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PRESS RELEASE

picard

Paris/Luxembourg – May 3, 2018, 8:00 a.m. Picard Bondco S.A., the parent company of the Picard group, provides today updated financial and operating information to the holders of Picard Groupe S.A.S.'s outstanding floating rate senior secured notes due 2023 and Picard Bondco S.A.'s outstanding 5.500% senior notes due 2024, as follows:

Recent Developments

Based on unaudited accounting records and preliminary management reporting, we estimate that for the last quarter of the year ended March 31, 2018 our sales increased by 6.3% as compared to the same period in 2017, driven mainly by the positive calendar effect from Easter falling in this period. Against the backdrop of the positive calendar effect from Easter, our like-for-like sales in France increased by 4.6% in the last quarter of the year ended March 31, 2018 as compared to the same period in 2017 (and by 1.5% as adjusted to exclude the calendar effect, as estimated by management). We have also continued to pursue our strategy of controlled expansion both domestically and internationally in the last quarter of the year ended March 31, 2018. In this quarter, we opened 6 new stores in France and entered into a partnership with Albert Heijn to provide a limited selection of our products at its stores in the Netherlands, which is currently in a preliminary stage, while also pursuing the restructuring of our Swedish operations with the closure of three loss-making stores (in addition to a further store in Sweden that was closed for unrelated reasons).

Based on such unaudited accounting records and preliminary management reporting, our sales for the year ended March 31, 2018 increased by 3.7% as compared to the year ended March 31, 2017, in particular due to strong sales growth in France and the calendar effect of Easter falling in both the first and last quarters of the year ended March 31, 2018. Like-for-like sales in France increased by 2.1% over the corresponding period (and by 1.3% as adjusted to exclude the calendar effect, as estimated by management). In addition, cash and cash equivalents at March 31, 2018 (based on preliminary management accounts) was €89.1 million.

The results described above have been derived from our accounting records and preliminary management reporting and have not been audited, reviewed or verified by our independent auditors. We have not prepared consolidated financial statements for the periods covered above. Accordingly, the results in our consolidated financial statements for the year ended March 31, 2018 may significantly differ from our estimated preliminary results above. In addition, these preliminary results may not be indicative of any future period and you should not place undue reliance thereon.

Other Financial Data

	As of and for the year ended March 31,			As of and for the nine months ended December 31,		As of and for the twelve months ended December 31,
	2015	2016	2017	2016	2017	2017
	(€ in millions, except ratios and percentages)					
Other information(1)						
Gross profit margin(2)	43.8%	43.8%	43.9%	43.7%	43.7%	43.9%
EBITDA(3)	181.9	191.6	201.3	154.9	153.0	199.4
EBITDA margin(4)	13.3%	14.0%	14.4%	14.5%	14.0%	14.0%
Adjusted EBITDA(5)						209.4

(1) Unaudited except for gross profit margin as at March 31, 2015, 2016 and 2017.

(2) Gross profit margin is gross profit divided by sales of goods.

(3) EBITDA represents operating profit before depreciation, amortization and provisions allowances. EBITDA is not a measurement of performance under IFRS-EU, and you should not consider EBITDA as an alternative to operating profit or net income or any other performance measure derived in accordance with IFRS-EU.

We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties in evaluating the Picard Group. EBITDA and similar measures are used by different companies for differing purposes and are often calculated differently. You should exercise caution in comparing EBITDA and similar measures as presented by us to those presented by other companies. EBITDA as presented here differs from the definition of "Consolidated EBITDA" contained in the Indenture.

The reconciliation of our operating profit to EBITDA is as follows:

	Year ended March 31,			For the twelve months ended December 31,
	2015	2016	2017	2017
	(€ in millions)			
Operating profit	147.9	156.8	167.4	163.0
Depreciation, amortization and provisions allowances	34.0	34.8	33.9	36.4
EBITDA	**181.9**	**191.6**	**201.3**	**199.4**

(4) EBITDA margin is EBITDA divided by sales of goods.

(5) Adjusted EBITDA represents EBITDA adjusted for various items that management considers to be non-operational and/or non-recurring in nature and includes both income and expense items, including (a) the payment of management fees, (b) the payment of non-capitalized refinancing fees, (c) provisions for restructuring plans in Sweden, (d) social security charges, backpayments and related penalties, (e) operating losses of stores we decided to close in Sweden, (f) the receipt of an indemnity from a logistics supplier, (g) a capital gain on warehouse disposal, (h) cost savings on rental payments relating to prior periods but realized during the twelve months ended December 31, 2017, (i) operating losses attributable to three stores in France we closed in the twelve months ended December 31, 2017 and (j) the estimated reduction in our gross margin due to increased promotional activity in October and November 2017 related to the launch of our new customer loyalty card "*Picard et moi*". The adjustments to EBITDA presented herein are for informational purposes only. This information is prepared on the basis of certain assumptions as further described below but such assumptions do not take into account all conceivable variables and are therefore inherently subject to risks and uncertainties and they may not give an accurate or complete picture of our financial condition or results of operations, may not be comparable to our consolidated financial statements or the other financial information included herein and undue reliance should not be placed upon them when evaluating an investment decision. See "*Presentation of Financial and Other Information and Certain Definitions—Other Financial Measures*". The following table sets forth a reconciliation of EBITDA to Adjusted EBITDA, for the twelve months ended December 31, 2017.

Adjusted EBITDA is not a measurement of performance under IFRS-EU, and you should not consider Adjusted EBITDA as an alternative to operating profit or net income or any other performance measure derived in accordance with IFRS-EU. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties in evaluating the Picard Group. Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated differently. You should exercise caution in comparing Adjusted EBITDA and similar measures as presented by us to those presented by other companies. Adjusted EBITDA as presented here differs from the definition of "Consolidated EBITDA" contained in our indentures.

	For the twelve months ended December 31,
	2017
	(€ in millions)
EBITDA	**199.4**
Management fees[(a)]	2.6
Non-capitalized refinancing fees[(b)]	0.8
Restructuring provision in Sweden[(c)]	1.3
URSSAF back-payments and penalties[(d)]	4.8
Loss-making stores in Sweden[(e)]	1.0
Logistics supplier indemnity[(f)]	(0.3)
Capital gain on warehouse disposal[(g)]	(0.4)
Out-of-period rent savings[(h)]	(0.4)
Loss-making stores in France[(i)]	0.3
Gross margin cost from loyalty program[(j)]	0.5
Adjusted EBITDA	**209.4**

(a) Management fees represents annual fees paid by the Group to its shareholders for strategic, marketing, operation, procurement and other advice.

(b) Non-capitalized refinancing fees represents non-capitalized third-party advisory fees recorded as operating expenses in connection with an abandoned refinancing project.

(c) Restructuring provisions in Sweden represents provisions for costs incurred or expected to be incurred in connection with our restructuring plans in Sweden. Such restructuring costs relate to asset impairment charges and other exceptional items associated with the closure of three loss-making stores in the three-month period ended March 31, 2018 and three additional loss-making stores we expect to close in the coming months, including early lease termination payments, severance indemnities for employees and costs associated with the dismantling of stores.

(d) URSSAF back-payments and penalties represents a provision recorded following an URSSAF audit relating to social security contributions paid during calendar years 2014 to 2016. The full amount of the reassessment is €4.8 million, corresponding to allegedly underpaid social security contributions of €4.3 million and late payment penalties of €0.5 million, all of which is attributable to prior periods (from January 1, 2014 to December 31, 2016). A significant portion of the URSSAF reassessment stems from the alleged erroneous calculation of social security contributions on lower wages, which are subject to a formula-based reduction (the so-called "*allègements Fillon*"). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". We recorded a provision for the full amount in our financial statements as of December 31, 2017. The reassessement (excluding the late payment penalties of €0.5 million) was paid in January 2018. However, we believe we have arguments to dispute the reassessment and intend to challenge the reassessment before the relevant French courts. See "*Risk Factors—The social security contributions we are required to make for our employees may increase and the tax credits we benefit from may decrease*" and "*Business—Legal Proceedings—Social Security Contributions Dispute ("URSSAF dispute")*".

(e) Loss-making stores in Sweden represents the operating losses of six stores located in Sweden, during the twelve-month period ended December 31, 2017, for which a restructuring provision has been recorded, as described above in (c). Out of these six stores, three were closed during the three months ended March 31, 2018, and we expect to close the three remaining stores in the coming months, but the decision to close all six stores was taken during the twelve-month period ended December 31, 2017.

(f) Logistics supplier indemnity represents a one-off indemnity payment received from one of our logistics suppliers.

(g) Capital gain on warehouse disposal represents a one-off capital gain realized in connection with the sale of an unused warehouse. Because the sale of this asset occurred outside the ordinary course of business, we are adjusting EBITDA for the full amount of income generated, net of the book value of such asset.

(h) Out-of-period rent savings represents savings on rent recorded during the twelve months ended December 31, 2017 relating to reimbursement of rental payments received during the twelve months ended December 31, 2017 that relate to prior periods. In France, commercial leases provide for a periodic rent renegotiation based on the fluctuations in certain reference indices. The adjustment relates to savings on rental payments made prior to January 1, 2017, which were successfully renegotiated and reimbursed during the twelve-month period ended December 31, 2017.

(i) Loss-making stores in France represents the operating losses of three stores located in France during the twelve-month period ended December 31, 2017, which were closed during such period. Such closures of stores in France are uncommon events for us. Since our first store opening in 1974 to the present, we have only closed a total of 26 stores in France (including these three stores), out of which six were closed in the last five years.

(j) Gross margin cost from loyalty program represents the estimated reduction in gross margin due to the increase in promotional activities related to the launch of our customer loyalty program, *Picard et moi*, in October and November 2017 multiplied by our sales in France for these months. Gross margin cost from loyalty program does not adjust for any increase in sales resulting from such increased promotional activities.

Other Operating Data

	As of and for the year ended March 31,			As of and for the twelve months ended December 31,
	2015	**2016**	**2017**	**2017**
Directly-operated French stores (end of period)	930	947	967	976
Net new store openings (France)	14	17	20	14
Franchised French stores (end of period)(11)	9	13	18	24
Franchised French store openings	1	4	5	7
Total French stores (end of period)	**939**	**960**	**985**	**1,000**
Other stores (end of period)(12)	24	34	39	44
Other store openings	10	10	5	5
Total stores (end of period)	**963**	**994**	**1,024**	**1,044**
France				
French like-for-like sales growth(13)	0.8%	0.4%	0.3%	0.7%
Directly-operated stores trading space (m^2)	221,060	224,912	228,761	230,488
Average basket size (€)(14)	22.4	22.4	22.4	22.6
Total number of tickets (in millions)(15)	60.8	61.9	62.8	63.4

(11) Franchised French stores represent our franchised stores in mainland France, Corsica, La Réunion and the French West Indies.
(12) Other stores represent our directly-operated stores in Belgium, Luxembourg and Sweden and franchised stores in Japan and Switzerland (but does not include "corners"). Our Swedish stores are owned by our 75% owned subsidiary, Picard Sweden AB, the remaining 25% of which is owned by our Swedish partner.
(13) Like-for-like sales growth represents the change in sales from our directly-operated stores in France that have been open for more than 12 months. For the purpose of like-for-like calculations, a store will be included (i) on the first day of the twelfth month following its opening date if it was opened between the first and the fifteenth day of any given month, and (ii) on the first day on the thirteenth month following its opening date in all other cases.
(14) Average basket size means the average euro value per transaction in our directly-operated stores.
(15) Total number of tickets means the number of sales transactions that take place in a given period. Total number of tickets only includes tickets from directly-operated stores.

Social Security Contributions Dispute ("URSSAF dispute")

The URSSAF alleges that we applied erroneous methods of calculation for various social security contributions, including with respect to the computation of the "*allègements Fillon*" reductions. The amount of the reassessment for the calendar years 2014 to 2016 is €4.3 million, plus an additional €0.5 million as penalties for late payment. A provision for the total amount of €4.8 million was recorded in our financial statements as of and for the nine months ended December 31, 2017. The €4.3 million reassessment, excluding the penalties for late payment, was paid in January 2018. In addition, from April 1, 2017, we have taken into account the interpretation of the URSSAF when accruing our social security contributions.

However, we believe that arguments exist to contest the position of the administration, and we intend to challenge the reassessment before the relevant French courts.

We were also notified on December 1, 2017 that the URSSAF has initiated an audit on Picard Groupe S.A.S. in respect of social security contributions. The URSSAF verifications began in January 1, 2018 and resulted in a reassessment of less than €0.1 million, for which we have recorded a provision for the three-month period ended March 31, 2018.

Presentation of financial and other information

Adjusted EBITDA, which is a non-IFRS measure that represents EBITDA for the twelve months ended December 31, 2017, adjusted for various items that management considers to be non-operational and/or non-recurring in nature and includes both income and expense items as further described in footnote 5 under "*Summary historical financial information and other data—Other financial data*". The adjustments to EBITDA exclude (a) the payment of management fees, (b) the payment of non-capitalized refinancing fees, (c) provisions for restructuring plans in Sweden, (d) social security charges, backpayments and related penalties, (e) operating losses of stores we decided to close in Sweden, (f) the receipt of an indemnity from a logistics supplier, (g) a capital gain on warehouse disposal, (h) cost savings on rental payments relating to prior periods but realized during the twelve months ended December 31, 2017, (i) operating losses attributable to three stores in France we closed in the twelve months ended December 31, 2017 and (j) the estimated reduction in our gross margin due to increased promotional activity in October and November 2017 related to the launch of our new customer loyalty card "*Picard et moi*"

The adjustments to EBITDA and Adjusted EBITDA presented herein are for informational purposes only. This information is prepared on the basis of certain assumptions but such assumptions do not take into account all conceivable variables and are therefore inherently subject to risks and uncertainties and they may not give an accurate or complete picture of our financial condition or results of operations, may not be comparable to our consolidated financial statements or the other financial information included herein and undue reliance should not be placed upon them when evaluating an investment decision.

Neither EBITDA nor Adjusted EBITDA is a measurement of performance under IFRS and you should not consider EBITDA or Adjusted EBITDA as an alternative to operating profit or consolidated income, as a measure of our operating performance, cash flows from operating, investing and financing activities, as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that EBITDA and Adjusted EBITDA are useful indicators of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. EBITDA and Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. EBITDA and Adjusted EBITDA may not be indicative of our historical operating results, nor are they meant to be predictive of future results.

This press release constitutes a public disclosure of inside information by the Picard group under Regulation (EU) 596/2014 (16 April 2014) and Implementing Regulation (EU) No 2016/1055 (10 June 2016).

This press release may include forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the terms as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding Picard Bondco S.A.'s or any of its affiliates' intentions, beliefs or current expectations concerning, among other things, Picard Bondco S.A.'s or any of its affiliates' results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward looking statements are not guarantees of future performance and that Picard Bondco S.A.'s or any of its affiliates' actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward looking statements contained in this press release. In addition, even if Picard Bondco S.A.'s or any of its affiliates' results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.