

# BERNSTEIN CONFERENCE

22 September 2010



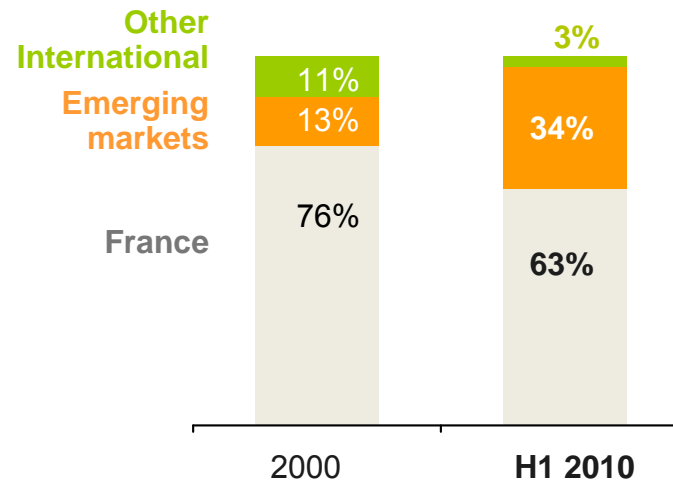
GRUPE  
**Casino**  
NOURISHING A WORLD  
OF DIVERSITY

***Until 1997, Casino was a purely French, medium-size player, concentrated on hypermarket and supermarket formats***

***From 1997, Casino extended its asset portfolio beyond its traditional businesses in France and carried out a development strategy in emerging markets***

# GROWING CONTRIBUTION OF INTERNATIONAL OPERATIONS TO GROUP SALES

## Breakdown of Group sales



### ❖ **Selective acquisitions strategy**

- ▶ Acquisition of Big C in 1999
- ▶ First stake in Exito in 1999 & acquisition of a majority stake in 2007
- ▶ First stake in GPA in 1999 and acquisition of co-control in 2005

### ❖ **Remodelled asset portfolio**

- ▶ Disposal of Poland & Taiwan (2006), Smart & Final (2007), and Super de Boer (2009)

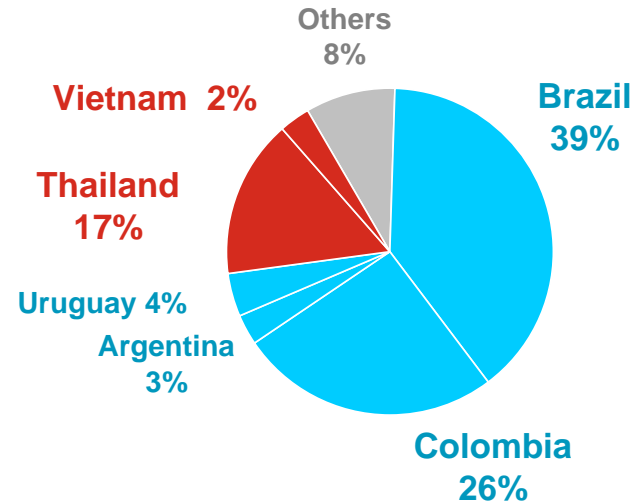
### ❖ **1/3 of sales** in high growth emerging markets

# INTERNATIONAL: A HIGH QUALITY ASSET PORTFOLIO



## ❖ Presence refocused on **high potential markets**

- ▶ Large and young population
- ▶ Fast growing economies
- ▶ Formal distribution still in a minority

H1 2010 Breakdown of International sales

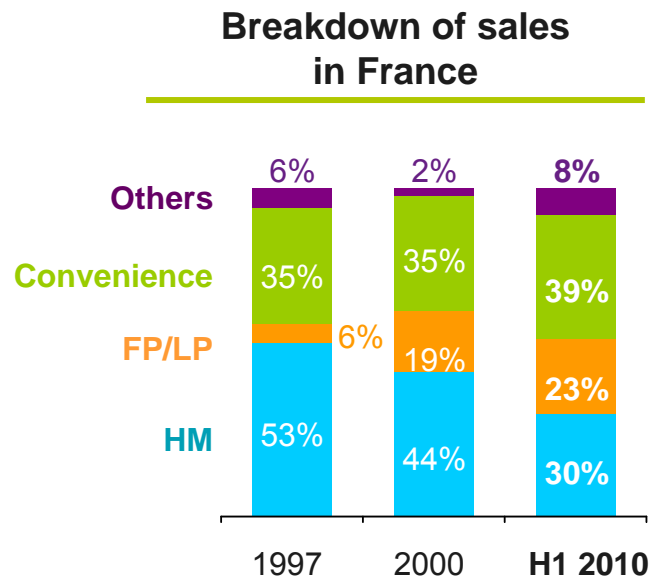


## ❖ **Leading positions**

|   | Rank in the Food Retail sector | Market share | Nb of stores <sup>(1)</sup> |
|---|--------------------------------|--------------|-----------------------------|
| <i>Grupo Pão de Açúcar</i>  | # 1                            | 14.8%        | ~1,600 <sup>(2)</sup>       |
|  | # 1                            | 38%          | 261                         |
|  | # 2                            | 26%          | 96                          |

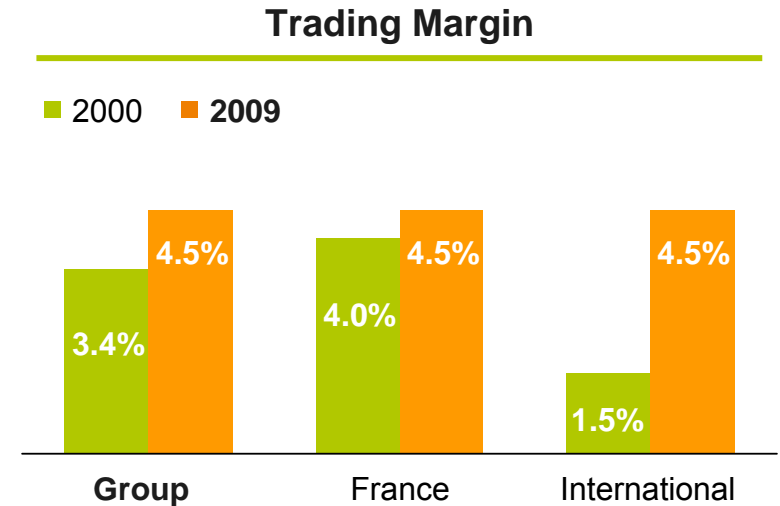
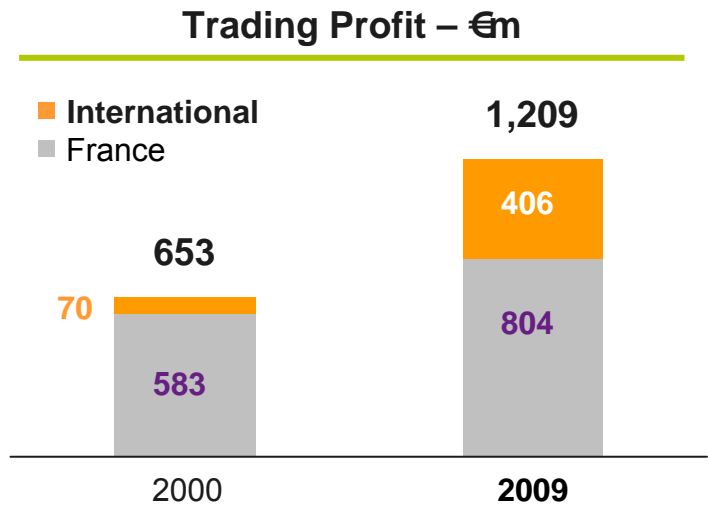
(1) At end-June 2010  
(2) Including Casas Bahia

# FRANCE: INCREASING EXPOSURE TO CONVENIENCE AND DISCOUNT FORMATS



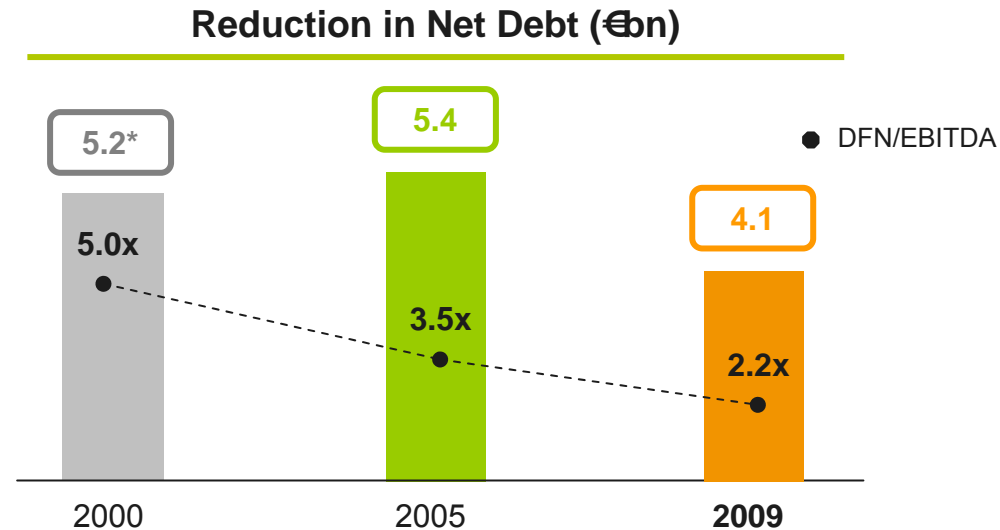
- ❖ In France, the Group has aligned its **asset portfolio** with **shopper expectations**...
  - ▶ Acquisition of FP/LP, of Cdiscount and of joint control of Monoprix during the period 1997-2000
- ❖ .....and benefits from a **favourable mix of formats**
  - ▶ Proximity and discount formats represent 2/3 of sales ...
  - ▶ ....and are the most buoyant and profitable formats

# THE REMODELING OF THE PORTFOLIO HAS LED TO A SIGNIFICANT INCREASE IN TRADING PROFIT SINCE 2000...



- ❖ **40%** growth in consolidated **net sales** from €19.1bn in 2000 to €26.8bn in 2009
- ❖ Trading profit **nearly doubled** over the period
- ❖ Tangible improvement in **trading margin** in France and in international markets

# ... AND TO A TANGIBLE ENHANCEMENT OF FINANCIAL FLEXIBILITY



- ❖ The Group has now **“digested” its acquisitions** (FP/LP, Monoprix, Brazil, Colombia ...)
- ❖ Since 2005, **the net debt/EBITDA ratio** has **fallen sharply** as a result of:
  - ▶ Asset disposals
  - ▶ Steady growth in EBITDA

- ❖ **Leader in fast growing countries** representing 400m inhabitants
  - ▶ N°1 in Brazil, Colombia and on hypermarkets in Vietnam
  - ▶ N°2 in Thailand
  
- ❖ **In France**
  - ▶ A mix heavily weighted towards convenience and discount formats
  - ▶ Leader in the convenience segment
  - ▶ Leader in B-to-C non-food e-commerce
  - ▶ Leader in private label penetration rate
  
- ❖ Recognized expertise in **leveraging property assets to create value**
  
- ❖ **Solid** financial position

# *Performance to date*

---



Outlook

---

Appendices

---



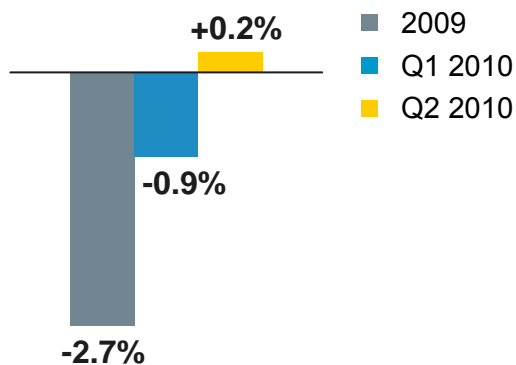
# FIRST-HALF 2010 KEY FIGURES

|                                       |                 | <i>% Change vs. H1 2009</i>                               |
|---------------------------------------|-----------------|---|
| <b>Consolidated net sales</b>         | <b>€13,589m</b> | <b>+7.1%</b>  |
| <b>EBITDA</b>                         | <b>€868m</b>    | <b>+8.2%</b><br><i>+4.4% bef. CVAE reclassification*</i>  |
| <i>EBITDA margin</i>                  | <b>6.4%</b>     | <b>vs. 6.3% in H1 2009</b>                                |
| <b>Trading profit</b>                 | <b>€541m</b>    | <b>+12.0%</b><br><i>+5.7% bef. CVAE reclassification*</i> |
| <i>Trading margin</i>                 | <b>4.0%</b>     | <b>vs. 3.8% in H1 2009</b>                                |
| <b>Attributable profit</b>            | <b>€173m</b>    | <b>vs. €229m in H1 2009</b><br><b>-24.4%</b>              |
| <b>Underlying attributable profit</b> | <b>€208m</b>    | <b>+10.5%</b>   |
| <b>Net debt</b>                       | <b>€5,368m</b>  | <b>vs. €6,003m in H1 2009</b>                             |

\* Reclassifying the CVAE (“cotisation sur la valeur ajoutée des entreprises”) tax under Income tax increased EBITDA and trading profit by €31 million, but did not have any impact on net profit

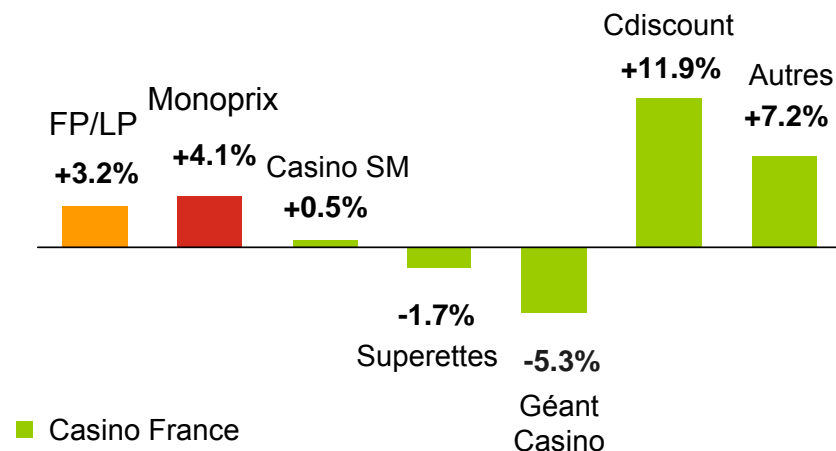
# IN FRANCE, SALES TREND IMPROVED IN THE SECOND QUARTER

### Organic Growth (excluding petrol)



### Organic Growth by Format (excluding petrol)

Q2 2010 vs. Q2 2009

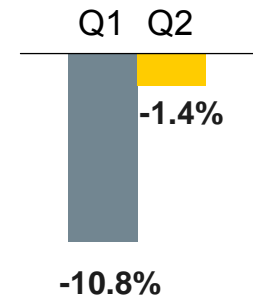


- ❖ **Growth in total FP/LP sales**, led by:
  - ▶ The **recovery** in same-store sales at **Leader Price**
  - ▶ Continued **strong sales growth** at **Franprix**
- ❖ **Good performance** by the **convenience formats**: Monoprix, Casino SM, Superettes
- ❖ **Géant Casino**: sustained deployment of action plans designed to **drive stronger sales dynamic**
- ❖ Continued **strong momentum** at **Cdiscount**

# FAST RECOVERY IN SAME-STORE SALES AT LEADER PRICE

- ❖ **Increased footfalls** and **significant improvement in the average basket** in the second quarter
- ❖ **Sales revitalisation initiatives** deployed since the beginning of the year **have been successful**:
  - ▶ Substantial price repositioning
  - ▶ Significantly stepped up advertising

## Same-Store Sales

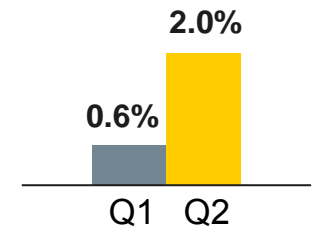


- ❖ **Strong sales growth** at stores converted to the **new concept**
- ❖ Sustained **expansion** (18 openings in the first half) and network rationalisation

# SUSTAINED GROWTH IN FRANPRIX SALES

- ❖ **Same-store sales** up **2.0%** in the second quarter
  - ▶ Footfalls and average basket up, attesting to the banner's attractiveness
  
- ❖ Sustained **deployment of the new concept**
  - ▶ Double-digit growth at renovated stores
  - ▶ Integrated store base renovated by end-2011; entire network shifted to the new concept by end-2012
  
- ❖ **Increased growth contribution** from **expansion**
  - ▶ 53 openings in the first half
  - ▶ Total sales up by more than 10% in the second quarter

## Same-Store Sales



# GÉANT CASINO: CONTINUED DEPLOYMENT OF THE ACTION PLANS

- ❖ **Same-store sales** (excluding petrol) down 6.9% in the second quarter
- ❖ **In food, gradual** reinvestment (from March to June) **of purchasing gains**
  - ▶ Tangible improvement in IRI price indices at 30 June (down 3 pts overall, and 2.4 pts in national brands)
- ❖ In **non-food**, continued **repositioning** of **the offering**
  - ▶ Good performance in promising categories like small appliances, sustained decline in less buoyant product families (DVDs, games, music; large appliances)
  - ▶ Sales dampened at period-end by the later start to the summer sales season



# SOLID PERFORMANCE BY THE RETAIL-RELATED BUSINESSES

## Cdiscount

- ❖ **Sustained growth** in sales, **up 11.9%\***
- ❖ Very good performance in **large appliances, small appliances** and **home electronics**
- ❖ **Success of the package pick-up option** (around 80 pick-up counters in Géant Casino stores)
- ❖ Development of the **Superette pick-up option** (<30kg)



## Mercialys

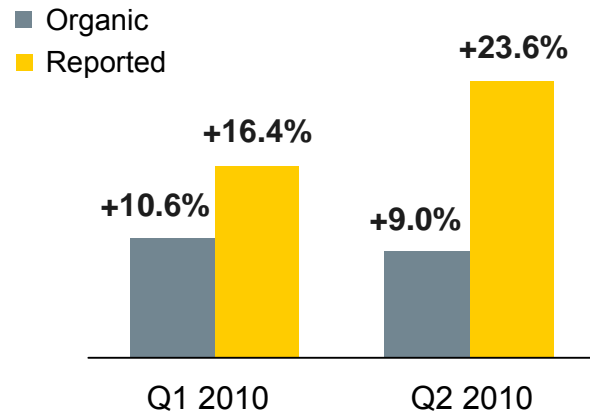
- ❖ 12.2% increase in **rental revenue**
- ❖ Ramp-up of the **Alcudia/Neighbourly Spirit** programme, with 3 deliveries in the first half and 5 scheduled for the second half
- ❖ Deployment of the **S'miles loyalty programme**



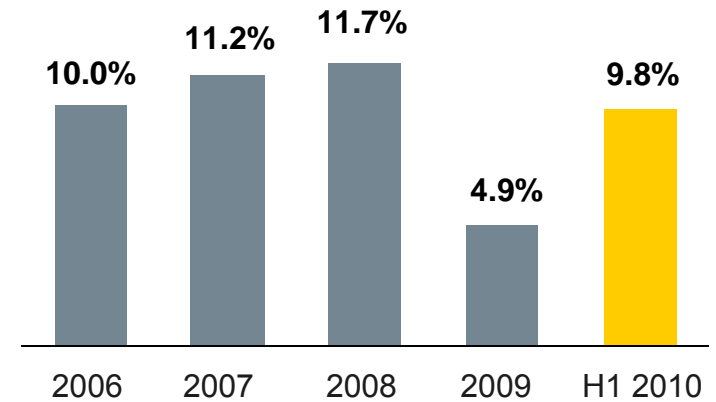
\* On an organic basis

# STRONG GROWTH IN INTERNATIONAL SALES

## Growth in International Sales



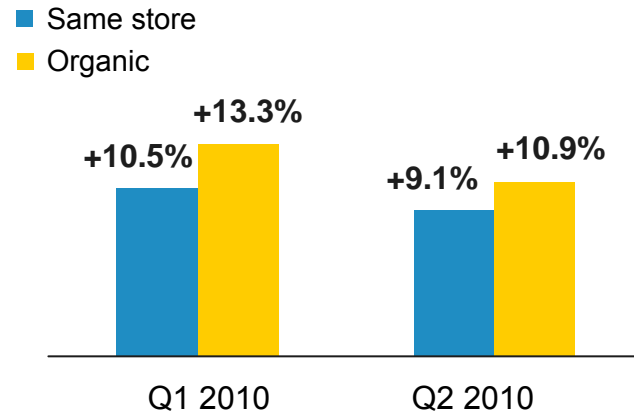
## Organic Growth in International Sales



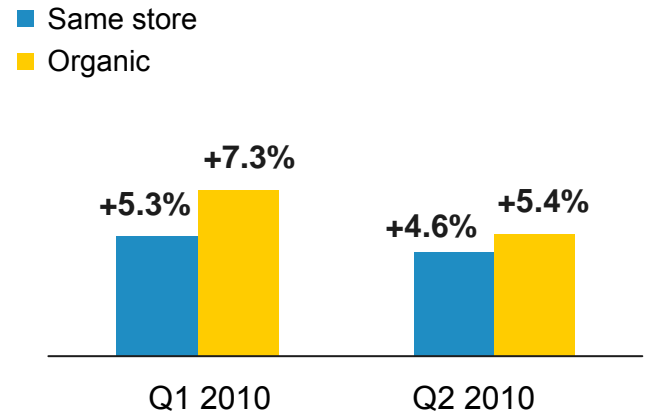
- ❖ Sharp **gains in currencies** against the euro
- ❖ **Faster organic growth** in the first half, reaching almost 10%
- ❖ International operations accounted for **37% of consolidated sales** (vs. 34% in 2009)

# STRONG MOMENTUM IN THE TWO PRIORITY REGIONS

## South America Growth in sales



## Asia Growth in sales



### ❖ Robust same-store sales in **South America**

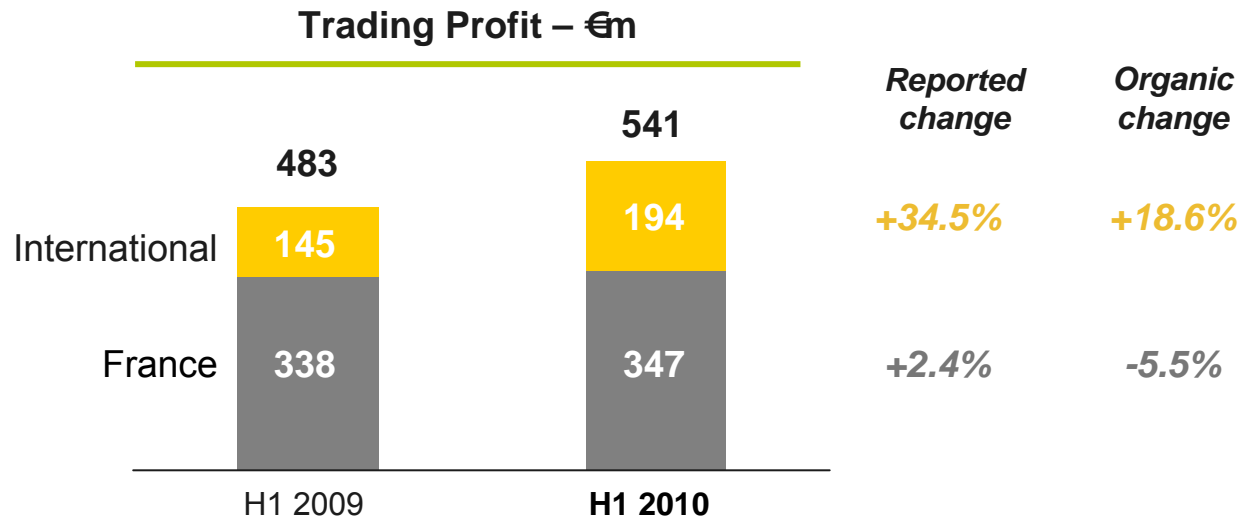
- ▶ Strong 11.3% growth in **GPA** sales\*, led by a very good performance in both food and non-food
- ▶ Faster same-store growth in **Exito** sales in the second quarter, at 4.6%\* vs. 2.6%\* in the first quarter

### ❖ Solid growth in **Asia**

- ▶ Satisfactory same-store growth in **Big C** sales in **Thailand**, despite political unrest
- ▶ Continued very fast growth in **Vietnam**

\* Data published by the companies

# INCREASE IN THE TRADING PROFIT CONTRIBUTION FROM INTERNATIONAL OPERATIONS



- ❖ **Strong growth in trading profit from International operations**
  - ▶ Lifted by robust organic sales growth...
  - ▶ ...and the favourable currency effect
- ❖ **Decline in trading profit in France** on an organic basis due to the sales revitalization plans
- ❖ International operations accounted for **36% of consolidated trading profit** (vs. 30% in H1 2009)



Performance to date

---

***Outlook***

---



Appendices

---

## FRANCE: FOCUS ON DRIVING FASTER SALES GROWTH

### In the first half

- ❖ **Return to sales growth**
  - ▶ Favourable business mix (convenience formats, Cdiscount)
  - ▶ Upturn in Leader Price sales in the second quarter
  
- ❖ **Enhanced price competitiveness** at Géant Casino and Leader Price
  - ▶ Purchasing gains from pooling private-label and value-line procurement ...
  - ▶ ...have enabled significant price reductions at Géant Casino and Leader Price

### In the second half

- ❖ Objective: **stabilise Géant Casino market share**
- ❖ Continue to deploy the **Leader Price sales revitalisation plan**
- ❖ **Step up expansion** in convenience and discount formats
  - ▶ Target of 100 Franprix openings reaffirmed for the full-year
  - ▶ Around 70 LP openings scheduled for the full-year
  - ▶ Sustained expansion at Casino SM, Monoprix and the franchised Superette network

# ONGOING PROJECTS TO TRANSFORM GÉANT CASINO

## ❖ Differentiating with **private label products**

- ▶ Maintain the pace of innovation (Espresso capsules, health foods, organic lines)
- ▶ Introduction of a line of private-label financial products; in the future, develop Banque Casino's business in partnership with the Crédit Mutuel Group

## ❖ Developing **multi-channel non-food retailing**

- ▶ Step up development of promising Home, Apparel and Leisure families
- ▶ Strengthen Géant Casino & Cdiscount synergies (develop hypermarket pick-up service, joint promotional campaigns)

## ❖ Ongoing deployment of the **retail space reduction** plan

## ❖ **Operational excellence**

- ▶ Reduce inventory
- ▶ Continue to streamline organisations
- ▶ Segment the store base beginning in the second half

# LEADER PRICE: STRENGTHEN THE SALES REVITALISATION INITIATIVES

## ❖ Deploy the **new store concept**

- ▶ 31 stores renovated so far
- ▶ Objective: entire network renovated by end-2012



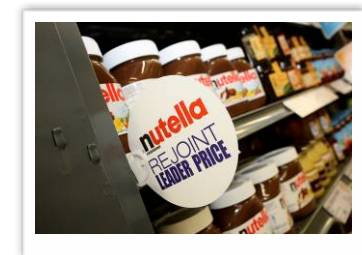
## ❖ **Broaden the range of Leader Price** brand products

- ▶ 90 “innovative” products introduced in the second half (yogurts without thickening agents, preservative-free jam, etc.)



## ❖ Introduce a **selection of national brands**

- ▶ Around 100 national-brand products in 260 integrated stores in late July 2010
- ▶ Range broadened to 250 national-brand products and rolled out across the network (600 stores) beginning in mid-October 2010



## INTERNATIONAL: DRIVE FASTER GROWTH

- ❖ Leadership positions in **countries with high growth potential**
- ❖ **Enhancing** the banners' **shopper appeal** by **leveraging** the Casino model's **strengths**
  - ▶ Private-labels
  - ▶ Loyalty / dunnhumby
  - ▶ Financial services
  - ▶ E-commerce
  - ▶ Retail property
- ❖ **Ambitious expansion strategy in 2010 and beyond**
  - ▶ Brazil: 100 openings in 2010, of which 8 Extra hypermarkets, 14 Extra & Pão de Açúcar supermarkets, 60 Extra Facil and 18 Assai stores
  - ▶ Colombia: 3-4 hypermarket openings in 2010, acceleration of the conversion programme
  - ▶ Thailand and Vietnam: 5 hypermarket openings per year in the next three years
- ❖ Growth profile strengthened in **Brazil by acquiring the #1 position in non-food retailing**

# PARTNERSHIP AGREEMENT FINALISED BETWEEN GPA AND CASAS BAHIA

## ❖ **A major strategic milestone:**

- ▶ Strengthening GPA's leadership in Brazil
- ▶ Sales incl. VAT c.R\$44bn<sup>(1)</sup> (€20bn), twice as much as in 2008

## ❖ **GPA: a leading food retailer...**

- ▶ 14.8%<sup>(2)</sup> market share
- ▶ Multi-format/multi-banner portfolio aligned with every segment of Brazilian society
- ▶ Strong positions in São Paulo and Rio de Janeiro

## ❖ ... and the **undisputed leader in consumer electronics/home appliances** retailing

- ▶ c.R\$18bn sales (incl. VAT) with a market share above 20%<sup>(3)</sup>
- ▶ Fast growing segment (>10%/year)
- ▶ Significant synergies to be generated
- ▶ Brazil's second largest e-commerce retailer

## ❖ **Partnership expected to be implemented by November**



(1) Pro forma 2010 sales (i.e. including Ponto Frio and Casas Bahia on a full-year basis)

(2) Source: ABRAS (Brazilian Supermarket Association)

(3) Source: Valor Economico (2008) Ranking

## CONCLUSION

- ❖ First-half results confirm the **effective positioning** of the Group's asset portfolio
  
- ❖ **Casino confirms the objectives** set at the beginning of 2010:
  - ▶ In **France**, Casino intends to **strengthen market share** by improving the banners' price competitiveness and stepping up expansion in the convenience and discount formats
  
  - ▶ **Internationally**, the quality of the Group's assets in high-potential countries is expected to drive **strong** and **profitable business growth** in 2010 and beyond
  
- ❖ The Groups reaffirms its objective of a **net debt/EBITDA ratio of less than 2.2x** at the end of 2010, notably by pursuing the €1 billion asset disposal plan

Performance to date

---

Outlook

---

# *Appendices*

---



# FRANCE: TRADING MARGIN DECLINED ON AN ORGANIC BASIS DUE TO SALES REVITALISATION PLANS

| <i>Trading profit<br/>(in € millions)</i> | H1 2009    | Margin      | H1 2010    | Margin      | Change in margin<br>(organic) |
|---|------------|-------------|------------|-------------|-------------------------------|
| Franprix / Leader Price                   | 132        | 6.5%        | 116        | 5.7%        | -98 bp                        |
| Monoprix                                  | 59         | 6.5%        | 68         | 7.2%        | +32 bp                        |
| Casino France                             | 148        | 2.6%        | 163        | 2.9%        | -9 bp                         |
| <b>FRANCE</b>                             | <b>338</b> | <b>4.0%</b> | <b>347</b> | <b>4.0%</b> | <b>-26 bp</b>                 |

- ❖ Lower margin at **Franprix-Leader Price**
- ❖ Improved margin at **Monoprix**
- ❖ Limited decline in margin at **Casino France**
  - ▶ Lower margin at Géant
  - ▶ Solid margin at Casino supermarkets and the Superettes
  - ▶ Robust growth in trading profit at Mercialys

# INTERNATIONAL OPERATIONS: IMPROVED TRADING MARGIN

| <i>Trading profit<br/>(in € millions)</i> | H1 2009    | <i>Margin</i> | H1 2010    | <i>Margin</i> | <i>Change in margin<br/>(organic)</i> |
|---|------------|---------------|------------|---------------|---------------------------------------|
| South America                             | 94         | 3.2%          | 132        | 3.7%          | +25 bp                                |
| Asia                                      | 43         | 4.9%          | 55         | 5.7%          | +73 bp                                |
| Other regions                             | 8          | n/a           | 8          | n/a           | n/a                                   |
| <b>INTERNATIONAL</b>                      | <b>145</b> | <b>3.5%</b>   | <b>194</b> | <b>3.9%</b>   | <b>+30 bp</b>                         |

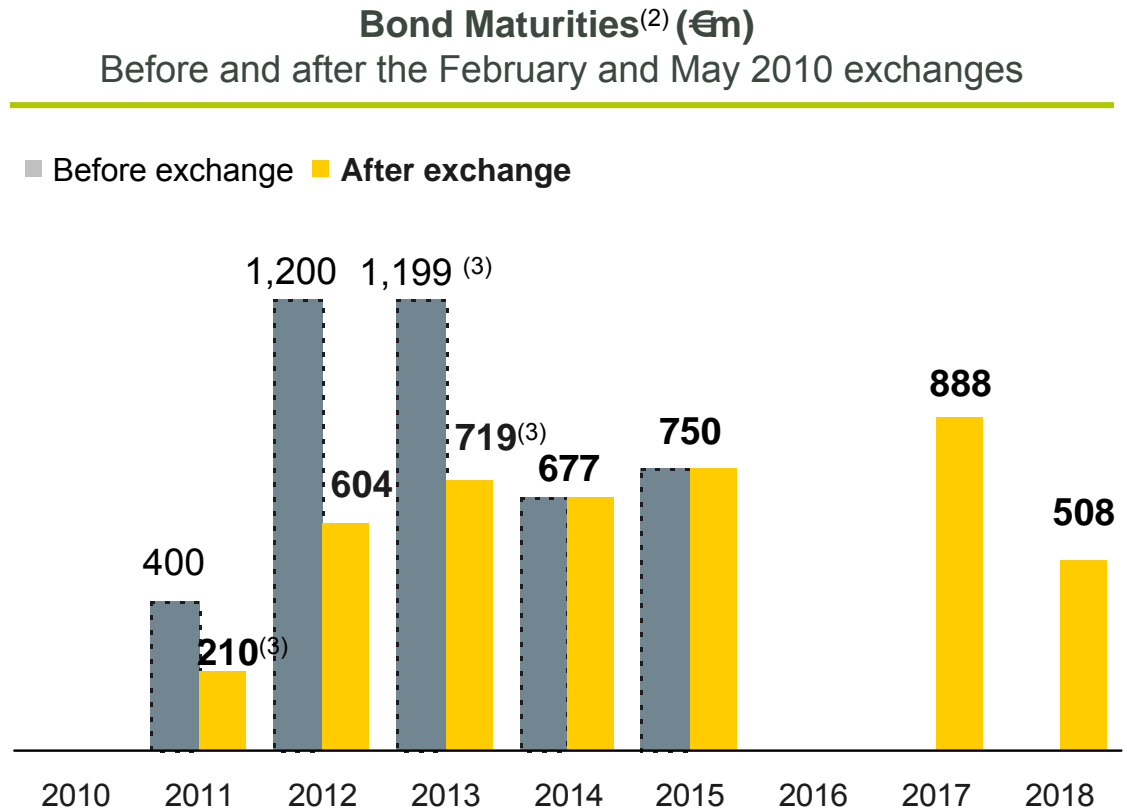
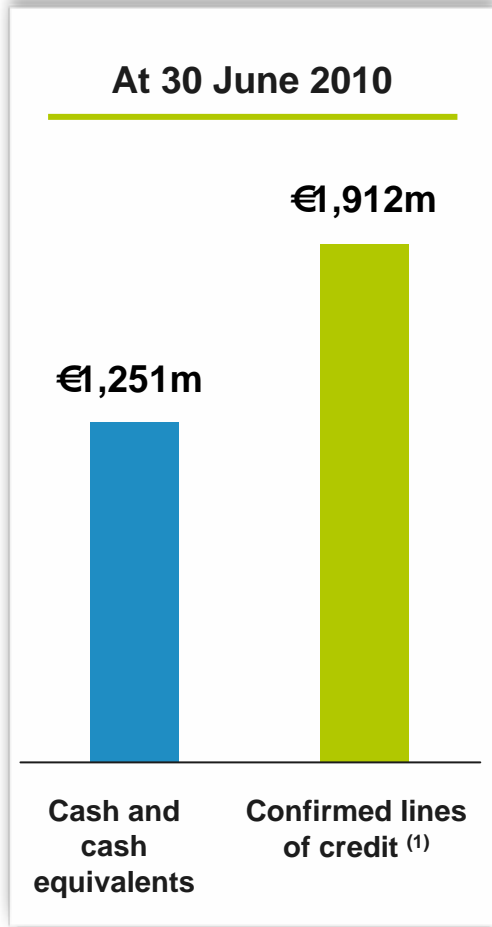
❖ Improved margin in **South America**

- ▶ Solid margin in **Brazil** (excluding Ponto Frio dilution)
- ▶ Improved margin in **Colombia**

❖ Tangible increase in margin in **Asia**

- ▶ Improved margin in **Thailand**, confirming the strength of the dual retailing-property business model
- ▶ Significant increase in margin in **Vietnam**

# TANGIBLE IMPROVEMENT IN THE DEBT PROFILE



(1) Undrawn confirmed and available lines of credit of Casino Guichard Perrachon and Monoprix (at 50%)

(2) Maturities of Casino Guichard Perrachon bond issues

(3) Not including private placement notes of €255m due in 2011 and €300m in 2013

# SUSTAINED GAINS IN THE MARKET VALUE OF LISTED SUBSIDIARIES

| <i>Listed companies</i> | Share price at 16 Sept. 2010 | Market value (100%, €m) | %-owned | <b>Casino's share (€m)</b> | Change since 1 Jan. 2010 (€m) | Net debt* at 30 June 2010 (€m) | <b>Contribution to Group's EV (€m)</b> |
|-------------------------|------------------------------|-------------------------|---------|----------------------------|-------------------------------|--------------------------------|--|
| Mercialys               | € 27.95                      | 2,571                   | 51.4%   | 1,321                      | 168                           | 8                              | 1,329                                  |
| GPA (Brazil)            | R\$ 59.3                     | 6,782                   | 33.7%   | 2,286**                    | 37                            | 303                            | 2,590                                  |
| Exitó (Colombia)        | COP 22,000                   | 3,080                   | 54.8%   | 1,688                      | 459                           | 43                             | 1,731                                  |
| Big C (Thailand)        | THB 60.3                     | 1,196                   | 63.2%   | 755                        | 305                           | (54)                           | 701                                    |
| <b>TOTAL</b>            |                              |                         |         | <b>6,051</b>               | <b>970</b>                    |                                | <b>6,352</b>                           |

- ❖ Significant value created for Casino: **€9 more per share** (since 1 January 2010)

\* 100% basis, except for GPA (33.7%)

\*\* Based on preferred non-voting share price

## PUTS INCLUDED IN NET DEBT

▼ In €m

| <i>Company</i>            | <i>% capital</i>                | <b>Value at<br/>31 Dec. 2009</b> | <b>Value at<br/>30 June 2010</b> | <b>Exercise<br/>period</b> |
|---------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------|
| Franprix/<br>Leader Price | Franprix Holding 95% → 100%     | 18 <sup>(1)</sup>                | 0                                |                            |
|                           | Leader Price Holding 75% → 100% |                                  |                                  |                            |
|                           | Majority-owned franchise stores | 50                               | 50                               | Various<br>dates           |
| Uruguay<br>(Devoto)       |                                 | 12                               | 14                               | At any<br>time<br>→ 2021   |
| <b>TOTAL</b>              |                                 | <b>80</b>                        | <b>64</b>                        |                            |

(1) The remaining €18 million comprises late interest paid into an escrow account in first-half 2010, pending final allocation.

# OFF-BALANCE SHEET PUTS

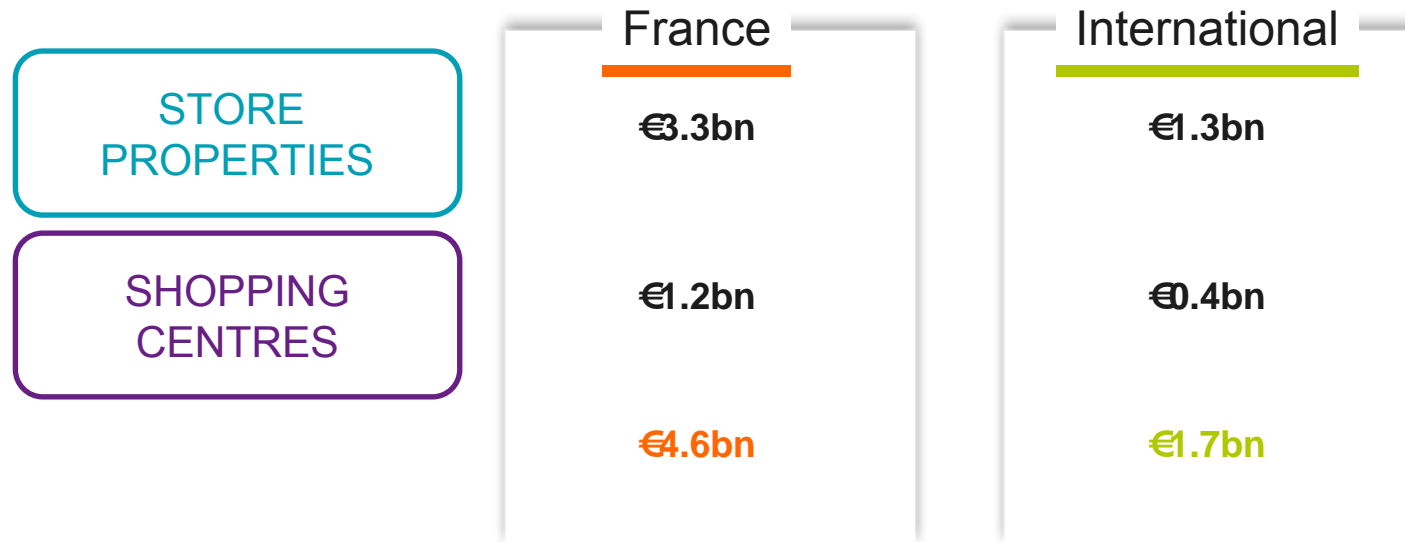
in €m

| <i>Company</i>                 | <i>% capital</i>                   | <b>Value at<br/>31 Dec. 2009</b> | <b>Value at<br/>30 June 2010</b> | <b>Exercise<br/>period</b> |
|--------------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------|
| Monoprix <sup>(1)</sup>        | 50% → 100%                         | 1,200                            | 1,200                            | 2012-2028                  |
| Franprix<br>Leader Price       | Minority-owned franchise<br>stores | 194                              | 200                              | Various dates              |
| Uruguay<br>(Disco)             |                                    | 49                               | 59                               | At any time<br>→ 2021      |
| Sendas <sup>(2)</sup><br>(GPA) | 57.4% → 100%                       | 108                              | 120                              | At any time                |
| <b>TOTAL<br/>(off-B/S)</b>     |                                    | <b>1,551</b>                     | <b>1,580</b>                     |                            |

(1) The put option exercise price will be based on an independent valuation of Monoprix.

(2) Put option on GPA, shares taken into account on a 33.7% basis.

# PROPERTY ASSETS MAKING A SIGNIFICANT CONTRIBUTION TO THE GROUP'S TOTAL VALUE



- ❖ A **property portfolio** valued at **€6.3bn** at 31 December 2009
- ❖ The decrease compared with €6.7bn at end-2008 reflects:
  - ▶ Sales of properties in France and abroad for €0.2bn
  - ▶ Transfers of properties from Casino to Mercialys and distribution of an exceptional dividend for €0.2bn

## NUMBER OF STORES

| <i>France</i>              | 31 Dec. 2009 | 30 June 2010 |
|----------------------------|--------------|--------------|
| Géant Casino               | 122          | 124          |
| Casino Supermarkets        | 390          | 396          |
| Franprix                   | 789          | 832          |
| Monoprix                   | 463          | 479          |
| Leader Price               | 559          | 562          |
| Superettes                 | 6,751        | 6,745        |
| Other                      | 290          | 301          |
| <b>TOTAL FRANCE</b>        | <b>9,364</b> | <b>9,439</b> |
| <i>International</i>       |              |              |
| Argentina                  | 49           | 22           |
| Uruguay                    | 53           | 53           |
| Venezuela                  | 41           | 0            |
| Brazil                     | 1,080        | 1,102        |
| Thailand                   | 97           | 96           |
| Vietnam                    | 9            | 10           |
| Indian Ocean               | 50           | 49           |
| Colombia                   | 260          | 261          |
| <b>TOTAL INTERNATIONAL</b> | <b>1,639</b> | <b>1,593</b> |