



PRESS RELEASE

CFAO SURVEY ON AFRICA'S MIDDLE CLASSES PAINTS DETAILED PICTURE OF "NEW AFRICAN CONSUMERS"

Paris, 15 October 2015 - CFAO unveils the findings of its wide-ranging survey on African consumers. Conducted in partnership with research institute IPSOS and consulting firm BearingPoint, the study (The Middle Classes in Africa: realities and challenges) aims to quantify this new phenomenon and characterise the behaviour of African consumers.

To provide a quantitative assessment of Africa's emerging middle classes with regard to their expectations and the real issues they face, questionnaires were given to more than 4,000 African households in five countries which were seen as key drivers for the continent. The countries were selected on the basis of their complementary geographic, economic, social and cultural characteristics: Morocco, Cameroon, Côte d'Ivoire, Nigeria and Kenya. In order to provide a qualitative evaluation, researchers also conducted sociological surveys involving 50 households to gain a better insight into their habits and values while providing an in-depth understanding of how they perceive their economic situation.

"We wanted this survey to go beyond digital approaches based solely on gauging the income of different sections of African society," explains Richard Bielle, Chairman of the CFAO Management Board. "We focused on the social characteristics of the middle class, along with its specific features and patterns of consumption. Understanding the evolution of Africa's middle classes is a cornerstone of future development in Africa and the primary source of growth for our Group."

From a quantitative standpoint, CFAO estimates that this 'consumer class' will total some 224 million people by 2040, compared with 78 million in 2010. In profiling the traits that define these new African consumers, the survey notes that most are salaried employees working in the private sector who come from a background of subsistence and now favour local consumption. They spend a quarter of their income on food and keep a tight rein on their budget. They often have more than one job (official and unofficial) and invest in the future, mainly through their children's education.

The first notable finding is that most people see hypermarkets and supermarkets as a sign of quality associated with international brands, with 86% of respondents shopping in these places at least once a month. And while the majority of Africa's middle class continues to

pay in cash, there is no consensus when it comes to other forms of payment. 55% of Moroccans and 41% of Kenyans own and use a credit card, compared with barely one third of the population in Nigeria, 26% in Cameroon and 17% in Côte d'Ivoire. Such differences are even more striking with regard to mobile payment, which is used by 88% of Kenyans but just 42% of Ivorians and fewer than 20% of people in Cameroon and Nigeria, with only a marginal number of the population using such methods in Morocco.

The survey also reveals that, despite keeping a tight rein on their budget, Africa's middle classes are generally well equipped in terms of technology such as televisions, smartphones and computers. New technologies are an area in which they seem willing to overlook the caution that guides their other purchasing practices. Such devices represent a form of entertainment, a window onto the world and a connection to family and friends.

To help those in the sector address the issue more effectively, the CFAO-commissioned survey is also the subject of a white paper summarising and presenting its main findings.

About CFAO

CFAO is a front-ranking specialized distributor and preferred partner of major international brands, serving the high-potential equipment & services, healthcare and consumer goods markets in Africa and French overseas territories: The Group is active in 39 countries, including 34 African countries and 7 French overseas territories. It employed 12,000 people 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.

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