



## PRESS RELEASE

Sèvres, October 27, 2016

### 2016 third-quarter revenue

**Third-quarter revenue decreasing to €768.2 million**

**Change in trend compared to the second quarter 2016 which showed growing sales:**

- **Worsening of the economic environment in oil-producing countries**
  - **Economic slowdown in the other sub-Saharan markets**

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

<b>Revenue trends by division</b>	Third quarter of 2015 (in €m)	Third quarter of 2016 (in €m)	Change (like-for-like)	Change (reported)	9 months of 2015 (in €m)	9 months of 2016 (in €m)	Change (like-for-like)	Change (reported)
Consumer goods	88.0	75.1	-14.9%	-14.7%	256.3	235.2	-14.2%	-8.2%
Healthcare	308.7	306.7	+0.7%	-0.6%	937.1	944.5	+2.3%	+0.8%
Equipment & Services	462.8	386.4	-14.2%	-16.5%	1,342.2	1,262.7	-4.2%	-5.9%
<b>Group total</b>	<b>859.6</b>	<b>768.2</b>	<b>-8.9%</b>	<b>-10.6%</b>	<b>2,535.8</b>	<b>2,442.4</b>	<b>-2.9%</b>	<b>-3.7%</b>

## 1. Third quarter revenue

CFAO's third quarter 2016 revenue reached €768.2 million, declining by -10.6% on a reported basis and -8.9% like-for-like compared with the same period 2015. This performance is showing a disconnect with the second quarter where reported sales were up +2,5%.

Perimeter changes compared to the third quarter 2015 were mainly related to the start-up of the Retail activity in Côte d'Ivoire (+€7.5 million). Overall changes in Group structure had a positive impact of +€7.8 million on 2016 third quarter revenue.

Currency impacts on the translation of foreign revenue into Euros were negative in Q3 at -€23.1 million. This impact was primarily linked to the depreciation of the Nigerian naira, and, to a lesser extent, to the depreciation of the Algerian dinar and the Zambian kwacha against the Euro.

The Group activity was affected by a worsening of the economic environment in oil-producing countries and by the economic slowdown in other sub-Saharan markets.

The **Consumer goods** business line reported revenue of €75.1 million in Q3 2016, down -14.9% like-for-like and -14.7% on a reported basis, on the prior year period.

The Food, Hygiene & Convenience activity has continued to suffer from the contraction of the Nigerian economy and from the severe deterioration of the financial environment in this country. The Beverages activity has been impacted by a still-difficult economic environment in Congo and the intensification of competition in this territory. The slowdown of these activities is nevertheless offset by the good level of CFAO Retail division sales in Côte d'Ivoire.

The **Healthcare** business line reported revenue of €306.7 million in Q3 2016, up by +0.7% like-for-like and slightly down by -0.6% on a reported basis, on the prior year period.

The growth of the Import-Wholesale-Resale segment in sub-Saharan Africa and of the Healthcare institutional clients segment was offset by the contraction of the Pre-Wholesale activities in Algeria and of the Distribution Agent business in Nigeria.

The **Equipment & Services** business line published a -14.2% like-for-like, and -16.5% reported decrease in sales during Q3 2016 to €386.4 million.

This contraction, mostly imputable to an adverse macro-economic environment, impacted almost all activities of the CFAO Automotive Equipment & Services division. The slowdown was notably strong in the Equipment segment (trucks and construction equipment) on declining markets, despite the fact that market share held firm. Geographically, the most declining zones were Algeria, Kenya and Nigeria.

CFAO Technologies division was also impacted by the significant decline of sales in Algeria.

## 2. Financial position at end-September 2016

The Group's financial position remains robust at end-September 2016 with a gearing ratio of 0.67.

## 3. Significant events

### CFAO Retail

After the successful launch of the shopping mall in Abidjan, Côte d'Ivoire, mid-december 2015, CFAO signed an agreement in June with Wendel and FFC under which the latter will acquire respective stakes of 40% and 20% in SGI Africa, a company established by CFAO in 2015 to support the plan to develop the Carrefour brand and the "Club of Brands" in Africa. In application of this agreement, Wendel and FFC have taken an equity stake in SGI Africa on July 29, 2016.

## 4. Outlook for 2016

The IMF, in its report published October 8, 2016, has once again downgraded its forecasts for growth in Sub-Saharan Africa to 1.4% in 2016. Subject to reforms being initiated promptly in the coming

months, the IMF reckons growth should rebound to 3% in 2017. This slowdown is, according to the financial institution, caused by external factors (low commodity prices and tightened financial market conditions) and internal factors (delayed and incomplete policy responses to these shocks).

No significant changes are expected for 2016 year-end, compared to the trend observed at the end of September. The economic environment should remain difficult in the zones currently affected by a slowdown.

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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 2015 Registration Document (*Document de référence*) filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on April 19, 2016 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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## 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 12,370 people at end-2015. In 2015, CFAO generated consolidated revenue of €3, 435.7 million and recorded recurring operating income of €269.2 million.

CFAO is a 97.74%-owned subsidiary of TTC (Japan). CFAO is listed on NYSE Euronext Paris. Find CFAO on Bloomberg: CFAO: FP and Reuters: CFAO.PA  
To find out more, go to: [www.cfaogroup.com](http://www.cfaogroup.com)

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APPENDIX

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<b>Revenue trends by geography</b>	Third quarter 2015 (en M€)	Third quarter 2016 (en M€)	Variation (like-for-like)	Variation (reported)	9 months 2015 (en M€)	9 months 2016 (en M€)	Variation (like-for-like)	Variation (reported)
French-speaking Sub-Saharan Africa	390.4	369.8	-6.4%	-5.3%	1,138.5	1,148.4	-1.9%	+0.9%
English- and Portuguese-speaking Sub-Saharan Africa	129.7	100.0	-9.8%	-22.9%	372.2	321.4	-3.8%	-13.7%
Algeria and Morocco	47.1	32.4	-28.3%	-31.2%	172.0	100.1	-36.7%	-41.8%
French overseas territories and Vietnam	187.2	177.8	-4.8%	-5.0%	571.1	576.1	+1.1%	+0.9%
Other Europe (*)	105.1	88.2	-16.4%	-16.1%	281.9	296.3	+4.9%	+5.1%
<b>Total</b>	<b>859.6</b>	<b>768.2</b>	<b>-8.9%</b>	<b>-10.6%</b>	<b>2,535.8</b>	<b>2,442.4</b>	<b>-2.9%</b>	<b>-3.7%</b>

(\*) *France Export + Denmark (Missionpharma) + Italy (Fazzini)*