INTERIM REPORT

FIRST-HALF 2010

Financial highlights

Financial highlights of first-half 2010 are as follows:

Continuing operations[1] (In € millions)	First-half 2009 adjusted	**First-half 2010**	Reported change	Organic change[2]
Total business volume excl. VAT[3]	17,052	19,699	+15.5%	
Consolidated net sales	12,688	13,589	+7.1%	+3.7%
Gross profit	3,285	3,445	+4.8%	
EBITDA[4]	802	868	+8.2%	+0.4%
Depreciation and amortisation expense	(319)	(327)	-2.4%	
Trading profit	483	541	+12.0%	+1.5%
Other operating income and expense, net	11	(56)		
Net financial expense, of which:	(168)	(169)	-0.3%	
Finance costs, net	(165)	(154)	+7.1%	
Other financial income and expense, net	(3)	(15)		
Profit before tax	326	316	-3.1%	
Income tax expense	(71)	(105)		
Share of profits of associates	3	10		
Profit from continuing operations	258	222	-14.1%	
Attributable to equity holders of the parent	229	173	-24.4%	
Attributable to minority interests	29	48		
Net profit/(loss) from discontinued operations	3	(7)		
Attributable to equity holders of the parent	0	(7)		
Attributable to minority interests	3	0		
Total net profit	261	214	-17.9%	
Attributable to equity holders of the parent	230	166	-27.8%	
Attributable to minority interests	31	48		
Underlying net profit attributable to equity holders of the parent[5]	188	208	+10.5%	

(1) Data for 2009 has been restated to reflect theend-2009 sale of Super de Boer's assets.
(2) Based on constant scope of consolidation and exchange rates, and excluding the impact of asset disposals to OPCI property funds and reclassification of the CVAE under income tax.
(3) Includes all revenue from consolidated companies, associates and franchisees, on a 100% basis.
(4) EBITDA (Earnings before interest, taxes, depreciation and amortisation expense) = Trading profit + depreciation and amortisation expense.
(5) Underlying profit corresponds to profit from continuing operations adjusted for the impact of other operating income and expense, non-recurring financial items and non-recurring income tax expense/benefits (see appendix).

Significant events of the period

- On **17 January 2010**, the Venezuelan authorities ordered the nationalisation of the Exito hypermarkets operated in Venezuela. Effective 1 January 2010, Casino's interests in Venezuela have been deconsolidated and reclassified under "Non-current assets held for sale", in accordance with IFRS 5.
  Talks are now underway with Venezuela's government with a view to selling Casino's majority interest in Cativen.

- In the first half of 2010, Casino carried out two bond exchange offers totalling around €1.4 billion.
  From 26 January 2010 to **8 February 2010**, the Group offered to exchange its 2012 and 2013 bonds for new bonds due February 2017 and paying interest equivalent to the Midswap-rate plus a spread of 135 basis points. A total of €888 million worth of the new bonds were issued. Around €1.5 billion worth of bonds were tendered to the offer (nearly twice the issued amount), allowing the Group to reduce debt repayments due 2012 and 2013 by respectively €440 million and €354 million.
  From 20 April 2010 to **11 May 2010**, the Group offered to exchange its 2011, 2012 and 2013 bonds for new bonds due November 2018 and paying interest equivalent to the Midswap-rate plus a spread of 160 basis points. A total of €508 million worth of the new bonds were issued. This transaction reduced debt repayments due 2011, 2012 and 2013 by €190 million, €156 million and €127 million, respectively.
  The two exchange offers noticeably improved the Group's debt profile and extended average bond debt maturity from 2.9 to 4.4 years.

- In early **June 2010**, the Group increased its interest in Grupo Pão de Açúcar (GPA) from 33.4% to 33.7% following GPA's issue to Casino of 1.1 million new preferred shares for a total of BRL 67 million(1) (€30 million). This issue, which was approved by GPA's shareholders at the General Meeting of 29 April 2010, was carried out in accordance with the agreement signed in May 2005 with the Abilio Diniz family. Under the terms of this agreement, in late 2006, Casino transferred to GPA the goodwill arising on its successive investments in the company. Amortisation of this goodwill will generate total tax savings of BRL 517 million (€235 million) for GPA over an estimated six-year period beginning in 2008. In exchange for the transferred goodwill, GPA agreed to pay 80% of the tax savings back to Casino in the form of new GPA preferred stock. When the goodwill amortisation period ends, Casino's interest in GPA will stand at around 35%(2), based on the current share price.

- On **1 July 2010**, GPA and Casas Bahia announced the signature of an amendment of their partnership agreement signed in December 2009. The two parties revised certain terms and conditions of their partnership agreement without altering the general principles of the original agreement. GPA and Casas Bahia estimate that the agreement will be effectively implemented by November 2010. This strategic partnership will allow GPA to strengthen its position as Brazil's leading retailer. Casino welcomes this agreement, which highlights the strategic importance of GPA and the Brazilian market to the Group.

(1) Based on a price of BRL 60.39 per share, corresponding to the average share price weighted by trading volumes over the 15 trading days before the date of notice of the General Meeting.
(2) If minority shareholders exercise their pre-emptive subscription rights, GPA will repay part of Casino's share of the tax savings in cash, thereby reducing the increase in Casino's stake in the company.

Business review

- The first-half results confirm the asset portfolio's good positioning of the Group.

- Net sales rose by 7.1%. The positive 4.5% currency effect primarily reflected the sharp increase in the Brazilian real, Colombian peso and Thai baht against the Euro during the period. The favourable impact of Ponto Frio's consolidation by Grupo Pao de Açucar (GPA) was offset by the deconsolidation of Venezuelan operations, leading to a negative 1.1% impact from changes in the scope of consolidation.

- On an organic basis*, sales rose 3.7% (2.8% excluding petrol). This represents an acceleration from 2009 (down 0.1% excluding petrol), both in and outside France.
    - In France, organic* sales were up 1.0% (down 0.3% excluding petrol). This noticeable improvement from 2009 (down 2.7% excluding petrol) reflects a good performance by the convenience formats and an upturn in same-store sales at Leader Price in the second quarter. Cdiscount confirmed its strong momentum with double-digit organic* sales growth.
    - In the international operations, organic* sales growth remained very strong at 9.8%, impelled by sustained momentum in the two priority regions, South America and Asia.

- Trading profit rose 12.0%, or 5.7% before the reclassification of the CVAE** under income tax, lifted by vigorous growth in the international operations.

- Trading margin rose 18 points on a reported basis to 4.0% and was down 8 points on an organic* basis.
    - Trading margin in France narrowed by 26 points on an organic* basis, due in part to the sales revitalisation plans.
    - Trading margin in the international operations increased by 30 points on an organic* basis, reflecting improved margins in South America and tangible increase in margins in Asia.

** Based on comparable scope of consolidation and constant exchange rates, excluding the impact of disposals to OPCI property mutual funds and before reclassification of the CVAE under income tax.*

*** The Group has reviewed the accounting treatment of taxes in France following changes introduced in the French law of 30 December 2009 abolishing the French business tax (taxe professionnelle) as of 2010:*
- Starting with the 2010 financial year, the “Cotisation sur la Valeur Ajoutée”, known as CVAE taxes, are presented under “Income tax” in accordance with the Group’s position and IAS 12.
- This reclassification had a positive €31 million impact on EBITDA and trading profit and no impact on net profit.

FRANCE
(63% of consolidated net sales and 64% of consolidated trading profit)

In € millions	First-half 2009	**First-half 2010**	Reported change	Organic change
Net sales				
FRANCE	8,530	**8,596**	+0.8%	+1.0%
Franprix-Leader Price	2,018	**2,015**	-0.1%	-0.1%
Monoprix	905	**940**	+3.8%	+3.8%
Casino France	5,607	**5,641**	+0.6%	+0.9%
Trading profit				
FRANCE	338	**347**	+2.4%	-5.5%
Franprix-Leader Price	132	**116**	-12.1%	-15.3%
Monoprix	59	**68**	+16.0%	+8.9%
Casino France	148	**163**	+10.0%	-2.7%
Trading margin				
FRANCE	*4.0%*	***4.0%***	*+7bp*	*-26bp*
Franprix-Leader Price	*6.5%*	***5.7%***	*-78bp*	*-98bp*
Monoprix	*6.5%*	***7.2%***	*+76bp*	*+32bp*
Casino France	*2.6%*	***2.9%***	*+25bp*	*-9bp*

Sales in France rose by 0.8% to €8,596 million in first-half 2010 from €8,530 million in first-half 2009. Sales trend showed an improvement in France in the first half, with an organic growth of 1.0% (down 0.3% excluding petrol).

Trading profit came to €347 million or €317 million before reclassification of the CVAE under income tax (positive impact of €29 million). Trading profit declined 5.5% on an organic basis, due in particular to the sales revitalisation plans. As a result, organic trading margin narrowed by 26 points during the period.

Highlights by format were as follows:

- **Franprix/Leader Price** sales were stable at €2,015 million, versus €2,018 million in first-half 2009.
  - Same-store sales at **Leader Price** showed a significant improvement in the second quarter, declining by just 1.4% compared with 10.8% in the first three months of the year. The sales revitalisation initiatives deployed since the beginning of the year, such as price repositioning and stepped-up advertising, have generated positive momentum, as seen in the increase in footfalls and the improvement in average basket. The banner has started to roll out its new store concept, with very satisfactory results. As of 30 June, 25 stores had been renovated. Leader Price also pursued its expansion strategy, opening 18 stores since January, while rationalising the store base. The pace of expansion will accelerate in the second half, as will deployment of the new store concept.
  - **Franprix's** same-store sales rose 1.3% thanks to increases in footfalls and the average basket. The banner continued to benefit from and deploy its successful new store concept, with 152 outlets renovated at the end of the first half. Franprix maintained a sustained pace of expansion, opening 53 new stores since the beginning of the year. The contribution from new stores rose in the second quarter, leading to a more than 10% increase in banner sales during the period.
  - Trading margin at Franprix-Leader Price was down 98 points on an organic basis.

- Sales at **Monoprix** were up 3.8% to €940 million, versus €905 million in first-half 2009, lifted by a very satisfactory 2.2% increase in same-store sales and the banner's continued development. Growth in same-store sales reflects a good performance in both food and non-food, despite a later start to the summer sales season (30 June 2010 versus 24 June 2009). The new formats (Naturalia and Monop') showed good momentum.
  The banner opened six Citymarché stores, four Monop's and three Naturalias during the period. Monoprix's organic trading margin improved significantly, by 32 points.

- **Casino France**

  - **Géant Casino** hypermarket sales declined by 1.5% to €2,549 million from €2,588 million in first-half 2009. Same-store sales excluding petrol were down 5.8%. The average basket declined by 0.9% and footfalls contracted by 5.0%. During the period, the banner continued to deploy its action plans both in food and non-food in order to boost sales momentum.
    Food sales were down 5.5%. The gradual reinvestment of purchasing gains between March and June helped strengthen the banner's price competitiveness, as reflected in a tangible improvement in price indices at end-June.
    On the non-food side, the banner continued to reposition the offer around the most promising categories. Multimedia equipment and small appliances, in particular, recorded strong sales growth. Non-food sales declined by 6.6% dampened by the later start of the summer sales.

  - **Casino Supermarkets'** sales increased by 3.4% to €1,660 million in first-half 2010, from €1,605 million in the year-earlier period. Same store sales declined by 1.0% (excluding petrol). The banner pursued its expansion, opening five new stores during the first half.
    Total sales excluding petrol rose 0.9% over the period.

  - **Superette** sales edged back 1.4% to €721 million from €731 million the year before. The expansion programme gradually accelerated during the period with 201 openings. At the same time, the store base was further optimised, with 116 closures.

  - **Other businesses**, primarily Cdiscount, Mercialys, Banque Casino and Casino Restauration, achieved a 4.2% increase in sales to €712 million from €683 million in first-half 2009, and organic growth of 6.8%. Double-digit organic sales growth at Cdiscount was an important contributing factor.

  - **Casino France's** organic trading margin narrowed by 9 points due to a lower margin at Géant. Casino Supermarkets and the superettes enjoyed solid profitability, while Mercialys recorded double-digit trading profit growth.

INTERNATIONAL
(37% of consolidated net sales and 36% of consolidated trading profit)

In € millions	First-half 2009	**First-half 2010**	Reported change	Organic change
Net sales	4,158	4,993	+20.1%	+9.8%
Trading profit	145	194	+34.5%	+18.6%
Trading margin	*3.5%*	*3.9%*	*+42bp*	*+30bp*

International **sales** increased by 20.1% over the period.

The sharp increase in the Brazilian real, Colombian peso and Thai baht against the euro during the period added 13.8%. The favourable impact of Ponto Frio's consolidation by Grupo Pao de Açucar (GPA) only partially offset the deconsolidation of Venezuelan operations, leading to a negative 3.5% impact from changes in the scope of consolidation. Adjusted for these items, organic growth came to 9.8%, up from 4.9% in 2009.

Trading profit outside France came to €194 million in the first half of 2010, versus €145 million in the year-earlier period, representing an increase of 34.5%. This strong growth was driven by the favourable currency effect and robust sales growth in the two priority regions, South America and Asia. Organic trading profit was up 18.6%.

Trading margin in the international operations increased by 42 points to 3.9% from 3.5% in first-half 2009, reflecting higher profitability in South America and tangibly improved margins in Asia. On an organic basis, trading margin increased by 30 points.

The overall contribution from international operations grew significantly, accounting for 37% of consolidated sales and 36% of consolidated trading profit in the first half.

South America
Brazil (GPA proportionately consolidated on a 33.7% basis)
Argentina
Uruguay
Colombia

In € millions	First-half 2009	**First-half 2010**	Reported change	Organic change
Net sales	2,891	**3,609**	+24.8%	+12.2%
Trading profit	94	**132**	+40.4%	+20.1%
Trading margin	*3.2%*	***3.7%***	*+41bp*	*+25bp*

Sales in South America rose 24.8% to €3,609 million from €2,891 million in the prior-year period.
Excluding the currency effect and changes in the scope of consolidation, organic sales increased by a double-digit growth at 12.2%, lifted by a vibrant same-store performance across the region (up 9.8%).

In **Brazil**, GPA’s same-store sales were up 14.6%*, thanks to strong sales in both food and non-food items.

**Based on reported company data*

Total sales rose by 44.6%* in the first half, reflecting the consolidation of Ponto Frio, which reported very strong growth of 69.5%*. The 2010 World Cup had a positive impact on electronics sales. GPA stepped up its pace of expansion, opening 22 new stores since the beginning of the year.
Ponto Frio and Casas Bahia finalised their joint venture agreement in the first half. The agreement, which should take effect by November 2010, represents a strategic milestone strengthening GPA's leadership of the Brazilian retail sector. GPA will become the undisputed no. 1 retailer of electronic and home appliance products in Brazil, with more than 23% market share.

In **Colombia**, Exito's same-store sales accelerated noticeably, ending the first half up 3.6%* after declining by 4.1% at end-2009. This improvement reflects the success of promotional campaigns and the development of the private label. Exito continued to expand, opening two new stores (including 1 hypermarket), and to rationalise its store base, with 14 conversions. Total sales in Colombia ended the period up 4.6%*.

Operations in **Argentina** and **Uruguay** continued to deliver satisfactory same-store growth.

Trading profit in South America totalled €132 million versus €94 million in the prior-year period. On an organic basis, trading profit increased 20.1%.

Trading margin improved by 41 points. The deconsolidation of operations in Venezuela, which had a lower margin than the region as a whole, had a positive impact. This was partially offset by the consolidation of Ponto Frio, which also has a lower margin than the region as a whole, although it is noticeably improving. On an organic basis, trading margin in South America increased by 25 points, reflecting solid profitability in Brazil (excluding Ponto Frio) and noticeably improved margins in Colombia.

Asia
Thailand
Vietnam

In € millions	First-half 2009	**First-half 2010**	Reported change	Organic change
Net sales	865	**970**	+ 12.1%	+6.4%
Trading profit	43	**55**	+29.3%	+22.1%
Trading margin	*4.9%*	***5.7%***	*+75bp*	*+73bp*

Sales in Asia were up 12.1% to €970 million, versus €865 million in first-half 2009. Organic sales growth was a robust 6.4%, lifted by a same-store increase of 5.0%.

Big C in **Thailand** achieved very satisfactory same-store sales growth, despite the political unrest during the period. Big C had to temporarily close its Rajdamri store after a fire that occurred during the May riots. It nevertheless opened two new stores during the first half.

Operations in **Vietnam** again enjoyed very strong sales growth, confirming the country's potential. One new hypermarket was opened during the period, bringing the total store base up to 10.

Trading profit in Asia rose 29.3% on a reported basis, to €55 million, and 22.1% on an organic basis. Trading margin increased by 73 points on an organic basis thanks to the improved margin in Thailand and significantly improved profitability in Vietnam.

**Based on reported company data*

Other international businesses

Indian Ocean

Poland

In € millions	First-half 2009	**First-half 2010**	Reported change	Organic change
Net sales	402	**414**	+3,0%	+2,8%
Trading profit	8	**8**	n.a.	n.a.
Trading margin	*n.a.*	***n.a.***	*n.a.*	*n.a.*

Other international businesses primarily include stores in the Indian Ocean and property businesses in Poland.

Same-store sales in the **Indian Ocean** increased by 1.8%, reflecting an improved trend in the second quarter fuelled by successful sales campaigns and the World Cup's favourable impact on non-food sales. Organic sales rose 3.3% over the period.

Trading profit was stable.

Comments on the consolidated financial statements

Main changes in the scope of consolidation

- Ponto Frio has been consolidated by the Grupo Pao de Açucar (GPA) sub-group since 1 July 2009.
- Operations in Venezuela have no longer been consolidated since 1 January 2010.

Net sales

Consolidated net sales for first-half 2010 rose 7.1% to €13,589 million from €12,688 million in the year-earlier period.

Main currency effects
The positive 4.5% currency effect reflected the sharp increase in the Brazilian real, Colombian peso and Thai baht against the euro during the period.

Main effects of changes in the scope of consolidation
The favourable impact of Ponto Frio's consolidation by Grupo Pao de Açucar (GPA) in Brazil was offset by the deconsolidation of Venezuelan operations, leading to a negative 1.1% impact from changes in the scope of consolidation.

A detailed review of sales growth is presented above, in the sections on French and International operations.

Trading profit

Trading profit grew by 12.0% over the period to €541 million. Reclassification of the CVAE under income tax added 6.3% to growth, while the currency effect contributed 4.9% and changes in the scope of consolidation had a negative 0.8% impact. Adjusted for these effects, trading profit increased by 1.5% on an organic basis.

A detailed review of trading profit growth is presented above, in the sections on French and International operations.

Operating profit

Other operating income and expense showed a net expense of €56 million in first-half 2010, compared with net income of €11 million in first-half 2009.

The net expense of €56 million in first-half 2010 mainly included:
- Gains on asset disposals for €15 million.
- €36 million in restructuring provisions and expense stemming primarily from store base rationalisation within Casino France.
- €25 million in provisions and expense for litigation and contingencies.
- €1 million in impairment losses.
- €9 million in other expense.

The net income of €11 million in first-half 2009 primarily included:
- €109 million in gains on asset disposals, including €139 million in gains on the distribution of Mercialys shares and a €28 million loss on the disposal of the Group's interest in Easy Colombia.
- €42 million in restructuring provisions and costs.
- €40 million in provisions for contingencies.
- €21 million in provisions for claims and litigations.
- €6 million in asset impairment losses.

After other operating income and expense, operating profit amounted to €485 million, down 1.9% from the €494 million recorded in first-half 2009.

Profit before tax

Profit before tax for the period declined by 3.1% to €316 million from €326 million in first-half 2009, after deducting finance costs and other financial income and expense of €169 million compared with €168 million in the first six months of 2009. The total includes:

- Finance costs, net of €154 million versus €165 million in first-half 2009. The period-on-period decrease stemmed primarily from a decline in the Group's debt.
- Other financial expense, net of €15 million compared with other financial expense, net of €3 million in the year-earlier period.

Profit attributable to equity holders of the parent

Income tax expense came to €105 million in first-half 2010 compared with €71 million in the year-earlier period. The effective tax rate in first-half 2010 was 33.1%. Excluding non-recurring items, the effective tax rate came to 34.6% versus 29.9% in the year-earlier period. Before reclassification of the CVAE under income tax, the underlying tax rate came to 28.9%.

The Group's **share in profit of associates** increased to €10 million from €3 million in first-half 2009.

Profit attributable to **minority interests** totalled €48 million compared with €29 million in first-half 2009 (€46 million excluding the adjustment of profit for the period from 29 April 2008 to 31 December 2008 initially allocated to minority interests in the Franprix-Leader Price holding companies). The increase in profit attributable to minority interests reflects in particular the increase in income from Mercialys and Exito.

In light of these factors, **net profit for the period from continuing operations attributable to equity holders of the parent** declined by 24.4% to €173 million from €229 million in first-half 2009.

The **loss from discontinued operations attributable to equity holders of the parent** amounted to €7 million, versus €0 in first-half 2009, and mainly corresponded to expenses associated with businesses disposed of in prior periods.

Total net profit attributable to equity holders of the parent fell 27.8% to €166 million from €230 million in first-half 2009.

Underlying net profit attributable to equity holders of the parent rose 10.5% to €208 million from €188 million as of 30 June 2009 (see appendix).

Cash flows

Cash flow increased 2.2% to €583 million from €570 million in first-half 2009.

The **change in working capital**, at a negative €901 million, was virtually stable compared with first-half 2009 (negative €916 million).

In first-half 2010, **capital expenditure** amounted to €348 million versus €457 million in the year-earlier period, reflecting the Group's disciplined spending policy. The Group will step up its expansion in the second half, focusing in France on the most buoyant and cash-efficient formats (Casino supermarkets, Monoprix, Franprix and Leader Price). In the international markets, the subsidiaries will pursue an ambitious expansion policy.

Acquisitions amounted to €68 million during the period, while **disposals** totalled €19 million.

Financial position

At 30 June 2010, the Group had **net debt** of €5,368 million versus €4,072 million at 31 December 2009 and €6,003 million at 30 June 2009. The net debt to EBITDA ratio [1] stood at 2.8x compared with 3.2x as of 30 June 2009.

Equity came to €8,326 million at 30 June 2010 compared with €7,919 million (proforma) at 31 December 2009. The debt to equity ratio improved significantly to 64.5% as of 30 June 2010 from 84% a year earlier, reflecting the decline in debt and increase in equity stemming from foreign currency translation.

Two bond exchange offers carried out during the period, in an aggregate amount of around €1.3 billion, noticeably improved the Group's debt profile and extended average bond debt maturity from 2.9 to 4.4 years.

Outlook and conclusion

The first-half results confirm the asset portfolio's effective positioning. The international operations recorded strong growth and significantly increased their contribution to trading profit. In France, the Group saw a return to sales growth thanks to a favourable format mix and sales revitalisation plans.

Casino intends to strengthen market share in France by improving the banners' price competitiveness and speeding up the expansion of the convenience and discount formats.

Internationally, the quality of the Group's assets in high-potential countries is expected to drive strong, profitable business growth in 2010 and beyond.

The Group confirms its objective of a net debt/EBITDA ratio of less than 2.2x at the end of 2010, notably by pursuing its €1 billion asset disposal programme.

These forward-looking statements are based on what the Group believes to be reasonable assumptions, but are not an indication of future profits. They are subject to the risks and uncertainties inherent in the Group's businesses that could cause actual results to differ materially from the targets and outlook provided above. A fuller discussion of these risks and uncertainties is provided in the 2009 Registration Document.

Subsequent events

- On **27 July 2010**, Casino announced that it has signed a long-term partnership agreement with Groupe Crédit Mutuel-CIC to develop financial products and services in France through its Banque Casino subsidiary.
  Under the terms of the agreement, Groupe Crédit Mutuel-CIC will acquire a 50% stake in Banque Casino, which is currently 60% owned by Casino and 40% by LaSer Cofinoga. Casino has exercised its call option on LaSer Cofinoga's shares, which along with 10% of Casino's current stake will be sold to Crédit Mutuel.
  The transaction is expected to be completed over the next 18 months.
  This project is subject to approval by regulatory authorities.

The main events that occurred after the balance sheet date are described in Note 16 to the interim consolidated financial statements.

(1) Net debt to earnings before interest, taxes, depreciation and amortisation over a 12-month rolling period.

Appendix: Reconciliation of reported net profit to underlying net profit*

* Underlying profit corresponds to profit from continuing operations adjusted for the impact of other operating income and expense (as defined in the "Significant Accounting Policies" section of the notes to the consolidated financial statements), non-recurring financial items and non-recurring income tax expense/benefits. Non-recurring financial items include fair value adjustments to certain financial instruments whose market value may be highly volatile. For example, fair value adjustments to financial instruments that do not qualify for hedge accounting and embedded derivatives indexed to the Casino share price are excluded from underlying profit. Non-recurring income tax expense/benefits correspond to tax effects related directly to the above adjustments and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.
Underlying profit is a measure of the Group's recurring profitability.

In € millions	H1 2009 (Reported)	Adjustments	H1 2009 (Underlying)	**H1 2010 (Reported)**	**Adjustments**	**H1 2010 (Underlying)**
Trading profit	483	0	483	541	0	541
Other operating income and expense, net	11	(11)	0	(56)	56	0
Operating profit	494	(11)	483	485	56	541
Finance costs, net [(1)]	(165)	3	(163)	(154)	0	(154)
Other financial income and expense, net [(2)]	(3)	9	6	(15)	11	(4)
Income tax expense [(3)]	(71)	(26)	(98)	(105)	(28)	(133)
Share of profit of associates	3	0	3	10	0	10
Profit from continuing operations	258	(26)	232	222	39	261
Attributable to minority interests [(4)]	29	16	45	48	5	54
Attributable to equity holders of the parent	**229**	**(42)**	**188**	**173**	**34**	**208**

[(1)] Finance costs, net are stated before changes in the fair value of the embedded derivative corresponding to the indexation clause on the bonds indexed to the Casino share price (zero in 2010 and an expense of €3 million in 2009).

[(2)] Other financial income and expense, net is stated before changes in the fair value of interest rate derivatives not qualifying for hedge accounting (zero in 2010 and an expense of €9 million in 2009) and the impact of discounting deferred tax liabilities in Brazil (representing an expense of €11 million in 2010).

[(3)] Income tax expense is stated before the tax effect of the above adjustments and non-recurring income tax expense/benefits (recognition of tax loss carryforwards, etc.). In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.

[(4)] Minority interests are stated before the above adjustments and, in first-half 2009, before adjustment of profit for the period from 29 April 2008 to 31 December 2008 initially allocated to minority interests, in an amount of €17 million.

Interim consolidated financial statements

The figures in the following tables have been rounded individually to the nearest million euros. Consequently, the totals and sub-totals may not correspond exactly to the sum of the reported amounts.

CONSOLIDATED INCOME STATEMENT
For the six-month periods ended 30 June 2010 and 30 June 2009

In € millions	Notes	30 June 2010	30 June 2009 adjusted*
CONTINUING OPERATIONS			
Net sales	**5.2**	13 589	12,688
Cost of goods sold	**5.3**	(10,144)	(9,402)
Gross profit		**3,445**	**3,285**
Other income	**5.2**	116	48
Selling expenses	**5.4**	(2,461)	(2,332)
General and administrative expenses	**5.4**	(559)	(518)
Trading profit		**541**	**483**
as a % of sales		*4.0*	*3.8*
Other operating income	**6**	27	165
Other operating expense	**6**	(83)	(154)
Operating profit		**485**	**494**
as a % of sales		*3.6*	*3.9*
Income from cash and cash equivalents		16	15
Finance costs		(170)	(180)
Finance costs, net		**(154)**	**(165)**
Other financial income		27	58
Other financial expense		(42)	(61)
Profit before tax		**316**	**326**
as a % of sales		*2.3*	*2.6*
Income tax expense	**7**	(105)	(71)
Share of profits of associates		10	3
Profit from continuing operations		**222**	**258**
as a % of sales		*1.6*	*2.0*
Attributable to equity holders of the parent		173	229
Attributable to non-controlling interests		48	29
DISCONTINUED OPERATIONS			
Net profit/(loss) from discontinued operations	**9**	**(7)**	**3**
Attributable to equity holders of the parent		(7)	-
Attributable to non-controlling interests		-	3
CONTINUING AND DISCONTINUED OPERATIONS			
Profit for the period		**214**	**261**
Attributable to equity holders of the parent		166	230
Attributable to non-controlling interests		48	31

Earnings per share

In Euros	30 June 2010	30 June 2009 adjusted*
From continuing operations		
Basic earnings per share	1.38	1.93
Diluted earnings per share	1.38	1.93
From continuing and discontinued operations		
Basic earnings per share	1.32	1.93
Diluted earnings per share	1.31	1.93

(*) The 2009 comparative information has been adjusted for the impact of the Super de Boer disposal in December 2009 and its classification under discontinued operations in 2009 (see note 1.3.3)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month periods ended 30 June 2010 and 30 June 2009

In € millions	30 June 2010	30 June 2009
Net profit for the period	214	261
Exchange differences on translating foreign operations*	720	276
Actuarial gains and losses	-	2
Gains and losses from remeasurement at fair value of available-for-sale financial assets	-	-
Cash flow hedges	16	(8)
Tax effect on income and expense recognised directly in equity	(3)	(2)
Other comprehensive income, net of tax	**733**	**268**
Total comprehensive income for the period	**947**	**529**
Attributable to equity holders of the parent	695	488
Attributable to non-controlling interests	253	40

(*) The €720 million change in first-half 2010 was mainly due to the appreciation of the Brazilian real (€253 million), Colombian peso (€369 million) and Thai baht (€108 million).

CONSOLIDATED BALANCE SHEET

At 30 June 2010 and 31 December 2009

ASSETS In € millions	Notes	30 June 2010	31 December 2009 adjusted (*)
Goodwill	8	6,733	6,447
Intangible assets	8	755	681
Property, plant and equipment	8	6,008	5,737
Investment property	8	1,315	1,235
Investments in associates		198	177
Non-current assets		499	415
Non-current hedging instruments		231	176
Deferred tax assets		113	113
Total non-current assets		**15,851**	**14,981**
Inventories		2,717	2,575
Trade receivables		1,497	1,509
Other assets		1,387	1,201
Current tax receivables		85	67
Current hedging instruments		53	116
Cash and cash equivalents	10	1,693	2,716
Non-current assets held for sale		150	26
Total current assets		**7,582**	**8,209**
TOTAL ASSETS		**23,432**	**23,189**

EQUITY AND LIABILITIES In € millions	Notes	30 June 2010	31 December 2009 Adjusted (*)
Share capital	11	169	169
Additional paid-in capital, treasury shares and retained earnings		6,422	5,619
Profit attributable to equity holders of the parent		166	591
Equity attributable to equity holders of the parent		**6,757**	**6,379**
Non-controlling interests in reserves		1,521	1,270
Non-controlling interests in profit for the period		48	270
Non-controlling interests		**1,569**	**1,540**
Total equity		**8,326**	**7,919**
Provisions		250	234
Non-current financial liabilities	13	6,106	5,710
Other non-current liabilities		228	186
Deferred tax liabilities		393	362
Total non-current liabilities		**6,977**	**6,491**
Provisions		234	224
Trade payables		3,852	4,327
Current financial liabilities	13	1,239	1,369
Current taxes payable		53	57
Other current liabilities		2,742	2,786
Liabilities associated with non-current assets held for sale		10	17
Total current liabilities		**8,129**	**8,779**
TOTAL EQUITY AND LIABILITIES		**23,432**	**23,189**

(*) The 2009 comparative information has been adjusted to reflect adjustments to the previously recognized fair values of the assets and liabilities acquired in the Globex business combination (see note 3).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month periods ended 30 June 2010 and 30 June 2009

In € millions	30 June 2010	30 June 2009 adjusted (*)
Profit attributable to equity holders of the parent	166	230
Profit attributable to non-controlling interests	48	31
Profit for the period	**214**	**261**
Depreciation, amortisation and provision expense	362	404
Unrealised (gains) / losses arising from changes in fair value	1	(3)
(Income) / expense on share-based payment plans	11	5
Other non-cash items	24	18
Depreciation, amortisation, provisions and other non-cash items	**398**	**424**
(Gains) / losses on disposal of non-current assets	(16)	(109)
(Gains) / losses on disposal of subsidiary or other interest	(6)	(7)
Share of profits of associates	(10)	(4)
Dividends received from associates	3	6
Cash flow	**583**	**570**
Finance costs, net (excluding changes in fair value and amortisation)	149	162
Current and deferred tax expenses	103	71
Cash flow before net finance costs and tax	**835**	**803**
Income tax paid	(130)	(66)
Change in operating working capital (i)	(901)	(916)
Net cash from operating activities	**(196)**	**(179)**
Outflows of acquisitions:		
▪ Property, plant and equipment, intangible assets and investment property	(348)	(453)
▪ Non-current financial assets	(43)	(10)
Inflows of disposals:		
▪ Property, plant and equipment, intangible assets and investment property	22	65
▪ Non-current financial assets	2	7
Net cash flows on acquisition and disposal of subsidiaries and disposal of associate (ii)	(16)	(39)
Change in loans granted	(3)	(3)
Net cash from investing activities	**(386)**	**(433)**
Dividends paid (note 12):		
▪ To equity holders of the parent	(292)	(284)
▪ To non-controlling interests	(69)	(39)
▪ To holders of deeply-subordinated perpetual bonds (TSSDI)	(14)	(16)
Increase/(decrease) in share capital	(135)	15
Other transactions with non-controlling interests	(24)	(4)
(Purchases)/sales of treasury shares	(3)	1
Additions to debt	694	924
Repayments of debt	(557)	(864)
Interest paid, net	(223)	(193)
Net cash from financing activities	**(623)**	**(458)**
Effect of changes in foreign currency translation adjustments	**91**	**38**
Change in cash and cash equivalents	**(1,114)**	**(1,032)**
Cash and cash equivalents at beginning of period	2,365	1,543
▪ cash and cash equivalents related to non-current assets held for sale	(1)	-
Reported cash and cash equivalents at beginning of period (note 10)	**2,364**	**1,543**
Cash and cash equivalents at end of period	1,251	511
▪ cash and cash equivalents related to non-current assets held for sale	-	-
Reported cash and cash equivalents at end of period (note 10)	**1,251**	**511**

(*) The 2009 comparative information has been adjusted for the retrospective application of the amendment to IAS 7 (see note 1.3.3)

(i) Change in operating working capital

In € millions	30 June 2010	30 June 2009
Inventories of goods	(21)	153
Property development work in progress	(55)	(29)
Trade payables	(595)	(1,020)
Trade receivables	26	130
Finance receivables (credit activity)	42	32
Finance payables (credit activity)	(18)	(18)
Other	(281)	(165)
Change in operating working capital	**(901)**	**(916)**

(ii) Effect of changes in scope of consolidation

In € millions	30 June 2010	30 June 2009 adjusted*
Disposal proceeds, of which:	**14**	**3**
Shopping Property Fund 1 (change in percentage interest)	9	-
GPA (change in percentage interest)	3	-
Easy Holland BV	-	3
Acquisition cost, of which:	**(12)**	**(55)**
Franprix-Leader Price sub-group (newly-consolidated units)	(6)	(29)
Mercialys sub-group (newly-consolidated units)	(4)	-
Dilux and Challin (newly-consolidated)	-	(23)
GPA (change in scope)	-	(2)
Cash of subsidiaries acquired or sold during the period, of which:	**(18)**	**15**
Loss of control of Venezuelan entities (see note 2.2)	(21)	-
Franprix-Leader Price sub-group	3	5
Casino Limited and EMC Limited	-	7
GPA sub-group (change in scope)	-	3
Effect of changes in scope of consolidation	**(16)**	**(39)**

(*) The 2009 comparative information has been adjusted for the retrospective application of the amendment to IAS 7 (see note 1.3.3)

Consolidated statement of changes in equity before appropriation of profit

In € millions	Share capital	Additional paid-in capital (i)	Treasury shares	Retained earnings and profit for the period	Deeply subordinated perpetual bonds	Cash flow hedges	Translation adjustments	Actuarial gains and losses	Revaluation of share of assets and liabilities held in prior periods	Available-for-sale financial assets	**Equity attributable to equity holders of the parent (ii)**	Non-controlling interests	**Total equity**
At 1 January 2009	**173**	**3,964**	**(3)**	**1,138**	**600**	**(10)**	**(95)**	**6**	**90**	**27**	**5,890**	**1,141**	**7,031**
Other comprehensive income recognised directly in equity	-	-	-	-	-	(5)	262	1	-	-	**258**	9	**268**
Net profit for the period	-	-	-	230	-	-	-	-	-	-	**230**	31	**261**
Total comprehensive income	**-**	**-**	**-**	**230**	**-**	**(5)**	**262**	**1**	**-**	**-**	**488**	**40**	**529**
Issue of share capital	(3)	3	-	-	-	-	-	-	-	-	**-**	-	**-**
Issue expenses	-	(4)	-	-	-	-	-	-	-	-	**(4)**	-	**(4)**
Purchases and sales of treasury shares	-	-	(1)	2	-	-	-	-	-	-	**1**	-	**1**
Dividends paid (iii)	-	-	-	(593)	-	-	-	-	-	-	**(593)**	(41)	**(633)**
Dividends payable to deeply subordinated perpetual bond holders	-	-	-	(18)	-	-	-	-	-	-	**(18)**	-	**(18)**
Share-based payments	-	-	-	5	-	-	-	-	-	-	**5**	-	**5**
Changes in percentage interest not resulting in the acquisition or loss of control of subsidiaries (iv)	-	-	-	-	-	-	-	-	-	-	**-**	231	**231**
Changes in percentage interest resulting in the acquisition of loss of control of subsidiaries	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
Other movements	-	-	-	6	-	-	-	-	-	-	**6**	(1)	**5**
At 30 June 2009	**169**	**3,963**	**(4)**	**769**	**600**	**(15)**	**167**	**7**	**90**	**27**	**5,775**	**1,371**	**7,146**

In € millions	Share capital	Additional paid-in capital (i)	Treasury shares	Retained earnings and profit for the period	Deeply subordinated perpetual bonds	Cash flow hedges	Exchange differences on translating foreign operations	Actuarial gains and losses	Revaluation of share of assets and liabilities held in prior periods	Available-for-sale financial assets	**Equity attributable to equity holders of the parent (ii)**	Non-controlling interests	**Total equity**
At 1 January 2010	**169**	**3,964**	**(4)**	**1,142**	**600**	**(9)**	**409**	**2**	**90**	**15**	**6,379**	**1,540**	**7,919**
Other comprehensive income recognised directly in equity	-	-	-	-	-	10	518	-	-	-	**529**	204	**733**
Net profit for the period	-	-	-	166	-	-	-	-	-	-	**166**	48	**214**
Total comprehensive income	**-**	**-**	**-**	**166**	**-**	**10**	**518**	**-**	**-**	**-**	**695**	**252**	**947**
Issue of share capital (v)	-	5	-	-	-	-	-	-	-	-	**5**	-	**5**
Purchases and sales of treasury shares	-	-	(4)	1	-	-	-	-	-	-	**(3)**	-	**(3)**
Dividends paid (vi)	-	-	-	(292)	-	-	-	-	-	-	**(292)**	(71)	**(363)**
Dividends payable to deeply subordinated perpetual bond holders	-	-	-	(21)	-	-	-	-	-	-	**(21)**	-	**(21)**
Share-based payments	-	-	-	10	-	-	-	-	-	-	**10**	-	**10**
Changes in percentage interest not resulting in the acquisition or loss of control of subsidiaries (vii)	-	-	-	(10)	-	-	-	-	-	-	**(10)**	(2)	**(13)**
Changes in percentage interest resulting in the acquisition or loss of control of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(11)	**(11)**
Other movements (viii)	-	-	-	(6)	-	-	-	-	-	-	**(6)**	(138)	**(144)**
First-half 2010	**169**	**3 969**	**(8)**	**990**	**600**	**1**	**928**	**2**	**90**	**16**	**6,757**	**1,569**	**8,326**

(i) Additional paid-in capital: premiums on shares issued for cash or in connection with mergers or acquisitions, and statutory reserves
(ii) Attributable to the shareholders of Casino, Guichard-Perrachon
(iii) Including €284 million paid in cash and €308 million in shares
(iv) The increase in non-controlling interests primarily reflects the Group's payment of a dividend in Mercialys stock
(v) Resulting from the exercise of stock options (see note 11)
(vi) Dividends paid by Casino, Guichard-Perrachon in respect of 2009 (see note 12)
(vii) Including €5 million related to the Franprix-Leader Price sub-group and € 3 million to the GPA sub-group following its acquisition of an additional 3.3% of Globex (see note 3)
(viii) The €138 million change in non-controlling interests corresponds to the repayment of share premium to the Whitehall fund following the disposal of two property development sites in Poland in 2009.

GROUPE CASINO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Six months ended 30 June 2010

Reporting entity

Casino, Guichard-Perrachon is a French *société anonyme* listed on compartment A of Euronext Paris. In these notes, the Company and its subsidiaries are referred to as "the Group" or "Casino". The company's registered office is at 1, Esplanade de France, 42008 Saint-Etienne.

The interim consolidated financial statements for the six months ended 30 June 2010 reflect the accounting situation of the Company, its subsidiaries and jointly-controlled companies, as well as the Group's interests in associates. They have been the subject of a limited review by the Auditors.

The condensed interim consolidated financial statements were approved for publication by the Board of Directors on 28 July 2010.

Note 1 Basis of preparation of the financial statements and accounting policies

1.1 Statement of compliance

Pursuant to European regulation 1606/2002 of 19 July 2002, the condensed consolidated financial statements have been prepared in accordance with the standards and interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union on the date when the Board of Directors approved the financial statements and mandatory at 30 June 2010.

http://ec.europa.eu/internal_market/accounting/ias_fr.htmThey include international accounting standards (IAS) and international financial reporting standards (IFRS), as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) These standards are available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

1.2 Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting.

They do not contain all the information and notes included in a complete set of annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2009, which are available on request from the company's head office at 1 Esplanade de France, Saint Etienne, and can be downloaded from the Group's website www.groupe-casino.fr.

The consolidated financial statements are presented in millions of euros, the Group's functional and presentation currency. The figures in the tables have been individually rounded to the nearest million euros. Consequently, the totals and sub-totals may not correspond exactly to the sum of the reported amounts.

1.3 Summary of significant accounting policies

1.3.1 New standards, amendments and interpretations applicable as of 1 January 2010

The following revised standards, new standards and new interpretations are mandatory as of 2010:

- IAS 27R – Consolidated and Separate Financial Statements (applicable prospectively);
- IFRS 3R – Business Combinations (applicable prospectively);
- Amendment to IAS 39 – Financial instruments: Recognition and Measurement "Eligible Hedged Items" (applicable retrospectively);
- Amendments to IFRIC 9 and IAS 39 – Reassessment of Embedded Derivatives and Financial Instruments: Recognition and Measurement (applicable retrospectively);
- IFRIC 17 – Distributions of Non-cash Assets to Owners (applicable prospectively);
- Amendment to IFRS 2 - Share-based Payment: Group Cash-settled Share-based Payment Transactions (applicable retrospectively);
- Annual improvements to IFRSs (16 April 2009).

Application of these revised standards, new standards and new interpretations had no material effect on the interim consolidated financial statements. IAS 27R and IFRS 3R are applicable prospectively, i.e. to business combinations completed on or after 1 January 2010.

1.3.2 New standards and interpretations applicable after 30 June 2010, not early adopted by the Group

The Group is currently analysing the impacts of applying the following standards, amendments and interpretations:

- Amendment to IFRIC 14 – IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[1];
- Amendment to IAS 32 – Classification of Rights Issues[1];
- IAS 24R – Related Party Disclosures[1];
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments[1];
- IFRS 9 – Financial Instruments: Classification and Measurement[2];
- Annual improvements to IFRSs (26 August 2009)[2].

1.3.3 Changes in accounting methods

IFRS 3R – IAS 27R

The revised versions of IFRS 3 – Business Combinations and IAS 27 – Consolidated and Separate Financial Statements are applicable prospectively for financial periods starting on or after 1 January 2010. Business combinations completed before 1 January 2010 are therefore not affected and are accounted for using the same method as that used to prepare the consolidated financial statements at 31 December 2009.

IAS 27R introduces an amendment to IAS 7 – Statement of Cash Flows that is applicable retrospectively. The statement of cash flows at 30 June 2009 has therefore been adjusted accordingly (see note 1.5).

Disposal of Super de Boer

The previously published financial statements have been adjusted for the impact of the disposal of all the assets and liabilities of Super de Boer in the second half of 2009. As Super de Boer met the criteria for recognition as a discontinued operation, it was classified as such in the 2009 consolidated income statement in accordance with IFRS 5 –Non-current Assets Held for Sale and Discontinued Operations. The impacts are presented in note 9.

[1] Adopted by the European Union
[2] Not adopted by the European Union

1.4 Use of estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions that affect the reported amount of certain assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the consolidated financial statements. Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The main estimates and assumptions are based on the information available when the financial statements are drawn up and concern the following:

- provisions for doubtful debts;
- provisions for contingencies and other business-related provisions;
- put options granted to non-controlling interests;
- impairment losses on non-current assets and goodwill;
- non-current assets (or disposal groups) held for sale (mainly Venezuela).

These estimates and assumptions are described in more detail in the consolidated financial statements for the year ended 31 December 2009.

1.5 Business Combinations

The revised version of IFRS 3 introduces changes to the acquisition method of accounting for business combinations. The consideration transferred in a business combination is measured at fair value, which is the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values. Acquisition-related costs are accounted for as expenses in the periods in which they are incurred under "Other operating expense".

Any excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. For each business combination, the Group may elect to measure the non-controlling interest either at the non-controlling interest's proportionate share of net assets of the acquiree or at fair value. Under the latter method (called the full goodwill method), goodwill is recognized on the full amount of the identifiable assets acquired and liabilities assumed.

In the case of a business combination achieved in stages, the equity interest previously held by the Group is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss under "Other operating income" or "Other operating expense".

The provisional amounts recognised on the acquisition date may be adjusted retrospectively during a 12-month measurement period if new information is obtained about facts and circumstances that existed as of the acquisition date. Goodwill may not be adjusted after the measurement period. The subsequent acquisition of non-controlling interests does not give rise to the recognition of additional goodwill.
Any contingent consideration is included in the cost of the acquisition at its acquisition-date fair value even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under "Other operating income" or "Other operating expense" if they arise after the measurement period, unless the obligation is settled in equity instruments.

IFRS 3R also requires the recognition through profit or loss of tax benefits arising from deferred tax assets not recognised on the acquisition date or during the measurement period.

Summary of changes: IAS 27R

Under the revised version of IAS 27, consolidated financial statements are the financial statements of a group presented as those of a single economic entity with two categories of owner: the owners of the parent (Casino, Guichard-Perrachon shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. As a result of this new approach, transactions with the holders of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control only affect equity as there is no change of control of the economic entity.
Accordingly, effective from 1 January 2010, in the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in equity attributable to owners of the parent. Transaction costs are also recognised in equity. The same treatment applies to disposals without loss of control.

In the case of a disposal of a non-controlling interest involving a loss of control, the Group derecognises the whole of the ownership interest and recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expense", which amounts to remeasuring the investment retained at fair value through profit or loss.

Impact of IAS 27R on the statement of cash flows (IAS 7)

IAS 27R has resulted in an amendment to IAS 7 "Statement of Cash flows". Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities while cash flows arising from changes in ownership interests in a fully consolidated entity that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities. In prior periods, cash flows arising from changes in ownership interest without any loss of control were classified as cash flows from investing activities. As this amendment is applicable retrospectively, the 2009 interim cash flow figures have been adjusted accordingly.

The amendment has no impact on transactions with associates or joint ventures, which continue to be classified as cash flows from investing activities.

1.6 Put options granted to non-controlling interests

The Group has granted put options to the non-controlling interests of some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula and the options may be exercised either at any time or on a fixed future date.

IAS 27R, which is applicable as of 1 January 2010, sets out the accounting treatment for acquisitions of additional equity interests. The Group has decided to apply two different accounting methods depending on whether the put options were granted before or after the effective date of IAS 27R, as recommended by France’s securities regulator (Autorité des Marchés Financiers). Put options granted before the effective date are accounted for using the goodwill method and those granted after the effective date are treated as equity transactions (i.e. transactions with owners in their capacity as owners).

1.7 Revenue

Revenue comprises net sales and other income.

Net sales include sales by the Group's stores, self-service restaurants and warehouses, as well as revenues from financial services, rental services and other services rendered.

Other income consists of revenue from the property development business, other revenue from rendering of services, incidental revenues and revenues from secondary activities, including fees in connection with the sales of travel packages, fees related to franchise-activity and sub-leases revenues.

Total revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts, volume rebates and sales taxes. They are recognised as follows:

- revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer (in most cases when the legal title is transferred), the amount of the revenue can be measured reliably and it is probable that the economic benefits of the transaction will flow to the Group;
- revenue from the sale of services, such as extended warranties, services directly related to the sale of goods and services rendered to suppliers are recognised in the period during which they are performed. When a service is combined with various commitments, such as volume commitments, the transaction is accounted for on a percentage of completion basis. Accordingly, revenue may either be recognised immediately or deferred over the period during which the service is performed or the commitment achieved.

If payment is deferred beyond the usual credit period and is not covered by a financing entity, the revenue is discounted and the impact of discounting, if material, is recognised in financial income over the deferral period.

Award credits granted to customers under loyalty programmes are recognised as a separately identifiable component of the initial sales transaction. The corresponding revenue is deferred until the award credits are used by the customer.

Note 2 Significant events of the year

2.1 Changes in the scope of consolidation

The main changes in the scope of consolidation during the first half of 2010 were as follows:

Newly-consolidated and deconsolidated companies:

Company/sub-group	Business	Country	Operation	Consolidation method
Alamea Investments (1)	Financing	Luxembourg	Acquisition	FC
Cativen (1)	Retail	Venezuela	Loss of control	EM
Leader Price Argentina	Retail	Argentina	Disposal	-
Franprix-Leader Price sub-group (2)	Retail	France	Disposal	EM

(1) See, respectively, notes 13.1 and 2.2
(2) In February 2010, RLPI, a subsidiary of the Franprix-Leader Price sub-group, signed a partnership agreement with Nougein SA creating a new company called Leader Centre Gestion ("LCG"). Both partners contributed assets to LCG, which is 49% owned by RLPI and 51% by Nougein SA. The impacts of this transaction, including the gain on the percentage interest sold and revaluation of the percentage interest retained in accordance with IAS 27R (see note 1.5), are described in note 6.

Changes in percentage interest with no change of consolidation method:

Company/sub-group	Business	Country	Change in percentage interest	Consolidation method
GPA (1)	Retail	Brazil	Increase (0.07%)	PC
Globex Utilidades (2)	Retail	Brazil	Increase (3.3%)	PC

(1) The change in percentage interest in GPA arose mainly from the transaction described in note 2.2.
(2) See note 3.

2.2 Other significant events

- **Bond exchange offers**

On 8 February 2010 Casino made an offer to exchange its 2012 and 2013 bonds for new bonds due February 2017 and paying interest equivalent to midswap plus 135 basis points. A total of €440 million and €354 million respectively of 2012 and 2013 bonds were tendered to the offer and €888 million worth of the new bonds were issued.

On 11 May 2010, the Group made a second offer to exchange its 2011, 2012 and 2013 bonds for new bonds due November 2018 and paying interest equivalent to midswap plus 160 basis points. A total of €190 million, €156 million and €127 million respectively of the 2011, 2012 and 2013 bonds were tendered to the offer and €508 million worth of the new bonds were issued.

The accounting treatment of these offers is described in note 13.1.

- **Issue of preferred shares in consideration for the tax saving arising on GPA's goodwill amortisation**

On 29 April 2010, the Group increased its interest in GPA from 33.6% to 33.9%, following shareholder approval of GPA's issue to Casino of 1.1 million new preferred shares at a price of BRL 60.39 per share, making a total of BRL 67 million (€30 million). This transaction generated a gain of €11 million recognised under "Other operating income".

- **Partnership agreement between Globex Utilidades and Casas Bahia**

In December 2009, GPA's subsidiary Globex Utilidades S.A. (Ponto Frio) entered into a partnership with the retail business of Casa Bahia Comercial Ltda ("Casas Bahia"), Brazil's leading non-food retailer. The current shareholders of Casas Bahia will contribute their retail business to Ponto Frio in exchange for a non-controlling interest, while GPA will continue to hold a majority ownership in the company.

On 1 July 2010, GPA and Casas Bahia revised certain terms and conditions of their partnership agreement without altering the general principles of the original agreement signed by the two parties in December 2009. The revised agreement should be implemented within 120 days of its signature.

During the period, the agreement did not generate any accounting impact other than transaction costs.

- **Venezuelan operations**

The Group operates in Venezuela through its subsidiary Cativen, a leading retailer with six hypermarkets under the Exito banner and thirty-five supermarkets under the Cada banner. Cativen also has three warehouses, five logistics platforms and a shopping centre under construction.

On 17 January 2010, Venezuelan authorities decided to nationalize hypermarkets of Exito. Since that date, the Group has lost control of its Venezuelan assets and its subsidiary Cativen has been deconsolidated as the Group now only exercises significant influence.

The Group concurrently began negotiations with the Venezuelan government for a voluntary sale of its assets. Its percentage interest in Cativen's assets and liabilities was classified as "Non-current assets held for sale" on the same date, in accordance with IFRS 5.

Note 3 Business Combinations

Acquisition of Globex Utilidades (Ponto Frio banner) in 2009

In the third quarter of 2009, GPA acquired 95.46% of Globex Utilidades and its Ponto Frio banner. The controlling interest in Ponto Frio was accounted for using the acquisition method in accordance with IFRS 3 as applicable in 2009 and described in the notes to the consolidated financial statements for the year ended 31 December 2009.

The total cost of the business combination was BRL 1,155 million (€425 million). BRL 200 million (€74 million) was settled by GPA's issuance of Class B preferred stock, which does not carry voting rights and is entitled to a fixed dividend of BRL 0.01 per share. The preferred stock will automatically be converted into Class A preferred stock on a 1-for-1 basis in accordance with a pre-set schedule. At 30 June 2010, 40% of the stock had not yet been converted (20% is scheduled for conversion on 7 July 2010 and 20% on 7 January 2011).

Upon conversion, GPA will pay any negative difference between the contingent value right of BRL 40 per share adjusted for changes in the CDI and the weighted average Class A preferred share price in the 15 trading days prior to conversion. The payment of any negative difference will result in an adjustment to the value of GPA's share issue and an additional dilution in the Group's consolidated financial statements.

At the acquisition date, fair values of Globex Utilidades' assets and liabilities in GPA's financial statements are summarised below:

In € millions	Fair value
Intangible assets	228
Property, plant and equipment	73
Investments in associates	6
Deferred tax assets	116
Inventories	157
Trade receivables	265
Other assets	141
Cash and cash equivalents	32
Total assets	**1 018**
Borrowings	156
Provisions	94
Trade payables	209
Accrued taxes and employee benefits expense	54
Other liabilities	123
Deferred tax liabilities	74
Total liabilities	**709**
Net identifiable assets and liabilities	**309**
Net identifiable assets and liabilities acquired (95.46%)	**295**
Goodwill	130
Acquisition cost	**425**
o/w transaction costs	*9*

GPA is finalising the fair value measurement of Globex Utilidades' assets and liabilities but does not expect to make any material adjustments to the above values.

The 2009 consolidated financial statements have been adjusted to reflect the revised fair values. Adjustments mainly concerned the brand, contingent liabilities and related deferred taxes.

In February 2010, GPA acquired a further 3.3% of Globex Utilidades raising its interest to 98.32%. The total consideration comprised BRL 28 million in cash (€13 million) and 137,014 Class B preferred shares. The difference between the acquisition cost and the carrying amount of the percentage interest acquired was recognised by GPA directly through equity in an amount of BRL 20 million (€9 million). The Group's share amounts to €3 million.

Goodwill in respect of Globex Utilidades recognised in the consolidated financial statements totalled BRL 119 million (€54 million) at 30 June 2010.

Note 4 Segment information

As required by IFRS 8 "Operating Segments", segment information is now disclosed on the same basis as the Group's internal reporting system.

There are now six rather than seven operating segments, reflecting the new internal organisation structure introduced in France on 1 January 2010, split between France (Casino France, Monoprix, Franprix-Leader Price) and International (Latin America, Asia and Other Businesses).

The new Casino France segment comprises all the French retail businesses other than Franprix-Leader Price and Monoprix, plus the real estate business.

Segment information is provided on the same basis as presented in the 2009 consolidated financial statements. The 2009 comparative information presented below has been adjusted in line with the new segmentation.

30 June 2010	France			International			
In € millions	**Casino France**	**Monoprix**	**Franprix-Leader Price**	**Latin America**	**Asia**	**Other Businesses, International**	**Total**
External sales	5,641	940	2,015	3 608	970	414	**13,589**
Trading profit (*)	163	68	116	132	55	8	**541**

(*) As described in note 7, recognition of the new CVAE tax under "Income tax expense" had a €31 million positive impact on trading profit in France.

30 June 2009 adjusted	France			International			
In € millions	**Casino France**	**Monoprix**	**Franprix-Leader Price**	**Latin America**	**Asia**	**Other Businesses, International**	**Total**
External sales	5,606	905	2,018	2,891	865	402	**12,688**
Trading profit	148	59	132	94	43	8	483

Note 5 Trading profit

5.1 Seasonal fluctuations in business

Seasonal fluctuations in business are limited. Net sales for 2009 at constant exchange rates and based on a comparable scope of consolidation broke down as 47% for the first-half and 53% for the second-half.

5.2 Total revenue

In € millions	**30 June 2010**	**30 June 2009 adjusted**
Net sales	13,589	12,688
Other income	116	48
Total revenue	**13,705**	**12,735**

5.3 Cost of goods sold

In € millions	30 June 2010	30 June 2009 adjusted
Purchases and change in inventories	(9,621)	(8,880)
Logistics costs	(523)	(522)
Cost of goods sold	**(10,144)**	**(9,402)**

5.4 Expenses by nature and function

30 June 2010

In € millions	Logistics costs (i)	Selling expenses	General and administrative expenses	Total
Employee benefits expense	(169)	(1,135)	(297)	**(1,602)**
Other expenses	(338)	(1,069)	(206)	**(1,614)**
Depreciation and amortisation expense	(15)	(256)	(55)	**(327)**
Total	**(523)**	**(2,461)**	**(559)**	**(3,543)**

(i) Logistics costs are reported in the income statement under "Cost of goods sold".

30 June 2009

In € millions	Logistics costs (i)	Selling expenses	General and administrative expenses	Total adjusted
Employee benefits expense	(166)	(1,064)	(284)	(1,514)
Other expenses	(338)	(1,012)	(190)	(1,540)
Depreciation and amortisation expense	(18)	(257)	(44)	(319)
Total	**(522)**	**(2,332)**	**(518)**	**(3,372)**

(i) Logistics costs are reported in the income statement under "Cost of goods sold".

Note 6 Other operating income and expense

In € millions	30 June 2010	30 June 2009 adjusted
Total other operating income	**27**	**165**
Total other operating expense	**(83)**	**(154)**
	(56)	**11**
Breakdown by type:		
Gains and losses on disposal of non-current assets	**15**	**109**
Gain on Franprix-Leader Price asset transfer (i)	14	-
Gain on divestment of Mercialys shares (ii)	-	139
Loss on divestment of Easy Colombia	-	(28)
Other operating income and expense, net	**(71)**	**(98)**
Impairment losses	(1)	(6)
Restructuring provisions and expense (iii)	(36)	(42)
Litigation provisions and expense	(4)	(21)
Provisions for risks	(20)	(40)
Provision for the risk related to the Exito TRS	(4)	6
Other (iv)	(5)	4
Total	**(56)**	**11**

(i) The €14 million Franprix-Leader Price gain arose on the transaction described in note 2.1.
(ii) The gain on the first-half 2009 arose on payment of a dividend in Mercialys shares to Casino shareholders
(iii) Restructuring costs mainly concern store and warehouse rationalisation at Casino France in first-half 2010 and at Casino France and Franprix-Leader Price in first-half 2009.
(iv) In first-half 2010, this item mainly comprises a net dilution gain of €6 million related to GPA (including €11 million on the transaction described in note 2.2) and a €5 million loss from property damage in Thailand (see note 14).

Note 7 Income tax expense

Income tax expense amounted to €105 million, a increase of €34 million compared with first-half 2009, including €31 million due to the change of presentation of the new *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE) tax as described in the notes to the consolidated financial statements for the year ended 31 December 2009. As of 1 January 2010, the new levy tax been recognised as a tax on income whereas it was previously recognised as an operating expense in the same way as the former business tax (*taxe professionnelle*) it is partially replacing.

Note 8 Goodwill, property, plant and equipment and investment property

The €287 million increase in goodwill compared with 31 December 2009 was partly due to changes in exchange rates over the period, and more particularly the appreciation of the Brazilian real and the Colombian peso for an amount of €309 million, as well as the reclassification of goodwill arising on the Venezuelan entities as non-current assets held for sale in accordance with IFRS 5 (see note 2.2), for an amount of €29 million.
In first-half 2010, purchases of property, plant and equipment and investment property totalled €345 million versus €340 million in the year-earlier period.

On 30 June 2010, the Group reviewed goodwill and non-current assets to determine whether there was any evidence of impairment. Some cash-generating units (CGUs) revealed such evidence and full impairment tests were therefore performed.
In the case of goodwill, the annual impairment tests performed at the end of 2009 showed that value in use exceeded the carrying amount and the update of the test data did not lead to the recognition of any impairment loss at 30 June 2010. The Group tests goodwill for impairment on 31 December each year, after Management approval of the medium-term business plans.

Impairment losses were recognised during the period on some store CGUs, although the amounts were not material (see note 6).

Note 9 Discontinued operations

Discontinued operations, presented on a separate line of the consolidated income statement, break down as follows:

In € millions	30 June 2010 Super de Boer	30 June 2010 Other	30 June 2010 Total	30 June 2009 Super de Boer	30 June 2009 Other	30 June 2009 Total
Sales	**-**	**-**	**-**	**759**	**-**	**759**
Gross profit	**-**	**-**	**-**	**78**	**-**	**78**
Trading profit	**-**	**(3)**	**(3)**	**5**	**(1)**	**5**
Other operating income and expense	(3)	(2)	(5)	-	-	-
Operating profit	**(3)**	**(5)**	**(9)**	**5**	**(1)**	**5**
Net financial income/(expense)	-	-	-	(3)	-	(3)
Income tax expense	-	1	1	-	-	-
Share of profits of associates	-	-	-	1	-	1
Net profit from discontinued operations	**(3)**	**(4)**	**(7)**	**4**	**(1)**	**3**
Attributable to equity holders of the parent	*(3)*	*(4)*	*(7)*	*1*	*(1)*	-
Attributable to non-controlling interests	-	-	-	*3*	-	*3*

Cash flows of discontinued operations

In € millions	30 June 2010 Super de Boer	30 June 2010 Other	30 June 2010 Total	30 June 2009 Super de Boer	30 June 2009 Other	30 June 2009 Total
Net cash from operating activities	(8)	(5)	(14)	5	(1)	4
Net cash from investing activities	-	-	-	(17)	-	(17)
Net cash from financing activities	-	-	-	12	(1)	12
Net change in cash and cash equivalents of discontinued operations	**(8)**	**(5)**	**(14)**	**-**	**(1)**	**-**

Note 10 Net cash and net debt

Cash and cash equivalents and net debt break down as follows:

In € millions	30 June 2010	31 December 2009
Cash equivalents	853	1,617
Cash	841	1,099
Cash and cash equivalents	**1,693**	**2,716**
Bank overdrafts	(442)	(352)
Net cash and cash equivalents	**1,251**	**2,364**
Borrowings (other than bank overdrafts)	(6,619)	(6,436)
Net debt	**(5,368)**	**(4,072)**

Cash and cash equivalents include the €134 million proceeds from sales of receivables fulfilling the derecognition criteria of IAS 39 (€181 million at 31 December 2009).
Cash equivalents at 30 June 2010 and 31 December 2009 consisted of term deposits, euro-denominated money market mutual funds and other short-term investments.

Note 11 Share capital

At 30 June 2010, the share capital was €168,974,502 versus €168,852,310 at 31 December 2009 divided into 110,440,851 fully-paid ordinary shares, each with a par value of €1.53.

Issued and fully-paid ordinary shares (number)

	2010	2009
At 1 January	**110,360,987**	**97,769,191**
Shares issued on exercise of stock options	79,818	-
New shares issued (i)	46	
New shares issued pursuant to share grants	-	77,169
Conversion of preferred non-voting shares into ordinary shares (i)	-	12,505,254
First-half 2010	**110,440,851**	**110,351,614**

(i) The 46 new shares were issued in connection with the merger of Viver into Casino, Guichard-Perrachon that was approved by shareholders at the general meeting of 29 April 2010 (16th resolution).
(ii) The conversion of preferred non-voting shares were converted into ordinary shares was approved by shareholders at the general meeting of 19 May 2009 (25th resolution).

Note 12 Dividends

At the annual general meeting of 29 April 2010, the shareholders approved payment of a dividend of €2.65 per ordinary share. The dividend paid to holders of deeply subordinated perpetual bonds amounted to €22.75 (of which €11.59 paid in January and €11.16 paid in April).

Dividends paid to holders of ordinary shares deducted from equity at 30 June 2010 totalled €292 million.

Note 13 Borrowings and other financial liabilities

13.1 Breakdown of net debt

In € millions	30 June 2010 Non-current portion	Current portion	Total	31 December 2009 Non-current portion	Current portion	Total
Other financial liabilities	5,979	1,147	7,127	5,524	1,225	6,750
Put options granted to non-controlling interests	3	61	64	3	77	80
Derivative liabilities	123	30	153	183	67	249
Gross financial liabilities	**6,106**	**1,239**	**7,345**	**5,710**	**1,369**	**7,079**
Derivative assets	(231)	(53)	(283)	(176)	(116)	(292)
Cash and cash equivalents	-	(1,693)	(1,693)	-	(2,716)	(2,716)
Cash, cash equivalents and derivative assets	**(231)**	**(1,746)**	**(1,977)**	**(176)**	**(2,832)**	**(3,008)**
NET DEBT	**5,875**	**(507)**	**5,368**	**5,534**	**(1,463)**	**4,072**

The main movements in the six months ended 30 June 2010 were as follows:

- **Bond exchange offers**

On 8 February and 11 May 2010, the Group made two bond exchange offers, reducing its 2011, 2012 and 2013 maturities by €190 million, €596 million and €481 million respectively (see note 2.2).

The two new issues were for €888 million and €508 million due in 2017 and 2018 respectively. Their effective interest rate is 5.85% and 5.25% respectively.

The accounting treatment of the two bond exchanges was determined by reference to the criteria set out in IAS 39 on the derecognition of financial liabilities. After analysing the transactions, the Group concluded that they qualified as an exchange of financial liabilities because the changes in the contractual terms and conditions were not deemed to be substantial. The impact of the exchange was therefore treated as an adjustment to the carrying amount of the 2017 and 2018 bonds to be amortised over the remaining term of the adjusted liability by the yield-to-maturity method. The same accounting treatment was applied to premiums and unamortised issue expenses related to the exchanged bonds and all exchange-related expenses (fees and expenses and exchange premiums), which will be amortised through 2017 and 2018 respectively. The impact of unwinding hedges of the original liabilities will also be amortised over the term of the new liabilities.

The two new bond issues contain the usual *pari passu*, negative pledge and cross-default clauses. They also include an acceleration clause in the event that Casino, Guichard-Perrachon's long-term senior debt rating were to be downgraded to non-investment grade following a change of control, as well as a step-up clause increasing the interest rate by 125bp in the event that Casino, Guichard-Perrachon's long-term senior debt rating were to be downgraded to non-investment grade.

- **Financing transaction through Alamea Investments**

In May 2010, the Group raised €300 million through a five-year bond issue taken up by Alamea Investments, a Luxembourg company 95%-owned by a bank and 5% by the Group. Alamea Investments is a special purpose entity and has been fully consolidated due to the way it is structured. The portion of the issue financed by external investors represents external debt and is included in borrowings in the consolidated financial statements for an amount of €300 million.

13.2 Maturities of financial liabilities

In € millions	**30 June 2010**	Due within one year	Due in one to five years	Due beyond five years	**31 December 2009**
Financial liabilities					
Bond issues	**5,283**	112	3,106	2,066	5,187
Other borrowings	**1,290**	549	735	6	1,079
Finance lease liabilities	**111**	45	60	6	131
Derivative instruments recognised in liabilities	**153**	30	123	-	249
Put options granted to non-controlling interests	**64**	61	3	-	80
Trade payables	**3,852**	3,852	-	-	4,327
Other liabilities	**2,969**	2,742	228	-	2,972
Bank overdrafts	**442**	442	-	-	352

Note 14 Contingent assets and liabilities

- Dispute with the Baud family

On 2 July 2009, the Arbitration Board delivered its ruling in the dispute between Casino and the Baud family. The tribunal found that Casino had just cause to dismiss the Baud family members from the management bodies of Franprix and Leader Price thus acknowledging its right to take over operational management of Franprix and Leader Price.

As provided for under the shareholders' agreement and in accordance with the final price computed by the expert-arbitral of Baud family’s put options on their Franprix and Leader Price shares (held mainly through a Belgian company called Baudinter) exercised on 28 April 2008 amounted to €428.6 million and was paid by the Group on 12 November 2009. Both Franprix and Leader Price are now wholly-owned by the Group. Interest on the purchase consideration, which was paid into an escrow account during the first half, and the Baud family's claims for compensation in lieu of so-called dividends are currently being examined by the Arbitration Board, in line with the ruling handed down on 2 July 2009. The €67 million in dividends that the Baud family claims they should have received on their Franprix and Leader Price shares in respect of 2006 to 2008 have been maintained in other current liabilities, although Casino has formally contested their right to these dividends given the non approval of accounts resulting from errors and irregularities committed by them.

As regards the dispute over the organisation and operation of Geimex, a company owned jointly and equally by Casino and the Baud family that owns the international rights to the Leader Price brand, an acting director appointed by the Paris commercial court has been managing the company since May 2008. The 2009 financial statements (€245 million in sales, €8 million in net profit) will be submitted to the shareholders for approval before 31 October 2010.

The disputes between the two shareholders mainly involve Casino's disposal of Leader Price Polska in 2006 and the Baud family's Swiss activities. The case has gone to arbitration and the two parties are pursuing criminal complaints against each other. Casino is confident as to the outcome of these disputes.

Geimex is proportionately consolidated in the Group's financial statements. Casino's interest in this company amounts to €78 million, including €62 million in goodwill.

- Unicentro dispute (Colombia)

In the second half of 2009, a dispute arose over the operation of an asset in Colombia. An initial ruling ordered Casino's subsidiary Exito to return the asset to a third party. Exito's appeal against the ruling was rejected and Exito has now appealed to the constitutional court, which has suspended execution of the initial decision pending its appeal ruling. The Group believes it is within its rights and that the initial ruling should be overturned.

- Property damage in Thailand

During the unrest in Bangkok in the second quarter, the Group's subsidiary Big C Thailand suffered losses as a result of vandalism and business interruption losses estimated at €10 million up to 30 June 2010. Damage to goods, business interruption losses and expenses are covered by the Group's insurance policies. The total cost is being assessed by the Group's insurers and is currently estimated at €36 million on the basis of asset reconstruction or replacement cost together with business interruption losses. The net cost to the Group at 30 June 2010, after taking account of insurance income and excess insurance charges, is €5 million including the recognition of a €10 million insurance receivable.

Note 15 Related parties that control the Group

Casino, Guichard-Perrachon is controlled by Groupe Rallye, which in turn is owned by Foncière Euris. At 30 June 2010, Groupe Rallye held 48.58% of the Company's capital and 60.78% of the voting rights.

Casino receives advice from its ultimate parent company, Euris, under a strategic advice and assistance contract signed in 2003.

Related party transactions, including senior management compensation packages, were comparable to those in 2009. No transactions of an unusual nature or amount were carried out during the period.

The main transaction in the first half between consolidated companies in the Casino and Rallye groups was the payment of a cash dividend for 2009 in the sum of €142 million.

Note 16 Subsequent events

- Amendment to the partnership agreement between GPA and Casas Bahia

On 1 July 2010, GPA and Casas Bahia revised certain terms and conditions of their partnership agreement without altering the general principles of the original agreement signed by the two parties in December 2009 (see note 2.2).

- Partnership agreement between Casino and Groupe Crédit Mutuel-CIC

On 27 July 2010, the Group has announced the signing of a long-term partnership agreement with Groupe Crédit Mutuel-CIC to develop financial products and services in France through its Banque Casino subsidiary.

Under the terms of the agreement, Groupe Crédit Mutuel-CIC will acquire a 50% stake in Banque Casino, which is currently 60% owned by Casino and 40% by LaSer Cofinoga. Casino has exercised its call option on LaSer Cofinoga’s shares, which along with 10% of Casino’s current stake, will be sold to Crédit Mutuel. The transaction is expected to be completed over the next 18 months.

This project is subject to approval by regulatory authorities.

Statement by the Person Responsible for the Interim Report

I hereby declare that, to the best of my knowledge, (i) the condensed interim consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of operations of the companies included in the consolidation, and (ii) the accompanying interim management report includes a fair review of significant events of the first six months of the year, their impact on the interim consolidated financial statements, the main related party transactions for the period, as well as a description of the main risks and uncertainties in the second half of the year.

Paris, 30 July 2010

Jean-Charles NAOURI
Chairman and Chief Executive Officer

Statutory Auditors' review report on the 2010 interim financial information

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Statutory Auditors' review report on the 2010 interim financial information

Period from January 1, 2010 to June 30, 2010

This is a free translation into English of the statutory auditor's review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by the Board of directors and in accordance with article L.451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- our review of the accompanying condensed interim consolidated financial statements of Casino, Guichard-Perrachon, for the period from January 1, 2010 to June 30, 2010, and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusions on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial statements 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 the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in a full audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to note 1.3.1 to the condensed half-yearly consolidated financial statements, which describe the new standards and interpretations applied by the Group as of January 1, 2010.

II. Specific verification

We have also verified the information provided in the interim management report in respect of the half-yearly financial statements that were the object of our review. We have no matters to report on the fairness and consistency of this information with the condensed half-yearly financial statements.

Lyon, Neuilly-sur-Seine et Villeurbanne, on July 29, 2010

The Statutory Auditors

ERNST & YOUNG ET AUTRES **DELOITTE & ASSOCIÉS**

Daniel MARY-DAUPHIN Sylvain LAURIA Antoine de RIEDMATTEN Alain DESCOINS