

Castorama Poland

Investors Visit
Warsaw, 17 June 2009



- **Market leader in Poland**
- **“Castorama” and “Brico Depot” brands**
- **47 Casto and 6 Brico stores**
- **Approx. 9,000 employees**
- **Stable, winning strategy in a growing market**
- **Ambitious development plans in difficult legal environment**



Agenda



- Poland – market outlook
- Polish home improvement market
- Castorama / Brico today and in the future
- Store visits

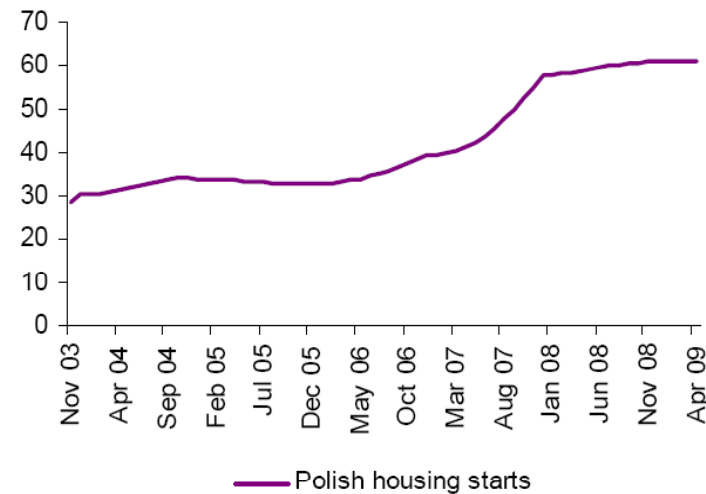
Macroeconomics

- Investment potential
 - Seasonally adjusted GDP growth rose by 1.9% y-o-y in Q1/2009 in Poland, according to preliminary data of the EU statistical office Eurostat. In this period, GDP went down by 4.5% in the annual term and by 4.8% in the euro-zone.
 - Government is determined to maintain budget discipline
 - Poland's economy in better shape than the rest of CEE, perceived as the most attractive location for new investment in the region due to qualifications of employees, stable law, productivity, commitment and membership of the European Union
- People
 - Market of 38m people
 - Youngest EU society with more than 50% people under 35 years
- Important consumer market
 - Annual retail sales growth for the first two months of 2009 was the strongest in the EU, at more than 2%*
 - Private consumption levels remained relatively strong in recent months, with Q4 2008 seeing year on year growth of 5.1%
- Other
 - Poland ranks as the second largest country in Europe with regard to creating new workplaces**
 - Low CIT of 19%, and PIT of 18% and 32%.

*) Data for Q1 2009; **) Source: EY European Attractiveness Survey 2008, Government statistics

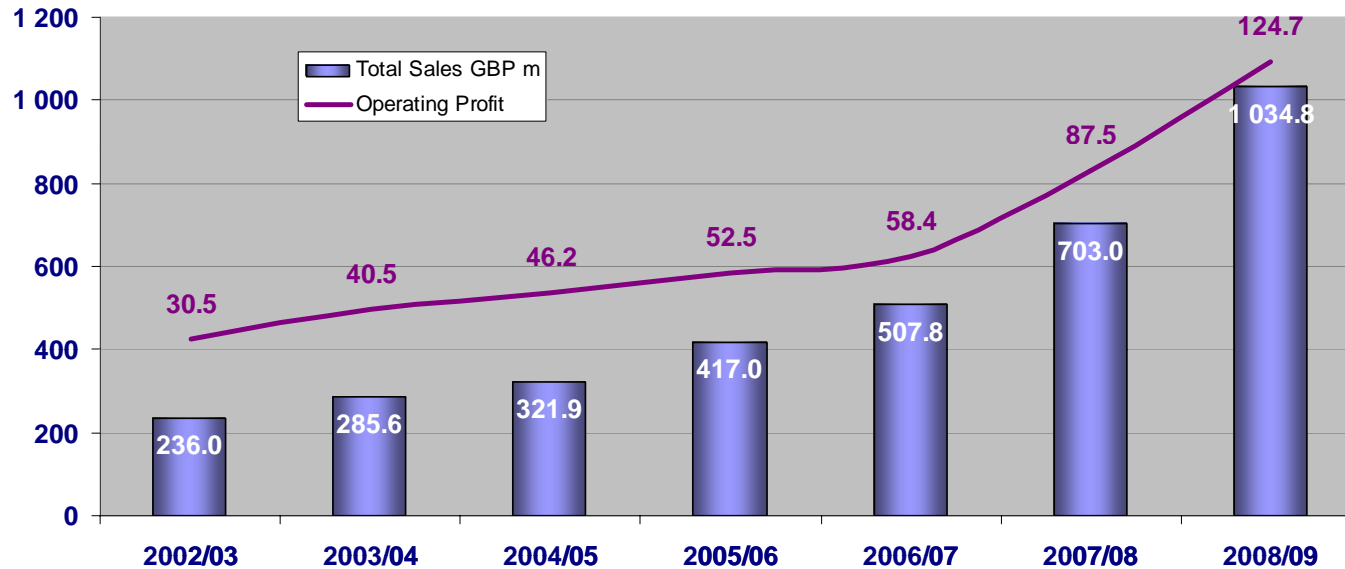
- **Property prices – decline by 10-20% YoY as the result of difficulties in raising mortgages and decreasing customer confidence index**
- **The Polish government took action with regard to the problems with loan repayment and social pressure caused by releases on higher unemployment**
- **Household goods sales still increase**

Polish housing starts resilience



Source: MF Global Securities Limited, DataStream

- **According to Moody’s assessment, although four countries in the region with the highest, “A’ rating – Poland, Czech Republic, Slovakia and Slovenia – will suffer the pressure of global crisis, but they are safe and their financial credibility is not in danger of falling down. They will be able to finance their respective budget deficits without any problems.**



	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total Sales GBP m	236.0	285.6	321.9	417.0	507.8	703.0	1 034.8
Operating Profit	30.5	40.5	46.2	52.5	58.4	87.5	124.7
Op. Profit/Sales [%]	12.9%	14.2%	14.3%	12.6%	11.5%	12.4%	12.1%
Store openings Castorama	4	3	6	5	4	6	6
Store openings Brico	-	-	-	-	1	1	3
Total number of stores	16	19	25	30	35	42	51



DYI market - competition



Castorama / Brico / Competitors

- Fierce competition
- Development programs – smaller formats
- Possible consolidations
- Alignment of strategies to follow the leader

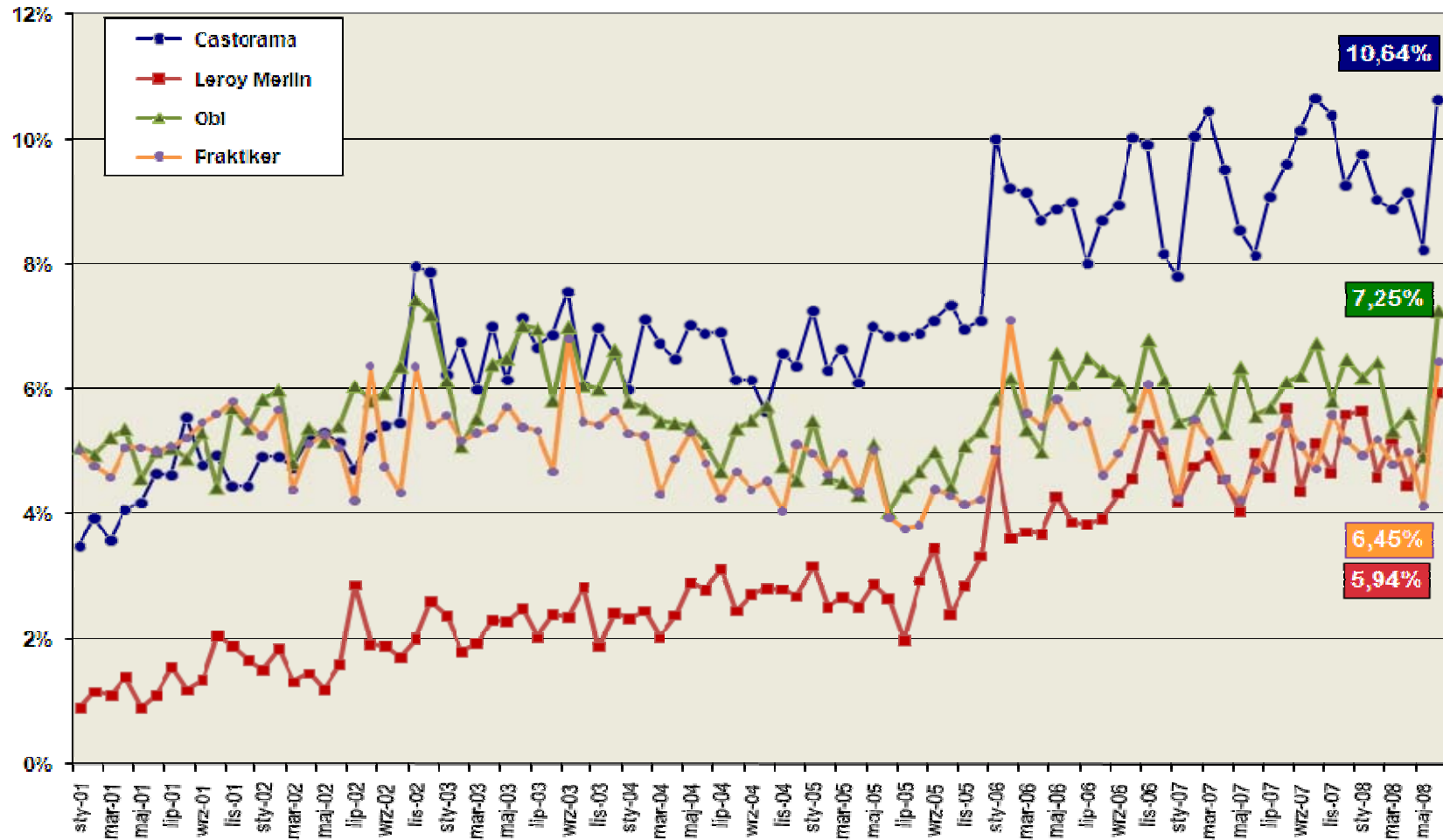
Number of stores	2004	2005	2006	2007	2009 16/06
	25	29	33	39	47
	-	-	1	2	6
	14	16	21	24	32
	23	25	28	30	32
	16	17	17	20	21
	35	32	32	33	31
	-	-	-	1	2

	Sales 2007 in PLN m
Castorama Polska	3,824
Praktiker	778

Financials

- Lack of reliable data on market size
- Praktiker – the only competitor revealing data on sales

*) Source: Office of Competition and Customer Protection



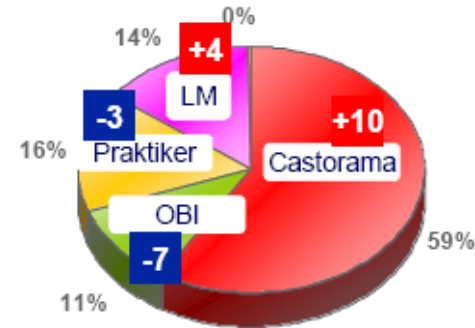
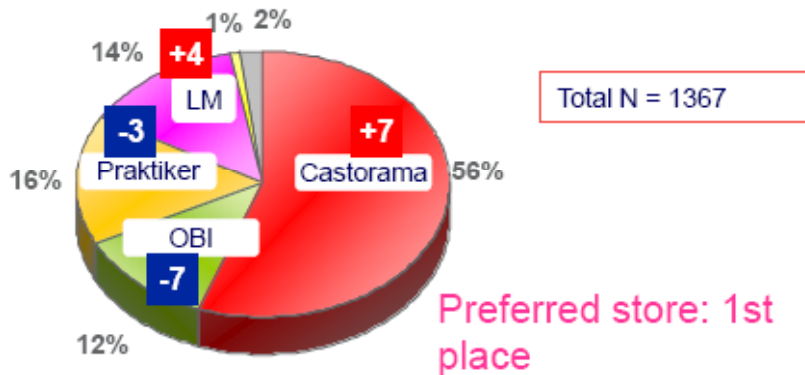
Following the survey as per the end of March 2007 declared Castorama clients represent 10.64 % of adult population of Poles over 15 years of age which is close to 3.2m people.

*) Source: SMG / KRC TGI survey

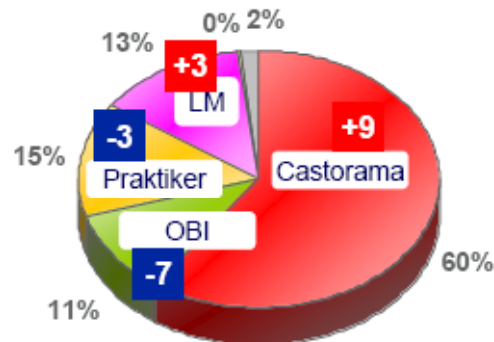
“Top-of-Mind” Familiarity and Preferences as Regards DIY Chains

Having in mind the DIY stores, which one comes to mind as the first one?

Which DIY store do you go to most frequently?



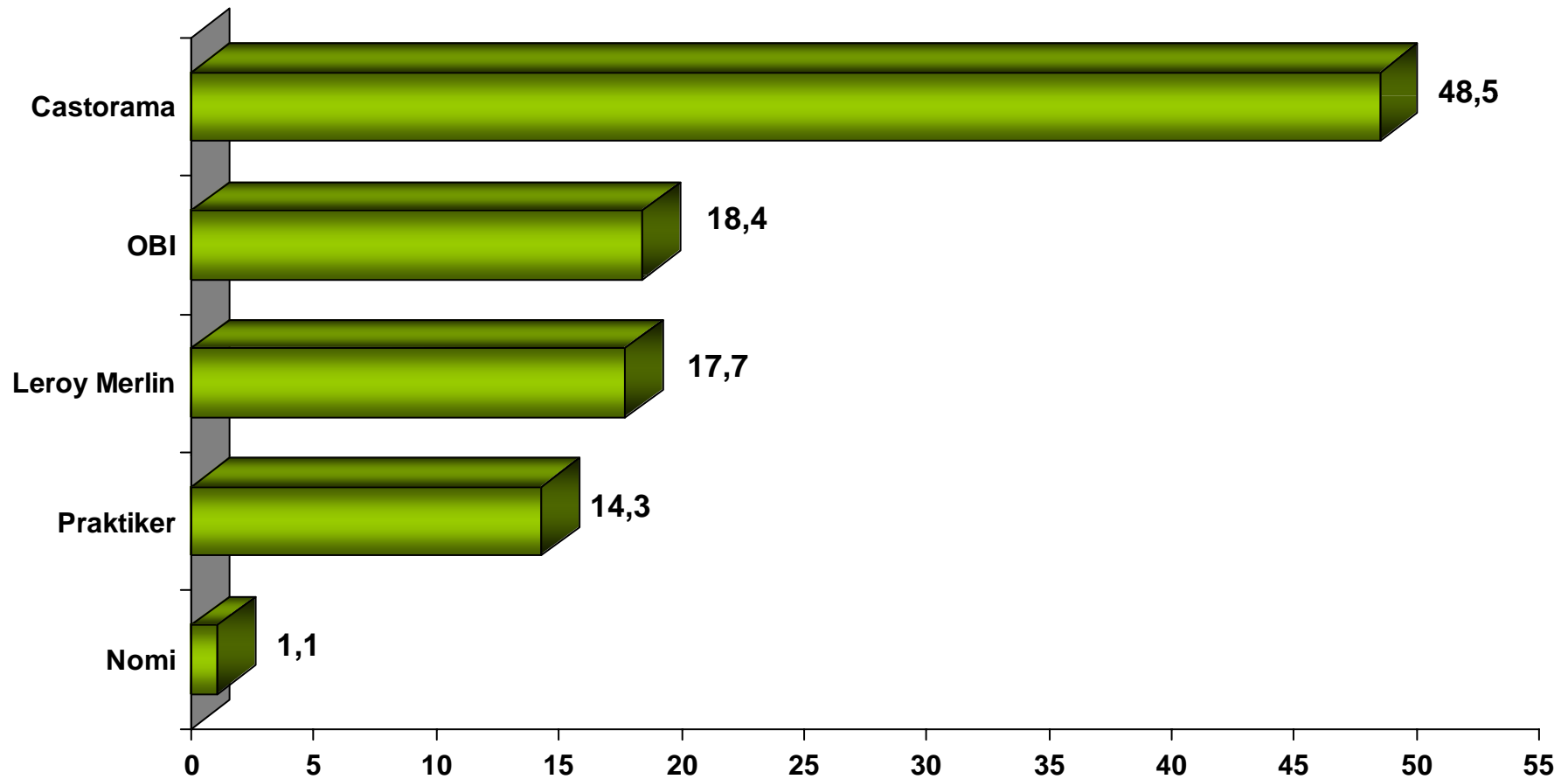
Total N = 1367



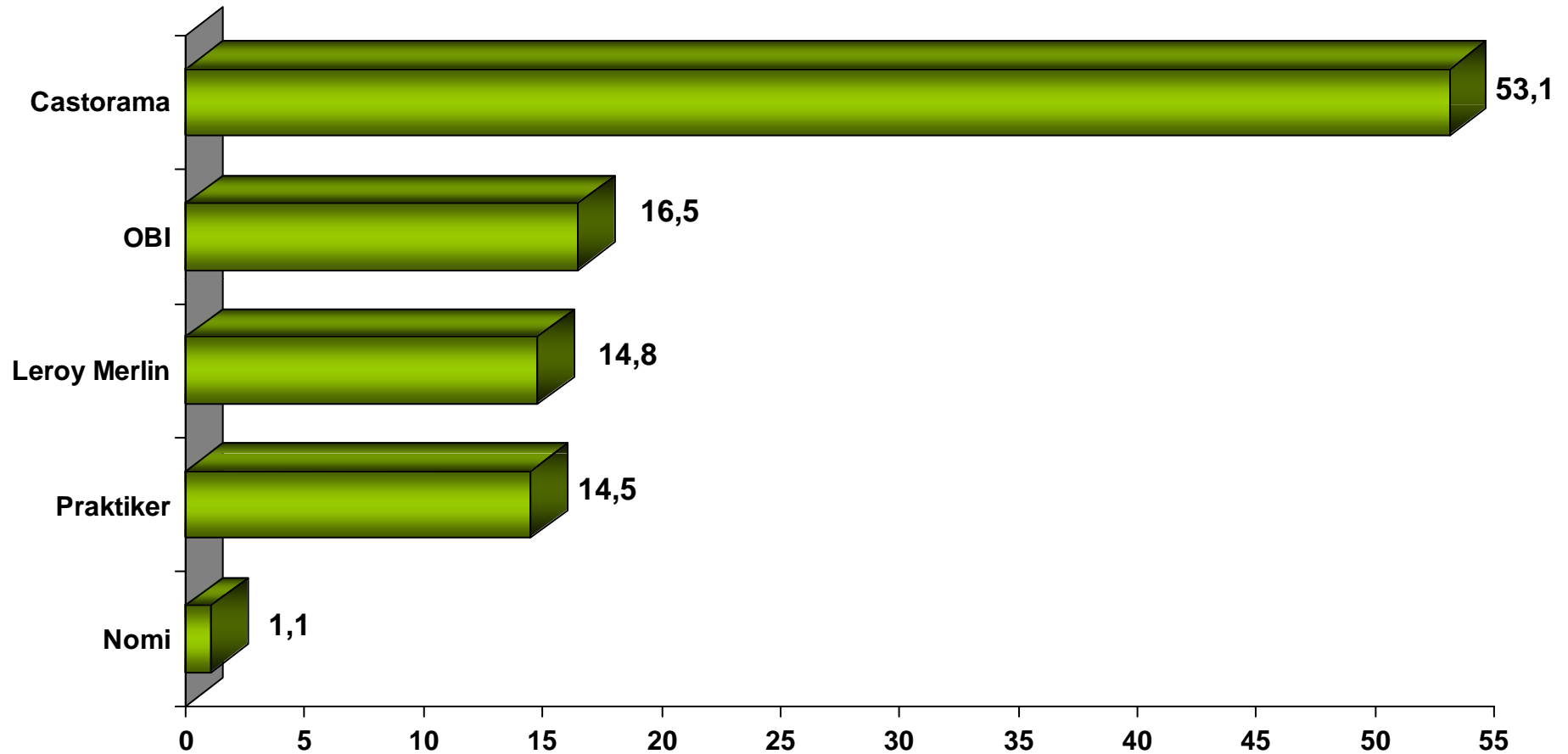
Castorama is a chain of DIY stores, which just like in the previous years achieved the highest top-of-mind rating. It is visited most frequently and comes first in the ranking of DIY stores. Among the monitored stores, Leroy Merlin comes second. In comparison with the previous year, it improved all these indexes. In the case of Praktiker and OBI, we can see a drop in the mentioned indexes.

Confidential & Proprietary

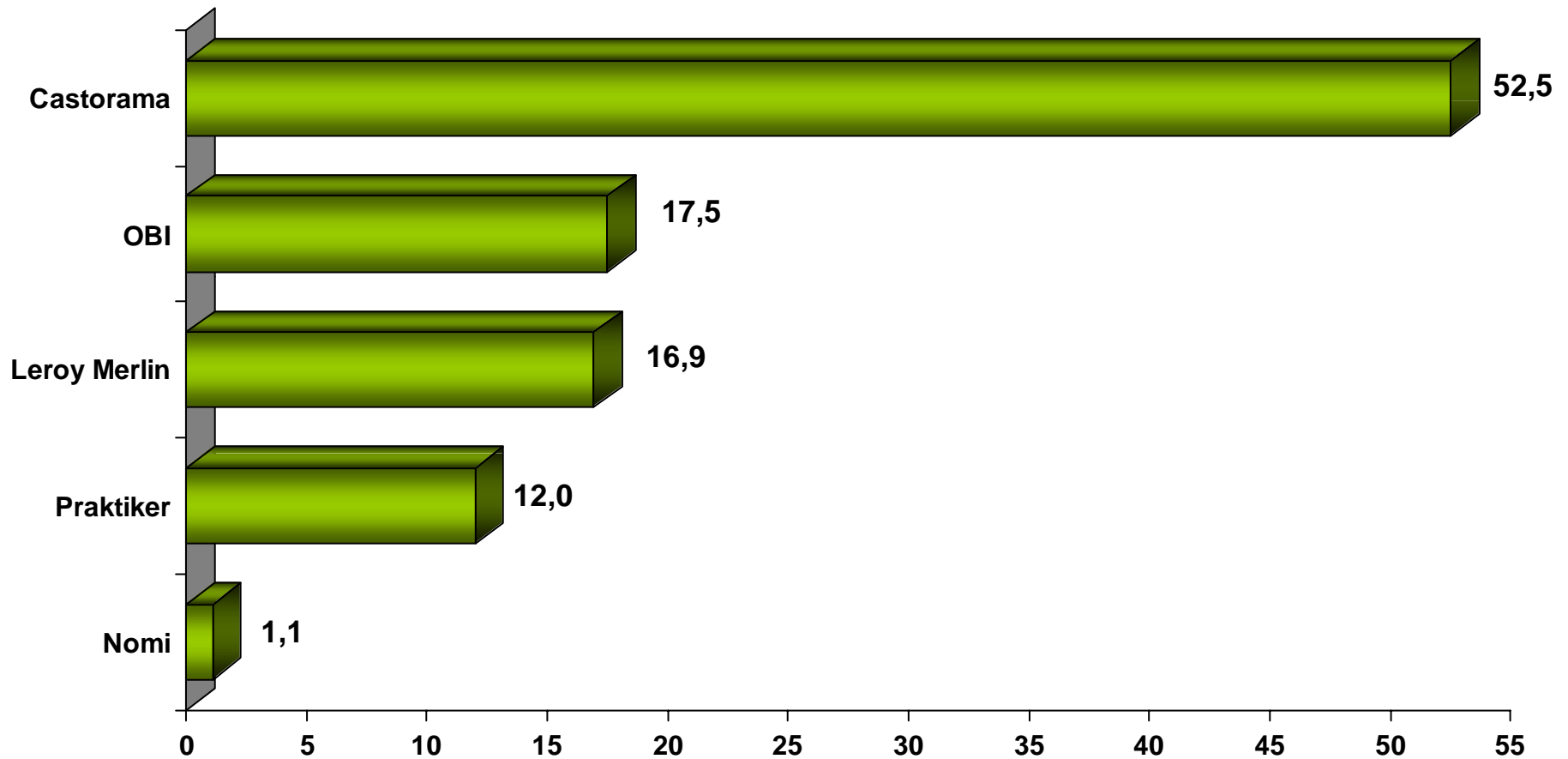
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Source ASM 01/2009 n=950



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