MAISONS DU MONDE

Update to the Registration Document





Maisons du Monde

Limited liability company with a management and supervisory board (*société anonyme à directoire et conseil de surveillance*)[1]
with a share capital of €75,540,062.16

Registered Office:

Le Portereau
44120 Vertou
793 906 728 Nantes Trade and Companies Register

UPDATE TO THE REGISTRATION DOCUMENT

This Update to the Registration Document was filed with the *Autorité des marchés financiers* (the "AMF") on May 13, 2016. This Update to the Registration Document complements the Registration Document filed with the AMF on April 18, 2016 under number I.16-022.

The Registration Document and the Update to the Registration Document may be used in support of a financial transaction only if supplemented by a Securities Note in respect of which the AMF has granted a *visa*. These documents have been prepared by the Issuer, and its signatories therefore assume responsibility for their contents.

Copies of this Update to the Registration Document may be obtained free of charge at Maisons du Monde's registered office at Le Portereau, 44120 Vertou, France, as well as on the dedicated website of Maisons du Monde, (www.maisonsdumonde.com) and on the website of the AMF (www.amf-france.org).

[1] As of the date of this Update to the Registration Document, the Company is a limited liability company with a management and supervisory board (*société anonyme à directoire et conseil de surveillance*). Effective as of date of the settlement and delivery of the sale of the Company's shares (the "IPO Settlement Date") as part of the proposed admission to listing on the regulated market of Euronext Paris of the Company's shares (the "Proposed Admission"), the Company will adopt the form of a limited liability company with a board of directors (*société anonyme à conseil d'administration*). The description of the corporate form and corporate bodies of the Company contained in this Update to the Registration Document is that of the corporate form and bodies of the Company as they will exist as of the IPO Settlement Date. See Chapter 5, "Group Information", Chapter 7, "Organizational Chart", Chapter 10, "Liquidity and Capital Resources" and Chapter 14, "Administrative, Management and Supervisory Bodies and Senior Management" of the Registration Document.

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NOTE

In this Update to the Registration Document:

- the terms "Company" and "Maisons du Monde" refer to Maisons du Monde SA;
- the term "Group" refers to Maisons du Monde and its consolidated subsidiaries, collectively;
- the term "Proposed Admission" refers to the proposed admission to listing on the regulated market of Euronext Paris of the Company's shares;
- the term "IPO Settlement" refers to settlement and delivery of the sale of the Company's shares as part of the Proposed Admission;
- the term "IPO Settlement Date" refers to date of the IPO Settlement;
- the term "Bain Capital" refers to the several funds controlled by Bain Capital Private Equity (Europe), LLP;
- the term "Bain Luxco" refers to Magnolia (BC) Holdco S.à r.l., a company incorporated under the laws of Luxembourg for purposes of the acquisition by Bain Capital of the Company in 2013; Bain Luxco is fully-owned by Bain Capital and is, as of the date of this Update to the Registration Document, an indirect parent company of the Company; Bain Luxco will become, following the Reorganization to occur on the IPO Settlement Date (as described in Section 7.1.3, "Description of the Reorganization" of the Registration Document), a direct shareholder of the Company;
- the term "Luxco 2" refers to Magnolia (BC) Luxco S.C.A., a company incorporated under the laws of Luxembourg, which is, as of the date of this Update to the Registration Document, the direct holding company of Luxco 3 (as defined below) and an indirect parent company of the Company; Luxco 2 will be merged, through a series of transactions, with the Company on the IPO Settlement Date;
- the term "Luxco 3" refers to Magnolia (BC) Midco S.à r.l., a company incorporated under the laws of Luxembourg, which is, as of the date of this Update to the Registration Document, the direct subsidiary of Luxco 2 and an indirect parent company of the Company; Luxco 3 will be merged, through a series of transactions, with the Company on the IPO Settlement Date; and
- the term "Luxco 4" refers to Magnolia (BC) SA, a company incorporated under the laws of Luxembourg, which is, as of the date of this Update to the Registration Document, the direct subsidiary of Luxco 3 and the direct parent company of the Company; Luxco 4 will be merged, through a series of transactions, with the Company on the IPO Settlement Date.

Forward-looking Statements

This Update to the Registration Document contains "forward-looking statements" regarding the prospects and growth strategies of the Group. Forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "aims", "intends", "should", "could", "anticipates", "estimates", "plans", "assumes" and "might", or, if applicable, the negative form thereof, other variations thereon or comparable expressions or formulations. Forward-looking statements are not guarantees of future performance and the Group's actual financial condition, results of operations and cash flows and the developments in the industry where the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this Update to the Registration Document. The forward-looking statements contained in this Update to the Registration Document are based on data, assumptions, and estimates that the Group considers reasonable. Such information is subject to change or modification based on uncertainties in the economic, financial, competitive or regulatory environments. Forward-looking statements appear in a number of chapters of this Update to the Registration Document and include statements relating to the Group's intentions, estimates and targets with respect to its markets, strategies, growth, results of operations, financial situation and liquidity. The Group's forward-looking statements speak only as of the date of this Update to the Registration Document. Absent any applicable legal or regulatory requirements, the Group expressly disclaims any obligation to update any forward-looking statements contained in this Update to the Registration Document to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this Update to the Registration Document is based. For a discussion of risks that may affect the occurrence or achievement of such forward-looking statements, see Chapter 4, "Risk Factors" of the Registration Document. In addition, new risks, uncertainties and other factors may emerge that may cause actual results to differ materially from those contained in any forward-looking statements.

Non-IFRS Financial Measures

This Update to the Registration Document includes certain unaudited measures of the Group's performance that are not required by or presented in accordance with IFRS, including: (i) Customer Sales; (ii) EBIT and EBITDA; (iii) like-for-like Customer Sales growth; (iv) gross margin; (v) cash flow conversion and (vi) free cash flow. The Group presents these measures because it believes them to be important supplemental measures of performance and cash flow that are commonly used by securities analysts, investors and other interested parties in the evaluation of companies in the Group's industry and that such measures can prove helpful in enhancing the visibility of underlying trends in the Group's operating performance. However, these measures have limitations as analytical tools and they should not be treated as substitute measures for those stated under IFRS and they may not be comparable to similarly titled measures used by other companies. See Chapter 9, "Operating and Financial Review" and Chapter 10, "Liquidity and Capital Resources" of this Update to the Registration Document for a discussion of these financial measures and certain reconciliations to comparable IFRS measures.

Risk Factors

Investors should carefully consider the risk factors in Chapter 4, "Risk Factors" of the Registration Document. The occurrence of any such risks, separately or in combination, could have a material adverse effect on the Group's business, reputation, financial condition, results of operations or prospects. Furthermore, additional risks that have not yet been identified or that are not considered material by the Group as of the date of this Update to the Registration Document could produce adverse effects.

Rounding

Certain data contained in this Update to the Registration Document, including financial information, have been subject to rounding adjustments. In particular, certain percentages and amounts reflecting changes over time periods relating to financial and other data set forth in Chapters 9 and 10 are calculated using the numerical data in the Group's consolidated financial statements and not using the numerical data in the tables and narrative description thereof. Accordingly, in certain instances, the calculation of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or certain numbers presented as a percentage may not conform to the percentage change computed based on the data presented in this Update to the Registration Document.

Websites and Hyperlinks

References to any website or the content of any hyperlink contained in this Update to the Registration Document do not form a part of this Update to the Registration Document.

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CHAPTER 1. PERSONS RESPONSIBLE FOR THE UPDATE TO THE REGISTRATION DOCUMENT

1.1 NAME AND POSITION OF THE PERSON RESPONSIBLE FOR THE UPDATE TO THE REGISTRATION DOCUMENT

Mr. Gilles Petit, Chief of the Management Board of the Company and Managing Director (*gérant*) of Luxco 3.

1.2 CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE UPDATE TO THE REGISTRATION DOCUMENT

I hereby certify, having taken all reasonable measures to this effect, that the information contained in this Update to the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I have obtained from KPMG and Deloitte & Associés, as statutory auditors, a letter of completion of their work (*lettre de fin de travaux*) in which they state that they have verified the information relating to the financial position and the consolidated financial statements presented in this Update to the Registration Document, and have read this Update to the Registration Document in its entirety.

KPMG and Deloitte & Associés, as statutory auditors, have provided a review report on the condensed consolidated interim financial statements of Magnolia (BC) Midco S.à r.l. as of and for the three-month period ended March 31, 2016 which is included in Section 20.1.4, "Statutory Auditor's Review Report on Condensed Consolidated Interim Financial Statements for the three-month period ended March 31, 2016" of this Update to the Registration Document.

Mr. Gilles Petit

May 13, 2016

Chief of the Management Board (*Président du Directoire*) of Maisons du Monde S.A.

Managing Director (*gérant*) of Magnolia (BC) Midco S.à r.l.

1.3 NAME AND POSITION OF THE PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Mr. Arnaud Louet
Group Chief Financial Officer, Maisons du Monde S.A.
Le Portereau, 44120 Vertou
Tel: +33 (0)2 51 71 52 05

CHAPTER 2. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

Chapter 2, "Persons Responsible for Auditing the Financial Statements" of the Registration Document is updated and supplemented as follows:

2.3 ADDITIONAL AUDITORS

Deloitte & Associés SA

Represented by Jean Paul Seguret.

185 avenue Charles de Gaulle, 95524 Neuilly-sur-Seine Cedex. Deloitte is a member of the *Compagnie Régionale des Commissaires aux Comptes* (the Regional Association of Auditors) of Versailles.

Deloitte was appointed as second statutory auditor at a general shareholder meeting of the Company held on April 29, 2016 for a term which will end at the close of the shareholders' meeting called to approve the consolidated financial statements for the fiscal year ending on December 31, 2021.

2.4 ADDITIONAL ALTERNATIVE AUDITORS

Cisane SA

Represented by Frédéric Moulin.

185 avenue Charles de Gaulle, 95524 Neuilly-sur-Seine Cedex. Cisane is a member of the *Compagnie Régionale des Commissaires aux Comptes* (the Regional Association of Auditors) of Versailles.

Cisane was appointed as second alternate statutory auditor at a general shareholder meeting of the Company held on April 29, 2016 for a term which will end at the close of the shareholders' meeting called to approve the consolidated financial statements for the fiscal year ending on December 31, 2021.

CHAPTER 3. SELECTED FINANCIAL INFORMATION AND OTHER DATA

Chapter 3, "Selected Financial Information and Other Data" of the Registration Document is updated as follows.

3.1 PRESENTATION OF THE FINANCIAL INFORMATION IN THIS UPDATE TO THE REGISTRATION DOCUMENT

Section 3.1, "Presentation of the Financial Information in this Registration Document" of the Registration Document is supplemented by the following information:

The financial information relating to the three-month periods ended March 31, 2016 and March 31, 2015, presented below, is derived from the condensed consolidated interim financial statements of Luxco 3 for the three-month period ended March 31, 2016, included in Section 20.1.3, "Group Condensed Consolidated Interim Financial Statements" of this Update to the Registration Document.

These condensed consolidated interim financial statements for the three-month period ended March 31, 2016 have been prepared in accordance with IAS 34, the standard of the IFRS as adopted by the European Union applicable to interim financial statements, and have been the subject of a limited review by KPMG (France) and Deloitte & Associés. Their report is included in Section 20.1.4, "Statutory Auditors' Review Report on Condensed Consolidated Interim Financial Statements for the three-month period ended March 31, 2016" of this Update to the Registration Document. Their review report states that since these condensed consolidated interim financial statements for the three-month period ended March 31, 2016 are the first interim consolidated financial statements reviewed by the statutory auditors for a three-month period ended March 31, the comparative information for the three-month period ended March 31, 2015 has neither been audited nor reviewed.

The tables presented below in Section 3.3, "Selected Consolidated Income Statement Data of Luxco 3", Section 3.4, "Selected Consolidated Statement of Financial Position Data of Luxco 3" and Section 3.5, "Selected Consolidated Statement of Cash Flows Data of Luxco 3" of this Update to the Registration Document present selected financial information and other data of Luxco 3 as of and for the periods ended on the dates indicated below.

The information in this section should be read together with: (i) the Group's condensed consolidated interim financial statements of Luxco 3 for the three-month period ended March 31, 2016 contained in Section 20.1.3, "Group Condensed Consolidated Interim Financial Statements" of this Update to the Registration Document; (ii) the Group's analysis of its results of operations presented in Chapter 9, "Operating and Financial Review" of this Update to the Registration Document; and (iii) the Group's analysis of its liquidity and capital resources presented in Chapter 10, "Liquidity and Capital Resources" of this Update to the Registration Document.

3.3 SELECTED CONSOLIDATED INCOME STATEMENT DATA OF LUXCO 3

3.3.1 Summary consolidated income statement

Section 3.3.1, "Summary consolidated income statement" of the Registration Document is supplemented by the following information:

(*in € millions*)	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
Retail revenue	189.6	149.3
Of which Customer Sales	*189.3*	*148.7*
Other revenue	5.6	4.2
Revenue	**195.2**	**153.5**
Cost of sales	(63.4)	(49.8)
Personnel expenses	(39.8)	(33.5)
External expenses	(82.2)	(68.2)
Depreciation, amortization and allowance for provisions	(6.9)	(5.4)
Change in fair value – Derivative financial instruments	(5.2)	19.6
Other income and expenses from operations	(1.0)	(1.0)
Current operating profit before other operating income and expenses	**(3.5)**	**15.2**
Other operating income and expenses	(1.1)	0.2
Operating profit (loss)	**(4.6)**	**15.4**
Financial profit (loss) – net	**(18.0)**	**(16.9)**
Share of profit (loss) of equity-accounted investees	-	-
Profit (loss) before income tax	**(22.6)**	**(1.5)**
Income tax	4.7	(3.9)
PROFIT (LOSS) FOR THE PERIOD	**(17.9)**	**(5.5)**
Attributable to:		
Owners of the parent	(17.9)	(5.5)
Non-controlling interests	-	-

3.3.2 Reconciliation of EBITDA to current operating profit before other operating income and expenses

Section 3.3.2, "Reconciliation of EBITDA to current operating profit before other operating income and expenses" of the Registration Document is supplemented by the following information:

(*in € millions*)	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
Current operating profit before other operating income and expense	**(3.5)**	**15.2**
Depreciation, amortization and allowance for provisions	6.9	5.4
Change in fair value – Derivative financial instruments	5.2	(19.6)
Management fees	0.5	0.5
Pre-opening expenses	0.7	0.4
Catalogs related expenses	8.4	8.3
IFRIC 21 costs	1.5	1.3
EBITDA[(1)]	**19.7**	**11.5**

[(1)] The Group defines its annual EBITDA as its current operating profit before other operating income and expenses excluding (i) depreciation, amortization and allowance for provisions and (ii) the change in fair value of its derivative instruments, which are both non-cash items, as well as (iii) the management fees paid to the controlling shareholders to cover management and administrative expenses and (iv) pre-opening expenses which relate to expenses incurred prior to the opening of new stores and include leases and related charges, personnel expenses, energy and temporary staff costs including for the set-up of store merchandising). Quarterly EBITDA is calculated consistently with the Group's annual EBITDA except that quarterly EBITDA includes (i) a *pro rata* amount corresponding to one fourth of the annual catalog-related expenses and (ii) a *pro rata* amount of the annual impact of IFRIC 21 on costs related to certain government levies that were accounted for in full in the first quarters of 2015 and 2016. EBITDA is not a measure of performance or liquidity under IFRS. See the paragraph entitled "Non-IFRS Financial Measures".

3.3.3 Selected segmental data

Section 3.3.3, "Selected segmental data" of the Registration Document is supplemented by the following information:

(in € millions)	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
Customer Sales by segment:		
France	123.3	97.6
International	66.0	51.1
Total Customer Sales	**189.3**	**148.7**
Sales to franchise and promotional sales	0.3	0.6
Total Retail revenue	**189.6**	**149.3**
Other Revenue	5.6	4.2
Total Revenue	**195.2**	**153.5**
EBITDA by segment:		
France	21.9	14.8
International	10.1	8.2
Corporate[1]	(12.3)	(11.4)
Total EBITDA	**19.7**	**11.5**

[1] The corporate segment includes shared operating activities and headquarters costs of the Group not allocated to either geographical segment and CICE. "CICE" refers to the competitiveness and employment tax credit (*crédit d'impôt pour la compétitivité et l'emploi*) adopted in the French Third Amended Finance Law for 2012 (*3ème loi de finances rectificative pour 2012*). CICE is a subsidy, applicable since January 1, 2013, calculated as a percentage of wages paid to certain French employees. CICE is accounted for as a deduction from personnel costs. See Section 9.2.4, "Segment Information" of this Update to the Registration Document for further information.

3.3.4 Customer Sales breakdown

Section 3.3.4, "Customer Sales breakdown" of the Registration Document is supplemented by the following information:

Customer Sales by product category (%)	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
Customer Sales		
Decoration	53.9%	54.5%
Furniture	46.1%	45.5%
Total Customer Sales	**100.0%**	**100.0%**

Customer Sales by distribution channel	**Three-month period ended March 31, 2016**	**%**	**Three-month period ended March 31, 2015**	**%**
(in € millions)				
Customer Sales				
Stores	153.3	81.0%	122.7	82.5%
Online	35.9	19.0%	26.0	17.5%
Total Customer Sales	**189.3**	**100.0%**	**148.7**	**100.0%**

3.3.5 Other financial data

Section 3.3.5, "Other financial data" of the Registration Document is supplemented by the following information:

	Three-month period ended March 31, 2016	**Three-month period ended March 31, 2015**
Like-for-like Customer Sales growth[(1)]	16.7%	6.5%
Gross Margin %[(2)]	66.5%	66.5%
Store rents and related rental charges (in € millions)[(3)]	16.8	14.1
EBITDA Margin %[(4)]	10.4%	7.8%
EBITDA (excluding Corporate) Margin % France[(4)]	17.7%	15.1%
EBITDA (excluding Corporate) Margin % International[(4)]	15.3%	16.0%
EBIT (in € millions)[(5)]	12.8	6.1

[(1)] Like-for-like Customer Sales growth represents the percentage change in Customer Sales from the Group's retail stores, online sales platforms and B2B activities, net of returns, between one quarter (q) and the comparable preceding quarter (q-1), excluding changes in Customer Sales attributable to stores that opened or were closed during any of the years in which quarters are being compared, and stores for which, as of the end of the most recent quarter, a definitive closing decision has been made by the management. Customer Sales attributable to stores that closed temporarily for refurbishment during any of the quarters are included. See Section 9.2.3.1, "Like-for-like Customer Sales Growth" of this Update to the Registration Document.

[(2)] Gross margin is defined as Customer Sales minus cost of sales, expressed as a percentage of Customer Sales.

[(3)] Store rents and related rental charges is defined as rental expenses for stores only and is part of the line item Leases and related expenses reported on the Group's interim condensed consolidated income statement (see Section 9.5.4, "External Expenses" of this Update to the Registration Document). The line item Leases and related expenses reported on the Group's interim condensed consolidated income statement also includes leases and related rental expenses for the web, logistics, headquarter and manufacturing facilities of €6.2 million and €6.3 million for the three-month period ended March 31, 2016 and March 31, 2015, respectively.

[(4)] EBITDA margin and EBITDA (excluding Corporate) margin are expressed as a percentage of Customer Sales. See Section 9.2.4, "Segment Information" of this Update to the Registration Document for further information. EBITDA is not a measure of performance or liquidity under IFRS. See "Non-IFRS Financial Measures".

[(5)] The Group defines EBIT as EBITDA less depreciation, amortization and allowance for provisions. EBIT is not a measure of performance or liquidity under IFRS. See "Non-IFRS Financial Measures". The following table provides a reconciliation of the Group's EBIT to its EBITDA for the periods indicated:

	Three-month periods ended March 31,	
	2016	**2015**
(in € millions)		
EBITDA	19.7	11.5
Depreciation / amortization expense and allowance for provisions	(6.9)	(5.4)
EBIT	**12.8**	**6.1**

3.3.6 Other data

Section 3.3.6, "Other data" of the Registration Document is supplemented by the following information:

	As of March, 31	
	2016	2015
Number of stores	264	239
Of which France	*193*	*183*
Of which International	*71*	*56*
Store selling surface area (in thousands of square meters)[2]	293	252
Of which France	*175*	*159*
Of which International	*118*	*93*

3.4 SELECTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA OF LUXCO 3

3.4.1 Summary consolidated statement of financial position of Luxco 3

Section 3.4.1, "Summary consolidated statement of financial position of Luxco 3" of the Registration Document is supplemented by the following information:

	As of March 31,	
(in € millions)	2016	2015
Non-current assets	755.7	701.7
of which goodwill	*321.2*	*321.2*
of which other intangible assets	*242.0*	*237.6*
of which property, plant and equipment	*119.2*	*104.0*
Current assets	217.9	237.4
of which inventories	*111.8*	*109.0*
of which trade and other receivables	*52.6*	*52.7*
of which cash and cash equivalents (excluding bank overdrafts)	*37.0*	*26.6*
Total assets	**973.6**	**939.1**
Equity	(9.5)	25.5
of which equity attributable to owners of the parent	*(9.5)*	*25.5*
of which non-controlling interests	-	-
Non-current liabilities	783.9	745.4
of which non-current borrowings	*312.3*	*309.6*
of which other non-current financial debts	*380.5*	*345.8*
Current liabilities	199.2	168.1
of which current portion of borrowings	*18.5*	*15.8*
of which other current financial debts	*24.8*	*22.5*
of which trade and other payables	*154.8*	*129.2*
Total equity and liabilities	**973.6**	**939.1**

[2] Source: Maisons du Monde.

3.4.2 Net third-party financial debt reconciliation of Luxco 3

Section 3.4.2, "Net third-party financial debt reconciliation of Luxco 3" of the Registration Document is supplemented by the following information:

	As of March 31,	
	2016	**2015**
(*in € millions*)		
Third-party financial debt [1] [2]	330.8	325.5
Cash and cash equivalents (excluding bank overdrafts)	(37.0)	(26.6)
Net third-party financial debt [3]	**293.8**	**298.9**

[1] "Third-party financial debt" of Luxco 3 corresponds to total borrowings and other financial debts of Luxco 3, less the amounts outstanding under the Luxco 3 Shareholder Loans issued by Luxco 3 to Luxco 2 in connection with the acquisition of the Group by Bain Capital in 2013. As part of the Reorganization to be implemented on the IPO Settlement Date, the Luxco 3 Shareholder Loans (which amounted to €405.3 million of principal amount and accrued interest as of March 31, 2016) will disappear as a result of the mergers of the Company's holding companies into the Company. See Section 7.1.3, "Description of the Reorganization" of the Registration Document and Section 10.2.2.1, "Overview of the Refinancing" of this Update to the Registration Document.

[2] "Third-party financial debt" of Luxco 3 does not reflect the Luxco 2 Shareholder Loans, the Former XM Luxco 2 Shareholder Loans (as defined in Section 7.1.3.2 of this Update to the Registration Document) and the Luxco 2 Vendor Loans, which have been issued by Luxco 2 (the direct holding company of Luxco 3) to certain former and new shareholders of the Group in connection with the acquisition of the Group by Bain Capital in 2013 and as such, do not appear on the consolidated balance sheet of Luxco 3. As part of the Reorganization to be implemented on the IPO Settlement Date in connection with the offering, (i) the Luxco 2 Shareholder Loans (which amounted to €350.2 million of principal amount and accrued interest as of March 31, 2016) will be ultimately converted into ordinary shares of the Company; (ii) the Former XM Luxco 2 Shareholder Loans purchased by Luxco 4 before the Proposed Admission (which amounted to €11.0 million of principal amount and accrued interest as of March 31, 2016) will disappear as a result of the mergers of the Company's holding companies into the Company; and (iii) the Luxco 2 Vendor Loans (which amounted to €61.8 million of principal amount and accrued interest as of March 31, 2016) will be repaid in full with the net proceeds of the capital increase to be implemented in connection with the offering and the proceeds of the New Senior Credit Facilities. See Section 7.1.3, "Description of the Reorganization" of the Registration Document and Section 10.2.2.1, "Overview of the Refinancing" of this Update to the Registration Document.

[3] "Net third-party financial debt" of Luxco 3 corresponds to third-party financial debt of Luxco 3, net of cash and cash equivalents (excluding bank overdrafts of €6 million).

3.4.3 Leverage ratio of Luxco 3

Section 3.4.3, "Leverage ratio of Luxco 3" of the Registration Document is supplemented by the following information:

	As of March 31,	
	2016	**2015**
(*ratio*)		
Leverage ratio[1]	2.9x	3.9x

[1] "Leverage ratio" presented in the table above corresponds to net third-party financial debt of Luxco 3 (as defined in Section 3.4.2, "Net third-party financial debt reconciliation of Luxco 3") divided by EBITDA for the twelve-month period from April 1, 2015 to March 31, 2016 (with respect to the leverage ratio as of March 31, 2016) and for the twelve-month period from April 1, 2014 to March 31, 2015 (with respect to the leverage ratio as of March 31, 2015).

3.5 SELECTED CONSOLIDATED STATEMENT OF CASH FLOWS DATA OF LUXCO 3

3.5.1 Selected consolidated statement of cash flows

Section 3.5.1, "Selected consolidated statement of cash flows" of the Registration Document is supplemented by the following information:

(in € millions)	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
Net cash flow from/(used in) operating activities	(9.3)	(1.5)
Net cash flow used in investing activities	(29.3)	(6.9)
Net cash flow from/(used in) financing activities	(5.2)	(5.7)
Net increase/(decrease) in cash and cash equivalents	**(43.8)**	**(14.0)**
Cash and cash equivalents at beginning of period	74.8	37.7
Net increase/(decrease) in cash and cash equivalents	(43.8)	(14.0)
Exchange gains/(losses) on cash and cash equivalents	(0.0)	-
Cash and cash equivalents at end of period	**31.0**	**23.6**

3.5.2 Free Cash Flow Data

Section 3.5.2, "Free Cash Flow Data" of the Registration Document is supplemented by the following information:

The following table sets forth the Group's free cash flow from operating activities, free cash flow used in investing activities and free cash flow for the periods indicated.

(in € millions)	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
EBITDA	**19.7**	**11.5**
Change in operating working capital requirement(1)	(15.6)	(3.8)
Income tax paid	(0.2)	0.6
Management fees	(0.5)	(0.5)
Pre-opening expenses	(0.7)	(0.4)
Catalogs related expenses	(8.4)	(8.3)
IFRIC 21 costs	(1.5)	(1.3)
Change in other operating items	(2.1)	0.7
Free cash flow from/(used in) operating activities(2)	**(9.3)**	**(1.5)**
Capital expenditure(3)	(31.1)	(5.7)
Change in debts on fixed assets	0.3	(1.5)
Proceeds from sale of fixed assets	1.5	0.4
Free cash flow used in investing activities(4)	**(29.3)**	**(6.9)**
Free Cash Flow	**(38.6)**	**(8.4)**

(1) See Section 10.4.1.1, "Change in operating working capital requirement" of this Update to the Registration Document for further information.

(2) Free cash flow from/(used in) operating activities is defined as EBITDA net of change in operating working capital requirement and including other operating items with a cash effect. Quarterly EBITDA is calculated consistently with annual EBITDA except that quarterly EBITDA includes (i) a *pro rata* amount corresponding to one fourth of the annual catalog-related expenses and (ii) a *pro rata* amount of the annual impact of IFRIC 21 on costs related to certain government levies that were accounted for in full in the first quarters of 2015 and 2016. As a consequence, free cash flow from/(used in) operating activities equals net cash flow from/(used in) operating

activities. Free cash flow from/(used in) operating activities is not a measure of performance or liquidity under IFRS. See "Non-IFRS Financial Measures".

(3) Out of the capital expenditure of €31.1 million for the three-month period ended March 31, 2016, €20.4 million were attributable to the repurchase by the Group of certain shares in Luxco 2 and convertible preferred equity instruments (CPECs) of Luxco 2, in connection with the senior management transition agreed between Mr. Xavier Marie and Bain Capital in the summer of 2015. Excluding this repurchase of shares and CPECs, the Group's capital expenditure amounted to €10.7 million. See Section 10.4, "Analysis of Consolidated Cash Flows" of this Update to the Registration Document for further information.

(4) Free cash flow used in investing activities is defined as net cash flow used in investing activities, excluding the acquisition of subsidiaries, net of cash acquired. Free cash flow used in investing activities is not a measure of performance or liquidity under IFRS. See "Non-IFRS Financial Measures".

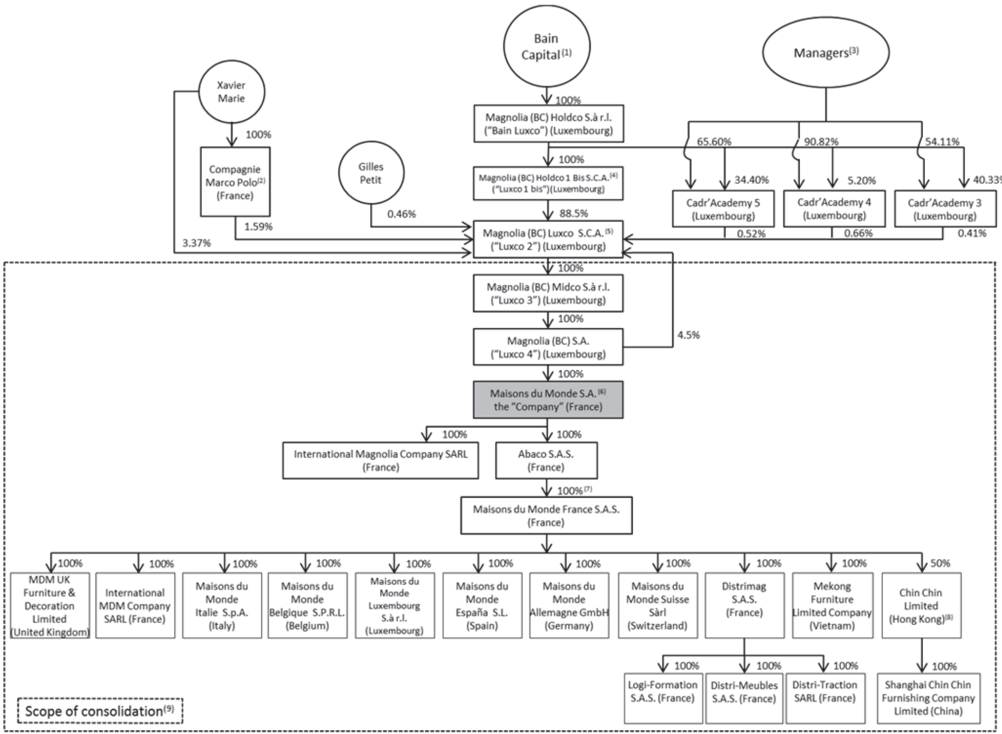
CHAPTER 7. ORGANIZATIONAL CHART

7.1 SIMPLIFIED GROUP ORGANIZATIONAL CHART

7.1.1 Organizational chart as of the date of the registration of this Update to the Registration Document

Section 7.1.1 of the Registration Document is replaced by the following:

The organizational chart below sets forth the legal organization of the Group as of the date of this Update to the Registration Document, before taking into consideration the Proposed Admission and the different reorganization transactions that are intended to be implemented to simplify its shareholding structure as part of the Proposed Admission as described in Section 7.1.3, "Description of the Reorganization" of the Registration Document (collectively, the "Reorganization"). The percentages set forth below represent the percentages of share capital.



(1) As of the date of this Update to the Registration Document, Bain Capital holds indirectly (through Luxco 1 bis, Cadr'Academy 3, Cadr'Academy 4 and Cadr'Academy 5) 88.9% of the share capital of Luxco 2.

(2) As of the date of this Update to the Registration Document, Mr. Xavier Marie controls Compagnie Marco Polo, a French simplified stock company (*société par actions simplifiée*), registered with the Trade and Companies Register of Nantes under the number 483 223 905. As of the date of this Update to the Registration Document, Mr. Xavier Marie holds directly and indirectly, through Compagnie Marco Polo, 5.0% of the share capital of Luxco 2.

(3) As of the date of this Update to the Registration Document, certain managers, senior executives and current and former employees of the Group holds indirectly (through Cadr'Academy 3, Cadr'Academy 4 and Cadr'Academy 5) 1.15% of the share capital of Luxco 2 (the "ManCo Shareholders"). As of the date of this Update to the Registration Document, approximately 0.05% of the share capital of Luxco 2 is indirectly held by Luxco 3 through participation of Luxco 3 in Cadr'Academy 3 and Cadr'Academy 4. This stake will disappear as a result of the Reorganization which will be completed on the IPO Settlement Date.

[4] Luxco 1 *bis*, a corporate partnership limited by shares (*société en commandite par actions*) organized under the laws of Luxembourg, was established prior to the registration of this Update to the Registration Document by Bain Luxco to facilitate the Proposed Admission.

[5] As of the date of this Update to the Registration Document, 4.5% of the share capital of Luxco 2 is held by Luxco 3 (through Cadr'Academy 3, Cadr'Academy 4 and Cadr'Academy 5) and by Luxco 4. These stakes will disappear as a result of the Reorganization which will be completed on the IPO Settlement Date. See Section 7.1.3.1, "Reorganization steps" of the Registration Document.

[6] As of the date of this Update to the Registration Document, the Company is a limited liability company with a management and supervisory board (*société anonyme à directoire et conseil de surveillance*). Effective as of the IPO Settlement Date, the Company will be organized as a limited liability company with a board of directors (*société anonyme à conseil d'administration*).

[7] Abaco S.A.S. holds 100% of the share capital and voting rights of Maisons du Monde France S.A.S. apart from two shares representing two voting rights held by the Company. See Section 7.2, "Subsidiaries and Equity Interests" of the Registration Document.

[8] Chin Chin Limited is a Chinese joint venture that the Group established in July 2006 with SDH Limited. See Section 7.2, "Subsidiaries and Equity Interests" of the Registration Document.

[9] See table under note 40 ("Scope of consolidation") to the consolidated financial statements of Luxco 3 for the fiscal years ended on December 31, 2015, 2014 and 2013 presented in Section 20.1.1, "Group Consolidated Annual Financial Statements" of the Registration Document.

Management Transition

In the course of 2014 following the acquisition of the Group by Bain Capital in 2013, Bain Capital and the founder and CEO of the Group Mr. Xavier Marie started to collectively assess the future prospects and development of the Group and its overall strategy and organization. Mr. Xavier Marie indicated that he also wanted to transition to a non-executive role and suggested a transition of leadership. As part of a wide executive search, Mr. Xavier Marie proposed Mr. Gilles Petit as new CEO. Mr. Xavier Marie and Mr. Gilles Petit jointly agreed Mr. Xavier Marie would take on a special advisory role to Mr. Gilles Petit, while also becoming a non-executive Board Member.

In September of 2015 a transition agreement between Bain Capital and Mr. Xavier Marie was agreed. Consequently, the parties agreed to certain adjustments to the shareholding and management package of Mr. Xavier Marie. These adjustments included: (i) the transfer of some of Mr. Xavier Marie's incentive securities to Mr. Gilles Petit as new CEO at nominal value; (ii) the repurchase by Luxco 4 (the holding company of the Company) of some of Mr. Xavier Marie's shares and convertible preferred equity instruments (CPECs) at a price determined on the basis of similar valuation multiples as the multiples used in connection with the acquisition of the Group by Bain Capital in 2013, applied to updated 2015 Group results; and (iii) the renegotiation of certain other incentive securities owned by Mr. Xavier Marie, which, according to their initial terms and conditions, could have been cancelled as a result of the transition of the CEO role from Mr. Xavier Marie, but which have been agreed to survive such resignation and will be converted into ordinary shares of the Company in connection with the Proposed Admission at the time of the date of the settlement and delivery of the Proposed Admission as a result of the Reorganization.

The transactions related to the shareholding of the Group and the management package contemplated by the transition agreement of September 2015 between Bain Capital and Mr. Xavier Marie have been implemented in the course of the fourth quarter of 2015 and of the first quarter of 2016 (with respect to payments made by Luxco 4 in connection therewith), see Section 10.4.2, "Net cash flow used in investing activities" of this Update to the Registration Document.

7.1.3 Description of the Reorganization

7.1.3.2 *Conversion of Luxco 2 Shareholder Loans*

Section 7.1.3.2 of the Registration Document is replaced by the following:

In connection with the acquisition and the financing of the acquisition of the Group by Bain Capital in August 2013 (see Section 5.1.5, "History and Development" of the Registration Document), Luxco 2 issued convertible and non-convertible preferred equity instruments (PECs and CPECs) to its shareholders, including Bain Capital, Mr. Xavier Marie and Compagnie Marco Polo.

As these instruments were issued by Luxco 2, the direct holding company of Luxco 3, such instruments do not appear on the consolidated balance sheet of Luxco 3 as presented in the consolidated financial statements included in Section 20.1, "Financial Information" of the Registration Document.

As part of the shareholding and management transition discussed between Bain Capital and Mr. Xavier Marie in the course of 2015 and implemented during the three-month period ended March 31, 2016, Luxco 4 (the holding company of the Company) purchased some of Mr. Xavier Marie's shares and convertible preferred equity instruments (CPECs) in Luxco 2 at a price (€20.4 million) determined on the basis of similar valuation multiples as the multiples used in connection with the acquisition of the Group by Bain Capital in 2013, applied to updated 2015 Group results (such instruments now owned by Luxco 4, the "Former XM Luxco 2 Shareholder Loans"). See Section 5.3.4 "Price Differentials" of the Securities Note being part of the Prospectus approved by the AMF as of the date of this Update to the Registration Document.

The Reorganization, which will occur on the IPO Settlement Date, will include (i) the ultimate conversion into ordinary shares of the Company of the convertible and non-convertible preferred equity instruments (PECs and CPECs) issued by Luxco 2 to its shareholders in connection with the acquisition of the Group by Bain Capital in August 2013 and still owned by these shareholders as of the IPO Settlement Date (collectively, the "Luxco 2 Shareholder Loans"), which amounted to €350.2 million of principal amount and accrued interest as of March 31, 2016 and (ii) the cancellation, as a result of the Mergers, of the Former XM Luxco 2 Shareholder Loans, which amounted to €11.0 million of principal amount and accrued interest as of March 31, 2016.

See also Section 10.2.2.1, "Overview of the Refinancing" of this Update to the Registration Document.

CHAPTER 9. OPERATING AND FINANCIAL REVIEW

Chapter 9, "Operating and Financial Review" of the Registration Document is updated with the following information related to the three-month periods ended March 31, 2016 and March 31, 2015.

The financial information related to the Group's results of operations for the periods under review in this Update to the Registration Document refer to the consolidated interim financial information of Luxco 3. This operating and financial review should be read together with Luxco 3's condensed consolidated interim financial statements for the three-month period ended March 31, 2016, prepared in accordance with IAS 34, the standard of the IFRS as adopted by the European Union applicable to interim financial statements, and included in Section 20.1.3, "Group Condensed Consolidated Interim Financial Statements" of this Update to the Registration Document, as well as the information included in Chapter 3, "Selected Financial Information and Other Data" and Chapter 10, "Liquidity and Capital Resources" of this Update to the Registration Document.

9.2 PRINCIPAL FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

9.2.3 Key Performance Indicators

9.2.3.1 *Like-for-like Customer Sales growth*

Section 9.2.3.1, "Like-for-like Customer Sales growth" of the Registration Document is supplemented by the following information:

Like-for-like Customer Sales growth between one quarter and the comparable preceding quarter represents the percentage change in Customer Sales from the Group's stores, online sales platforms and all B2B activities, net of product returns, between one quarter (q) and the comparable preceding quarter (q-1), excluding changes in Customer Sales attributable to stores that were opened or closed during any of the years in which quarters are being compared, and stores for which, as of the end of the most recent quarter, a definitive closing decision has been made by the management (q). Customer Sales attributable to stores that closed temporarily for refurbishment during any of the quarters are included.

The table below sets forth the Group's like-for-like Customer Sales for the periods indicated.

	Three-month period ended March 31,	
	2016	**2015**
	(% increase over prior period)	
Like-for-like Customer Sales	16.7%	6.5%

9.2.3.2 *Gross Margin*

Section 9.2.3.2, "Gross Margin" of the Registration Document is supplemented by the following information:

	Three-month period ended March 31,	
	2016	**2015**
Customer Sales	**189.3**	**148.7**
Cost of sales	(63.4)	(49.8)
Gross Margin	**125.9**	**98.9**
Gross Margin %	66.5%	66.5%

Gross margin is defined as Customer Sales minus cost of sales, expressed as a percentage of Customer Sales.

9.2.3.3 *EBITDA*

Section 9.2.3.3, "EBITDA" of the Registration Document is supplemented by the following information:

The Group defines its annual EBITDA as its current operating profit before other operating income and expenses excluding i) depreciation, amortization and allowance for provisions and ii) the change in fair value of its derivative instruments, which are both non-cash items, as well as iii) the management fees paid to the controlling shareholders to cover for management and administrative expenses and iv) store pre-opening expenses which relate to expenses incurred prior to the opening of new stores.

Quarterly EBITDA is defined like annual EBITDA except that it includes (i) a *pro rata* corresponding to one fourth of the annual catalog-related expenses and (ii) a *pro rata* amount of the annual impact of IFRIC 21 on costs related to certain government levies that were accounted for in full in the first quarters of 2015 and 2016.

The following table provides a reconciliation of the Group's EBITDA to its current operating profit before other operating income and expenses for the periods indicated.

	Three-month period ended March 31,	
(in € millions)	**2016**	**2015**
Current operating profit before other operating income and expenses	**(3.5)**	**15.2**
Depreciation / amortization expense and allowance for provisions	6.9	5.4
Change in fair value – derivative financial instruments	5.2	(19.6)
Management fees	0.5	0.5
Pre-opening expenses[1]	0.7	0.4
Catalog related expenses	8.4	8.3
IFRIC 21 costs	1.5	1.3
EBITDA	**19.7**	**11.5**

[1] Pre-opening expenses refers to expenses related to the opening of new stores that are incurred prior to the relevant opening during any of the periods under review and include leases and related charges, personnel expenses, energy and temporary staff costs including for the set-up of store merchandising.

9.2.3.4 *EBIT*

Section 9.2.3.4, "EBIT" of the Registration Document is supplemented by the following information:

The following table provides a reconciliation of the Group's EBIT to its EBITDA for the periods indicated.

	Three-month period ended March 31,	
(in € millions)	**2016**	**2015**
EBITDA	19.7	11.5
Depreciation / amortization expense and allowance for provisions	(6.9)	(5.4)
EBIT	**12.8**	**6.1**

The Group defines EBIT as EBITDA less depreciation, amortization and allowance for provisions. EBIT is not a measure of performance or liquidity under IFRS. See "Non-IFRS Financial Measures".

9.2.4 Segment Information

Section 9.2.4, "Segment Information" of the Registration Document is supplemented by the following information:

The table below sets forth the Group's segment reporting for the periods under review.

	Three-month period ended March 31,	
(in € millions)	2016	2015
Customer Sales		
France	123.3	97.6
International	66.0	51.1
Customer Sales	**189.3**	**148.7**
Sales to franchise and promotional sales	0.3	0.6
Retail revenue	**189.6**	**149.3**
Other revenue	5.6	4.2
Revenue	**195.2**	**153.5**
EBITDA		
France	21.9	14.8
International	10.1	8.2
Corporate	(12.3)	(11.4)
Total EBITDA	**19.7**	**11.5**

The Group's business is organized into two geographical reporting segments under IFRS, consisting of France (representing all retail activity in France, including French online sales channels and B2B activities) and International (representing all retail activity outside of France, including the Group's online sales channels outside of France). Financial information by geographical segment is reported in accordance with the Group's internal reporting system and shows internal segment information that is used to manage and measure the performance of the Group.

In addition, the Group reports a Corporate segment, which includes shared operating activities and headquarters costs of the Group not allocated to either geographical segment and CICE, as explained in Note 9 ("Geographical segment information") to the consolidated financial statements of Luxco 3 for the fiscal years ended on December 31, 2015, 2014 and for the period from June 10, 2013 to December 31, 2013 presented in Section 20.1.1, "Group Consolidated Annual Financial Statements" of the Registration Document.

The Group reports segment information for Customer Sales and EBITDA.

9.5 Analysis of the Results of Operations for the Three-month Periods Ended March 31, 2016 and March 31, 2015

Chapter 9, "Operating and Financial Review" of the Registration Document is supplemented by the following Section 9.5 "Analysis of the Results of Operations for the Three-month Period Ended March 31, 2016 and March 31, 2015".

The following table sets forth selected information from the Group's income statement for the periods indicated.

	Three-month period ended March 31,			
(in € millions, except percentages)	**2016**	**2015**	**Var. €**	**Var.(%)**
Retail Revenue	189.6	149.3	40.3	27.0%
Of which Customer Sales	189.3	*148.7*	40.6	27.3%
Other Revenue	5.6	4.2	1.4	32.7%
Revenue	**195.2**	**153.5**	**41.7**	**27.2%**
Cost of sales	(63.4)	(49.8)	(13.6)	27.3%
Personnel expenses	(39.8)	(33.5)	(6.4)	19.0%
External expenses	(82.2)	(68.2)	(14.0)	20.6%
Depreciation, amortization and allowance for provisions	(6.9)	(5.4)	(1.5)	28.5%
Change in fair value – derivative financial instruments	(5.2)	19.6	(24.8)	n/a
Other income and expenses from operations	(1.0)	(1.0)	(0.0)	4.0%
Current operating profit before other operating income and expenses	**(3.5)**	**15.2**	**(18.7)**	**n.a**
Other operating income and expenses	(1.1)	0.2	(1.3)	n.a
Operating profit (loss)	**(4.6)**	**15.4**	**(20.0)**	**n.a**
Financial profit (loss) – net	**(18.0)**	**(16.9)**	**(1.1)**	**6.5%**
Share of profit (loss) of investments accounted for using the equity method	-	-	n.a	n.a
Profit (loss) before income tax	**(22.6)**	**(1.5)**	**(21.1)**	**n.a**
Income tax	4.7	(3.9)	8.7	n/a
Profit (loss) for the period	**(17.9)**	**(5.5)**	**(12.5)**	**228.4%**
Attributable to:				
– Owners of the parent	(17.9)	(5.5)	(12.5)	228.4%
– Non-controlling interests	-	-	n.a	n.a

9.5.1 Revenue

Customer Sales by geographical segment *(in € millions, except percentages)*	**Three-month period ended March 31, 2016**	**%**	**Three-month period ended March 31, 2015**	**%**	**Var. €**	**Var. (%)**
France	123.3	65.1%	97.6	65.6%	25.7	26.3%
International	66.0	34.9%	51.1	34.4%	14.9	29.2%
Total Customer Sales	**189.3**	**100%**	**148.7**	**100%**	**40.6**	**27.3%**

Customer Sales by distribution channel *(in € millions, except percentages)*	**Three-month period ended March 31, 2016**	**%**	**Three-month period ended March 31, 2015**	**%**	**Var. €**	**Var. (%)**
Stores	153.3	81.0%	122.7	82.5%	30.6	24.9%
Online	35.9	19.0%	26.0	17.5%	10.0	38.4%
Total Customer Sales	**189.3**	**100%**	**148.7**	**100%**	**40.6**	**27.3%**

Customer Sales by product category *(in € millions, except percentages)*	**Three-month period ended March 31, 2016**	**%**	**Three-month period ended March 31, 2015**	**%**	**Var. €**	**Var. (%)**
Decoration	102.1	53.9%	81.1	54.5%	21.0	26.0%
Furniture	87.2	46.1%	67.6	45.5%	19.5	28.9%
Total Customer Sales	**189.3**	**100%**	**148.7**	**100%**	**40.6**	**27.3%**

Customer sales increased by €40.6 million, or 27.3%, from €148.7 million for the three-month period ended March 31, 2015 to €189.3 million for the three-month period ended March 31, 2016. This increase was primarily driven by the Group's like-for-like Customer Sales growth of 16.7%, attributable to (i) the effects of the strength of the 2016 collection, (ii) the continued increase in online sales, which increased by €10.0 million, or 38.4% from €26.0 million for the three-month period ended March 31, 2015 to €35.9 million for the three-month period ended March 31, 2016, and (iii) continued focus on retail excellence, illustrated by the launch of its free click-and-collect initiative for decorative products in France and Switzerland in January 2016, attracting new customers and driving incremental in-store purchases.

The increase in Customer Sales was also due to the opening of 34 gross new stores between March 31, 2015 and March 31, 2016, which have an average retail trading space of approximately 1,300 square meters (of which 18 were in France and 16 were in international markets) and the full-period impact of one store opened in France in the three-month period ended March 31, 2015. This increase was partly offset by the closure (permanently or temporarily for relocation) of nine smaller stores since March 31, 2015 (with an average retail trading space of approximately 400 square meters), the refurbishment of two stores in France and the closure (permanently or temporarily for relocation) of three smaller stores in the three-month period ended March 31, 2015 (with an average retail trading space of approximately 400 square meters).

Customer Sales generated in France increased by €25.7 million, or 26.3%, from €97.6 million for the three-month period ended March 31, 2015 to €123.3 million for the three-month period ended March 31, 2016. The increase was primarily driven by positive like-for-like Customer Sales growth which was supported by the strength of the 2016 Spring/Summer decoration collection which featured certain thematic continuity with the Autumn/Winter 2015 collection themes, the continuation of the Group's omnichannel strategy, and the general improving macroeconomic conditions during the period, as well as the Group's continued focus on retail excellence. According to data released by IPEA, the Group continued to outperform the French furniture market which recorded revenue growth of 4.8% for the three-month period ended March 31, 2016 as compared to the three-month period ended March 31, 2015. The increase in Customer Sales was also attributable to the opening of 18 gross new stores between March 31, 2015 and March 31, 2016, with an average retail trading space of approximately 1,100 square meters, and the full-period impact of one store opened in the three-month period ended March 31, 2015. The increase in Customer Sales was partially offset by the closure (permanently or temporarily for relocation) of eight smaller stores since March 31, 2015 (with an average retail trading space of approximately 400 square meters) and the full-period effect of three smaller stores closed (permanently or temporarily for relocation) in the three-month period ended March 31, 2015 (with an average retail trading space of approximately 400 square meters).

International Customer Sales increased by €14.9 million, or 29.2%, from €51.1 million for the three-month period ended March 31, 2015 to €66.0 million for the three-month period ended March 31, 2016. This growth was primarily the result of Like-for-like Customer Sales growth, supported by online sales and organic store growth, and ongoing development of the network, including the opening of 16 gross new stores between March 31, 2015 and March 31, 2016.

This increase was partially offset by the closure of one store for repositioning between March 31, 2015 and March 31, 2016.

The proportion of decorative products in the Group's product mix slightly decreased from 54.5% of Customer Sales for the three-month period ended March 31, 2015 to 53.9% for the three-month period ended March 31, 2016 while furniture products increased from 45.5% for the three-month period ended March 31, 2015 to 46.1% for the three-month period ended March 31, 2016. This change is mainly due to the larger relative proportion of the Group's online channel in terms of Customer Sales during the period as well as the new larger stores having a greater share of Customers Sales generated from furniture.

Additionally, other revenue contributed €1.4 million to the increase in consolidated revenue. This increase of 32.7% as compared to the first quarter 2015 was mainly due to a higher volume of transportation services sold to customers through the online channel and the higher proportion of furniture products in the Group's product mix, which carry higher transportation fees.

As a result of the above, the Group's consolidated revenue increased by €41.7 million, or 27.2%, from €153.5 million for the three-month period ended March 31, 2015 to €195.2 million for the three-month period ended March 31, 2016.

9.5.2 Cost of sales

Cost of sales increased by €13.6 million, or 27.3%, from €49.8 million for the three-month period ended March 31, 2015 to €63.4 million for the three-month period ended March 31, 2016. As a percentage of Customer Sales, cost of sales remained stable at 33.5% for the three-month periods ended March 31, 2015 and 2016. The slight decrease in relation with a lower level of promotion intensity during January 2016 seasonal sales was offset by the increased U.S. dollar to Euro rate of the forward and option contracts with which the Group hedges all of its purchase of goods and maritime shipping denominated in U.S. dollars.

9.5.3 Personnel Expenses

Personnel expenses increased by €6.4 million, or 19.0%, from €33.5 million for the three-month period ended March 31, 2015 to €39.8 million for the three-month period ended March 31, 2016 as headcount increased from 3,976 average FTEs over the three-month period ended March 31, 2015 to 4,391 average FTEs (excluding Mekong Furniture) over the three-month period ended March 31, 2016. This increase is mainly attributable to new store openings, and the full-year impact of additional resources hired in 2015 dedicated to central functions.

As a percentage of Customer Sales, personnel expenses decreased from 22.5% for the three-month period ended March 31, 2015 to 21.0% for the three-month period ended March 31, 2016. This decrease was mainly due to (i) the personnel costs of comparable stores that remained relatively flat in a context of strong like-for-like growth, and (ii) changes in the mix of the Customer Sales generated by distribution channel, with a lower personnel cost base required for online sales (which increased relative to store sales during the period). This decrease was partly offset by an increase in employee profit sharing of €1.0 million.

9.5.4 External Expenses

(in € millions, except percentages)	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**	**Var. €**	**Var. (%)**
Energy	(4.1)	(3.7)	(0.4)	9.9%
Leases and related expenses	(23.0)	(20.4)	(2.6)	12.7%

(in € millions, except percentages)	Three-month period ended March 31, 2016	Three-month period ended March 31, 2015	Var. €	Var. (%)
Repairs and maintenance	(3.2)	(2.3)	(0.9)	38.3%
Temporary staff	(3.7)	(1.6)	(2.1)	131.8%
Advertising & marketing	(16.5)	(14.3)	(2.2)	15.4%
Fees	(3.0)	(2.3)	(0.7)	29.8%
Transportation	(18.0)	(14.1)	(4.0)	28.4%
Taxes other than on income	(3.9)	(3.8)	(0.0)	0.6%
Other[(1)]	(6.9)	(5.7)	(1.2)	20.8%
Total external expenses	**(82.2)**	**(68.2)**	**(14.0)**	**20.6%**

(1) Other external expenses refers mainly to other rental expenses, post and telecom expenses and bank commissions.

External expenses increased by €14.0 million, or 20.6%, from €68.2 million for the three-month period ended March 31, 2015 to €82.2 million for three-month period ended March 31, 2016. This increase was mainly due to (i) the increase in transportation costs by 28.4% as a result of a higher level of Customer Sales; (ii) the continued increase in store space related to net store openings from a store selling surface area of approximately 252,000 square meters as of March 31, 2015 to approximately 293,000 square meters as of March 31, 2016 which affected leases and related expenses, energy and repair and maintenance; (iii) the increase in recourse to temporary staff due to the optimization of the Group's store workforce in a context of new stores openings.

As a percentage of Customer Sales, external expenses decreased from 45.9% for the three-month period ended March 31, 2015 to 43.4% for the three-month period ended March 31, 2016. The decrease in external expenses as a percentage of Customer Sales was driven primarily by fixed cost leverage and the growing share of Customer Sales from the Group's online channel, which carries lower external expenses. This decrease was partially offset by a higher level of temporary staff as a percentage of Customer Sales from 1.1% for the three-month period ended March 31, 2015 to 2.0% for the three-month period ended March 31, 2016 due to the planned openings of new stores.

9.5.5 Depreciation, amortization and allowance for provisions

(in € millions, except percentages)	Three-month period ended March 31, 2016	Three-month period ended March 31, 2015	Var. €	Var. (%)
Depreciation and amortization of fixed and current assets	(7.1)	(6.4)	(0.7)	10.8%
Allowance for provisions	0.2	1.0	(0.8)	81.3%
Total Depreciation, amortization and allowance for provisions	**(6.9)**	**(5.4)**	**(1.5)**	**28.5%**

Depreciation, amortization and allowance for provisions increased by €1.5 million, or 28.5%, from €5.4 million for the three-month period ended March 31, 2015 to €6.9 million for the three-month period ended March 31, 2016, primarily due to the depreciation and amortization of fixed assets, and the unfavorable base effect of reversal of provisions in the three-month period ended March 31, 2015, which related to store closures without relocation in the same area.

As a percentage of Customer Sales, depreciation, amortization and allowance for provisions slightly increased from 3.6% for the three-month period ended March 31, 2015 to 3.7% for the three-month period ended March 31, 2016.

9.5.6 Change in fair value – derivative financial instruments

The change in fair value of the Group's derivative financial instruments that globally cover the purchases of goods and maritime shipping in U.S. dollars represented a €5.2 million loss in the three-month period ended March 31, 2016 as compared to a €19.6 million gain for the three-month period ended March 31, 2015. Since January 1, 2016, the Group has applied hedge accounting which would reduce the amount of charges to the consolidated income statement on a period-by-period basis as further discussed in Section 9.2.1.7, "Foreign exchange impact" of the Registration Document. Change in fair value attributable to the effective portion is directly recognized in equity in the consolidated statement of other comprehensive income. The €5.2 million loss results from (i) the negative change in fair value of €6.3 million attributable to derivative instruments held as at December 31, 2015 and settled during the first quarter of 2016 and (ii) the positive change in fair value of €1.1 million attributable to the ineffective portion of the derivative financial instruments held as of March 31, 2016. The amount recognized in equity as of March 31, 2016 was a €12.3 million unrealized loss.

9.5.7 Other income and expenses from operations

Other income and expenses from operations remained stable at €1.0 million for the three-month periods ended March 31, 2015 and 2016. Gains and losses on disposals decreased by €0.7 million, from a €0.5 million net loss for the three-month period ended March, 2015 recorded primarily in respect of stores that were closed and relocated in the same area, to a €0.2 net gain for the three-month period ended March, 2016. This decrease was partly offset by the certain losses from unauthorized online credit card charges following the introduction of a new online payment platform, which generated significant increase in conversion rates.

9.5.8 Current operating profit before other operating income and expenses

As a result of the foregoing factors, current operating profit before other operating income and expenses decreased by €18.7 million, from an income of €15.2 million for the three-month period ended March 31, 2015 to a loss of €3.5 million for the three-month period ended March 31, 2016. When excluding the effect of the change in fair value of the derivative financial instruments, current operating profit before other operating income and expenses increased by €6.1 million from a loss of €4.3 million for the three-month period ended March 31, 2015 to an income of €1.8 million for the three-month period ended March 31, 2016.

9.5.9 EBITDA

The table below sets forth the Group's EBITDA by segment for the periods indicated.

EBITDA by geographical segment	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**	**Var. €**	**Var. (%)**
(in € millions, except percentages)				
France	21.9	14.8	7.1	47.9%
International	10.1	8.2	1.9	23.3%
Corporate	(12.3)	(11.4)	(0.8)	7.3%
Total EBITDA	**19.7**	**11.5**	**8.2**	**70.7%**

The Group's EBITDA increased by €8.2 million, or 70.7%, from €11.5 million for the three-month period ended March 31, 2015 to €19.7 million for the three-month period ended March 31, 2016. This increase was mainly driven by strong like-for-like Customer Sales growth, and the perimeter effect of new store openings.

As a percentage of Customer Sales, EBITDA margin increased from 7.8% for the three-month period ended March 31, 2015 to 10.4% for the three-month period ended March 31, 2016. This increase as a percentage of Customer Sales was mainly due to the fixed nature of the cost base of the comparable stores (mainly comprising personnel, rents and related rental charges) in a context of strong like-for-like Customer Sales growth during the period.

EBITDA in France increased by €7.1 million, or 47.9%, from €14.8 million for the three-month period ended March 31, 2015 to €21.9 million for the three-month period ended March 31, 2016. This increase was mainly driven by strong like-for-like growth both through the stores and online channels and the perimeter effect of the new stores. As a percentage of France Customer Sales, France EBITDA margin (excluding Corporate) increased from 15.1% for the three-month period ended March 31, 2015 to 17.7% for the three-month period ended March 31, 2016, driven by strong like-for-like Customer Sales growth.

International EBITDA increased by €1.9 million, or 23.3%, from €8.2 million for the three-month period ended March 31, 2015 to €10.1 million for the three-month period ended March 31, 2016. This increase was mainly driven by like-for-like Customer Sales growth. As a percentage of International Customer Sales, International EBITDA margin (excluding Corporate) decreased from 16.0% for the three-month period ended March 31, 2015 to 15.3% for the three-month period ended March 31, 2016, as a result of the significant number of new stores opened between March 31, 2015 and March 31, 2016, with 16 gross openings since April 1, 2015 and March 31, 2016, a majority of which were opened in the third and fourth quarters of 2015.

9.5.10 Other operating income and expenses

The Group's other operating income and expenses represented a net expense of €1.1 million for the three-month period ended March 31, 2016 compared to a net income of €0.2 million in the three-month period ended March 31, 2015. This change is mainly due to costs incurred in the three-month period ended March 31, 2016 in connection with the Proposed Admission.

9.5.11 Financial profit (loss) – net

Financial loss increased by €1.1 million, or 6.5%, from €16.9 million for the three-month period ended March 31, 2015 to €18.0 million for the three-month period ended March 31, 2016. This increase was mainly attributable to an increase of €0.9 million of interest charges on PECs, resulting from the capitalization of interest since March 31, 2015 that raised the principal basis for purposes of calculating interest due for the three-month period ended March 31, 2016.

9.5.12 Income tax

Income tax represented an income of €4.7 million for the three-month period ended March 31, 2016, compared to an expense of €3.9 million for the three-month period ended March 31, 2015. In the three-month period ended March 31, 2016, income tax comprised (i) current income tax expense for €1.4 million (€1.2 million current income tax expense for the three-month period ended March 31, 2015), including CVAE and IRAP (Italian regional tax on productive activities) of €1.2 million (€1.0 million for the three-month period ended March 31, 2015) in the aggregate and (ii) a deferred tax income of €6.1 million (€2.8 million deferred tax expense for the three-month period ended March 31, 2015).

9.5.13 Profit (loss) for the period

As a consequence of the above, the Group recorded a loss of €17.9 million for the three-month period ended March 31, 2016, compared with a loss of €5.5 million for the three-month period ended March 31, 2015.

CHAPTER 10. LIQUIDITY AND CAPITAL RESOURCES

Chapter 10, "Liquidity and Capital Resources" of the Registration Document is updated with the following information related to the three-month periods ended March 31, 2016 and March 31, 2015.

This supplement to discussion of liquidity and capital resources should be to read together with Luxco 3's unaudited condensed consolidated interim financial statements for the three-month period ended March 31, 2016, prepared in accordance with IAS 34, the standard of the IFRS as adopted by the European Union applicable to interim financial statements, and included in Section 20.1.3, "Group Condensed Consolidated Interim Financial Statements" of this Update to the Registration Document, as well as the information included in Chapter 3 "Selected Financial Information and Other Data" and Chapter 9 "Operating and Financial Review" of this Update to the Registration Document.

10.2 FINANCIAL RESOURCES

10.2.1 Principal sources of Financing

Section 10.2.1, "Principal sources of Financing" of the Registration Document is supplemented by the following information:

The Group has historically relied on the sources of financing described below.

- *Cash on hand*. Cash and cash equivalents (excluding bank overdrafts) as of March 31, 2016 amounted to €37.0 million.

- *Net cash flow from/(used in) operating activities*. Net cash flow from/(used in) operating activities amounted to €(9.3) million and €(1.5) million for the three-month periods ended March 31, 2016 and March 31, 2015, respectively.

- *Borrowings and other financial debts.* The Group had total third-party financial debt of €330.8 million outstanding as of March 31, 2016. Including the Luxco 3 Shareholder Loans (but excluding the Luxco 2 Shareholder Loans, the Former XM Luxco 2 Shareholder Loans and the Luxco 2 Vendor Loans which are not part of the Luxco 3 consolidation, see Section 7.1.3.2, "Conversion of Luxco 2 Shareholder Loans" and Section 7.1.3.3, "Repayment of Luxco 2 Vendor Loans" of the Registration Document), the Group had total borrowings and other financial debts of €736.0 million outstanding as of March 31, 2016.

The following table summarizes the composition of the borrowings and other financial debts of Luxco 3 at the date indicated.

(in € millions)	As of March 31, 2016
Non-current borrowings and other financial debts	
High Yield Bonds	325.0
Issuance fees related to High Yield Bonds	(12.0)
Issuance fees related to Existing Revolving Credit Facility	(1.7)
Loans and debt contracted with credit institutions:	
Finance leases	0.5
Deposits	0.4
Luxco 3 Shareholder Loans	380.5
Total non-current borrowings and other financial debts	**692.8**
Current borrowings and other financial debts	
Accrued interest on High Yield Bonds	4.8
Issuance fees related to High Yield Bonds	(2.9)
Existing Revolving Credit Facility	10.2
Issuance fees related to Existing Revolving Credit Facility	(0.7)
Loans and debt contracted with credit institutions:	
Finance leases	1.2
Bank overdrafts	6.0
Accrued interest on Luxco 3 Shareholder Loans	24.8
Total current borrowings and other financial debts	**43.3**
Total borrowings and other financial debts	**736.0**

The following table presents the calculation of the net third-party financial debt of Luxco 3 at the date indicated.

(in € millions)	As of March 31, 2016
Total borrowings and other financial debts	**736.0**
Luxco 3 Shareholder Loans	(380.5)
Accrued interest on Luxco 3 Shareholder Loans	(24.8)
Third-party financial debt	**330.8**
Cash and cash equivalents (excluding bank overdrafts)	(37.0)
Net third-party financial debt	**293.8**

10.2.2 Financing Structure following the Proposed Admission

10.2.2.1 *Overview of the Refinancing*

Section 10.2.2.1, "Overview of the Refinancing" of the Registration Document is replaced by the following:

In connection the Refinancing and the Reorganization to be implemented as part of the Proposed Admission, the Group intends to refinance and repay certain of its outstanding indebtedness and the Vendor Loan on the IPO Settlement Date. The Refinancing is designed in particular to improve the Group's leverage ratio and reduce its interest expense.

The following table summarizes the indebtedness expected to be repaid and the new lines expected to be put in place, in each case on the IPO Settlement Date.

(in € millions)	Luxco 3[(1)] As of March 31, 2016 (Prior to Refinancing)	Increase	Decrease	Company[(2)] As of March 31, 2016 (Post Refinancing)
Non-current borrowings and other financial debt				
High Yield Bonds	325.0	19.4[(3)]	(344.4)	0.0
Luxco 3 Shareholder Loans[(4)]	380.5		(380.5)	0.0
Luxco 2 Shareholder Loans[(5)]	--	328.8	(328.8)	0.0
Former XM Luxco 2 Shareholder Loans[(6)]	--	10.3	(10.3)	0.0
Luxco 2 Vendor Loans[(7)]	--	58.1	(58.1)	0.0
New Senior Credit Facilities[(8)]		250.0		250.0
Issuance fees related to High Yield Bonds	(12.0)		12.0	0.0
Issuance fees related to Existing Revolving Credit Facility	(1.7)		1.7	0.0
Issuance fees related to New Senior Credit Facilities	--	(3.8)		(3.8)
Finance leases	0.5			0.5
Deposits	0.4			0.4
Total non-current	**692.8**	**662.8**	**(1,108.5)**	**247.1**
Current borrowings and other financial debt				
Accrued interest on High Yield Bonds	4.8		(4.8)	0.0
Accrued interest on Luxco 3 Shareholder Loans[(4)]	24.8		(24.8)	0.0
Accrued interest on the Luxco 2 Shareholder Loans[(5)]	--	21.3	(21.3)	0.0
Accrued interest on the Former XM Luxco 2 Shareholder Loans[(6)]	--	0.7	(0.7)	0.0
Accrued interest on Luxco 2 Vendor Loans[(7)]	--	3.7	(3.7)	0.0
Issuance fees related to High Yield Bonds	(2.9)		2.9	0.0
Existing Revolving Credit Facility[(9)]	10.2		(10.2)	0.0
Issuance fees related to Existing Revolving Credit Facility	(0.7)		0.7	0.0
Finance leases	1.2			1.2
Bank overdrafts	6.0			6.0
Total current	**43.3**	**25.7**	**(61.9)**	**7.2**
Total borrowings and other financial debts	**736.0**	**688.5**	**(1,170.4)**	**254.3**

(1) Indebtedness as of March 31, 2016 prior to the Refinancing is derived from the consolidated interim balance sheet of Luxco 3 as of March 31, 2016 as presented in the condensed consolidated interim financial statements included in Section 20.1.3, "Group Condensed Consolidated Interim Financial Statements" of this Update to the Registration Document and as a consequence excludes the Luxco 2 Shareholder Loans, the Former XM Luxco 2 Shareholder Loans and the Luxco 2 Vendor Loans issued by Luxco 2.

(2) Indebtedness as of March 31, 2016 post Refinancing reflects the expected consolidated indebtedness of the Company after the Proposed Admission, the related Refinancing and the related Reorganization as described in Section 7.1.3, "Description of the Reorganization" of the Registration Document.

(3) Includes an estimated €19.4 million make-whole redemption premium in respect of the repayment in full of the High Yield Bonds on the IPO Settlement Date.

(4) The Luxco 3 Shareholder Loans (as defined in Section 7.1.3.1, "Reorganization steps" of the Registration Document) were issued by Luxco 3 to Luxco 2 (the direct holding company of Luxco 3) in connection with the acquisition of the Group by Bain Capital in 2013. As part of the Reorganization to be implemented on the IPO Settlement Date, the Luxco 3 Shareholder Loans (which amounted to €405.3 million of principal amount and accrued interest as of March 31, 2016) will disappear as a result of the mergers of the Company's holding companies into the Company. See Section 7.1.3, "Description of the Reorganization" of the Registration Document.

(5) The Luxco 2 Shareholder Loans (as defined in Section 7.1.3.2, "Conversion of Luxco 2 Shareholder Loans" of the Registration Document) were issued by Luxco 2 (the direct holding company of Luxco 3) to certain former shareholders of the Group in connection with the acquisition of the Group by Bain Capital in 2013 and as such do not appear on the consolidated interim balance sheet of Luxco 3 as presented in the condensed consolidated interim financial statements included in Section 20.1.3, "Group Condensed Consolidated Interim Financial Statements" of this Update to the Registration Document. As part of the Reorganization to be implemented on the IPO Settlement Date in connection with the Proposed Admission, the Luxco 2 Shareholder Loans (which amounted to €350.2 million of principal amount and accrued interest as of March 31, 2016) will be ultimately converted into ordinary shares of the Company. See Section 7.1.3, "Description of the Reorganization" of the Registration Document.

(6) As part of the Reorganization, the Former XM Luxco 2 Shareholder Loans, which are owned by Luxco 4 as of the date of this Update to the Registration Document and which amounted to €11.0 million of principal amount and accrued interest as of March 31, 2016, will be cancelled.

(7) The Luxco 2 Vendor Loans (as defined in Section 7.1.3.3, "Repayment of Luxco 2 Vendor Loans" of the Registration Document) were issued by Luxco 2 (the direct holding company of Luxco 3) to certain shareholders of the Group in connection with the acquisition of the Group by Bain Capital in 2013 and as such do not appear on the consolidated interim balance sheet of Luxco 3 as presented in the condensed consolidated interim financial statements included in Section 20.1.3, "Group Condensed Consolidated Interim Financial Statements" of this Update to the Registration Document. As part of the Reorganization to be implemented on the IPO Settlement Date, the Luxco 2 Vendor Loans (which amounted to €61.8 million of principal amount and accrued interest as of March 31, 2016) will be transferred to the Company as a result of the mergers of the Company's holding companies into the Company. As part of the Proposed Admission, the Luxco 2 Vendor Loans will be repaid in full with the net proceeds of the capital increase to be implemented in connection with the Proposed Admission and the proceeds of the New Senior Credit Facilities. See Section 7.1.3, "Description of the Reorganization" of the Registration Document.

(8) See Section 10.2.2.2, "New Senior Credit Facilities" of the Registration Document.

(9) Amounts outstanding under the Existing Revolving Credit Facility on the IPO Settlement Date may vary compared to amounts outstanding as of March 31, 2016.

As of April 30, 2016, the estimated non-current borrowings and other financial debt amounted to €692.9 million.

Taking into consideration the Proposed Admission and the Refinancing, the consolidated net leverage ratio of Luxco 3 as of March 31, 2016 would have been 2.5x EBITDA for the last twelve months ended March 31, 2016.

Given the lower financing costs, combined with the operational cash generated in the second half of 2016, the Group expects, taking into consideration the Proposed Admission and the Refinancing, to reach a net financial debt ratio equal to or below 2.25x EBITDA by December 31, 2016.

10.3 PRINCIPAL USES OF CASH

10.3.1 Capital expenditure and financial investments

Section 10.3.1, "Capital expenditure and financial investments" of the Registration Document is supplemented by the following information:

From January 1, 2016 through March 31, 2016, the Group made total capital expenditure (acquisitions of property, plant and equipment, intangible assets and other non-current assets) of €31.1 million. For a more detailed description of the Group's capital expenditures and financial investments, see Section 10.4.2, "Net cash flow used in investing activities" of this Update to the Registration Document.

10.3.2 Financing of operating working capital requirements

Section 10.3.2, "Financing of operating working capital requirements" of the Registration Document is supplemented by the following information:

The Group primarily finances its operating working capital requirements with cash flow from/(used in) operating activities. The Group also makes recourse to its revolving line of credit, of which €10.0 million was drawn and €50.0 million was available for borrowings as of March 31, 2016, to meet a portion of its working capital requirements.

10.3.3 Payment of interest and financing fees and repayment of borrowings

Section 10.3.3, "Payment of interest and financing fees and repayment of borrowings" of the Registration Document is supplemented by the following information:

A significant portion of the Group's cash flow is used for servicing and repaying its debt. The Group paid aggregate cash interest and financing fees amounting to €14.9 million and €15.2 million for the three-month periods ended March 31, 2016 and March 31, 2015, respectively, largely related to its cash-pay debt consisting of the High Yield Bonds which will be redeemed and repaid on or about the IPO Settlement Date. See also Section 9.2.2.1, "Acquisition of the Group by Bain Capital" of the Registration Document.

10.3.4 Income tax paid/(received)

Section 10.3.4, "Income tax paid" of the Registration Document is supplemented by the following information:

A portion of the Group's cash flow is applied to the payment of income tax. Income tax paid/(received) totaled €0.2 million and €(0.6) million for the three-month periods ended March 31, 2016 and March 31, 2015, respectively.

10.4 ANALYSIS OF CONSOLIDATED CASH FLOWS

Section 10.4, "Analysis of Consolidated Cash Flows" of the Registration Document is supplemented by the following information:

The following table summarizes the Group's cash flows for the periods indicated.

Consolidated Cash Flows	Three-month period ended March 31, 2016	Three-month period ended March 31, 2015
(in € millions)		
Net cash flow from/(used in) operating activities	(9.3)	(1.5)
Net cash flow used in investing activities	(29.3)	(6.9)
Net cash flow from/(used in) financing activities	(5.2)	(5.7)
Net change in cash and cash equivalents	**(43.8)**	**(14.0)**

The following table provides a reconciliation of EBITDA to free cash flow for the periods indicated.

Free Cash Flow	Three-month period ended March 31, 2016	Three-month period ended March 31, 2015
(in € millions, except percentages)		
EBITDA	**19.7**	**11.5**
Change in operating working capital requirement	(15.6)	(3.8)
Income tax paid	(0.2)	0.6
Management fees	(0.5)	(0.5)
Pre-opening expenses	(0.7)	(0.4)
Catalog-related expenses	(8.4)	(8.3)
IFRIC 21 costs	(1.5)	(1.3)
Change in other operating items	(2.1)	0.7
Free cash flow from/(used in) operating activities[1]	**(9.3)**	**(1.5)**
Capital expenditure[2]	(31.1)	(5.7)
Change in debts on fixed assets	0.3	(1.5)
Proceeds from sale of fixed assets	1.5	0.4
Free cash flow used in investing activities[3]	**(29.3)**	**(6.9)**
Free cash flow	**(38.6)**	**(8.4)**

[1] Free cash flow from/(used in) operating activities is defined as EBITDA net of Change in operating working capital requirement and including other operating items with a cash effect. Quarterly EBITDA is calculated consistently with the Group's annual EBITDA except that quarterly EBITDA includes (i) a *pro rata* amount corresponding to one fourth of the annual catalog-related expenses and (ii) a *pro rata* amount of the annual impact of IFRIC 21 on costs related to certain government levies that were accounted for in full in the first quarters of 2015 and 2016. As a consequence, free cash flow from/(used in) operating activities equals Net cash flow from/(used in) operating activities. Free cash flow from/(used in) operating activities is not a measure of performance or liquidity under IFRS. See "Non-IFRS Financial Measures".

[2] Capital expenditure consists of:

	Three-month period ended March 31, 2016	Three-month period ended March 31, 2015
(in € millions, except percentages)		
Acquisition of non-current assets:		
- Property, plant and equipment	(8.9)	(4.6)
- Intangible assets	(0.9)	(0.3)
- Other non-current assets	(21.2)[a]	(0.8)

[a] Out of the capital expenditure of €31.1 million for the three-month period ended March 31, 2016, €20.4 million were attributable to the repurchase by the Group of certain shares in Luxco 2 and convertible preferred equity instruments (CPECs) of Luxco 2, in connection with the senior management transition agreed between Mr. Xavier Marie and Bain Capital in the summer of 2015. Excluding this repurchase of shares and CPECs, the Group's capital expenditure amounted to €10.7 million. See Section 10.4, "Analysis of Consolidated Cash Flows" of this Update to the Registration Document for further information.

(3) Free cash flow used in investing activities is defined as Net cash flow used in investing activities, excluding the acquisition of subsidiaries, net of cash acquired. Free cash flow used in investing activities is not a measure of performance or liquidity under IFRS. See "Non-IFRS Financial Measures".

10.4.1 Net cash flow from/(used in) operating activities

Section 10.4.1, "Net cash flow from operating activities" of the Registration Document is supplemented by the following information:

The following table sets forth the components of the Group's net cash flow from/(used in) operating activities for the periods indicated.

Net cash flow from/(used in) operating activities	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
(in € millions)		
Profit (loss) before income tax	(22.6)	(1.5)
Adjustment for non-cash items	11.3	(13.5)
Adjustment for cost of net debt	17.8	16.8
Change in operating working capital requirement	(15.6)	(3.8)
Income tax paid	(0.2)	0.6
Net cash flow from/(used in) operating activities	**(9.3)**	**(1.5)**

Net cash flow used in the Group's operating activities is mainly impacted by the loss before income tax adjusted for non-cash income and expenses and for the cost of net debt, in addition to change in operating working capital requirement and income tax paid.

For the three-month period ended March 31, 2016, the Group's operating activities generated a €9.3 million net cash outflow, mainly due to (i) a €15.6 million unfavorable change in operating working capital requirement, as described further below and (ii) a €0.2 million cash outflow attributable to the payment of income tax. These negative impacts were partly offset by the positive impact of the profit (loss) before income tax after adjustment for the €17.8 million cost of net debt and for a net non-cash expense of €11.3 million (mainly corresponding to a €6.8 million expense for depreciation and amortization and a €5.2 million negative change in fair value of hedging derivative instruments).

For the three-month period ended March 31, 2015, the Group's operating activities generated a €1.5 million net cash outflow, mainly attributable to the €3.8 million unfavorable change in operating working capital requirement. This negative impact was partly offset by (i) the positive impact of the profit (loss) before income tax after adjustment for the €16.8 million cost of net debt and for a net non-cash income of €13.5 million (corresponding to a €19.6 million positive change in fair value of hedging derivative instruments, net of a €4.8 million expense for depreciation and amortization and a €1.3 million loss on disposals) and (ii) a €0.6 million cash inflow related to income tax.

10.4.1.1 *Change in operating working capital requirement*

Section 10.4.1.1, "Change in operating working capital requirement" of the Registration Document is supplemented by the following information:

The following table sets forth the Group's change in operating working capital requirement for the periods indicated.

Change in operating working capital requirement	Three-month period ended March 31, 2016	Three-month period ended March 31, 2015
(in € millions)		
(Increase)/decrease in inventories	(9.6)	(1.6)
(Increase)/decrease in trade and other receivables	(6.4)	(11.8)
Increase/(decrease) in trade and other payables	0.4	9.5
Change in operating working capital requirement	**(15.6)**	**(3.8)**

For the three-month period ended March 31, 2016, the change in operating working capital requirement had a negative cash flow impact of €15.6 million, resulting from a €9.6 million increase in inventories and a €6.4 million increase in trade and other receivables, partly offset by a €0.4 million increase in trade and other payables.

The increase in inventories amounted to €9.6 million owing to the combined effect of (i) certain delays in delivery of a portion of the 2016 collection, initially expected at the end of 2015 and finally received during the first quarter of 2016 and (ii) the postponed delivery of the 2016 outdoor collection during the course of the first months of 2016, following an arrangement with certain of the Group's suppliers, whereas the previous outdoor collections were generally received at the end of the previous year.

Regarding trade and other receivables, the increase during the first quarter of 2016 was mainly attributable to (i) an increase in VAT receivables, in line with the increase of trade payables and (ii) highest prepaid expenses as of March 31, 2016 compared to December 31, 2015, mainly in relation with the earlier invoicing of leases and related expenses for the second quarter than for the first quarter of 2016.

In addition, the Group recorded a €6.2 million increase in trade payables, in line with seasonal first quarter variations which are impacted by the continued delivery of the new collection items as well as to the catalogs conception and printing during the first quarter of the year. This positive impact on operating cash flow was however offset by (i) a decrease in advance payments received on orders in progress mainly due to the redemption for purchases of gift cards by the holders of such gift cards purchased during the Christmas holidays selling season and (ii) a decrease in social security and other taxes payables as some social contributions related to the year ended December 31, 2015 were paid during the first quarter of 2016.

For the three-month period ended March 31, 2015, the change in operating working capital requirement had a negative cash flow impact of €3.8 million, attributable to a €11.8 million increase in trade and other receivables and a €1.6 million increase in inventories, partly offset by a €9.5 million increase in trade and other payables.

The increase in trade and other receivables included a €11.0 million increase in other receivables, primarily due to (i) higher advances paid to suppliers as of March 31, 2015 compared to December 31, 2014 and (ii) an increase of tax credits, mainly due to the upward change in VAT receivables balance between December 31, 2014 and March 31, 2015. These increases were partly offset by lower prepaid expenses, mainly due to the distribution of catalogs in March 2015 as prepaid expenses as of December 31, 2014 included €1.6 million of 2015 catalog related costs.

The limited increase in inventories during the three-month period ended March 31, 2015 was due to the high level of inventories already received as of December 31, 2014 resulting from the combined effect of (i) the receipt of the first items of the 2015 collection in the fourth quarter of 2014 to support its seamless and timely roll-out in the Group's stores during the first quarter of 2015 and (ii) the built-up of inventories following the TV advertising campaign at the end of 2014.

The increase in trade and other payables was mainly related to a €8.9 million increase of trade payables, in line with seasonal first quarter variations and including the impact of catalog related costs incurred during the first quarter. In addition, this increase was also partly attributable to the limited level of trade payables related to the 2015 collection as of December 31, 2014 as the accelerated built-up of inventories induced the earliest reception and payment of items at year-end 2014.

10.4.1.2 *Income tax paid*

Section 10.4.1.2, "Income tax paid" of the Registration Document is supplemented by the following information:

For the three-month period ended March 31, 2016, income tax paid by the Group amounted to €0.2 million.

For the three-month period ended March 31, 2015, cash inflow related to income tax amounted to €0.6 million, mainly as a result of a tax refund received by the Group's Belgian subsidiary due to excess payments of income tax for the year ended December 31, 2015.

10.4.2 Net cash flow used in investing activities

Section 10.4.2, "Net cash flow used in investing activities" of the Registration Document is supplemented by the following information:

The following table sets forth the components of the Group's net cash flow used in investing activities for the periods indicated.

Net cash flow used in investing activities	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
(*in € millions*)		
Acquisition of non-current assets:		
Capital expenditure	(31.1)	(5.7)
Acquisition of subsidiaries, net of cash acquired	-	-
Change in debts on fixed assets	0.3	(1.5)
Proceeds from sale of non-current assets	1.5	0.4
Net cash flow used in investing activities	**(29.3)**	**(6.9)**

For the three-month period ended March 31, 2016, the Group's investing activities resulted in a net cash outflow of €29.3 million, mainly due to capital expenditure of €31.1 million, of which €20.4 million were attributable to the repurchase by the Group of certain shares in Luxco 2 and convertible preferred equity instruments (CPECs) of Luxco 2, in connection with the senior management transition agreed between Mr. Xavier Marie and Bain Capital in the summer of 2015. Excluding this repurchase of shares and CPECs, the Group's capital expenditure amounted to €10.7 million, of which approximately 78.4% was related to store development capital expenditure incurred in connection with the gross opening of eight new stores during the period, of which five were located in France and three in the rest of Europe. The Group also invested in the maintenance of its stores network, which included capital expenditure related to digitalization of the Group's existing stores through the roll-out of free in-store delivery, click-in-store features and in-store tablets. The change in debts on fixed assets had a €0.3 million positive impact on the Group's cash flows.

For the three-month period ended March 31, 2015, the Group's investing activities resulted in a net cash outflow of €6.9 million, mainly due to capital expenditure of €5.7 million, of which approximately 68.9% was related to store development capital expenditure incurred in connection with the gross opening of one new store during the first quarter 2015 as well as with the planned opening of stores in the second quarter 2015. This moderate level of capital expenditure during the first quarter was in line with the phasing of store openings for 2015, by which the majority of store openings were planned towards the latter part of the year once the new catalogues have been distributed in March. Apart from store development capital expenditure, the Group's capital expenditure mainly related to maintenance of its stores, warehouses and facilities. The change in debts on fixed assets had a €1.5 million negative impact on net cash flow used in investing activities.

10.4.3 Net cash flow from/(used in) financing activities

Section 10.4.3, "Net cash flow from/(used in) financing activities" of the Registration Document is supplemented by the following information:

The following table sets forth the components of the Group's net cash flow from/(used in) financing activities for the periods indicated.

Net cash flow from/(used in) financing activities	**Three-month period ended March 31, 2016**	**Three-month period ended March 31, 2015**
(*in € millions*)		
Proceeds from borrowings	10.0	10.0
Repayment of borrowings	(0.3)	(0.3)
Interest paid	(14.9)	(15.2)
Increase/(decrease) in capital	-	-
Other movements	-	(0.1)
Net cash flow from/(used in) financing activities	**(5.2)**	**(5.7)**

For the three-month period ended March 31, 2016, the Group recorded a €5.2 million net cash outflow for financing activities, primarily composed of the payment of interest for €14.9 million (mainly composed of €14.7 million related to the High Yield Bonds and €0.3 million to the Existing Revolving Credit Facility) net of the €10.0 million proceeds from the drawdown of the Existing Revolving Credit Facility.

For the three-month period ended March 31, 2015, the Group recorded a €5.7 million net cash outflow used in financing activities. Interest paid on borrowings amounted to €15.2 million, mainly in connection with the High Yield Bonds for €14.7 million and the Existing Revolving Credit facility for €0.3 million (including commitment fees). This cash outflow was partly offset by the €10.0 million proceeds from the drawdown of the Existing Revolving Credit Facility.

The Group's financing arrangements for the periods presented are described under "Borrowings and other financial debts" in Section 10.2.1, "Principal Sources of Financing" of this Update to the Registration Document.

CHAPTER 13. PROFIT FORECASTS OR ESTIMATES

As of the date of this Update to the Registration Document, the Group confirms the profit forecasts for the year ended December 31, 2016 that are presented in Section 13.2 of the Registration Document

CHAPTER 14. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

Chapter 14, "Administrative, Management and Supervisory Bodies and Senior Management" of the Registration Document is supplemented as follows:

14.1 COMPOSITION OF MANAGEMENT AND SUPERVISORY BODIES

14.1.1 Board of Directors

Name; business address; number of Company shares held[1]	Date of birth	Nationality	Expiration date of term of office	Main position within the Company	Main board memberships and offices held outside the Company and Group during the last five years
Sir Ian Cheshire 10 Brock Street, Regent's Place, London, NW1 3FG United Kingdom Number of Company shares held: 0	06/08/1959	British	Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2019	Independent Director	Positions and offices held as of the date of this Update to the Registration Document: - Chairman of the board of directors and of the nomination committee and member of the remuneration committee of Debenhams - Member of the board of directors of Whitbread plc - Chairman of Menhaden Capital plc - Chairman of the Government Lead Non-Executive - Member of the Cabinet Office Board - President of the Business Disability Forum - Chairman of the advisory board of the Cambridge Institute for Sustainability Leadership Positions and offices held during the last five years that are no longer held: - Director of Kingfisher plc 2000 to 2015, CEO 2008-2015 - Chairman British Retail Consortium 2012-2014

Name; business address; number of Company shares held[(1)]	Date of birth	Nationality	Expiration date of term of office	Main position within the Company	Main board memberships and offices held outside the Company and Group during the last five years
Nicolas Woussen 1, Impasse du Pillier, 93210 La Plaine St. Denis, (France) Number of Company shares held: 0	08/06/1976	French	Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2017	Independent Director	Positions and offices held as of the date of this Update to the Registration Document: - Chief financial officer of Showroomprivé Positions and offices held during the last five years that are no longer held: - Deputy managing director in charge of finance of Cdiscount - Executive officer of Cnova - Member of the board of directors of Cdiscount - Member of the board of directors of MonCornerDeco - Member of the investment committee of Partech

(1) To comply with (i) Article 3.8 of the Internal Regulations that the Company plans to adopt on the IPO Settlement Date, and (ii) article 14 of the AFEP-MEDEF Code, the members of the Board of Directors must hold at least 100 shares in the Company. Such shares must be purchased by the members of the Board of Directors within six months following the IPO Settlement Date.

14.1.1.1 Biographical Information of the Members of the Board of Directors

Sir Ian Cheshire, 56, will be a member of the Board of Directors as from the IPO Settlement Date. Sir Ian spent 17 years with Kingfisher plc including seven years as group chief executive officer between 2008 and 2015. Since April 2016, he has served as the chairman of the board of directors and of the nomination committee and as a member of the remuneration committee of Debenhams. Sir Ian currently holds positions as a senior independent director of Whitbread plc, the chairman of Menhaden Capital plc and the Government Lead Non-Executive. Sir Ian is also a non-executive member of the Cabinet Office Board. He additionally serves as the president of the Business Disability Forum, the chair of the advisory board of the Cambridge Institute for Sustainability Leadership and is a *chevalier d'ordre National du Mérite*. Sir Ian formerly served as chairman of the British Retail Consortium.

Sir Ian graduated from Cambridge University.

Nicolas Woussen, 39, will be a member of the Board of Directors as from the IPO Settlement Date. Mr. Woussen began his career at the M&A department of Dresdner Kleinwort Wasserstein in 2000. In 2005, he joined Casino Guichard Perrachon as Deputy Director of M&A in Europe, Asia, Latin America and the United States. In 2010, he joined Cdiscount as Deputy CEO in charge of Finance and supported its development in France and seven other countries as well as its IPO on the Nasdaq in 2014. He joined Showroomprivé in 2015 as Chief Financial Officer. At Showroomprivé, he oversaw the IPO of the Company on Euronext in 2015.

Mr. Woussen graduated from HEC.

14.1.1.2 Balance in the Composition of the Board of Directors

In connection with the Proposed Admission, the Company appointed, subject to the IPO Settlement and effective as of the IPO Settlement Date, at a general shareholder meeting of the Company held on April 29, 2016, four directors considered to be independent pursuant to the criteria set forth in the AFEP-MEDEF Code and three female directors in compliance with applicable French legal and regulatory requirements. The Company will strive to ensure that the choice of the board members reflects a diversity of skills of its members.

As of the IPO Settlement Date, the Board of Directors will be composed of a total of nine (9) members, including four (4) independent directors.

CHAPTER 15. COMPENSATION AND BENEFITS OF DIRECTORS AND SENIOR MANAGEMENT

Chapter 15, "Compensation and benefits of directors and senior management" of the Registration Document is updated as follows:

15.1 DIRECTORS' COMPENSATION

Section 15.1 of the Registration Document is supplemented with the following paragraph:

At a general shareholder meeting of the Company held on April 29, 2016, it was decided, subject to the IPO Settlement and subject to the favorable opinion of the Nomination and Compensation Committee, to set the maximal amount of the directors' attendance fees at €500,000 until decided otherwise by the shareholders of the Company at a general shareholder meeting.

15.2 COMPENSATION OF SENIOR MANAGEMENT

15.2.2 Principles Governing the Compensation of Mr. Gilles Petit, Chief Executive Officer

Section 15.2.2 of the Registration Document is replaced with the following paragraphs:

It is contemplated that the Board of Directors at a meeting to be held on the IPO Settlement Date will implement, after consultation with the Nomination and Compensation Committee, the following principles with respect to the compensation of Mr. Gilles Petit as Chief Executive Officer of the Company, which will entirely replace the compensation package of Mr. Gilles Petit applicable as of the date of this Update to the Registration Document.

In consideration of his services to the Company, Mr. Petit receives an annual fixed gross compensation of €400,000, payable in 12 monthly instalments.

In addition to his fixed compensation, Mr. Petit will participate in a discretionary performance related annual bonus scheme and upon the listing of the Company's shares on Euronext Paris, he will have the opportunity to participate in a long-term incentive plan such as a performance share plan ("PSP"), which the Company intends to establish and operate after the IPO Settlement Date.

Mr. Gilles Petit's annual variable compensation will not exceed 85% of his annual fixed gross compensation. Out of the overall annual variable compensation, 60% will be determined on the basis of a quantitative target based on the EBIT of the Group, and 40% will be contingent on Mr. Gilles Petit's performance concerning precise and pre-defined qualitative targets such as completion of specific projects or transactions. The definitions and levels of these targets and objectives have been precisely defined between the Company and Mr. Gilles Petit and are not made public for confidentiality reasons.

Mr. Petit's maximum PSP award opportunity will be determined by the Board of Directors after consultation of the Nomination and Compensation Committee and is not anticipated to exceed 150% of salary. The vesting of a PSP award will be contingent on the achievement of multi-year performance targets as set by the Board of Directors after consultation of the Nomination and Compensation Committee prior to each award and will typically consist of financial, strategic operational or market based metrics (such as total shareholder return or earning per share growth). The vesting of the award will ordinarily be no earlier than three years from the date of grant.

Mr. Gilles Petit will also be able to use a company car.

As of the date of implementation of these principles on the IPO Settlement Date, the remuneration of Mr. Gilles Petit as presented in the precedent paragraphs will comply with the recommendations of the AFEP-MEDEF Code.

15.2.4 Compensation of Senior Management

The first paragraph of the sub-section "Management and consulting services" of Section 15.2.4 of the Registration Document is replaced by the following paragraph:

The consulting and services agreement entered into between the Company and Bain Capital and its affiliates in 2013 will be terminated as of the IPO Settlement Date. In accordance with a termination agreement between the Company and Bain Luxco to be dated on or prior to the IPO Settlement Date, Bain Luxco will receive a one-off payment from the Company of €3.0 million. On or shortly after the IPO Settlement date, Bain Luxco and the Company will enter into a new consulting and services agreement whereby Bain Luxco will not be entitled to any payment by the Company other than expenses reimbursement.

15.10 EMPLOYMENT AGREEMENTS, RETIREMENT PAYMENTS, AND DEPARTURE COMPENSATION OF SENIOR MANAGEMENT

Section 15.10 of the Registration Document is updated as follows.

The last paragraph of the introduction to Section 15.10 of the Registration Document is replaced by the following paragraphs:

IPO Bonuses

Exceptional IPO bonuses will be paid to certain corporate officers and managers of the Group for an aggregate amount of approximately €425,000 (including an amount of €200,000 for Mr. Gilles Petit, Chief Executive Officer of the Company).

15.10.1 Pension Plan (in addition to the legal regime)

Section 15.10.1 of the Registration Document is replaced with the following paragraphs:

The Company intends to implement a supplementary defined pension plan for certain senior managers and corporate officers after the IPO Settlement Date subject to approval of the Board of Directors upon consultation of the Nomination and Compensation Committee. Mr. Gilles Petit will be entitled to participate in such plan on the basis of terms and conditions that will be determined by the Board of Directors at that time.

15.10.2 Severance or Other Benefits Due or Likely to Become Due as a Result of Termination or Change of Office

Section 15.10.2 of the Registration Document is replaced with the following paragraphs:

It is contemplated that the Board of Directors at a meeting to be held on the IPO Settlement Date will implement, after consultation of the Nomination and Compensation Committee, the following principles with respect to the severance package of Mr. Gilles Petit as Chief Executive Officer of the Company.

Subject to performance criteria based on the increase of Customer Sales over the two full reporting years preceding the event, Mr. Gilles Petit will be entitled to receive a severance payment in case he ceases to serve as Chief Executive Officer of the Company.

The severance payment due to Mr. Gilles Petit will be equal to a maximum of (i) twenty-four months of monthly gross fixed and variable compensation, calculated as the sum of (A) the average of the monthly fixed compensation paid over the twenty-four months preceding the termination of the functions of Mr. Gilles Petit (or since the appointment of Mr. Gilles Petit as Chief Executive Officer on September 7, 2015 in the event when termination of his functions occurs before the expiration of the twenty-four month period following such appointment) and (B) the monthly average of the two last variable compensation amounts paid (other than the IPO bonus), in the event Mr. Gilles Petit ceases to serve as Chief Executive Officer of the Company prior to December 31, 2017, and (ii) an amount equal to 50% of the amount described in (i), in the event Mr. Gilles Petit ceases to serve as Chief Executive Officer of the Company after January 1, 2018.

Mr. Gilles Petit will receive no severance payment in the event of:

- willful misconduct (*faute lourde*),
- breach of the power limitations of the Chief Executive Officer regarding decisions requiring the Board of Directors' prior approval under the Internal Regulations (See Section 16.3.2, "Decisions Requiring Board Approval"),
- mismanagement (*faute de gestion*) leading to penal sanctions.

The severance payment may, however, apply even in the absence of a change of control or strategy, if all the other above-referred conditions are satisfied.

15.10.3 Compensation Under a Non-Compete Clause

Section 15.10.3 of the Registration Document is replaced with the following paragraphs:

It is contemplated that the Board of Directors at a meeting to be held on the IPO Settlement Date will implement, after consultation of the Nomination and Compensation Committee, the following principles with respect to the non-compete compensation of Mr. Gilles Petit as Chief Executive Officer of the Company.

In the event of the termination of Mr. Gilles Petit's functions (*mandat social*) within the Company, Mr. Gilles Petit will not be subject to any non-compete obligation.

15.11 COMPLIANCE OF TOTAL EXECUTIVE DIRECTOR COMPENSATION WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE

The first two paragraphs of Section 15.11 of the Registration Document re replaced with the following paragraphs:

As of the IPO Settlement Date and upon implementation of the principles described in Sections 15.2, "Compensation of Senior Management" and 15.10, "Employment Agreement, Retirement Payments and Departure Compensation of Senior Management" of this Update to the Registration Document, the compensation of the senior management of the Group will comply with the recommendations of the AFEP-MEDEF Code, except with respect to the following aspects:

- Mr. Gilles Petit's severance payment will not exclusively apply in case of a change of control of the Group or change of strategy of the Group;
- Mr. Gilles Petit's severance payment will be due even if Mr. Gilles Petit is able to benefit from his retirement benefits at the time of, or shortly after, his departure.

These exceptions to the recommendations of the AFEP-MEDEF Code are due to the fact that the compensation package applicable to Mr. Gilles Petit as of the IPO Settlement Date is mostly the continuation of the package applicable as of the date of this Update to the Registration Document, which was discussed and agreed several months before the Proposed Admission.

CHAPTER 16. RULES APPLICABLE TO CORPORATE BODIES AND MANAGEMENT COMMITTEES

Chapter 16, "Rules applicable to corporate bodies and management committees" of the Registration Document is updated as follows:

16.4 COMMITTEES OF THE BOARD OF DIRECTORS

16.4.1 Audit Committee

The last paragraph of Section 16.4.1 of the Registration Document is replaced by the following paragraph:

It is expected that the Audit Committee will be composed of the following members for a duration coinciding with the term of their respective mandates as members of the Board of Directors:

- Chairman: Nicolas Woussen (independent director)
- Member: Ian Cheshire (independent director)
- Member: Marie-Christine Levet (independent director)
- Member: Matthias Boyer Chammard

16.4.2 Nomination and Compensation Committee

The last paragraph of Section 16.4.2 of the Registration Document is replaced by the following paragraph:

It is expected that the Nomination and Compensation Committee will be composed of the following members for a duration coinciding with the term of their respective mandates as members of the Board of Directors:

- Chairman: Sophie Guieysse (independent director)
- Member: Ian Cheshire (independent director)
- Member: Michel Plantevin

CHAPTER 20. FINANCIAL INFORMATION CONCERNING THE GROUP'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

Chapter 20, "Financial Information Concerning the Group's Assets and Liabilities, Financial Position and Profits and Losses" of the Registration Document is supplemented as follows.

20.1 FINANCIAL INFORMATION

Section 20.1, "Financial Information" of the Registration Document is supplemented with the following sections.

20.1.3 Group Condensed Consolidated Interim Financial Statements for the three-month period ended March 31, 2016

MAGNOLIA (BC) MIDCO S.à r.l.

1st QUARTER 2016 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1st quarter ended March 31, 2016)

CONSOLIDATED INCOME STATEMENT

(In thousands of euros)	Notes	1st quarter 2016	1st quarter 2015	Full year 2015
Retail revenue	5	189 584	149 271	701 401
Other revenue	5	5 580	4 205	22 015
Revenue		***195 164***	***153 476***	***723 416***
Cost of sales		(63 401)	(49 789)	(225 292)
Personnel expenses	7	(39 837)	(33 476)	(148 547)
External expenses	8	(82 228)	(68 197)	(256 269)
Depreciation, amortization and allowance for provisions		(6 925)	(5 391)	(25 418)
Fair value - derivative financial instruments	20	(5 233)	19 580	2 743
Other income from operations	9	437	919	1 029
Other expense from operations	9	(1 441)	(1 884)	(6 193)
Current operating profit before other operating income and expenses		***(3 465)***	***15 238***	***65 469***
Other operating income and expenses	10	(1 111)	189	(619)
Operating profit (loss) - net		***(4 576)***	***15 427***	***64 850***
Cost of net debt	11	(17 804)	(16 778)	(69 659)
Finance income	11	252	160	571
Finance costs	11	(485)	(315)	(1 597)
Financial profit (loss) - net		***(18 037)***	***(16 934)***	***(70 686)***
Share of profit (loss) of equity-accounted investees		-	-	80
Profit (loss) before income tax		***(22 613)***	***(1 507)***	***(5 756)***
Income tax expense	12	4 705	(3 945)	(8 167)
PROFIT (LOSS) FOR THE PERIOD		***(17 908)***	***(5 453)***	***(13 923)***
Attributable to:				
-Owners of the Parent		(17 908)	(5 453)	(13 923)
-Non-controlling interests		-	-	
Earnings per share for profit (loss) for period attributable to the owners of the parent :				
Basic and diluted earnings per share	13	(0,32)	(0,10)	(0,25)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(In thousands of euros)	Notes	1st quarter 2016	1st quarter 2015	Full year 2015
PROFIT (LOSS) FOR THE PERIOD		***(17 908)***	***(5 453)***	***(13 923)***
Other comprehensive income				
Items that will not be reclassified to profit or loss :				
- Remeasurements of post employment benefit obligations		-	-	121
- Income tax on items that will not be reclassified		-	-	(45)
Total items that will not be reclassified to profit or loss		-	-	*76*
Items that will be reclassified subsequently to profit or loss :			-	
- Cash-flow hedge	20	(13 426)	-	-
- Currency translation differences		(135)	-	187
- Income tax on items that will be reclassified	20	4 622		
Total items that will be reclassified subsequently to profit or loss		*(8 939)*	-	*187*
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX		***(8 939)***	**-**	***263***
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		***(26 847)***	***(5 453)***	***(13 660)***
Attributable to:				
– Owners of the parent		(26 847)	(5 453)	(13 660)
– Non-controlling interest		-	-	-

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets *(In thousands of euros)*	**Notes**	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**
Goodwill	14	321 183	321 183	321 183
Other intangible assets	15	241 967	242 040	237 587
Property, plant and equipment	16	119 217	116 740	104 009
Equity-accounted investees		143	136	82
Other non-current financial assets	17	37 702	16 499	14 190
Deferred income tax assets	18	26 722	15 904	14 508
Other non-current assets	19	8 734	9 020	10 115
Non-current assets		***755 669***	***721 523***	***701 674***
Inventories		111 821	102 262	109 002
Trade receivables & Other current receivables		52 564	45 922	52 738
Other current financial assets		540	524	392
Current income tax assets		10 545	9 508	7 706
Derivative financial instruments	20	5 455	24 114	40 950
Cash and cash equivalents	22	36 964	76 398	26 602
Current assets		***217 889***	***258 727***	***237 392***
TOTAL ASSETS		***973 558***	***980 250***	***939 065***

Equity and Liabilities *(In thousands of euros)*	**Notes**	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**
Share capital	21	5 545	5 545	5 545
Share premium	21	49 905	49 905	49 905
Retained earnings		(47 024)	(24 159)	(24 471)
Profit (loss) for the period		(17 908)	(13 923)	(5 453)
Equity attributable to owners of the Company		***(9 482)***	***17 368***	***25 526***
Non-controlling interests		-	-	-
TOTAL EQUITY		***(9 482)***	***17 368***	***25 526***
Borrowings	22	312 260	311 784	309 642
Other financial debts	22	380 490	380 490	345 781
Deferred income tax liabilities	18	74 866	74 789	74 929
Post-employment benefits	23	4 766	4 655	3 886
Provisions	24	1 606	2 194	2 634
Other non-current liabilities	25	9 862	9 752	8 521
Non-current liabilities		***783 850***	***783 664***	***745 393***
Current portion of borrowings	22	18 522	11 448	15 841
Other financial debts	22	24 767	15 349	22 508
Trade payables and other current payables		154 778	151 812	129 203
Provisions	24	660	101	41
Current income tax liabilities		458	503	552
Other current liabilities		6	5	2
Current liabilities		***199 190***	***179 218***	***168 147***
TOTAL LIABILITIES		***983 040***	***962 882***	***913 540***
TOTAL EQUITY AND LIABILITIES		***973 558***	***980 250***	***939 065***

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)	Note	1st quarter 2016	1st quarter 2015	Full year 2015
Profit (loss) for the period before income tax		(22 613)	(1 507)	(5 756)
Adjustments for :				
- Depreciation and amortisation		6 832	4 754	24 249
- Net (gain) loss on disposals		(775)	1 341	451
- Share of profit (loss) of equity-accounted investees		-	-	(80)
- Other non-cash items (Change in fair value – derivative financial instruments)		5 233	(19 580)	(2 743)
- Cost of net debt		17 804	16 778	69 659
Change in operating working capital requirement:				
- (Increase) decrease in inventories		(9 627)	(1 581)	5 227
- (Increase) decrease in trade and other receivables		(6 426)	(11 772)	(3 247)
- Increase (decrease) in trade and other payables		426	9 517	28 352
Income tax paid		(150)	574	(4 067)
Net cash flow from/(used in) operating activities		**(9 296)**	**(1 476)**	**112 045**
Acquisitions of non-current assets :				
- Property, plant and equipment		(8 901)	(4 623)	(35 353)
- Intangible assets		(936)	(274)	(5 424)
- Subsidiaries, net of cash acquired		-	-	(16)
- Other non-current assets	17	(21 225)	(836)	(3 130)
Change in debts on fixed assets		279	(1 516)	520
Proceeds from sale of non-current assets:				
- Property, plant and equipment		1 473	350	16
- Other non-current assets		-	-	-
Net cash flow from/(used in) investing activities		**(29 310)**	**(6 899)**	**(43 387)**
Proceeds from issues of borrowings	22	10 000	10 000	139
Repayment of borrowings	22	(300)	(347)	(1 391)
Interest paid	22	(14 873)	(15 190)	(30 317)
Other movements		-	(135)	-
Net cash flow from/(used in) financing activities		**(5 173)**	**(5 672)**	**(31 569)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(43 779)**	**(14 047)**	**37 089**
Cash and cash equivalents at beginning of period		**74 773**	**37 673**	**37 673**
Exchange gains/(losses) on cash and cash equivalents		(8)	-	11
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**30 986**	**23 626**	**74 773**

(In thousands of euros)		1st quarter 2016	1st quarter 2015	Full year 2015
Cash and cash equivalents (excluding bank overdrafts)	22	36 964	26 602	76 398
Bank overdrafts	22	(5 978)	(2 976)	(1 625)
CASH AND CASH EQUIVALENTS		**30 986**	**23 626**	**74 773**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						
(In thousands of euros)	Share capital	Share premium	Retained earnings	Currency translation difference	Total	Non-controlling interest	Total equity
Balance as of January 1, 2015	**5 545**	**49 905**	**(24 534)**	**63**	**30 979**	**-**	**30 979**
Issue of ordinary shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Profit (loss) for the period	-	-	(5 453)	-	(5 453)	-	(5 453)
Other comprehensive income for the period	-	-	-	-	-	-	-
Balance as of 31 March 2015	**5 545**	**49 905**	**(29 987)**	**63**	**25 526**	**-**	**25 526**
Balance as of January 1, 2016	**5 545**	**49 905**	**(38 334)**	**250**	**17 368**	**-**	**17 368**
Issue of ordinary shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Profit (loss) for the period	-	-	(17 908)	-	(17 908)	-	(17 908)
Other comprehensive income for the period	-	-	(8 804)	(135)	(8 939)	-	(8 939)
Balance as of 31 March 2016	**5 545**	**49 905**	**(65 046)**	**115**	**(9 482)**	**-**	**(9 482)**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

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Magnolia (BC) Midco S.à.r.l ("Luxco 3") is domiciled in Luxembourg. The address of its registered office is 4, rue Lou Hemmer, L-1748 Luxembourg-Findel, Grand Duché du Luxembourg.

Luxco 3 is a subsidiary of Magnolia (BC) Luxco S.C.A, also incorporated in Luxembourg. Luxco 3 is ultimately controlled and managed by Bain Capital Private Equity.

These IFRS consolidated financial statements comprise Luxco 3 and its subsidiaries and joint-ventures (hereafter referred collectively as "the Group" and individually as a "subsidiary" or a "joint-venture").

The Group is a fast-growing multichannel retailer of stylish, affordable homeware to a wide customer base in European markets both through its network of stores and its online platform. The product range consists of homeware products, covering a broad range of styles and categories. The product categories include small decorative products, such as household textiles, tableware and kitchenware, mirrors and picture frames, as well as large decorative products and furniture, such as large mirrors and lamps, tables, chairs, armchairs and sofas, cupboards, bookshelves and outdoor furniture.

The condensed interim consolidated financial statements have been authorized for issue by the Board of Directors held on May 9, 2016.

Note 1. Significant events

No significant event for the period ended March 31, 2016.

Note 2. Accounting policies

2.1 Basis of preparation

The condensed consolidated financial statements for the three-month period ended March 31, 2016 have been prepared in accordance with IAS 34 – Interim Financial Reporting. The accompanying notes therefore relate to significant events and transactions of the period, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015.

The accounting policies used in the preparation of the consolidated financial statements as of March 31, 2016 comply with international financial reporting standards (IFRS) as endorsed by the European Union and as issued by the International Accounting Standards Board (IASB). The accounting policies applied as of March 31, 2016 are identical to those described in the notes to the published consolidated financial statements as of December 31, 2015.

Since January 1st, 2016, the Group applies hedging accounting according to IAS 39 (refer to note 20).

Financial data is presented in thousands of euros. It is rounded to the nearest thousand, unless otherwise indicated. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

2.2 New standards, amendments and interpretations not yet adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for early application for annual periods beginning after January 1, 2016; however, the Group has not applied the following new or amended standards in preparing these condensed consolidated interim financial statements:

- Amendments to IAS 19 '*Employee Benefits*'

Forthcoming requirements not yet adopted by the European Union, which could have an impact for the Group include:

- IFRS 9 ‘Financial instruments’
- IFRS 14 ‘Regulatory deferral accounts’
- IFRS 15 ‘Revenue from contracts with customers’
- IFRS 16 ‘*Leases*’
- Amendments to IFRS 10, IFRS 12 and IAS 28 ‘Investment entities – Applying the consolidation exception’
- Amendment to IAS 12 ‘Recognition of deferred tax assets for unrealised losses’
- Clarification to IFRS 15 ‘Revenue from contracts with customers’

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of these standards mentioned above.

2.3 Critical estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

Estimates are made based on a going concern assumption and on information available at the date of their preparation. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations about future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. When the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are valuation of intangible assets (goodwill and trademarks), deferred income tax, financial instruments and classification of financial instruments.

As explained in note 7.9 a in the 2015 annual report, goodwill is not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Note 3. Seasonality

The decoration and furniture market in which the Group operates is subject to seasonal fluctuations. The Group’s results for any quarter may not necessarily be indicative of the results that may be achieved for the full financial year.

The Group’s quarterly results have fluctuated in the past and may fluctuate significantly in the future, depending upon a variety of factors, including, among other things, the Group’s product offerings, store openings, store closings, level of home remodelings or relocations, shifts in the timing of holidays, timing of catalog releases, timing of delivery of orders, competitive factors and general economic conditions.

In addition, the Group has historically generated, and expects to continue to generate, higher results of operations and EBITDA in the fourth quarter of its financial year, corresponding to the winter selling season. However, the Group’s fixed costs, including personnel costs, leases, general and administrative expenses, are more evenly distributed over the course of the year.

NOTES ON CONSOLIDATED INCOME STATEMENT

Note 4. Geographical segment information

The customer sales, EBITDA and Goodwill, other intangible assets and property, plant and equipment are broken down by geographical segment. The Group's activities are divided into two geographical segments as follows:

- France;
- International.

In addition, the corporate segment includes holdings operating activities, including assets that can't be allocated to segments and CICE. Corporate segment does not include any revenue and consists mainly of corporate expenses related to finance, legal, human resources, IT department as well as expenses related to design, procurement, customer relationship management (CRM) and merchandising department.

The Group defines its annual EBITDA as its current operating profit before other operating income and expenses excluding i) depreciation, amortization and allowance for provisions and ii) the change in fair value of its derivative instruments, which are both non-cash items, as well as iii) the management fees paid to the controlling shareholders to cover for management and administrative expenses and iv) store pre-opening expenses which relate to expenses incurred prior to the opening of new stores.

Quarterly EBITDA is defined like annual EBITDA except that it includes (i) a pro rata amount of the annual catalog related expenses that were born in the first quarters of 2015 and 2016 and (ii) a pro rata amount of the annual impact of IFRIC 21 on costs related to some government levies that were accounted for in full in the first quarters of 2015 and 2016.

EBITDA by geographical segment includes:

- Allocations of certain marketing expenses related to stores as well as online operating and marketing expenses. Such expenses are allocated by segment based on customer sales or online revenue per country;
- Allocation of EBITDA of the logistical entities to the segments based on their respective contribution to margin.

Revenue and EBITDA related to B to B activity has been fully allocated to segment – France.

(In thousands of euros)	1st quarter 2016	1st quarter 2015	Full year 2015
Customer sales	189 286	148 702	699 398
Sales to franchise and promotional sales	298	568	2 003
Retail Revenue	***189 584***	***149 271***	***701 401***
Customer sales			
France	123 273	97 610	460 154
International	66 014	51 093	239 244
Current operating profit before other operating income and expense	(3 465)	15 238	65 469
Depreciation, amortization and allowance for provisions	6 925	5 391	25 418
Change in fair value - Derivative financial instruments	5 233	(19 580)	(2 743)
Management fees	488	540	2 933
Expenses prior to openings	651	406	3 439
Catalogs related expenses	8 403	8 267	-
IFRIC 21 costs	1 459	1 275	-
EBITDA	**19 695**	**11 537**	**94 516**
France	21 858	14 780	99 998
International	10 112	8 200	42 648
Corporate	(12 275)	(11 442)	(48 130)
Goodwill, other intangible assets and property, plant and equipment	682 367	662 779	679 963
France	328 351	319 410	328 952
International	140 494	127 906	137 115
Corporate	213 523	215 464	213 897

Note 5. Revenue

Revenue is broken down as follows:

(In thousands of euros)	1st quarter 2016	1st quarter 2015	Full year 2015
Customer sales	189 286	148 702	699 398
Sales to franchise and promotional sales	298	568	2 003
Retail Revenue	**189 584**	**149 271**	**701 401**
Transportation to customers	4 007	2 975	13 197
Supply Chain services	594	684	2 770
Other services	358	191	1 573
Eco-contribution	476	323	1 392
Capitalized production	-	-	1 340
Sundry revenue	145	31	1 743
Other Revenue	**5 580**	**4 205**	**22 015**
Total revenue	**195 164**	**153 476**	**723 416**

Customer sales are broken down by channel and product category as follows:

(In thousands of euros)	**1st quarter 2016**	**1st quarter 2015**	**Full year 2015**
Stores	153 346	122 726	578 774
Web	35 941	25 976	120 624
Customer sales	***189 286***	***148 702***	***699 398***

(In thousands of euros)	**1st quarter 2016**	**1st quarter 2015**	**Full year 2015**
Decoration	102 105	81 063	394 463
Furniture	87 182	67 639	304 935
Customer sales	***189 286***	***148 702***	***699 398***

Note 6. Gross margin

(In thousands of euros)	**1st quarter 2016**	**1st quarter 2015**	**Full year 2015**
Customer sales	189 286	148 702	699 398
Cost of sales	(63 401)	(49 789)	(225 292)
Gross margin	**125 884**	**98 913**	**474 106**
Gross margin (%)	***66,5%***	***66,5%***	***67,8%***

Note 7. Personnel expenses

Personnel expenses are broken down as follows:

(In thousands of euros)	**1st quarter 2016**	**1st quarter 2015**	**Full year 2015**
Wages and salaries	(29 195)	(25 180)	(107 241)
Social security costs	(10 212)	(9 000)	(39 356)
Employee profit-sharing	(1 256)	(256)	(4 892)
Tax Credit - CICE	1 040	960	4 046
Post-employment expenses - Defined benefit plans	(214)	-	(1 104)
Total personnel expenses	**(39 837)**	**(33 476)**	**(148 547)**

For the three-month period ended March 31, 2016, the Group recorded accrued income of €1 million (1st quarter 2015: €1 million and full year 2015: €4 million) related to the CICE tax credit (introduced in France in 2013 to encourage competitiveness and employment). This income is accrued under personnel expenses items.

The average number of full-time employees (FTE) is 4 391 for the 1st quarter 2016 (excluding Mekong Furniture).

Note 8. External expenses

External expenses are broken down as follows:

(In thousands of euros)	**1st quarter 2016**	**1st quarter 2015**	**Full year 2015**
Energy	(4 088)	(3 720)	(14 093)
Eco-contribution	(480)	(323)	(1 392)
Leases and related expenses	(22 975)	(20 392)	(85 460)
Rental	(1 594)	(1 177)	(5 304)
Repairs and maintenance	(3 160)	(2 286)	(10 265)
Insurance	(346)	(339)	(1 469)
Temporary staff	(3 734)	(1 611)	(10 777)
Advertising & marketing	(16 526)	(14 317)	(24 078)
Fees	(2 970)	(2 289)	(12 159)
Transportation	(18 037)	(14 052)	(65 356)
Post & Telecom	(1 090)	(1 237)	(4 442)
Travel & meeting expenses	(1 898)	(1 411)	(5 887)
Bank services	(1 242)	(983)	(4 382)
Taxes other than on income	(3 869)	(3 846)	(10 274)
Other external expenses	(219)	(214)	(932)
Total external expenses	**(82 228)**	**(68 197)**	**(256 269)**

Note 9. Other income and expenses from operations

Other income and expenses from operations are broken down as follows:

(In thousands of euros)	**1st quarter 2016**	**1st quarter 2015**	**Full year 2015**
Pre-opening expense	(651)	(406)	(3 439)
Gains and losses on disposals *(1)*	190	(503)	(450)
Commercial disputes & losses	(452)	35	(801)
Leases & related expenses *(1)*	(27)	(44)	(351)
Other income and expenses from operations	(64)	(47)	(123)
Total other operating income/ expenses from operations - net	**(1 004)**	**(965)**	**(5 164)**

(1) Relate to stores relocated in the same area.

Note 10. Other operating income and expenses

Other operating income and expenses are broken down as follows:

(In thousands of euros)	1st quarter 2016	1st quarter 2015	Full year 2015
Gains and losses on disposals *(1)*	585	(492)	-
Provision for closure of store *(1)*	(46)	399	387
Restructuring costs	-	-	(1 006)
Other operating income & expense	(1 650)	282	-
Total other operating income/ (expenses) - net	**(1 111)**	**189**	**(619)**

(1) Relate to stores not replaced by another MDM store in the same area (no relocation).

Other operating income & expenses are mainly related to the IPO and refinancing project. Those costs are considered not directly related to future equity transaction or future issuance of security.

Note 11. Financial income and expenses

Finance income and expenses are broken down as follows:

(In thousands of euros)	1st quarter 2016	1st quarter 2015	Full year 2015
Revenue from cash and cash equivalents	15	30	127
Interest on bond loans	(7 313)	(7 313)	(29 250)
Issuance fees on Bond	(617)	(467)	(2 493)
Interests on loans, including RCF	(290)	(278)	(1 187)
Issuance fees on RCF	(178)	(176)	(713)
Interest on bank overdrafts	(3)	(17)	(33)
Interests on PECS	(9 418)	(8 559)	(36 110)
Cost of net debt	***(17 804)***	***(16 778)***	***(69 659)***
Finance lease	(15)	(26)	(93)
Exchange gains and losses	(79)	141	373
Commission costs	(332)	(270)	(1 317)
Other finance income & costs	192	-	10
Total financial profit (loss) - net	***(18 037)***	***(16 934)***	***(70 686)***

Note 12. Income tax

Income tax is broken down as follows:

(In thousands of euros)	1st quarter 2016	1st quarter 2015	Full year 2015
Current income tax	(1 415)	(1 153)	(6 922)
Deferred tax	6 120	(2 791)	(1 245)
Total income tax expenses	**4 705**	**(3 945)**	**(8 167)**

Note 13. Earnings per share

13.1 Basic earnings per share

(In thousands of euros, unless otherwise stated)	1st quarter 2016	1st quarter 2015	Full year 2015
Profit (loss) for the period attributable to owners of the parent	(17 908)	(5 453)	(13 923)
Weighted average number of ordinary shares *(in thousands)*	55 450	55 450	55 450
Total basic earnings per share *(in euros)*	**(0,32)**	**(0,10)**	**(0,25)**

13.2 Diluted earnings per share

As Luxco 3 did not issue any dilutive instruments for the three-month periods ended March 31, 2016 and March 31, 2015 and for the year ended December 31, 2015, diluted earnings per share equal to basic earnings per share for all the periods presented.

NOTES ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 14. Goodwill

(in thousands of euros)	France	International	Total
Balance as of January 1, 2015	**240 949**	**80 234**	**321 183**
Acquisitions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Currency translation differences	-	-	-
Balance as of March 31, 2015	**240 949**	**80 234**	**321 183**
Balance as of January 1, 2016	**240 949**	**80 234**	**321 183**
Acquisitions	-	-	-
Disposals		-	-
Impairment	-	-	-
Currency translation differences	-	-	-
Balance as of March 31, 2016	**240 949**	**80 234**	**321 183**

The impairment test at 31 December 2015 supported the Group's opinion that goodwill was not impaired. As at 31 March 2016, the Group considers that the assumptions used to assess the recoverable value of the goodwill at 31december 2015 are not substantially modified.

No impairment loss was recorded for 2015 nor for 2016.

Note 15. Other intangible assets

(in thousands of euros)	Brand, Trademarks , licenses, patents	Commercial leasehold rights	Internally generated software development costs	Other	Total
Gross value	214 990	32 577	2 506	544	250 617
Accumulated amortization and impairment	(6 474)	(4 777)	(1 313)	(466)	(13 030)
Carrying amount as of March 31, 2015	**208 516**	**27 800**	**1 193**	**78**	**237 587**
Gross value	216 112	35 613	3 399	799	255 923
Accumulated amortization and impairment	(7 821)	(3 514)	(2 041)	(580)	(13 956)
Carrying amount as of March 31, 2016	**208 291**	**32 099**	**1 358**	**219**	**241 967**

As at 31 March 2016, the Group considers that the assumptions used to assess the recoverable value of the intangible assets (especially Brand) at 31december 2015 are not substantially modified and that no indication of impairment has been identified.

Note 16. Property, plant and equipment

(in thousands of euros)	Constructions	Technical installations, industrial equipement and machinery	Other property, plant and equipment	Fixed assets under construction	Total
Carrying amount as of January 1, 2015	**70 797**	**7 089**	**24 492**	**2 528**	**104 906**
Acquisitions	1 056	204	1 798	1 076	4 134
Disposals	(282)	(9)	(25)	-	(316)
Amortization charge	(3 270)	(616)	(1 726)	-	(5 612)
Impairment (charge) / release	295	-	-	-	295
Others	1 533	(28)	8	(1 209)	304
Currency translation differences	105	135	46	14	300
Carrying amount as of March 31, 2015	**70 233**	**6 775**	**24 593**	**2 409**	**104 009**
Carrying amount as of January 1, 2016	**78 936**	**7 076**	**27 795**	**2 932**	**116 740**
Acquisitions	4 372	307	2 418	1 804	8 901
Disposals	(300)	(9)	(60)	-	(369)
Amortization charge	(3 575)	(626)	(1 961)	-	(6 162)
Impairment (charge) / release	188	-	-	-	188
Others	1 016	-	-	(1 016)	-
Currency translation differences	(30)	(39)	(11)	(2)	(82)
Carrying amount as of March 31, 2016	**80 607**	**6 709**	**28 182**	**3 719**	**119 217**

Technical installations, industrial equipment and machinery mainly and also other property, plant and equipment include the following amounts where the Group is a lessee under a finance lease:

(in thousands of euros)	March 31, 2016	December 31, 2015	March 31, 2015
Cost-capitalized finance lease	7 036	7 036	6 872
Accumulated depreciation	(5 392)	(5 102)	(4 166)
Net book amount	**1 644**	**1 934**	**2 706**

Note 17. Other non-current financial assets

(In thousands of euros)	March 31, 2016	December 31, 2015	March 31, 2015
Equity securities *(1)*	22 940	2 295	2 278
Loans	2	2	2
Other financial assets *(2)*	12 261	12 308	10 243
Advances and payments on property, plant and equipment	2 499	1 893	1 668
Total Other non-current financial assets	**37 702**	**16 499**	**14 190**

(1) Equity securities mainly correspond to:

- Shares in Economic Interest Groups (Groupements d'Intérêt Economique) acquired at opening of retail stores for €2,3 million, and;

- Equity investments in Magnolia (BC) Luxco S.C.A. ("Luxco 2") for €20,6 million of shares and other securities following the repurchases completed in the first quarter of 2016 in connection with the top management transition agreed between Mr. Xavier Marie and Bain Capital in the summer of 2015.

(2) Other financial assets relate mainly to securities deposits and guarantees paid or granted to the lessor of the retail store for €12,3 million.

Note 18. Deferred income tax assets and liabilities

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

(In thousands of euros)	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**
Deferred income tax assets	26 722	15 904	14 508
Deferred income tax liabilities	(74 866)	(74 789)	(74 929)
Total Deferred income tax assets / (liabilities) - net	**(48 144)**	**(58 884)**	**(60 421)**

The deferred income tax assets and liabilities are offset when they are in the same tax jurisdiction.

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group recognized a deferred income tax asset on losses available for carry forward.

Note 19. Other non-current assets

The "Other non-current assets" correspond to the commercial leasehold rights, referred to as "Pas de porte", which are recognized as rental expense on a straight-line basis over the estimated term of the lease (Note 7.9 c) of the consolidated financial statements for the year ended December 31, 2015). The current part of the "Pas de porte" is registered in the "Trade receivables & Others current receivables".

Note 20. Derivative financial instruments

The fair value of derivative financial instruments is broken down as follows:

	March 31, 2016		**December 31, 2015**		**March 31, 2015**	
(In thousands of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Forward foreign exchange contracts	5 455	-	23 840	-	42 446	-
Accumulated Boost Forward Contracts	-	-	274	-	(1 496)	-
Total Derivative financial instruments	5 455	-	24 114	-	40 950	-

All contracts are intended to cover the purchase of goods and freight in US Dollars. These derivative financial instruments had a total nominal value of $373.4 million as of March 31, 2016, $392.1 million as of December 31, 2015 and $418 million as of March 31, 2015.

For the periods ended December 31, 2013, 2014 and 2015, the Group did not apply hedge accounting. As a consequence, changes in fair value were directly recognised in profit or loss within "Change in fair value – derivative financial instruments" included in the current operating profit before other operating income and expenses.

Since January 1st 2016, the group applies hedge accounting. Change in fair value attributable to the effective portion is directly recognized in equity in the consolidated statement of other comprehensive income. Change in fair value attributable to the ineffective portion is recognized in the income statement within "Current operating profit before other operating income and expenses".

The amount recognized directly in equity at the end of march 2016 is € (13,4) million. The amount recognized in the profit or loss for € (5,2) million corresponds to the derivatives instruments existing at the end of December 2015 and reversed during the first quarter of 2016 as well as the time value for the change in fair value of hedging instruments.

Note 21. Share capital

All the shares are ordinary shares and have been called and fully paid. Based on a par value of € 0.1 per share, Luxco 3's share capital amounted to € 5,545,000 as at March 31, 2016 (December 31, 2015: € 5,545,000).

Note 22. Net debt, borrowings and other financial debts

22.1 Net debt

		Cash impact		Without cash impact					
(In thousands of euros)	**December 31, 2015**	Increase	Decrease	Issuance fees	Finance leases	Interest	Change effect	Other	**March 31, 2016**
PECs	395 839					9 418			405 257
High yield bond	321 683		(14 625)	617		7 313		(31)	314 957
Revolving Credit Facility	(2 461)	10 000	(258)	178		285		18	7 762
Finance Lease Debt	1 995		(297)						1 698
Deposits	390		(3)						387
Banks borrowings	1 625	4 353							5 978
Cash and cash equivalents	(76 398)		39 434						(36 964)
Total Net Debt	**642 673**	**14 353**	**24 251**	**795**	**-**	**17 016**	**-**	**(13)**	**699 075**

22.2 Details of borrowings and other financial debts

Borrowings and other financial debts are broken down as follows:

(In thousands of euros)	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**
Non-current borrowings and other financial debts			
High yield bond *(see b)*	325 000	325 000	325 000
Issuance fees related to High Yield Bond *(see b)*	(11 966)	(12 567)	(14 848)
Issuance fees related to RCF *(see c)*	(1 682)	(1 858)	(2 395)
Loans and debt contracted with credit institutions :			
> Finance leases	521	819	1 495
Deposits	387	390	390
PECs *(see a)*	380 490	380 490	345 781
Total Non-Current Borrowings and other financial debts	**692 750**	**692 274**	**655 423**
Current borrowings and other financial debts			
Accrued interests on High Yield Bond *(see b)*	4 794	12 106	4 794
Issuance fees related to High Yield Bond *(see b)*	(2 871)	(2 856)	(2 642)
Revolving credit facility *(see c)*	10 157	130	10 125
Isuance fees related to RCF *(see c)*	(713)	(733)	(715)
Loans and debt contracted with credit institutions :			
> Finance leases	1 177	1 176	1 274
> Bank overdraft	5 978	1 625	3 006
Accrued interests on PECs *(see a)*	24 767	15 349	22 508
Total Current Borrowings and other financial debts	**43 289**	**26 797**	**38 349**
Total borronwings and other financial debts	**736 039**	**719 071**	**693 771**

All the borrowings and other financial debts are denominated in euros as at March 31, 2016, as at December 31, 2015 and as at March 31, 2015.

a) PECs

In August 2013, Luxco 3 issued Preferred Equity Certificates (the "PECs") to Magnolia (BC) Luxco S.C.A. for a total amount of €314,237,200. The PECs 1 are repayable on August 7, 2043. Interest on the PECs 1 is payable twelve months after the issuance of the PECs and subsequently payable twelve months after the initial payment date on the annual payment date. Interest not paid is capitalized. The PECs 1 bears interest at a rate of 10.0381% per annum.

b) High Yield Bond

On July 31, 2013, the Group issued Senior Secured Notes for an amount of €325,000,000 (the "Notes"). The Notes are repayable on August 1, 2020. The Notes bears interest at a rate of 9%. Issuance costs amounted to €21,111,940. The effective interest rate is therefore 10.58% per annum. The Notes are listed on the Irish stock exchange.

c) Revolving Credit Facility

On September 6, 2013, the Group entered into a Revolving Credit Facility with Natixis for a total amount of €60,000,000 (the "RCF"). The interest on RCF is payable six months after the issuance of the RCF and subsequently payable six months after the initial payment date on the annual payment date. The RCF bear interest at a rate of Euribor 1, 3 or 6 months + 4% margin. Issuance costs amounted to €4,279,882.

The Revolving Credit Facility Agreement includes a financial covenant requiring the Drawn Super Senior Leverage Ratio not to exceed 1.30:1. The Drawn Super Senior Leverage Ratio is calculated based on the ratio of consolidated total net drawn debt under the Revolving Credit Facility Agreement to consolidated EBITDA in respect of any twelve-month testing period. The financial covenant is calculated and tested annually on a rolling twelve-month basis by reference to our annual consolidated financial statements. Subject to certain conditions, the Parent has three equity cure rights in respect of the financial covenant.

22.3 Maturity of borrowings and other financial debts

As of March 31, 2016, the maturity ranges of borrowings and other financial debts are as follows:

	Maturity as of March 31, 2016			
(In thousands of euros)	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
High yield bond (see b)	4 794	325 000		329 794
Issuance fees related to High Yield Bond (see b)	(2 871)	(11 966)	-	(14 837)
Revolving credit facility (see c)	10 157	-	-	10 157
Issuance fees related to RCF (see c)	(713)	(1 682)	-	(2 395)
Finance leases	1 177	521	-	1 698
Deposits	-	-	387	387
PECs (see a)	24 767	-	380 490	405 257
Bank overdraft	5 978	-	-	5 978
Total borronwings and other financial debts	**43 289**	**311 873**	**380 877**	**736 039**

22.4 Fixed rate vs. variable rate

(In thousands of euros)	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**
Floating rate	10 157	130	10 125
Fixed rate	725 882	718 941	683 647
Total borronwings and other financial debts	**736 039**	**719 071**	**693 771**

Floating rate only relates to principal and interests on RCF.

Note 23. Post-employment benefits

The employment benefits provision relates to defined benefit pension plans.

(In thousands of euros)	March 31, 2016	December 31, 2015	March 31, 2015
France	1 622	1 622	1 520
Italy	3 144	3 033	2 366
Defined benefit obligation	**4 766**	**4 655**	**3 886**

Note 24. Provisions

(In thousands of euros)	Provisions for commercial disputes	Provisions for labor disputes	Provision for rent of closed retail stores & commercial leases	Tax Provisions	Total
Balance as of January 1st, 2015	**908**	**1 049**	**342**	**625**	**2 923**
Additionnal provisions	-	51	23	-	74
Unused amounts reversed	-	-	-	-	-
Amounts used during the year	-	(34)	(55)	(100)	(189)
Exchange differences	-	-	-	-	-
Reclassification	-	-	-	(133)	(133)
Balance as of March 31, 2015	**908**	**1 066**	**310**	**392**	**2 675**
Of which non-current	*908*	*1 065*	*269*	*392*	*2 634*
Of which current	*-*	*-*	*41*	*-*	*41*
Balance as of January 1st, 2016	**808**	**942**	**105**	**440**	**2 295**
Additionnal provisions	-	122	3	-	125
Unused amounts reversed	-	(70)	(7)	(11)	(88)
Amounts used during the year	-	(17)	(49)		(66)
Exchange differences	-	-	-	-	-
Reclassification	-	-	-	-	-
Balance as of March 31, 2016	**808**	**977**	**52**	**429**	**2 266**
Of which non-current	*458*	*977*	*41*	*130*	*1 606*
Of which current	*350*	*-*	*11*	*299*	*660*

Note 25. Other non-current liabilities

The "Other non-current liabilities" correspond to the step/ free rent negotiated at the initiation of a lease contract, which are recognized on a straight-line basis over the lease term. The current part of the step/ free rent is registered in the "Trade payables and other current payables".

Note 26. Financial instruments

26.1 Financial instruments by category

Financial Assets *(In thousands of euros)*	**Loans and receivables**	**FV through OCI**	**Total**	**Fair value**
March 31, 2016				
Other non-current financial assets	37 702	-	37 702	37 702
Trade receivables	7 472	-	7 472	7 472
Other receivables (excl. Prepaid expenses and Corporate Income Tax)	28 594	-	28 594	28 594
Other current financial assets	540	-	540	540
Derivative financial instruments	-	5 455	5 455	5 455
Cash and cash equivalents	36 964	-	36 964	36 964
TOTAL	**111 273**	**5 455**	**111 273**	**116 728**

Financial Liabilities *(In thousands of euros)*	**Other financial liabilities at amortized costs**	**Fair value through P&L**	**Total**	**Fair value**
March 31, 2016				
Borrowings and other financial debts	736 039	-	736 039	1 001 263
Derivative financial instruments	-	-	-	-
Trade payables and other payables (excl. Deferred revenue)	142 781	-	142 781	142 781
Other current liabilities	6	-	6	6
TOTAL	**878 825**	**-**	**878 825**	**1 144 049**

Financial Assets *(In thousands of euros)*	**Loans and receivables**	**FV through P&L**	**Total**	**Fair value**
December 31, 2015				
Other non-current financial assets	16 499	-	16 499	16 499
Trade receivables	9 322	-	9 322	9 322
Other receivables (excl. Prepaid expenses and Corporate Income Tax)	22 735	-	22 735	22 735
Other current financial assets	524	-	524	524
Derivative financial instruments	-	24 114	24 114	24 114
Cash and cash equivalents	76 398	-	76 398	76 398
TOTAL	**125 477**	**24 114**	**149 591**	**149 591**

Financial Liabilities *(In thousands of euros)*	**Other financial liabilities at amortized costs**	**Fair value through P&L**	**Total**	**Fair value**
December 31, 2015				
Borrowings and other financial debts	719 071	-	719 071	876 788
Derivative financial instruments	-	-	-	-
Trade payables and other payables (excl. Deferred revenue)	141 983	-	141 983	141 983
Other current liabilities	5	-	5	5
Total	**861 060**	**-**	**861 060**	**1 018 776**

Financial Assets *(In thousands of euros)*	**Loans and receivables**	**FV through P&L**	**Total**	**Fair value**
March 31, 2015				
Other non-current financial assets	14 190	-	14 190	14 190
Trade receivables	10 926	-	10 926	10 926
Other receivables (excl. Prepaid expenses and Corporate Income Tax)	31 566	-	31 566	31 566
Other current financial assets	392	-	392	392
Derivative financial instruments	-	40 950	40 950	40 950
Cash and cash equivalents	26 602	-	26 602	26 602
TOTAL	**83 677**	**40 950**	**124 627**	**124 627**

Financial Liabilities *(In thousands of euros)*	Other financial liabilities at amortized costs	Fair value through P&L	Total	Fair value
March 31, 2015				
Borrowings and other financial debts	693 771	-	693 771	991 605
Derivative financial instruments	-	-	-	-
Trade payables and other payables (excl. Deferred revenue)	119 448	-	119 448	119 448
Other current liabilities	2	-	2	2
Total	**813 221**	**-**	**813 221**	**1 111 054**

26.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs that are based on observable market data, directly or indirectly
- Level 3: unobservable inputs

(In thousands of euros)	Level 1	Level 2	Level 3
March 31, 2016			
Derivative financial instruments	-	5 455	-
Other non-current financial assets	-	-	20 656
December 31, 2015			
Derivative financial instruments	-	24 114	-
March 31, 2015			
Derivative financial instruments	-	40 950	-

ADDITIONAL INFORMATION

Note 27. Commitments

The off-balance sheet commitments are disclosed in the Note 37 of the consolidated financial statements for the year ended December 31, 2015.

There were no significant changes in the amount and nature of commitments between December 31, 2015 and March 31, 2016.

Note 28. Transactions with related parties

The transactions with related parties are disclosed in the Note 38 of the consolidated financial statements for the year ended December 31, 2015.

Apart from the acquisition of €20,4 million of shares and other securities (see note 17), there were no significant changes in the amount and nature of commitments between December 31, 2015 and March 31, 2016.

Note 29. Scope of consolidation

The table set out below provides a list of the Group's subsidiaries and shows the ownership interest of Luxco 3 in each entity as of March 31, 2016 and December 31, 2015.

Subsidiary	Activity	Country of incorporation	Consolidation method	As of March 31, 2016		As of December 31, 2015		MDM Group
				% control	% interest	% control	% interest	
Magnolia (BC) S.A.	Holding Company	Luxemburg	Full	100%	100%	100%	100%	No
Maisons du Monde S.A. *(formerly Magnolia (BC) S.A.S.)*	Holding Company	France	Full	100%	100%	100%	100%	No
Ginkgo B. Company (1)	Holding Company	France	n/a	n/a	n/a	n/a	n/a	Yes
Abaco	Holding Company	France	Full	100%	100%	100%	100%	Yes
Maisons du Monde	Retail stores selling home furnishings and decorations in France / Main buyer	France	Full	100%	100%	100%	100%	Yes
Maisons du Monde Belgium	Retail stores selling home furnishings and decorations in Belgium	Belgium	Full	100%	100%	100%	100%	Yes
Maisons du Monde Spain	Retail stores selling home furnishings and decorations in Spain	Spain	Full	100%	100%	100%	100%	Yes
Maisons du Monde Italy	Retail stores selling home furnishings and decorations in Italy	Italy	Full	100%	100%	100%	100%	Yes
Maisons du Monde luxemburg	Retail stores selling home furnishings and decorations in Luxemburg	Luxemburg	Full	100%	100%	100%	100%	Yes
Maisons du Monde germany	Retail stores selling home furnishings and decorations in Germany	Germany	Full	100%	100%	100%	100%	Yes
Maisons du Monde Switzerland	Retail stores selling home furnishings and decorations in Switzerland	Switzerland	Full	100%	100%	100%	100%	Yes
Distrimag	Logistical management of warehouses and retail stores	France	Full	100%	100%	100%	100%	Yes
Distri-traction	Container transport between harbor and warehouses	France	Full	100%	100%	100%	100%	Yes
Distri-Meubles	Customer transport of home furnishings and decorations	France	Full	100%	100%	100%	100%	Yes
Chin Chin Limited	Holding Company – Hong Kong	Hong Kong	Equity Method	50%	50%	50%	50%	Yes
Shanghai Chin Chin	Furniture manufacturing – China	China	Equity Method	50%	50%	50%	50%	Yes
Mekong Furniture	Furniture manufacturing – Vietnam	Vietnam	Full	100%	100%	100%	100%	Yes
Maison du Monde United-Kingdom (2)	On-line business in United-Kingdom	United Kingdom	Full	100%	100%	n/a	n/a	n/a
International MDM	Dormant entity	France	Full	100%	100%	n/a	n/a	n/a
International MGL	Dormant entity	France	Full	100%	100%	n/a	n/a	n/a

(1) Ginkgo B Company merged into Magnolia (BC) S.A.S. retrospectively as of January 1st, 2014.
(2) Maisons du Monde United-Kingdom is a subsidiary created by Maisons du Monde in January 2016.

Note 30. Events after the reporting period

The Group did not identify any significant event after the reporting period that should be mentioned in these condensed consolidated interim financial statements or related notes.

20.1.4 Statutory Auditors' Review Report on Condensed Consolidated Interim Financial Statements for the three-month period ended March 31, 2016

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Deloitte & Associés

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Magnolia (BC) Midco S.à r.l.

Statutory Auditors' review report on the condensed consolidated interim financial statements

Period from 1 January to 31 March, 2016
Magnolia (BC) Midco S.à.r.l.
4, rue Lou Hemmer - L-1748 Luxembourg
This report contains 3 pages

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Magnolia (BC) Midco S.à.r.l.

Registered office: 4, rue Lou Hemmer - L-1748 Luxembourg
Share capital: €5,545,000

Statutory Auditors' review report on the condensed consolidated interim financial statements

Period from January 1 to March 31, 2016

To the Chairman of the Management Board of Maisons du Monde S.A. (ex Magnolia BC S.A.S.),

In our capacity as statutory auditors' of the company Maisons du Monde S.A. (the company with its subsidiaries) and in accordance with Commission Regulation (EC) no809/2004 in the context of an offer to the public and an admission of equity securities to trading on the regulated market of Euronext Paris, we have reviewed the accompanying condensed consolidated interim financial statements, for the period from 1 January to 31 March, 2016, as they are attached to this report.

We highlight that the first set of condensed consolidated interim financial statements have been prepared on 31 March, 2016, consequently we have not audited nor reviewed the corresponding figures relating to the period from 1 January to 31 March, 2015.

These condensed consolidated interim financial statements are the responsibility of the Board of Directors of Magnolia (BC) Midco S.à.r.l. Our role is to express a conclusion on these condensed consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial reporting.

Signed in Nantes and Neuilly-sur-Seine, 9 May 2016

The Statutory Auditors

KPMG Audit Department of KPMG S.A.	Deloitte & Associés
Vincent Broyé	Jean Paul Séguret
Partner	*Partner*

20.5 LEGAL AND ARBITRATION PROCEEDINGS

20.5.1 Kare Design v. Maisons du Monde France

Section 20.5.1 of the Registration Document is replaced by the following:

On March 20, 2015, Kare Design filed suit against Maisons du Monde France S.A.S. in France claiming damages in excess of €1.0 million for infringement on certain Kare Design's product designs, plus an additional €500,000 for unfair competition practices and in excess of €60,000 in fees and costs. Kare Design also threatened suit in Germany. As of April 20, 2016, the Group entered into a settlement with Kare Design pursuant to which, among other things, Kare Design granted Maisons du Monde the right to manufacture and distribute certain products in exchange for a certain royalty and Maisons du Monde granted Kare Design the right to manufacture and distribute certain products. Following such settlement, the related legal proceedings between the parties are expected to be withdrawn.

CHAPTER 21. ADDITIONAL INFORMATION

Chapter 21, "Additional information" of the Registration Document is updated as follows:

21.1 SHARE CAPITAL

21.1.1 Subscribed Share Capital and Authorized but Unissued Share Capital

Section 21.1.1 of the Registration Document is supplemented with the following information to take into account (i) the reverse stock split, and (ii) the financial delegations, approved at the general shareholder meeting of the Company of April 29, 2016.

As of the date of this Update to the Registration Document, the Company's share capital amounts to €75,540,062.16 divided into 139,889,004 shares at par value of €0.54, fully subscribed and paid-up.

As part of the Proposed Admission, a reverse stock split of the Company was approved at the general shareholder meeting of April 29, 2016. The reverse stock split will be effective as of May 23, 2016. As part of the reverse stock-split, the 139,889,004 shares at a par value of €0.54 will be exchanged against 23,314,834 shares at a par value of €3.24, *i.e.*, at an exchange ratio of one new share against six old shares of the Company. Following the reverse stock split, the share capital of the Company will amount to €75,540,062.16 divided into 23,314,834 shares at par value of €3.24, fully subscribed and paid-up.

The table below presents the financial resolutions that have been adopted at the general shareholder meeting of the Company of April 29, 2016, subject to and effective as of the IPO Settlement Date.

N° of the resolution	Nature of the authorization	Term of the authorization	Maximal nominal amount
28	Power granted to the Board of Directors to increase the share capital without preferential subscription right through the issuance of shares and/or securities giving access to the share capital and/or securities giving entitlement to the allocation of debt securities, by means of public offering	26 months	€36,000,000 for share capital increases(1) €200,000,000 for debt securities issued pursuant to article L. 228-91 of the French commercial code
29	Power granted to the Board of Directors to increase the share capital with preferential subscription right through the issuance of shares and/or securities giving access to the share capital and/or securities giving entitlement to the allocation of debt securities	26 months	€72,000,000 for share capital increases(2) €200,000,000 for debt securities issued pursuant to article L. 228-91 of the French commercial code

N° of the resolution	Nature of the authorization	Term of the authorization	Maximal nominal amount
30	Power granted to the Board of Directors to increase the share capital without preferential subscription right through the issuance of shares and/or securities giving access to the share capital and/or securities giving entitlement to the allocation of debt securities, in relation with a private placement realized under article L. 411-2, II, of the French monetary and financial code	26 months	€36,000,000 for share capital increases (1) €200,000,000 for debt securities issued pursuant to article L. 228-91 of the French commercial code
31	Authorization granted to the Board of Directors to freely determine the price (with a maximum discount of 15% compared to the volume weighted average price of the last three trading days) of the issuance of shares and/or securities giving access to the share capital and/or securities giving entitlement to the allocation of debt securities for issuance which may be decided pursuant to resolutions n° 28 and 30	26 months	10% of the share capital (1)
32	Power granted to the Board of Directors to increase the share capital without preferential subscription right through the issuance of shares and/or debt securities as a consideration to a contribution in kind	26 months	10% of the share capital of the Company (1)
33	Power granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other items	26 months	€36,000,000 (1)
34	Power granted to the Board of Directors to increase the number of shares and securities to be issued in case of a share capital increase with or without preferential subscription right	26 months	15% of the initial offering
37	Power granted to the Board of Directors to reduce the share capital through the cancellation of shares	18 months	10% of the share capital

(1) Subject to a global cap of €80,000,000 (nominal value).

21.1.3 Shares Controlled by the Company, Treasury Shares and Purchase by the Company of its Own Shares

Section 21.1.3 of the Registration Document is updated as follows:

On April 29, 2016, at a general shareholder meeting of the Company, it was decided, subject to the IPO Settlement, to authorize the Board of Directors of the Company, for a duration of 18 months, to purchase shares of the Company for a maximal global amount of €100,000,000 (net of transaction costs) and for a maximal number of shares equal to 10% of the share capital of the Company.

Such shares may be purchased at any time within legally applicable limits (except during takeover bids) in order to:

- cancel treasury shares; or
- be subsequently used as exchange consideration or payment as part of external growth transactions, in accordance with market practices recognized by applicable regulations and within the limit of 5% of the share capital of the Company; or
- meet obligations arising from debt financial instruments exchangeable into equity instruments; or
- meet obligations arising from employee share option programs or other allocations of shares to employees of the Company or companies linked to the Company, in accordance with applicable legal and regulatory provisions; or
- animate the secondary market and maintain the liquidity of the shares pursuant to a liquidity agreement entered into with a financial services intermediary that complies with an ethical chart recognized by the AMF; or
- more broadly, carry out any other transaction authorized (or which becomes authorized) by applicable laws or regulations or by the AMF.

Under this authorization, the purchase price for each share of the Company may not exceed 200% of the price of the initial public offering to be conducted as part of the Proposed Admission (net of transaction costs).

21.1.7 History of the Company's Share Capital

Section 21.1.7 of the Registration Document is supplemented with the following information:

On April 29, 2016, at a general shareholder meeting of the Company, it was decided to implement a share capital of the Company in cash for an amount of €1.62 in order to raise the total share capital of the Company to €75,540,062.16 through the issuance of three ordinary shares of €0.54 par value.

CHAPTER 24. PUBLICLY AVAILABLE DOCUMENTS

Chapter 24, "Publicly Available Documents" of the Registration Document is supplemented as follows:

Copies of this Update to the Registration Document are available free of charge at the registered office of the Company. This Update to the Registration Document may also be consulted on the Company's dedicated website (www. maisonsdumondeipo.com) and on the AMF's website (www.amf-france.org).

MAISONS DU MONDE