop to €97.5 million mainly resulting from a slow-down of the sales in Algeria.

The international procurement activity was particularly dynamic with a +59.2% increase to €64.2 million compared to last year first semester, notably attributable to the new consolidation of Fazzini.

The table below presents the breakdown of the revenue of the **Equipment & Services** business line:

Equipment & Services revenue trends	First-Half 2014 (in €millions)	First-Half 2015 (in €millions)	Change (reported)
Light vehicles and others	564.1	518.3	-8.1%
Used vehicles	24.9	27.0	+8.4%
Services, spare parts and tires	127.2	124.6	-2.0%
Motorcycles and other	22.8	29.9	+31.3%
Heavy trucks	148.2	82.4	-44.4%
Machinery	27.2	25.2	-7.2%
Elevators	17.6	17.4	-1.3%
Rental Services	19.1	21.5	+12.7%
Total Automotive, Equipment & Services	**951.1**	**846.4**	**-11.0%**
Technologies	31.0	32.9	+6.3%
Equipment & Services total	**982.1**	**879.4**	**-10.5%**

In the first half of 2015, the Equipment & Services business line revenue fell by -10.5% to €879.4 million. The activity was particularly sluggish in Maghreb for the Automotive, Equipment & Services segment. Volumes have been down due to the loss of distribution agreements and to difficult market environments in both Algeria, leading to a significant drop of revenues for the Maghreb region.

The Technologies segment showed a good performance with a +6.3% increase to €32.9 million.

2. First-half 2015 financial and operating performance

(in €millions)	First-half 2014	First-half 2015	Change
Revenue	**1,751.9**	**1,676.2**	**-4.3%**
Cost of sales	-1,347.3	-1,262.4	-6.3%
Gross profit	**404.6**	**413.8**	**+2.3%**
en % du CA	*23.1%*	*24.7%*	
Payroll expenses	-139.8	-150.2	+7.4%
Other recurring operating income and expenses	-141.1	-143.7	+1.8%
Recurring operating income	**123.8**	**119.9**	**-3.1%**
en % du CA	*7.1%*	*7.2%*	
Other non-recurring operating income and expenses	1.9	5.3	+172.8%
Operating income	**125.7**	**125.2**	**-0.4%**
en % du CA	*7.2%*	*7.5%*	
EBITDA	**154.4**	**151.9**	**-1.6%**
en % du CA	*8.8%*	*9.1%*	
Finance costs, net	-20.5	-22.3	+9.1%
Income before tax	**105.2**	**102.9**	**-2.3%**
Income tax	-41.7	-42.0	+0.8%
Overall effective tax rate	*39.6%*	*40.8%*	
Share in earnings of associates	**0.7**	**0.4**	-36.6%
Net income of consolidated companies	**64.3**	**61.3**	**-4.6%**
Non-controlling interests	22.2	18.2	-17.8%
Net income attributable to owners of the parent	**42.1**	**43.1**	**+2.4%**
Earnings per share (in €)	0.68	0.70	+1.8%

The Group's **revenue** for the first half of 2015 decreased by -4.3% to €1,676.2 million compared to the first-half of 2014 at €1,751.9 million.

As stated above, changes in Group structure had a positive impact of €25.2 million and fluctuations in exchange rates had a positive impact of €28.5 million on first-half revenue.

On a like-for-like basis (constant Group structure and exchange rates), first-half 2015 revenue declined by -7.2%.

Gross profit accounted for €413.8 million during the first semester 2015, up 2.3% year on year. Gross profit margin improved by 1.6 point at 24.7%, compared to 23.1% in first-half 2014, mostly due to an improved gross profit margin rate in the Automotive, Equipment & Services segment.

Payroll expenses increased by +7.4% to €150.2 million for the first half of the year compared with €139.8 million in first-half 2014. In addition to the entry of new companies in the consolidation scope, this increase reflects the ramp-up of new development projects. In a context of lower revenue, these expenses represented 9.0% of revenue for the first half of 2015, compared with 8.0% in first-half 2014.

Other recurring operating income and expenses moved up +1.8% to a net expense of €143.7 million in first-half 2015, versus €141.1 million for the same period in 2014. As a percentage of revenue, these expenses increased slightly year on year from 8.1% to 8.6%.

Recurring operating income was down -3.1% at €119.9 million, representing a recurring operating profit margin of 7.2%, slightly up on the previous year.

The table below provides a breakdown of **recurring operating income by segment**:

(in €millions)	First-half 2014	First-half 2015	Change
Consumer Goods	31.6	26.4	-16.5%
Healthcare	46.9	48.7	+3.8%
Equipment & Services	62.7	60.4	-3.7%
CFAO Holding	-17.5	-15.7	-10.3%
Total	**123.8**	**119.9**	**-3.2%**

The **Consumer Goods** business line recurring operating profit was affected by -€7 million of expenses resulting from new development projects that were not yet generating revenues. Hence, the business line showed a -16.5% decrease in recurring operating profit from €31.6 million to €26.4 million.

The **Healthcare** business line recurring operating profit increased by +3.8% to €48.7 million, thanks notably to the enhanced profitability of the international procurement segment.

The **Equipment & Services** business line recurring operating income was down -3.7% mainly caused by the drop in activity in Automotive in the Maghreb that was not completely offset by the improvement of the recurring operating income in other regions.

Lastly, holding costs were reduced from €17.5 million to € 15.7 million.

CFAO ended the first half of 2015 with an **operating income** of €125.2 million (7.5% of revenue) in line with last year performance, including a non-recurring profit of €5.3 million mainly attributable to the disposal of a real estate property in Morocco.

EBITDA (corresponding to recurring operating income before net charges to depreciation, amortization and provisions on non-current operating assets) totaled €151.9 million, down -1.6% compared to first-half 2014, despite an improvement of the EBITDA margin of 0.3 points to 9.1% of revenue.

The **cost of net debt** rose by €1.9 million during the first half of 2015 to €22.3 million.

The Group recognized income **tax expense** of €42.0 million in the first half of 2015 versus €41.7 million for the same period in 2014. The overall effective tax rate was 40.8% for the period, compared with 39.6% in first-half 2014.

The Group's share in earnings of associates amounted to €0.4 million in the first half of 2015, versus €0.7 million in the comparable prior-year period.

Net income from continuous operations decreased by -4.6% at €61.3 million.

Net income attributable to non-controlling interests decreased by -17.8% to €18.2 million. It represented 29.7% of consolidated net income vs. 34.5% in first half 2014.

Net income attributable to owners of the parent came in at €43.1 million in first-half 2015, up +2.4% from €42.1 million in the same period of 2014.

Earnings per share amounted to €0.70, versus €0.68 in first-half 2014.

3. Cash flow and financial position

The table below presents a snapshot of the **consolidated statement of financial position**:

(in € millions)	June 30, 2014	Dec. 31, 2014	June 30, 2015
Intangible assets	232.5	241.2	251.2
Property, plant and equipment	409.2	444.7	475.3
Working capital requirement	739.8	679.3	751.3
Other assets and liabilities	23.7	21.0	29.5
Capital employed	**1,405.2**	**1,386.3**	**1,507.2**
Total equity (*)	**844.3**	**953.8**	**944.3**
Net debt	**560.9**	**432.5**	**562.9**

(*) including equity attributable to non-controlling interests

The table below presents a snapshot of the **consolidated statement of cash flows**:

(in € millions)	First-half 2014	Full Year 2014	First-half 2015
Cash flow from operating activities before tax, dividends and interest	157.5	336.7	147.8
as a % of revenue	*9.00%*	*9.46%*	*8.81%*
Change in working capital requirement	-126.7	-46.1	-63.1
Income tax paid	-46.9	-86.7	-49.2
Operating capital expenditure, net	-48.5	-109.0	-65.1
Free operating cash flow	**-64.6**	**94.8**	**-29.7**

Working capital requirement increased during the period, leading to a cash outflow of €-63.1 million, compared to €-126.7 million over the same period last year. The increase observed during this semester is mainly due to the drop of the payables position implied by the slowdown of the activity in the Equipment & Services business line.

Net operating capital expenditure was up by 34%, an increase caused by the modernization of the distribution networks and the expansion of distribution and production capacities.

As of June 30, 2015, net debt amounted to €562.9 million, up €130.4 million compared to end-2014 and €2 million compared to end of June 2014. The main items impacting net debt during the period included the change in working capital requirement and the payment of a €0.81 dividend per share to CFAO shareholders in June 2015, corresponding to a total payout of €50.8 million.

The gearing ratio stood at 0.6 at end of June 2015 down 6 basis points compared to June 2014.

The net debt/EBITDA ratio (*) came in at 1.71 vs. 1.82 at the end of June 2014 and 1.30 at end-December 2014.

(*) calculated on the basis of two times the EBITDA of the first semester

4. Significant events during the first six months of 2015

CFAO FMCG Industries & Distribution
CFAO and L'Oréal signed an agreement covering production and distribution of cosmetic products in Côte d'Ivoire. At the same time, CFAO acquired the Côte d'Ivoire company Sicobel, which will make L'Oréal and own-branded cosmetics for sale across the region.

CFAO Retail
In November 2014, CFAO announced the launch of its brand club, a network of international brands seeking to target the growing African middle class through CFAO's Retail project. In Q1 2015, a second wave of brands joined the club, which now includes ten brands to be marketed in eight countries of sub-Saharan Africa where CFAO Retail plans to open shopping centers.

CFAO Automotive, Equipment & Services
In February 2015, CFAO announced a joint venture with Porsche Holding (Volkswagen Group) to import and distribute VW passenger vehicles and LUVs in six East African countries: Kenya, Malawi, Uganda, Tanzania, Zambia and Zimbabwe. The new joint venture consolidates all the distribution contracts signed to end-2014 with Volkswagen.

In June 2015, CFAO announced the inauguration of two new car dealerships in Abidjan, the economic capital of Côte d'Ivoire, and Kinshasa, capital of DR Congo. The Abidjan dealership features a Toyota-exclusive showroom. Customers in Kinshasa will find two sales areas: one devoted to Toyota; the other to Peugeot and Suzuki.

CFAO Technologies
In July, CFAO Technologies announced it became the number-one Cisco Certified Partner in 18 African countries by obtaining Gold Certification.

Group
On March 24, 2015 the Group announced the appointment of two new members of its General Management Committee: Françoise Le Guennou-Remarck as Vice President, Institutional Relationships and Communications and Marc Bandelier as Chief Operating Officer, CFAO FMCG Industries & Distribution.

5. Outlook for 2015

Recent falls in the oil price and commodity prices generally augur a decline in revenues for producer countries. The IMF, in its World Economic Outlook released on July 9, 2015 slightly downgraded its forecasts for growth in Sub-Saharan Africa to 4.4% in 2015 and 5.1% in 2016. Nevertheless, this remains a strong growth region, particularly given the general rate of global growth.

Despite these revised forecasts, the segment prospects announced when the 2014 results were published remain valid for Automotive, Equipment & Services and Eurapharma.

As regards FMCG Industries and Distribution segment, the difficult business environment in Nigeria may last over the second half of the year.

The financial information in this press release is provided in compliance with IFRS and has not been audited. It has been reviewed by the Supervisory Board.
This press release represents the Company's quarterly financial information.

This document contains forward-looking information, based on current assessments and estimates made by CFAO's management. These statements do not constitute guarantees relating to the Company's future performance. The information may change based on various factors, risks and uncertainties which may result in future publications being materially different from these forward-looking statements. These risk factors are described in CFAO's 2014 Registration Document (*Document de référence*) filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on April 20, 2015 and in other public documents filed with the AMF. CFAO does not make any commitment to update or comment on forward-looking information, except for that which is required by applicable regulations.

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6. About CFAO

CFAO is a front-ranking specialized distributor and preferred partner of major international brands, serving the high-potential equipment and services, healthcare and consumer goods markets in Africa and the French overseas territories.
The Group is active in 39 countries - including 34 in Africa - and 7 French overseas territories. The Group had a headcount of 12,000 at end-2014.
In 2014, CFAO generated consolidated revenue of €3,560.4 million and recorded recurring operating income of €270.7 million.
CFAO is a 97.5%-owned subsidiary of TTC (Japan).

CFAO is listed on NYSE Euronext Paris.
Find CFAO on Bloomberg: CFAO: FP and Reuters: CFAO.PA

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APPENDIX

Revenue trends by geographic area

	Second-quarter				First-half			
	2014 (in €m)	2015 (in €m)	Change (like-for-like)	Variation (reported)	2014 (in €m)	2015 (in €m)	Variation (like-for-like)	Variation (reported)
French-speaking Sub-Saharan Africa	355.0	382.8	+3.0%	+7.8%	702.8	748.1	+2.1%	+6.5%
English- and Portuguese-speaking Sub-Saharan Africa	132.4	124.1	-8.2%	-6.3%	265.3	242.5	-10.9%	-8.6%
French Overseas Territories and other	184.2	190.1	+1.5%	+3.2%	368.3	383.9	+2.7%	+4.2%
Maghreb	131.4	54.6	-58.7%	-58.4%	270.5	124.8	-54.5%	-53.8%
Other Europe (*)	78.0	79.6	-2.3%	+2.0%	145.1	176.8	+15.8%	+21.9%
Total Group	**881.1**	**831.2**	**-8.4%**	**-5.7%**	**1,751.9**	**1,676.2**	**-7.2%**	**-4.3%**

(*) direct export and Denmark (Missionpharma)