CASINO, GUICHARD-PERRACHON
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INTERIM FINANCIAL STATEMENTS

6 MONTHS TO JUNE 30, 2004

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INTERIM MANAGEMENT REPORT

6 MONTHS TO JUNE 30, 2004

The key financial highlights in the first half of 2004 were:
- Consolidated net sales up 4.6% on a comparable scope and exchange rate basis
- Consolidated operating income up 8.7%
- Income from continuing operations after tax up 13.6%
- Earnings per share (after goodwill amortisation) up 10.6%.

These solid performances reflect our robust business model in France and a sharp recovery in contribution from international operations.

In **France** (representing 92% of consolidated operating income), amid tougher economic and competitive conditions, our business model is based on:
- a highly effective multiformat strategy (discount stores account for 38% of operating income, convenience stores 37% and hypermarkets 25%)
- growing consumer interest in discount and convenience formats
- dynamic organic growth (2.2% in the first half)
- a successful customer loyalty policy
- a deliberately aggressive pricing policy benefiting all customer segments.

International operations (representing 8% of consolidated operating income) more than doubled their contribution to operating income, helped by a recovery at Smart & Final in the United States, continued excellent performance from Big C in Thailand and a turnaround in Poland.

FRANCE

(81% of consolidated net sales and 92% of consolidated operating income)

Sales in France rose by 2.2%, outpacing the competition and confirming the strategic effectiveness of a multiformat model heavily weighted to discount and convenience formats, which are growing in popularity with consumers. In addition, the Casino Group banners offer their customers an extensive, constantly expanding selection of ‘controlled’ private label and low-price products, which provide an alternative to the big national brands. These products account for almost 40% of the Group’s total food sales in France, through the original Casino label (over 2,000 references), Leader Price label (over 3,000 references accounting for 100% of the banner’s sales and 30% of Franprix sales), Monoprix label (over 1,800 references) and the new range of low-price products (over 500 references sold by Géant, Casino Supermarkets, Monoprix and the convenience stores, as well as by Laurus in the Netherlands).

During the first half, we continued to reap the benefits of our loyalty programme, recording a further rise in the number of cardholders to over 3.8 million at June 30, 2004. The new Monoprix card was particularly successful, attracting some 630,000 holders in the first six months.

Lastly, even before the "Sarkozy" price-cutting measures come into effect on September 1, we have been practising an aggressive pricing policy throughout all our banners. The Opus price competitiveness index for the 1,000 most popular items fell 0.8 points at Géant and 0.2 points at Casino Supermarkets and Monoprix in the first six months of 2004. Private label prices were also cut throughout all our banners. This focus on low prices will be kept up throughout the second half.

Consolidated sales in France rose by 2.2% and operating income by 3.8%. Operating margin rose slightly, from 4.9% in first-half 2003 to 5.0% in first-half 2004, despite our aggressive pricing policy.

Géant Hypermarkets

(25% of operating income generated by French food retailing operations)

In EUR millions	H1-2003	H1-2004	Change
Net sales	3,370.4	3,362.1	-0.2%
Operating income	109.6	110.0	+0.4%
Operating margin	3.3%	3.3%	

Consolidated net sales held more or less steady compared with first-half 2003, falling by just 0.2%. Once again, this performance illustrates Géant's ability to outperform the competition thanks to its effective positioning (easy-access mid-size stores averaging about 7,000 sq.m. with an extensive food offering) and its policy of cutting prices on staple products, which is popular with consumers.

Géant's strategy is to focus on continuous price cuts rather than spending more on promotional or free voucher campaigns, which are more costly and less effective as they are often difficult for consumers to evaluate. The Opus index for the 1,000 most popular items sold by Géant fell from 100.1 at the start of the year to 99.3 at end June 2004, representing a fall of 0.8 points relative to the competition.

Same-store sales declined by 1.0%, a better performance than Géant's competitors, while reported sales were down a very modest 0.2%. Operating income rose 0.4% to EUR110.0 million and operating margin held firm at 3.3%, with tight control over costs offsetting the impact of price cuts.

Franprix & Leader Price

(38% of operating income generated by food retailing operations in France)

In EUR millions	H1-2003	H1-2004	Change
Net sales	1,903.4	2,054.1	+7.9%
Operating income	150.3	166.4	+10.7%
Operating margin	7.9%	8.1%	

Franprix and Leader Price delivered further strong growth in both sales and earnings. Organic sales growth came to 7.9% for the first six months of the year while operating income rose 10.7% to EUR166.4 million.

Leader Price enjoyed further sustained organic growth with sales up 12.2%, including 6.9 points on a same-store basis and 5.3 points from new stores. The pace of expansion picked up speed, with eleven new stores opened during the period, including four in the first quarter and seven in the second, bringing the total up to 381 at end June.

Leader Price's success reflects the growing popularity of discount formats in the French market coupled with the effectiveness of the banner's unique positioning. Discount is still the most dynamic segment of the French food retailing market. According to the latest available Secodip figures, its market share has risen from 9% in 2000 to over 12.7% at end June 2004. Leader Price is a top player in this segment with its unique all-private label positioning, strong innovative capability and proactive merchandise management policy (with almost 3,000 references).

Franprix, like Leader Price, continued to expand aggressively, opening sixteen new stores during the period, bringing its total to 605 at end June 2004, almost exclusively in the greater Paris region. This expansion led to a 2.3% decline in same-store sales, although organic growth remained positive. New stores invariably lead to a degree of temporary cannibalisation, but at the same time they improve operating efficiency through synergies arising from the stores' geographical proximity.

During June 2004, we **increased our strategic interest in Franprix/Leader Price,** raising our stake in Franprix Holding from 70% to 95% and in Leader Price Holding from 70% to 75% at a total cost of EUR260 million. We have signed a new agreement with the Baud family, which freezes the put options on the balance of Franprix/Leader Price shares not yet owned by Casino for a period of 4 years and the call options for a period of 5 years. Also, the puts and calls over 5% of Leader Price Holding are now at a fixed price indexed to Euribor. This agreement, which follows the new March 2003 Monoprix agreement with Galeries Lafayette, reduces our off-balance sheet commitments and spreads them over a longer period, while at the same time providing an opportunity to consolidate our partnership with the Baud family and step up expansion of the Franprix and Leader Price banners both in France and abroad.

Convenience formats

(37% of operating income generated by food retailing operations in France)

In EUR millions	H1-2003	H1-2004	Change
Net sales	**3,214.5**	**3,260.1**	**+1.4%**
• *Casino supermarkets*	*1,506.6*	*1,528.2*	*+1.4%*
• *Monoprix (50%)*	*918.1*	*940.2*	*+2.4%*
• *Petit Casino & franchises*	*789.8*	*791.7*	*+0.2%*
Operating income	**163.5**	**161.8**	**-1.0%**
• *Casino supermarkets*	*62.4*	*56.3*	*-9.8%*
• *Monoprix (50%)*	*36.9*	*38.4*	*+4.2%*
• *Petit Casino & franchises*	*64.2*	*67.1*	*+4.4%*
Operating margin	**5.1%**	**5.0%**	
• *Casino supermarkets*	*4.1%*	*3.7%*	
• *Monoprix (50%)*	*4.0%*	*4.1%*	
• *Petit Casino & franchises*	*8.1%*	*8.5%*	

- **Casino Supermarkets**

First-half consolidated net sales rose 1.4%, including 0.3% on a same-store basis. This growth illustrates the effectiveness of the banner's efforts to create a more homogeneous store chain and the success of its pricing and marketing policies. In terms of pricing, not only has the banner undercut the competition on national brand prices (Opus index for the 1,000 most popular items down 0.2 points between January and June), it has also cut prices on many of its Casino private label products, while further increasing the banner's appeal by introducing a new and more clearly identifiable range of low-price products.

This aggressive pricing policy led to significant erosion in operating margin, which fell to 3.7% from 4.1% in first-half 2003. However, the reduction in costs and expected sales growth should offset the negative impact from the second half onwards.

- **Monoprix** (50% proportionally consolidated)

Sales rose 2.4% in the first half, including same-store growth of 0.6%. This strong performance once again illustrates the success of Monoprix's unique town-centre concept.

Monoprix launched its loyalty programme during the first half, as a partner in the S'miles® network. This was an instant success, with some 630,000 members signed up in just six months.

Prices were cut during the first half, leading to a 0.2-point improvement in the Opus index for the 1,000 most popular items. Monoprix also embarked on a new expansion drive, opening four new stores since the beginning of the year, bringing the total to 299 at end June 2004.

Operating income rose 4.2% to EUR38.4 million and operating margin improved slightly to 4.1% against 4.0% in first-half 2003.

- **Petit Casino convenience stores and franchise outlets**

Petit Casino convenience stores, the Spar and Vival franchise networks and Eco Service stores had a combined total of 4,700 outlets at end June 2004 (against 4,454 at end June 2003 and 4,568 at end December 2003).

All these banners, which are leaders in the French convenience market, continued to perform well and pursued their policy of gaining market share in segments often ignored by the competition.

First-half sales were almost flat, rising by 0.2% to EUR791.7 million, although operating income was up 4.4% to EUR67.1 million, versus EUR64.3 million in first-half 2003. Operating margin improved further, from 8.1% to 8.5% in first-half 2004, driven chiefly by a favourable banner/product mix and tight control over operating costs, particularly in the recently converted stores (87 former Casino supermarkets) and the refurbished outlets.

Other businesses

In EUR millions	H1-2003	H1-2004	Change
Net sales	266.2	274.2	+3.0%
Operating income	3.9	5.4	+38.5%

Other activities are marginal compared with the Group's core business in France, contributing just 3% of net sales and 1% of operating income.

INTERNATIONAL

(19% of consolidated net sales and 8% of operating income)

As expected, the Group's international operations rebounded strongly in the first half of 2004, more than doubling their contribution to operating income to EUR38.0 million from EUR15.6 million in first-half 2003. This represented 8% of consolidated operating income versus 4% in first-half 2003, and an operating margin of 1.8% compared to 0.7%.

International net sales declined by 4.7% to EUR2,152.4 million, chiefly due to Smart & Final's divestment of its Florida foodservice and retailing business. On a comparable scope and exchange rate basis, net sales were up 14.6%. Three countries accounted for three quarters of total international sales: the United States with EUR732.5 million (34% of the total), Thailand with EUR522.6 million (24%) and Poland with EUR357.1 million (17%).

These three countries were also behind the rebound in operating income, with strong growth in the contribution from Smart & Final in the USA (EUR22.4 million against EUR6.3 million in first-half 2003) and Big C in Thailand (EUR23.9 million against EUR18.4 million), coupled with a turnaround in Poland.

Lastly, EBITDA (earnings before interest, tax, depreciation and amortisation) rose from EUR92.2 million to EUR114.4 million, representing about 16% of the consolidated total and giving an EBITDA margin of 5.3% against 4.1% the previous year.

North America

Smart & Final

In EUR millions	H1-2003	H1-2004	Change in euros	At constant FX rates
Net sales	889.5	732.5	-17.7%	-8.5%
Operating income	6.3	22.4	x 3.6	x 4.0

In the United States, Smart & Final has entered a new phase of profitable growth following the divestment of its loss-making foodservice and retailing business in Florida at the end of 2003.

Excluding divested activities, sales rose by almost 18% including 17.5% on a same-store basis. Smart & Final gained some benefit from the supermarket strike in southern California, which affected its competitors, and continued to enjoy double-digit growth even after the strike ended in February 2004. This trend illustrates the popularity of its offering and discount pricing policy with consumers who had the opportunity to try out its stores during the strike. In other states which were not affected by the strike (northern California, Washington and Oregon), sales growth was also buoyant.

Smart & Final's contribution to consolidated operating income was 3.6 times higher, at EUR22.4 million, giving an operating margin of 3.1% versus 0.7% in first-half 2003.

With its new profitability profile, Smart & Final can now begin to step up its expansion plans.

Poland

Géant Polska, DT Casino & Leader Price

In EUR millions	H1-2003	**H1-2004**	Change in euros	At constant FX rates
Net sales	365.5	357.1	-2.3%	+8.2%
Operating income (loss)	(9.4)	(7.3)	+23.1%	+15.8%

Poland's contribution to consolidated net sales rose by 8.2% at constant exchange rates, while same-store sales were up by just 0.1%. Géant hypermarkets held up well and Leader Price continued to expand.

Having spent much of 2003 introducing its new pricing policy, Géant Polska began to reap the benefits of its recovery measures during the first half of 2004. The price cutting policy has proved successful, as has the revamped food offering and the new loyalty card, which attracted about 700,000 holders in less than six months.

Leader Price continued to expand rapidly, with 140 stores at end June 2004 compared with 116 one year earlier.

Poland made a EUR7.3 million negative contribution to consolidated operating income. This represented a substantial improvement on the EUR9.4 million operating loss incurred in first-half 2003, which included a positive contribution from the shopping mall property business that has since been divested.

Latin America

Argentina + Uruguay (50% of Disco and 100% of Devoto) + Venezuela

In EUR millions	H1-2003	**H1-2004**	Change in euros	At constant FX rates
Net sales	**278.9**	**302.8**	**+8.6%**	**+29.6%**
• *Argentina*	*99.6*	*100.7*	*+1.1%*	*+8.9%*
• *Uruguay*	*58.4*	*57.3*	*-1.9%*	*+14.2%*
• *Venezuela*	*120.9*	*144.8*	*+19.8%*	*+54.2%*
Operating income (loss)	**0.5**	**(0.4)**	**Not applicable**	**Not applicable**
• *Argentina*	*0.1*	*(1.7)*	*Not applicable*	*Not applicable*
• *Uruguay*	*1.1*	*1.8*	*x 1.6*	*x 2.0*
• *Venezuela*	*(0.7)*	*(0.5)*	*+28.6%*	*+27.4%*

The contribution of Latin America to consolidated sales was once again depressed by unfavourable exchange rates, although the negative effect is gradually beginning to fade. The Argentine peso lost 7.1% (based on average exchange rates for the first six months of 2003 and 2004), the Uruguayan peso 14.1% and the Venezuelan bolivar 22.3%.

Sales in Latin America nevertheless rose by 8.6% on a reported basis and by 29.6% at constant exchange rates. All countries achieved strong growth on a same-store basis, with Libertad up 7.5% in Argentina, Disco and Devoto up 12.8% in Uruguay and Cativen up 55.2% in Venezuela. These figures confirm the solid economic recovery in Latin America.

The contribution to consolidated operating income was down slightly, to EUR0.4 million against EUR0.5 million in first-half 2003. This slight erosion masks an improvement in Uruguay and Venezuela, offset by a decline in the contribution from Argentina, which was affected by the new tax on financial transactions.

Asia

Thailand + Taiwan (50% proportionally consolidated)

In EUR millions	H1-2003	**H1-2004**	Change in euros	At constant FX rates
Net sales	**591.1**	**620.6**	**+5.0%**	**+9.5%**
• *Thailand*	*486.0*	*522.6*	*+7.5%*	*+11.6%*
• *Taiwan (50%)*	*105.1*	*98.0*	*-6.7%*	*-0.3%*
Operating income	**13.0**	**18.9**	**+45.4%**	**+50.1%**
• *Thailand*	*18.4*	*23.9*	*+29.9%*	*+35.1%*
• *Taiwan (50%)*	*(5.4)*	*(5.0)*	*+7.4%*	*+1.3%*

Asia's contribution to consolidated sales was also affected by unfavourable exchange rates, although to a lesser extent than Latin America, with the Thai baht down 3.6% and the Taiwanese dollar down 6.5% (based on average exchange rates for the first six months of 2003 and 2004).
Thailand once again performed well, with 11.6% growth in sales at constant exchange rates and 3.6% on a same-store basis. Operating income was up about 30% to EUR23.9 million from EUR18.4 million in first-half 2003, making Big C a solid contributor to growth in the Group's international results.
In Taiwan, same-store sales continued to suffer, but returned to growth in the second quarter with a rise of 1.0%, confirming the success of the new Hsin Shu store. Taiwan incurred a further operating loss of EUR5.0 million, although this was a slight improvement on the year-earlier period.

Indian Ocean

Vindémia (33.34% proportionally consolidated)

In EUR millions	H1-2003	**H1-2004**	Change in euros	At constant FX rates
Net sales	133.3	139.4	+4.6%	+6.5%
Operating income	5.2	4.4	-16.6%	-16.6%

Organic sales growth was buoyant in the first half at 6.5%.

Operating income was down slightly, to EUR4.4 million from EUR5.2 million in first-half 2003, chiefly due to the impact of unfavourable exchange rates on sales margins for products imported from the euro zone. Réunion continued to perform well, with 4.8% growth in operating income. By contrast, Madagascar, Vietnam and Mauritius were hit by a sharp depreciation in their currencies (down 24.2%, 11.1% and 7.8% respectively) while imports are paid for in euros. Vindémia is therefore gradually beginning to source alternative products from countries where the exchange rate is more competitive, such as China, Thailand and Vietnam.

The banner and supply contract with Cora expired on December 31, 2003 and Vindémia has converted its stores to the Casino Group's banners.

International businesses accounted for by the equity method

CBD (Brazil), Exito (Colombia) and Laurus (Netherlands)

In EUR millions	H1-2003	H1-2004	Change in euros	At constant FX rates
CBD (Brazil)				
Share of net income	7.2	9.9	+37.5%	+40.3%
Average percentage interest	*27.46%*	*27.39%*		
Exito (Colombia)				
Share of net income (loss)	(0.2)	1.2	Not applicable	Not applicable
Average percentage interest	*31.01%*	*33.98%*		
Laurus (Netherlands)				
Share of net income (loss)	4.3	(3.1)	Not applicable	Not applicable
Average percentage interest	*38.72%*	*38.72%*		
TOTAL	**11.3**	**8.0**		

The Group's share of net income fell to EUR8.0 million from EUR11.3 million. However, CBD in Brazil delivered a strong improvement in contribution, to EUR9.9 million versus EUR7.2 million, while Exito in Colombia reported a sharp turnaround, with a positive contribution of EUR1.2 million as opposed to a EUR0.2 million negative contribution in the year-earlier period. The downturn was due to Laurus in the Netherlands, which made a negative contribution of EUR3.1 million compared with a EUR4.3 million profit in first-half 2003.

In Brazil, **CBD** continued to enjoy sustained organic growth, with sales up 10.9% at constant exchange rates. Growth picked up speed in the second quarter, rising to 14.6% from 6.8% in the first three months, which is highly encouraging for the second half of the year. This solid growth, coupled with the joint venture with Sendas in Rio de Janeiro State, confirms CBD's leading position in Brazil, with market share of almost 19%. CBD's EBITDA margin amounted to 8.0%, the highest in the entire Group, all countries combined.

In Colombia, **Exito** reported 6.6% sales growth at constant exchange rates. Coupled with tight control over operating costs, this growth drove the EBITDA margin up from 5.8% in first-half 2003 to 6.6% in first-half 2004.

In the Netherlands, **Laurus** had a difficult first half, with a 7.7% drop in same-store sales and an operating loss of EUR10 million compared with a profit of EUR27 million in first-half 2003. The problems were due to deflation in food prices caused by the price war being waged since the fourth quarter of 2003, disruptions caused by the final conversions of Konmar stores to the Super De Boer or Edah banners, and lastly, the temporary negative effects of measures to revamp the merchandising mix, including an increase in weighting to private label products. The various formats are currently being repositioned and the cost-cutting plan stepped up, which should restore Laurus to better fortunes from next year.

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Casino Group's consolidated financial statements for the six months to June 30, 2004 have been prepared using French generally accepted accounting principles. The accounting methods used to prepare the interim financial statements are unchanged from those used at December 31, 2003 and June 30, 2003, except as explained below. All the recommended methods set out in standard CRC 99-02 of April 29, 1999 have been applied, with the exception of that relating to long-term contracts, which does not apply to the Group.

Change of accounting method

Since January 1, 2004, the Group has applied all the provisions of French National Accounting Board Recommendation CNC 2003-R.01 on employee benefits. This led to a change in the period of recognition of projected benefit obligations, but had no impact on actuarial assumptions. The effect of the change of method, in an amount of EUR10.1 million before tax and EUR6.6 million after tax, was charged directly to opening stockholders' equity.
Standard CRC 2004-03 of May 4, 2004 requires that controlled entities be consolidated even if no stock is held by the consolidating company. Accordingly, Strichting Laurus Pensioenfonds, a pension fund for Laurus employees, has been consolidated at the level of the Laurus sub-group with effect from January 1, 2004. This first-time consolidation reduced the value of shares accounted for by the equity method and stockholders' equity by EUR14.0 million, net of tax.
The application of these two changes of method would not have had a material impact on the first-half or full-year results in 2003.

Main changes in scope of consolidation

Smart & Final's Florida foodservice and retailing business in the USA has no longer been consolidated since the final quarter of 2003 following its divestment. Among the sub-groups accounted for at equity, CBD consolidated Sendas Distribuidora and Laurus consolidated Strichting Laurus Pensioenfonds for the first time in the first half of 2004.

Sales

Consolidated net sales totalled EUR11,102.9 million versus EUR11,012.8 million in first-half 2003, an increase of 0.8% or 4.6% on a comparable scope and exchange rate basis. A detailed review of sales can be found in the previous pages.

Operating income

Consolidated operating income amounted to EUR481.6 million versus EUR442.9 million in first-half 2003, an increase of 8.7%. A detailed review of operating income can be found in the previous pages.

Income from continuing operations before and after tax

Income from continuing operations before tax totalled EUR395.6 million versus EUR352.9 million in first-half 2003, an increase of 12.1%. This figure includes net financial expense of EUR86.0 million, down from EUR90.0 million in first-half 2003. **Tax on continuing operations** came to EUR140.5 million versus EUR128.3 million in first-half 2003, giving an effective tax rate of 35.5% compared with 36.4% in first-half 2003. **Income from continuing operations after tax** therefore came to EUR255.1 million versus EUR224.6 million in first-half 2003, an increase of 13.6%.

Net income attributable to the Group

Net exceptional gains amounted to EUR23.0 million against net exceptional losses of EUR4.8 million in first-half 2003. The main items were a EUR27.1 million pre-tax benefit arising from rendering tax relief and a EUR24.0 million charge to impairment provisions on treasury shares. The Group also recorded an exceptional tax benefit of EUR19.4 million, arising principally from the tax-deductibility of the impairment provision on warrants issued by CBD.

The group's **share in net income from companies accounted for at equity** came to EUR16.5 million versus EUR18.5 million in first-half 2003. The decrease was principally due to the adverse change in contribution from Laurus (negative contribution of EUR3.1 million in first-half 2004 versus a positive contribution of EUR4.3 million in first-half 2003), already commented on in the previous pages.

Goodwill amortisation amounted to EUR24.8 million versus EUR20.3 million in first-half 2003.
Minority interests were up sharply, to EUR50.0 million versus EUR19.0 million in first-half 2003. The change was due to the impact of exceptional charges booked in first-half 2003 by Smart & Final in connection with the planned divestment of its Florida foodservice and retailing business.

Net income attributable to the Group rose by 10.5% to EUR219.8 million, versus EUR199.0 million in first-half 2003, and earnings per share by 10.6% to EUR2.03, versus EUR1.83 in first-half 2003.

Financial position

Net debt at June 30, 2004 stood at EUR4,323.7 million, virtually unchanged from EUR4,313.2 million at June 30, 2003. Over the past twelve months, cash flow (EUR1,116.1 million) together with proceeds from divestments (EUR119.2 million) were sufficient to finance ongoing capital expenditure (EUR759.1 million), acquisitions for the period (EUR56.5 million), dividends (EUR278.8 million) and the increase in working capital requirement (EUR133.8 million).

Outlook

We confirm our full year targets announced last March:
- More than 10% growth in operating income and income from continuing operations;
- More than EUR400 million in free cash flow.

COMMENTS ON THE FINANCIAL STATEMENTS OF CASINO, GUICHARD-PERRACHON, PARENT COMPANY

In EUR millions	H1-2003	H1-2004	Change
Net sales	50.6	52.5	+3.8%
Net income	266.9	1,478.0	Not comparable

In first-half 2004, Casino, Guichard-Perrachon, the Casino Group's parent company, reported net sales of EUR52.5 million versus EUR50.6 million in first-half 2003. Sales principally comprise royalties charged to the subsidiaries for use of the Group's brands and banners, together with expenses charged back to the subsidiaries.

Net income amounted to EUR1,478.0 million versus EUR266.9 million in first-half 2003. This figure includes a capital gain of EUR1,305 million on the sale of Codim 2 and Asinco to Distribution Casino France, together with a capital gain of EUR149 million arising on Monoprix's purchase of treasury shares from its two shareholders.

PREPARATION FOR ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The European Commission's regulation 1725/2002 requires all publicly traded companies in the European Union to prepare their consolidated financial statements using International Financial Reporting Standards (IFRS), as of January 1, 2005. Financial statements for 2005 must be accompanied by comparative figures for 2004 restated using IFRS.

The Casino Group created an IFRS project team in October 2002 to prepare for the new regulations. The team includes employees with expertise in accounting, management, human resources, finance, information systems and financial communications. The project will take place in three stages:

- analysis: identifying differences and evaluating our systems' ability to produce the requisite information;
- preparation: identifying impacts, selecting options, and upgrading information systems;
- implementation: updating the consolidation and management standards manual and preparing the opening balance sheet at January 1, 2004.

We have established regular communication channels with the administration and finance teams in our subsidiaries to monitor project progress. All employees concerned received training during December 2003 and June 2004. Information system upgrade work is underway. Lastly, the Board of Directors' Audit Committee is kept regularly informed of all identified differences between current accounting policies and IFRS and the options selected by the Group.

At this stage, subject to potential changes in certain standards, the main differences identified between French GAAP currently used by the Group and IFRS are as follows:

- Market shares and commercial locations do not meet the IFRS definition of identifiable intangible assets. They will be reclassified as goodwill without recognition of any minority interests.
- Goodwill will no longer be amortised but will be subject to regular impairment testing.
- The Group is likely to revalue some of its property assets upon first-time application. The depreciation period for buildings will be increased from 20 to 40 years to better reflect their useful life and to fall in line with practices used by European and world retailers. A review of residual values of all property assets is currently in progress.
- Call options over shares will either give rise to consolidation of the underlying shares, or will be recorded in the balance sheet at fair value.
- Deferred tax assets and liabilities will no longer be discounted.
- Casino shares currently recorded in assets under "marketable securities" will be reclassified as a reduction in stockholders' equity. The impairment provision will be charged directly to stockholders' equity, as will any capital gains or losses.
- Other equity items will be classified as long-term debt.
- Put options over shares in fully consolidated companies will be accounted for as long-term debt.
- As the call option over Laurus shares is exercisable at any time, the potential voting rights will be included for the purpose of determining control, and Laurus will therefore be fully consolidated in the opening IFRS balance sheet at January 1, 2004 rather than accounted for at equity.
- Accounting for commercial co-operation agreements is not expressly covered by IFRS. In line with international practice, payments under these agreements will be deducted from the cost of goods sold.
- Stock options granted to employees will be booked as an expense at their fair value on the date of grant and deferred over the tax lock-up period for all plans established after November 7, 2002.
- The concept of exceptional or extraordinary items is not recognised by IFRS. Accordingly, all depreciation and amortisation charges, including amortisation of goodwill, gains and losses on disposals of fixed assets, litigation settlements and other provision movements will be included in operating income and expense.
- In terms of segment reporting, the first reporting level will be the country or geographical region and the second reporting level the retail format.

These differences constitute the best information we can provide in light of current progress and our knowledge of IFRS as they exist today. More specifically, IAS 39 on financial instruments has not yet been approved by the European Commission in its current form and is likely to evolve during 2004. We have not identified any differences likely to have a material impact on the Group's financial statements.

We will continue to carefully monitor changes in international accounting standards, finalise our choice of accounting options and quantify the impact on the Group's financial statements. We are taking all necessary measures to provide the information required to reconcile the 2004 French GAAP financial statements to the 2004 IFRS financial statements, as recommended by the *Autorité des Marchés Financiers*.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS TO JUNE 30, 2004

CONSOLIDATED STATEMENT OF INCOME

EUR millions	notes	**First-half 2004**	First-half 2003	2003
Net sales	1	**11,102.9**	**11,012.8**	**22,982.9**
Cost of goods sold	2	-8,540.7	-8,480.0	-17,604.6
Gross margin		**2,562.2**	**2,532.8**	**5,378.4**
% of net sales		*23.1*	*23.0*	*23.4*
Personnel costs	3	-989.0	-1,002.6	-2,047.2
Other operating expense and revenue	4	-834.3	-839.3	-1,787.2
Net charge to depreciation, amortisation and provisions	5	-257.4	-248.0	-473.7
Operating income	1	**481.6**	**442.9**	**1,070.2**
% of net sales		*4.3*	*4.0*	*4.7*
Net financial expense	6	-86.0	-90.0	-195.7
Income from continuing operations before income tax		**395.6**	**352.9**	**874.5**
% of net sales		*3.6*	*3.2*	*3.8*
Income tax on income from continuing operations	7	-140.5	-128.3	-321.3
Income from continuing operations after tax		**255.1**	**224.6**	**553.2**
% of net sales		*2.3*	*2.0*	*2.4*
Exceptional items, net of tax	8	23.0	-4.8	0.3
Net income of consolidated companies		**278.2**	**219.8**	**553.5**
Share in net income of companies accounted for at equity	9	16.5	18.5	54.4
Net income before amortisation of goodwill		**294.6**	**238.3**	**607.9**
Amortisation of goodwill	10	-24.8	-20.3	-46.0
Net income before minority interests		**269.8**	**218.0**	**561.9**
% of net sales		*2.4*	*2.0*	*2.4*
Minority interests		50.0	19.0	69.6
Net income attributable to the Group		**219.8**	**199.0**	**492.3**

Per share, in EUR	notes	**First-half 2004**	First-half 2003	2003
Basic earnings per share	11	**2.03**	**1.83**	**4.54**
Basic earnings per share from continuing operations	11	**1.81**	**1.66**	**4.30**
Diluted earnings per share from continuing operations	11	**1.78**	**1.66**	**4.28**

CONSOLIDATED BALANCE SHEET

Assets

EUR millions	notes	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Fixed assets				
Goodwill		936.2	982.8	931.5
Amortisation		-195.4	-148.1	-170.2
	12	**740.8**	**834.7**	**761.3**
Intangible assets		3,472.0	3,414.3	3,412.4
Amortisation and provisions		-148.1	-131.4	-127.7
	12	**3,323.9**	**3,282.9**	**3,284.8**
Property, plant and equipment		6,856.4	6,528.0	6,578.8
Depreciation		-2,941.5	-2,685.6	-2,742.5
	13	**3,914.9**	**3,842.4**	**3,836.2**
Long-term investments		393.5	460.1	467.8
Provisions for impairment		-14.7	-48.8	-47.2
	14	**378.8**	**411.3**	**420.6**
Companies accounted for at equity	15	**842.4**	**875.9**	**850.2**
Total fixed assets		**9,200.8**	**9,247.2**	**9,153.1**
Current assets				
Inventories	16	1,959.1	1,829.3	1,818.8
Trade receivables	17	868.5	804.3	969.2
Other receivables, prepayments and accrued income	18	1,130.8	875.8	944.9
Marketable securities	19	1,239.2	1,439.6	1,801.9
Cash	19	351.6	801.9	646.5
Total current assets		**5,549.2**	**5,750.9**	**6,181.2**
TOTAL ASSETS		**14,750.0**	**14,998.1**	**15,334.4**

Stockholders' equity and liabilities

EUR millions	notes	June 30, 2004	June 30, 2003	Dec. 31, 2003
Capital stock		166.2	166.2	166.2
Additional paid-in capital		3,732.2	3,731.5	3,732.2
Consolidated reserves		431.3	173.8	163.8
Translation reserve		-1,463.3	-1,294.4	-1,483.3
Net income for the period		219.8	199.0	492.3
Group share in stockholders' equity		**3,086.2**	**2,976.1**	**3,071.2**
Minority interests		620.3	612.2	623.5
Consolidated stockholders' equity		**3,706.5**	**3,588.3**	**3,694.7**
Other equity	20	**163.7**	**180.7**	**180.7**
Provisions for contingencies and charges	21	**255.4**	**256.7**	**260.4**
Borrowings	22	5,914.5	6,554.7	5,848.5
Trade payables		2,880.9	2,718.2	3,430.7
Other payables, accruals and deferred income	23	1,829.0	1,699.5	1,919.3
Total liabilities (a)		**10,624.4**	**10,972.4**	**11,198.6**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		**14,750.0**	**14,998.1**	**15,334.4**
(a) o/w: Due under one year		5,843.2	6,242.7	5,934.5
Due between one and five years		2,802.5	2,801.6	3,283.9
Due over five years		1,978.7	1,928.1	1,980.1

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR millions	notes	First-half 2004	First-half 2003	2003
OPERATING ACTIVITIES				
Net income		269.8	218.0	561.9
Adjustments to reconcile net income to cash flow from consolidated companies				
- Depreciation, amortisation and provisions (other than current assets)		280.6	333.3	530.7
- Deferred taxes		8.9	-2.7	-16.3
- Net (gain)/loss on disposal of fixed assets		-2.7	-42.7	19.2
- Share in net income of companies accounted for at equity		-16.5	-18.5	-54.4
Cash flow from consolidated companies		**540.2**	**487.4**	**1,041.1**
Dividends received from companies accounted for at equity		11.9	13.0	13.4
Change in operating working capital:				
- Inventories		-165.9	-116.2	-172.6
- Receivables		-82.0	286.5	42.7
- Payables		-577.9	-685.1	358.2
Net cash (used) provided by operating activities		**-273.8**	**-14.4**	**1,282.8**
INVESTING ACTIVITIES				
Additions to fixed assets		-334.7	-505.9	-952.7
Disposals of fixed assets		43.5	160.8	236.6
Change in non-current working capital		-14.6	33.8	-28.9
Change in scope of consolidation		-36.3	-14.0	-3.0
Net cash (used) provided by investing activities		**-342.2**	**-325.3**	**-748.0**
FINANCING ACTIVITIES				
Dividends paid to parent company stockholders		-203.9	-180.3	-180.4
Dividends paid to minority stockholders		-53.9	-44.4	-65.3
Changes in stockholders' equity		-16.4	2.2	3.2
Purchases of treasury stock and movements on provisions for impairment		-24.0	43.1	84.5
Additions to debt		144.2	1,247.9	813.7
Retirement of debt		-448.5	-1,248.0	-1,392.0
Net cash (used) provided by financing activities		**-602.6**	**-179.5**	**-736.3**
Impact of exchange rate fluctuations		**-3.7**	**-2.1**	**-9.7**
CHANGE IN CASH AND CASH EQUIVALENTS		**-1,222.2**	**-521.3**	**-211.2**
Opening cash and cash equivalents	19	**2,227.2**	**2,438.4**	**2,438.4**
Closing cash and cash equivalents	19	**1,005.0**	**1,917.1**	**2,227.2**

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Before appropriation of net income

EUR millions	Shares outstanding	Capital stock	Additional paid-in capital	Translation reserve	Other reserves	Casino shares held	**Group share in stock-holders' equity**	**Minority interests**	**Total stock-Holders' equity**
At January 1, 2002	**109,952,868**	168.2	3,814.7	-52.8	78.5	-25.1	**3,983.5**	**695.7**	**4,679.2**
Capital increase	34,894	0.1	0.6	-	-	-	0.7	1.9	2.6
Buyback/cancellation of preferred stock	-1,306,207	-2.0	-79.9	-	-	25.1	-56.8	-	-56.8
Dividends paid	-	-	-	-	-160.1	-	-160.1	-47.2	-207.3
Translation adjustments	-	-	-	-1,195.6	-	-	-1,195.6	-84.5	-1,280.1
Other movements	-	-	-	-	-14.1	-	-14.1	1.8	-12.3
Net income for the year	-	-	-	-	445.2	-	445.2	76.9	522.1
Changes in scope of consolidation	-	-	-	-	-	-	-	19.3	19.3
At December 31, 2002	**108,681,735**	166.3	3,735.4	-1,248.4	349.5	-	**3,002.8**	**663.9**	**3,666.7**
Capital increase	4,827	-	-	-	-	-	-	2.8	2.8
Buyback/cancellation of preferred stock	-83,305	-0.1	-3.2	-	-	5.0	1.7	-	1.7
Dividends paid	-	-	-	-	-180.4	-	-180.4	-65.4	-245.8
Translation adjustments	-	-	-	-234.9	-	-	-234.9	-41.7	-276.6
Other movements	-	-		-	-10.3	-	-10.3	0.7	-9.6
Net income for the year	-	-	-	-	492.3	-	492.3	69.6	561.9
Changes in scope of consolidation	-	-	-	-	-	-	-	-6.4	-6.4
At December 31, 2003	**108,603,257**	166.2	3,732.2	-1,483.3	651.1	5.0	**3,071.2**	**623.5**	**3,694.7**
Capital increase	398	-	-	-	-	-	-	-	-
Buyback/cancellation of preferred stock	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-203.9	-	-203.9	-53.9	-257.8
Translation adjustments (1)	-	-	-	20.0	-	-	20.0	0.2	20.2
Other movements (2)	-	-	-	-	-20.9	-	-20.9	1.9	-19.0
Net income for the period	-	-	-	-	219.8	-	219.8	50.0	269.8
Changes in scope of consolidation	-	-	-	-	-	-	-	-1.4	-1.4
At June 30, 2004	**108,603,655**	166.2	3,732.2	-1,463.3	646.1	5.0	**3,086.2**	**620.3**	**3,706.5**

(1) Breakdown of translation adjustments by country

	Translation reserve	Minority interests	Total stock-Holders' equity
Argentina	3.1	-	3.1
Brazil	-19.9	-	-19.9
Uruguay	2.2	-	2.2
Venezuela	-9.7	-3.6	-13.3
Poland	25.3	-	25.3
United States	5.3	3.2	8.5
Thailand	0.7	0.6	1.3
Colombia	10.3	-	10.3
Taiwan	3.4	-	3.4
Indian Ocean	-0.7	-	-0.7
	20.0	**0.2**	**20.2**

(2) o/w the EUR6.6 million negative effect of a change in the accounting method for retirement commitments and the EUR14.0 million negative effect of a change in the consolidation method for special purpose entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant accounting policies

The consolidated financial statements of the Casino Group for the six months ended June 30, 2004 have been prepared in accordance with French generally accepted accounting principles.

There have been no changes in the financial statement presentation or accounting methods used compared with the financial statements for the six months to June 30, 2003 and the twelve months to December 31, 2003, except as explained below.

The Group complies with all the recommended accounting methods described in standard CRC 99-02 of April 29, 1999, with the exception of that relating to long-term contracts, which is not applicable.

Change of accounting method

Since January 1, 2004, the Group has applied all the provisions of French National Accounting Board Recommendation CNC 2003-R.01 on employee benefits. This led to a change in the period of recognition of projected benefit obligations, but had no impact on actuarial assumptions. The effect of the change of method, in an amount of EUR10.1 million before tax and EUR6.6 million after tax, was charged directly to opening stockholders' equity.

Standard CRC 2004-03 of May 4, 2004 requires that controlled entities be consolidated even if no stock is held by the consolidating company. Accordingly, Strichting Laurus Pensioenfonds, a pension fund for Laurus employees, has been consolidated at the level of the Laurus sub-group with effect from January 1, 2004. This first-time consolidation reduced the value of shares accounted for by the equity method and stockholders' equity by EUR14.0 million, net of tax.

The application of these two changes of method would not have had a material impact on the first-half or full-year results in 2003.

Scope of consolidation

All subsidiaries and equity interests that are directly or indirectly controlled by the parent company or over which the parent company exercises significant influence fall within the scope of consolidation. Companies that have no material impact on the Group are not consolidated. These are mostly companies created for the purpose of intragroup business, which do not generate a margin and have no significant net assets.

The main changes in the scope of consolidation during the first half of 2004 were as follows:

- The first-time consolidation of Club Avantages (loyalty cards) and SFEHS (real estate management), effective January 1, 2004.
- The merger of Polish companies Espace Lodz, Espace Park, Tulipan Lodz and Tulipan Park into Géant Polska.

CBD and Laurus, which are accounted for by the equity method, have consolidated Sendas Distribuidora and Strichting Laurus Pensioenfonds respectively.

These changes are not sufficiently material to warrant the preparation of pro forma figures.

A list of all companies consolidated in first-half 2004 can be found in Note 26.

Consolidation methods

All companies that are directly or indirectly exclusively controlled by the parent company are fully consolidated regardless of the percentage holding.

In particular, Finovadis, which is majority-owned by a bank and in which the Group holds a 1% interest, is a special purpose entity set up in connection with a EUR400 million debt issue. The Group is considered as exercising control because it has statutory rights to the majority of the entity's profits. In view of its characteristics, Finovadis has been fully consolidated, with the amount corresponding to "minority interests" included under "borrowings".

All Group companies are fully consolidated with the following exceptions:

- CBD (Brazil), Exito (Colombia), Feu Vert, Smart & Final del Noroeste (Mexico), Laurus (Netherlands), and companies of sub-group RLP Investissement in which the Group's holding is less than 50% are accounted for by the equity method. The Group exercises significant influence over these companies.
- Monoprix, SCI Opéra, Distridyn, Far Eastern Géant, Grupo Disco de Uruguay, Géant Kredyt, Régie Média Trade, Banque du Groupe Casino, Store Consumer Finance, IRTS, and Club Avantages are proportionally consolidated as the Group exercises joint control.

The Vindémia sub-group, which is 33.34%-owned, is proportionally consolidated since the agreement between the Bourbon and the Casino groups calls for joint control over the company.

Foreign currency translation

The financial statements of foreign subsidiaries are translated into euros as follows:

- Balance sheet items are translated at the closing rate.
- Income statement items are translated at the average rate for the period.
- Cash flows are translated at the average rate for the period.

Translation adjustments arising from the following are written directly to stockholders' equity:

- The impact on stockholders' equity of any difference between the closing rates used in the previous period and those used in the current period.
- The impact on net income for the period and on movements in stockholders' equity of any difference between the average rate and closing rate for the period.

Consolidated companies with a different business activity

The financial statements of Banque du Groupe Casino, Store Consumer Finance and Géant Kredyt are prepared in accordance with standards applicable to financial institutions. In the consolidated financial statements, they have been restated to comply with the Group's accounting presentation.

Loans and advances to customers have been restated as trade receivables, the corresponding refinancing liabilities as trade payables and net banking income as sales.

Intangible assets

Intangible assets principally comprise the values assigned to commercial locations and market shares acquired by the Group. The values assigned to commercial locations are calculated using a ratio of store sales. Commercial locations are not amortised in view of their unchanging fair value to the Group and the general rise in their market value. Market shares measure the increase in the Group's purchasing power resulting from the integration of companies acquired. Their book value is calculated by capitalising the annual improvement in purchasing terms. Market shares are not amortised.

Pending the implementation in 2005 of standard CRC 2002-10 on asset depreciation and impairment, the value of commercial locations and market shares is tested regularly for impairment.

The indicators used to track the value of commercial locations and market shares are, in the case of commercial locations, annual sales generated by the acquired outlets (hypermarkets, supermarkets, convenience stores and cafeterias), and, in the case of market shares, annual sales generated by the newly-enlarged store chains. In the retail business, these indicators, which are simple to use and transparent, are highly representative of a store chain's profitability. An in-depth analysis is performed regularly, demonstrating the strong correlation between change in sales and change in profitability.

A provision for impairment is taken if sales fall more than 15% below the benchmark, which corresponds to annual sales in the first full year under Casino's management, if tests confirm that the impairment is not dependent on temporary factors. In France, no impairment provision is recorded in the first two years under Casino's management.

Additional information on intangible assets and goodwill and the method of calculating their carrying value is given in Note 12.

Other intangible assets are either written down in full in the year of acquisition or amortised over a period not exceeding six years. Software is amortised over a period of three or five years, depending upon its estimated useful life.

Goodwill

Goodwill represents the difference between the purchase cost of shares in consolidated companies and the Group's interest in the estimated fair value of identifiable assets acquired. It is amortised over a period of up to twenty years with effect from the year of acquisition, depending on the business activities of the investee company, with the exception of goodwill arising in the United States, which is amortised over forty years. An exceptional write-down of goodwill may be made where justified by particular circumstances (see above).

Negative goodwill is either written back to income over a period which reflects the assumptions made and targets set at the time of acquisition or recorded as a deduction from intangible assets recognised at the time of acquisition.

Purchase cost

Expenses directly attributable to the purchase of an asset are included in cost, net of tax. In the case of intangible assets and property, plant and equipment, these expenses are added to the value of the asset and treated in the same way. In the case of equity investments, these expenses increase the goodwill arising upon acquisition of the company concerned.

Interest expense paid by the Group during store construction is capitalised and included in cost.

Property, plant and equipment

Property, plant and equipment are stated at cost, with the exception of assets which were revalued under the 1976 legislation. The corresponding revaluation reserves included in consolidated stockholders' equity are not material.

Property, plant and equipment are depreciated over the estimated useful lives of the assets concerned:

Type of asset	Depreciation period
Buildings	20 years
Land improvements	10-20 years
Building improvements	5-10 years
Plant & industrial equipment	5-10 years
Computer hardware	3-5 years

Group companies do not incur expenses likely to fall within the category of medium or long-term programmes for major repairs and maintenance of properties. Accordingly, pursuant to standard CRC 2002-10 on asset depreciation and impairment, Group companies are not affected by the measures concerning provisions for major repairs and maintenance.

Finance leases

Assets acquired under finance leases are treated in the balance sheet and income statement as if they had been acquired using bank finance. The original amount financed by the leasing company is therefore recorded as an asset under property, plant and equipment, and as a liability under borrowings. The asset is depreciated normally over its estimated useful life.

In the income statement, lease payments are analyzed between:

- A normal depreciation charge against the assets concerned.
- Interest expense on the loan arising on restatement of the leasing transaction.

Long-term investments

Group investments in non-consolidated companies are stated at cost. A provision for impairment in value is recorded if fair value is lower than cost. Fair value is determined on the basis of several criteria, including the investee company's net assets at the year end, its profitability and earnings prospects, its share price in the case of quoted companies, and its importance to the Group.

A similar approach is used to calculate the fair value of other long-term investments, where applicable.

Inventories

Inventories are stated at the lower of acquisition cost less rebates or production cost and likely realisable value. The valuation methods used for retailing and catering activities are either FIFO (first in first out) or weighted average cost, depending on the company.

Marketable securities

Marketable securities are stated at cost, with provisions recorded when necessary based on a comparison of cost and probable market value.

For treasury stocks, provisions are based on comparison between cost and the average Casino share price in the previous month. Own shares held for allocation on exercise of stock options are stated at the lower of book value and the option exercise price, determined separately for each option plan.

Deferred expenses

Deferred expenses principally comprise bond issuance expenses, which are deferred over the life of the bonds concerned.

Provisions

In accordance with standard CRC 2000-06 on liabilities, provisions are booked for all present obligations of the Group towards third parties that can be reliably estimated and are likely to give rise to an outflow of resources with no corresponding economic benefit.

The Group has made a provision in its consolidated financial statements for the cost of retirement benefits accruing to its employees in France. The provision is principally calculated using the projected unit credit method and takes account of the associated social security charges. The social security contribution rates used vary by company depending on the expected terms of retirement.

Provision is made for the cost of long-service awards accruing to employees. The provision is calculated based on the probability of employees achieving the number of years' service required for each level of award and is discounted.

The US subsidiary funds its post-retirement benefit obligations under an insured plan, in accordance with local legislation. In the event that the plan assets represent less than the projected benefit obligation, due to a fall in asset values, the difference is covered by a provision set up over the remaining service lives of the employees concerned. The unfunded portion is recorded as an off-balance sheet commitment.

There are no material similar commitments in other countries in which the Group operates.

In order to cover after-sales service costs on household appliances (TVs, hifi equipment, videos, etc.) sold under warranty, the Group takes a provision equal to the likely cost of repairs during the warranty period, estimated on the basis of past statistics. The actual cost of after-sales services is recovered from the provision each year.

Other provisions concern specifically identified contingencies and charges.

Financial instruments

The Group uses various financial instruments to hedge its foreign exchange and interest rate exposure. Futures contracts are recorded as off-balance sheet items at their nominal value.

Expenses and income arising on interest rate hedging transactions are recognised on an accrual basis.

Sales

Sales comprise sales of goods in stores and warehouses, together with revenues from various services (notably cooperative marketing programmes).

Marketing vendor allowances are valued on the basis of contracts signed by suppliers and give rise to payments on account during the year. At the year end, the actual value of marketing services provided to suppliers is calculated and an invoice or credit note issued for any difference between the actual value and the payments received on account.

Gross margin

The cost of goods sold comprises purchases, changes in inventory and logistics costs.

Inventory margins

Intercompany margins included in the value of inventory are eliminated.

Store opening and closure costs

Store opening and closure costs are recognised as an expense in the year in which the opening or closure occurs, with the exception of those costs incurred in bringing the store estate of new acquisitions into line with Group standards, in which case a provision is taken at the time of acquisition.

Income from continuing operations

Income from continuing operations comprises all revenues and expenses arising as a result of the Group's ordinary business activities or items related to those business activities.

Exceptional items

Exceptional items comprise all revenues and expenses which do not form part of the Group's continuing operations due to their nature, size or impact.

Income taxes

The income tax charge comprises the aggregate amount of income taxes payable by Group companies, adjusted for deferred taxes.

Almost all the eligible consolidated French companies have elected for group tax relief. The total income tax charge is therefore equal to the taxes payable by:
- The parent company, as the entity benefiting from group tax relief.
- Those companies which have not elected for group tax relief.

Deferred tax assets are recognised on timing differences, tax loss carryforwards and certain consolidation adjustments where they are deemed recoverable.

Deferred taxes are calculated on differences between the book value of assets and liabilities and their tax basis, and are discounted where the impact is material. Deferred taxes on differences between the book value and tax basis of land are discounted to infinity, as these assets are not intended to be sold by the Group. This is the principal material impact of discounting.

Deferred taxes are not recognised on market shares, as they cannot be sold separately from the company acquired.

Temporary differences between the book value and tax base of commercial locations that are representative of balance-sheet valuation differences are not recorded as deferred tax liabilities, except in the case of locations that the Group intends to sell. However, this only concerns a very small number of stores because if the Group intended to dispose of a larger number of outlets, it would simply sell the shares of the company concerned. Consequently, commercial locations are also deemed to be intangible assets which cannot be sold separately from the company acquired.

The deferred tax liability on capital gains arising on the sale of shares in certain subsidiaries has not been recognised, as the Group believes the liability will never crystallise, given the fiscal constraints inherent in these operations.

Deferred taxes are calculated using the liability method and are therefore adjusted to reflect the impact of changes in the corporate tax rate from one year to the next.

NOTES

The following tables include figures which have been individually rounded. The arithmetic total of such rounded figures may therefore differ from the aggregates or sub-totals presented.
The first-half 2003 figures for "Personnel costs", "Other operating revenue and expense", "Net financial expense" and "Other payables" have been restated for comparability with the 2004 presentation. The amounts involved are not material.

NOTE 1. Segmental and geographical analysis of sales and operating income

EUR millions	First-half 2004	First-half 2003	2003
Net sales			
Hypermarkets	3,362.1	3,370.4	7,190.1
Supermarkets	1,528.2	1,506.6	3,131.4
Franprix - Leader Price	2,054.1	1,903.4	3,843.7
Monoprix	940.2	918.1	1,879.7
Convenience stores and franchises	791.7	789.8	1,680.9
Other activities	274.2	266.2	561.5
Catering	*148.4*	*144.9*	*301.8*
New activities	*125.8*	*121.3*	*259.7*
France	**8,950.5**	**8,754.5**	**18,287.3**
United States (1)	732.5	889.5	1,843.8
Poland (2)	357.1	365.5	746.4
Latin America	302.8	278.9	607.8
Argentina (3)	*100.7*	*99.6*	*207.9*
Uruguay (4)	*57.3*	*58.4*	*117.3*
Venezuela (5)	*144.8*	*120.9*	*282.6*
Asia	620.6	591.1	1,213.2
Taiwan (6)	*98.0*	*105.1*	*220.4*
Thailand (7)	*522.6*	*486.0*	*992.8*
Indian Ocean	139.4	133.3	284.4
International	**2,152.4**	**2,258.3**	**4,695.6**
TOTAL NET SALES (a)	**11,102.9**	**11,012.8**	**22,982.9**
Operating income			
Hypermarkets	110.0	109.6	294.3
Supermarkets	56.3	62.4	132.8
Franprix - Leader Price	166.4	150.3	312.2
Monoprix	38.4	36.9	107.5
Convenience stores and franchises	67.1	64.2	148.7
Other activities	5.4	3.9	16.1
Catering	*9.8*	*8.1*	*21.9*
New activities	*-4.4*	*-4.2*	*-5.8*
France	**443.6**	**427.3**	**1,012.6**
United States (1)	22.4	6.3	24.0
Poland (2)	-7.3	-9.4	-17.3
Latin America	-0.5	0.5	3.2
Argentina (3)	*-1.7*	*0.1*	*0.9*
Uruguay (4)	*1.8*	*1.1*	*-0.8*
Venezuela (5)	*-0.5*	*-0.7*	*3.0*
Asia	18.9	13.0	32.9
Taiwan (6)	*-5.0*	*-5.4*	*-8.2*
Thailand (7)	*23.9*	*18.4*	*41.1*
Indian Ocean	4.4	5.2	14.8
International	**38.0**	**15.6**	**57.5**
TOTAL OPERATING INCOME (b)	**481.6**	**442.9**	**1,070.2**
Exchange rates :			
(1) USD/EUR	0.815	0.905	0.884
(2) PLN/EUR	0.211	0.234	0.227
(3) ARS/EUR	0.280	0.301	0.300
(4) UYP/EUR	0.028	0.032	0.031
(5) VEB/EUR (x 1000)	0.438	0.564	0.551
(6) NT$/EUR	0.024	0.026	0.026
(7) THB/EUR	0.021	0.021	0.021
(a) Including revenues from banking activities	21.3	18.6	40.7
(b) Including operating income from banking activities	4.3	4.3	8.5

Net sales for the six months ended June 30, 2004 amounted to EUR11,102,9 million, up 0.8% on the year-earlier period. Operating income totalled EUR481.6 million, an increase of 8.7%.

Changes in the scope of consolidation reduced net sales by 1.9% and increased operating income by 2.9%. The main changes were the deconsolidation of stores in Florida and the Foodservice business in the United States as of the final quarter of 2003.

Changes in exchange rates reduced net sales by 1.9% and operating income by 0.6%.

At constant exchange rates and scope of consolidation, growth would have amounted to 4.6% and 6.3% respectively.

NOTE 2. Cost of goods sold

EUR millions	First-half 2004	First-half 2003	2003
Purchases and change in inventories	-8,179.0	-8,120.1	-16,842.1
Logistics costs	-361.7	-359.9	-762.4
Cost of goods sold	**-8,540.7**	**-8,480.0**	**-17,604.6**

• Analysis of logistics costs

EUR millions	First-half 2004	First-half 2003	2003
Other purchases and external expenses	-240.8	-229.9	-512.2
Taxes, duties and similar charges	-7.5	-7.1	-13.2
Personnel costs	-105.0	-113.2	-220.6
Depreciation, amortisation and provisions	-8.4	-9.7	-16.4
Logistics costs	**-361.7**	**-359.9**	**-762.4**

NOTE 3. Personnel costs

EUR millions	First-half 2004	First-half 2003	2003
Wages and salaries	-717.7	-710.8	-1,462.3
Social security costs	-239.4	-257.5	-495.4
Employee incentives	-17.4	-19.6	-49.5
Employee profit-sharing	-14.5	-14.7	-40.0
Personnel costs	**-989.0**	**-1,002.6**	**-2,047.2**

NOTE 4. Other operating revenue and expense

EUR millions	First-half 2004	First-half 2003	2003
External expenses	-721.9	-726.6	-1,544.1
Taxes, duties and similar charges	-115.9	-121.7	-265.0
Other expense	-31.1	-26.1	-56.7
Other revenue	34.7	35.1	78.5
Other operating revenue and expense	**-834.3**	**-839.3**	**-1,787.2**

NOTE 5. Net charge to depreciation, amortisation and provisions

EUR millions	First-half 2004	First-half 2003	2003
Depreciation and amortisation of property, plant & equipment and intangible assets	-253.0	-246.3	-502.7
o/w leased assets	-26.5	-30.5	-56.8
Charge to depreciation and amortisation	**-253.0**	**-246.3**	**-502.7**
Provisions against fixed and current assets	-33.0	-37.3	-56.6
Writeback of provisions against fixed and current assets	23.2	23.4	47.2
Provisions for contingencies and charges	-40.9	-40.7	-61.6
Writeback of provisions for contingencies and charges	37.3	39.7	78.1
Net provision (charge)/writeback	**-13.4**	**-14.9**	**7.1**
Amortisation and provisions transferred to logistics costs	**8.4**	**9.7**	**16.4**
Amortisation and provisions transferred to exceptional items	**0.6**	**3.5**	**5.4**
Net charge to depreciation, amortisation and provisions	**-257.4**	**-248.0**	**-473.7**

NOTE 6. Net financial revenue/(expense)

EUR millions	First-half 2004	First-half 2003	2003
Interest and similar income	75.4	87.8	156.3
Interest and similar expense	-167.2	-189.4	-364.1
Interest expense on finance leases	-4.2	-5.5	-9.8
Net interest and similar expense	**-96.0**	**-107.1**	**-217.6**
Revenue from long-term investments	**0.9**	**4.4**	**7.1**
Other financial revenue and expense	**3.5**	**20.5**	**28.6**
Provision charges	-3.7	-7.9	-13.8
Provision writebacks	9.2	0.1	0.1
Net provision (charge)/writeback	**5.5**	**-7.9**	**-13.7**
Net financial expense	**-86.0**	**-90.0**	**-195.7**
o/w financial expense	-187.5	-211.1	-410.3
o/w financial revenue	101.5	121.1	214.7

NOTE 7. Income tax on income from continuing operations

EUR millions	First-half 2004	First-half 2003	2003
Income from continuing operations before tax	**395.6**	**352.9**	**874.5**
Theoretical tax charge in France	-127.5	-124.3	-301.0
Theoretical tax charge outside France	-13.7	-2.4	-11.3
Total theoretical tax charge	**-141.3**	**-126.7**	**-312.3**
Net impact of non-deductible charges and non-taxable revenues	0.8	-1.6	-9.0
Effective tax charge	**-140.5**	**-128.3**	**-321.3**
Effective tax rate (%)	*35.4%*	*36.4%*	*36.7%*
Income from continuing operations after tax	**255.1**	**224.6**	**553.2**
Tax rates			
France	35.43%	35.43%	35.43%
USA	40.00%	40.00%	40.00%
Poland	19.00%	27.00%	27.00%
Netherlands	34.50%	34.50%	34.50%
Indian Ocean	35.43%	35.43%	35.43%
Argentina	35.00%	35.00%	35.00%
Thailand (1)	30.00%	30.00%	30.00%
Brazil	34.00%	34.00%	34.00%
Uruguay	35.00%	35.00%	35.00%
Taiwan	25.00%	25.00%	25.00%
Venezuela	34.00%	34.00%	34.00%

(1) Reduced rate of 25.00% on taxable income up to THB 300 million

The net impact of non-deductible charges and non-taxable revenues principally comprises permanent differences, the impact of discounting deferred taxes and the impact of group tax relief.

NOTE 8. Exceptional items, net of tax

EUR millions	First-half 2004	First-half 2003	2003
Net gain (loss) on asset disposals	**2.7**	**42.7**	**-19.2**
Exceptional charges booked by S.F.I. (United States)	-1.1	-80.9	-30.7
Asset writedowns	-2.3	0.3	-16.0
Writedown of treasury shares	-24.0	23.6	72.6
Tax relief on meat purchases	27.1	-	-
Business discontinuation costs	-	-4.1	-
Other exceptional revenues and expenses	1.3	-15.6	-38.9
Other exceptional items	**1.0**	**-76.7**	**-13.0**
Exceptional items before tax	**3.7**	**-34.0**	**-32.2**
Tax	**19.4**	**29.2**	**32.5**
Exceptional items, net of tax	**23.0**	**-4.8**	**0.3**

The tax benefit relates mainly to the tax saving generated by losses incurred on CBD warrants.

NOTE 9. Share in net income of companies accounted for at equity

EUR millions	First-half 2004	First-half 2003	2003
CBD	9.9	7.2	22.3
Laurus	-3.1	4.3	13.3
Exito	1.2	-0.2	4.2
Feu Vert	0.2	0.6	1.2
Asinco	8.0	6.5	12.7
Others	0.3	0.1	0.7
Share in net income of companies accounted for at equity	**16.5**	**18.5**	**54.4**

NOTE 10. Goodwill amortisation

EUR millions	First-half 2004	First-half 2003	2003
CBD	-6.7	-6.8	-14.1
Monoprix	-11.5	-6.9	-18.4
Medis	-1.6	-1.6	-3.2
Devoto	-0.5	-1.6	-3.1
Géant Polska	-1.0	-1.1	-2.1
Libertad	-0.6	-0.7	-1.4
Others	-2.9	-1.6	-3.7
Goodwill amortisation	**-24.8**	**-20.3**	**-46.0**

NOTE 11. Earnings per share

• Basic earnings per share

	First-half 2004	First-half 2003	2003
Net income (EUR millions)	219.8	199.0	492.3
Weighted average number of shares in issue during the period	108,495,133	108,658,015	108,525,879
Earnings per share (EUR)	**2.03**	**1.83**	**4.54**

• Basic earnings per share from continuing operations, after minority interests

	First-half 2004	First-half 2003	2003
Net income from continuing operations (EUR millions)	196.4	179.9	466.3
Weighted average number of shares in issue during the period	108,495,133	108,658,015	108,525,879
Earnings per share from continuing operations, after minority interests (EUR)	**1.81**	**1.66**	**4.30**

• Diluted earnings per share from continuing operations, after minority interests

EUR millions	First-half 2004	First-half 2003	2003
Income from continuing operations after tax	255.1	224.6	553.2
Income from companies accounted for at equity	16.5	18.5	54.4
Amortisation of goodwill	-24.8	-20.3	-46.0
Net income from continuing operations before minorities	**246.8**	**222.8**	**561.5**
Minority interests	-50.4	-42.9	-95.3
Net income from continuing operations	**196.4**	**179.9**	**466.3**
Weighted average number of shares in issue during the period	108,495,133	108,658,015	108,525,879
Earnings per share from continuing operations (EUR)	**1.81**	**1.66**	**4.30**
Net income from continuing operations	**196.4**	**179.9**	**466.3**
Net financial revenue on exercise of share warrants and stock options (1)	2.8	8.8	19.5
Restated net income from continuing operations	**199.1**	**188.7**	**485.8**
Number of shares, fully diluted	111,915,276	113,552,720	113,483,494
Diluted earnings per share from continuing operations, after minority interests (EUR)	**1.78**	**1.66**	**4.28**

(1) benchmark rate: 10-year OAT plus 75 basis points.

• Diluted number of shares used for the calculation

	First-half 2004	First-half 2003	2003
Number of shares at the period-end			
- common shares	93,367,311	93,470,532	93,366,913
- preferred stock	15,128,145	15,128,556	15,128,145
Before dilution	**108,495,456**	**108,599,088**	**108,495,058**
Share equivalents corresponding to 2001 “B” warrants (1)	380,635	3,962,283	3,962,275
Share equivalents corresponding to 2004 "C" warrants (1)	1,343,115		
Employee stock options	1,696,070	991,349	1,026,161
Diluted	**111,915,276**	**113,552,720**	**113,483,494**

(1) On April 8, 2004, Casino filed with the French securities regulator (Autorité des Marchés Financiers) a public offer to exchange the 7,924,550 "B" warrants for "C" warrants on an 8-for-3 basis. The "C" warrants are exchangeable for shares on the same basis as the "B" warrants (two warrants per share) until December 15, 2006. The exercise price is set at EUR102 until June 14, 2006 and thereafter at 90% of the average of the opening prices quoted for Casino shares over the 20 trading days preceding the 25th of the month before the one in which the warrrant is exercised, with a cap of EUR102 and a floor of EUR91.8. At the close of the offer period, 2,686,230 "C" warrants were issued in exchange for the 7,163,280 "B" warrants tendered to the offer, and 761,270 "B" warrants were still outstanding.

NOTE 12. Intangible assets and goodwill

• Analysis

EUR millions	June 30, 2004	June 30, 2003	Dec. 31, 2003
Goodwill	936.2	982.8	931.5
Amortisation	-195.4	-148.1	-170.2
	740.8	**834.7**	**761.3**
Commercial locations	2,097.0	2,102.0	2,065.2
Provisions for impairment	-40.6	-40.6	-40.4
	2,056.4	**2,061.4**	**2,024.8**
Market shares	964.5	964.5	964.5
Provisions for impairment	-	-	-
	964.5	**964.5**	**964.5**
Other intangible assets	410.6	347.8	382.8
Provisions for impairment	-107.5	-90.9	-87.3
	303.1	**256.9**	**295.5**
Intangible assets and goodwill	**4,064.7**	**4,117.5**	**4,046.1**

The nature and treatment of commercial locations is described in the section headed "Significant Accounting Policies".

Market shares, which have arisen on allocation of the excess purchase cost of shares acquired, concern Cedis for EUR24.0 million, La Ruche Méridionale for EUR188.0 million, the companies acquired from Rallye for EUR298.1 million, Asinco for EUR347.7 million and Prisunic for EUR106.7 million.

The Group's share in commercial locations recognised upon acquisition of companies accounted for at equity, which is included under that heading in the balance sheet, amounts to EUR499 million.

• Impairment

According to the impairment test based on sales, as described in "Significant Accounting Policies", no write-downs of intangible assets or goodwill are required.

For the purpose of preparing its half-yearly accounts, the Group uses a series of indicators to identify the risk of impairment to its intangible assets. If those indicators reveal a potential risk, the Group calculates the recoverable value of its investments in its subsidiaries.

Recoverable value is defined as the higher of market value and value in use (present value of future economic benefits based on cash flow projections).

These various tests have confirmed the results of the Group's impairment monitoring system and the absence of need for writedown.

NOTE 13. Property, plant and equipment

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Land and land improvements	719.3	724.5	700.3
Depreciation	-50.4	-44.2	-47.7
	668.9	**680.3**	**652.6**
Buildings and building improvements	2,994.0	2,859.5	2,899.7
Depreciation	-1,278.3	-1,177.1	-1,217.5
	1,715.7	**1,682.4**	**1,682.2**
Other	3,143.1	2,944.1	2,978.8
Depreciation	-1,612.8	-1,464.4	-1,477.4
	1,530.3	**1,479.7**	**1,501.4**
Property, plant & equipment	**3,914.9**	**3,842.4**	**3,836.2**

NOTE 14. Long-term investments

• Analysis

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Investments in non-consolidated companies			
Value at cost	77.4	173.4	170.3
Provisions for impairment	-11.1	-45.9	-43.7
	66.3	**127.5**	**126.6**
Loans	54.1	55.2	53.4
Other long-term investments	262.0	231.5	244.0
Provisions for impairment	-3.6	-2.9	-3.5
	312.5	**283.8**	**294.0**
Long-term investments	**378.8**	**411.3**	**420.6**

NOTE 15. Companies accounted for at equity

• Analysis

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Feu Vert	41.5	36.8	41.2
CBD	424.9	465.2	432.2
Exito	143.0	139.3	133.7
Laurus	189.6	204.7	206.7
Others	43.4	29.9	36.3
Companies accounted for at equity	**842.4**	**875.9**	**850.2**

• Movements in companies accounted for at equity at June 30, 2004

EUR millions	Opening balance	Net income for the period	Dividends	Change in scope of consolidation & FX rates	Closing balance
Feu Vert	41.2	0.2	-	-	41.5
CBD	432.2	9.9	-4.0	-13.3	424.9
Exito	133.7	1.2	-6.3	14.4	143.0
Laurus	206.7	-3.1	-	-14.0	189.6
Others	36.3	8.3	-1.5	0.3	43.4
Total	**850.2**	**16.5**	**-11.8**	**-12.5**	**842.4**

NOTE 16. Inventories

• Analysis

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Raw materials and supplies	12.0	25.4	11.4
Goods	1,978.4	1,832.2	1,832.4
	1,990.4	**1,857.6**	**1,843.8**
Provision for impairment of goods	**-31.3**	**-28.3**	**-25.1**
Inventories	**1,959.1**	**1,829.3**	**1,818.8**

NOTE 17. Trade receivables

• Analysis

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Trade receivables	632.4	614.3	738.6
Provisions against trade receivables	-38.8	-39.3	-56.7
Banking business receivables	297.9	248.1	288.9
Provisions against banking business receivables	-23.0	-18.8	-1.7
Trade receivables	**868.5**	**804.3**	**969.2**
… portion due at over one year	30.4	22.5	27.4

NOTE 18. Other current assets, prepayments and accrued income

• Analysis

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Other current assets	824.7	584.1	635.0
Related companies	36.8	35.2	36.4
Provisions	-21.9	-21.9	-21.6
Deferred tax asset	113.4	90.6	121.2
	952.9	**688.0**	**771.0**
Prepaid expenses	132.4	125.3	119.1
Deferred expenses	38.0	53.0	46.4
Bond redemption premiums	7.5	9.5	8.5
	177.9	**187.8**	**173.9**
Other current assets, prepayments & accrued income	**1,130.8**	**875.8**	**944.9**
…portion due at over one year (excluding deferred tax)	39.2	46.2	31.4

• Deferred tax asset

EUR millions	Opening balance	Movements	Closing balance
Temporary differences (1)	-4.9	-14.3	-19.2
Tax loss carryforwards	26.7	2.5	29.2
Consolidation adjustments	67.4	13.2	80.6
At June 30, 2003	**89.2**	**1.4**	**90.6**
Temporary differences (1)	-4.9	36.3	31.4
Tax loss carryforwards	26.7	-5.1	21.6
Consolidation adjustments	67.4	0.8	68.2
At December 31, 2003	**89.2**	**32.0**	**121.2**
Temporary differences (1)	31.4	16.1	47.5
Tax loss carryforwards	21.6	7.0	28.6
Consolidation adjustments	68.2	-30.9	37.3
At June 30, 2004	**121.2**	**-7.8**	**113.4**

(1) Including deferred tax liability on differences between the book value of assets and their tax basis.

Tax loss carryforwards are carried principally by the subsidiaries Casino USA, Géant Polska and C'Discount and by Asinco subsidiaries. The deferred tax asset has been recognised, as there is a strong probability of its future recovery given the earnings prospects of these subsidiaries or the tax options chosen.
A schedule for recovery of the deferred tax asset has been established. The tax rates used are the statutory rates currently prevailing in each country, or the tax rates applicable to future years where a change has already been voted.
The deferred tax asset arising on tax loss carryforwards which for reasons of prudence has not been recognised amounted to EUR27.0 million. The tax loss carryforwards concerned are carried principally by the Argentine, Taiwanese, Venezuelan and Uruguayan subsidiaries.

NOTE 19. Net cash and cash equivalents

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Mutual funds	820.2	968.3	1,344.4
Treasury shares	419.0	471.3	457.5
Marketable securities	**1,239.2**	**1,439.6**	**1,801.9**
Cash	**351.6**	**801.9**	**646.5**
Bank credit balances	**-585.8**	**-324.4**	**-221.2**
Net cash and cash equivalents	**1,005.0**	**1,917.1**	**2,227.2**

NOTE 20. Other equity

This item primarily includes EUR161.7 million in undated subordinated bonds issued by Nesitic, which are redeemable solely at the issuers' discretion.

During the period ended June 30, 2004, the Monoprix group repaid a EUR19.1-million undated subordinated loan contracted in 1998.

NOTE 21. Provisions for contingencies and charges

• Analysis

EUR millions	June 30, 2004	June 30, 2003	Dec. 31, 2003
Warranties	27.6	26.1	27.6
Long service awards	18.0	-	17.5
Retirement benefits	42.9	62.3	32.0
Casino USA health insurance plan	24.0	21.4	21.7
Litigation	22.6	20.2	21.9
Sundry contingencies and charges	113.8	82.8	119.2
Store chain restructuring	0.1	1.7	1.5
Restructuring of acquired companies	2.5	3.1	2.4
US commercial dispute	2.5	-	9.6
Stock option plans	1.7	19.7	7.0
Restructuring of US Foodservice business	-	19.4	-
Provisions for contingencies and charges	**255.4**	**256.7**	**260.4**

• Retirement benefit obligations

The actuarial assumptions used to calculate retirement benefit obligations were identical to those used in the previous year.

NOTE 22. Borrowings

• Analysis

EUR millions	June 30, 2004	June 30, 2003	Dec. 31, 2003
Bond issues	4,558.9	5,213.5	4,706.7
Accrued interest on bonds	89.9	116.1	155.8
Other loan stock	429.6	594.8	487.7
Obligations under finance leases	181.2	210.0	203.6
Spot credit and confirmed credit lines	34.6	34.4	33.4
Bank overdrafts	551.3	290.0	187.9
Debt securities and bank borrowings	**5,845.4**	**6,458.8**	**5,775.1**
Other borrowings	**69.0**	**95.9**	**73.5**
Total borrowings	**5,914.5**	**6,554.7**	**5,848.5**

The reduction in bond debt resulted from the EUR82.4-million early repayment of bonds issued in Poland and the buyback and retirement of EUR57.1 million worth of bonds due 2005.

• Maturity of borrowings

EUR millions	June 30, 2004	June 30, 2003	Dec. 31, 2003
Under one year	1,310.0	2,002.3	661.3
One to five years	2,649.4	2,631.4	3,216.6
Over five years	1,955.1	1,921.0	1,970.6
Total borrowings	**5,914.5**	**6,554.7**	**5,848.5**

• Net debt

EUR millions	June 30, 2004	June 30, 2003	Dec. 31, 2003
Borrowings	5,914.5	6,554.7	5,848.5
Marketable securities	-1,239.2	-1,439.6	-1,801.9
Cash and cash equivalents	-351.6	-801.9	-646.5
Net debt	**4,323.7**	**4,313.2**	**3,400.1**

NOTE 23. Other liabilities, accruals and deferred income

EUR millions	June 30, 2004	June 30, 2003	Dec. 31, 2003
Tax and social security liabilities	808.5	817.3	955.7
Fixed asset creditors	107.1	174.4	122.0
Related companies	27.8	91.5	106.5
Sundry liabilities and accruals	454.3	353.3	293.8
Financing of banking business	268.8	220.7	265.5
Deferred tax liability	36.7	23.0	35.6
Deferred income	125.8	19.3	140.2
Other liabilities, accruals and deferred income	**1,829.0**	**1,699.5**	**1,919.3**
...o/w under one year	1,652.3	1,522.3	1,842.6
...over one year	176.7	177.2	76.7

NOTE 24. Exchange rates used for currency translation

	First-half 2004	First-half 2003	2003
US dollar - 1 USD = EUR			
Closing rate	0.823	0.875	0.792
Average rate	0.815	0.905	0.884
Zloty - 1 PLN = EUR			
Closing rate	0.221	0.223	0.213
Average rate	0.211	0.234	0.227
Argentine peso - 1 ARS = EUR			
Closing rate	0.278	0.312	0.271
Average rate	0.280	0.301	0.300
Uruguayan peso - 1 UYP = EUR			
Closing rate	0.028	0.033	0.027
Average rate	0.028	0.032	0.031
Taiwan dollar - 1 TWD = EUR			
Closing rate	0.024	0.025	0.023
Average rate	0.024	0.026	0.026
Thai baht - 1 THB = EUR			
Closing rate	0.020	0.021	0.020
Average rate	0.021	0.021	0.021
Colombian peso - 1000 COP = EUR			
Closing rate	0.306	0.310	0.285
Average rate	0.302	0.312	0.307
Brazilian real - 1 BRL = EUR			
Closing rate	0.265	0.304	0.273
Average rate	0.274	0.280	0.288
Venezuelan bolivar - 1000 VEB = EUR			
Closing rate	0.430	0.546	0.496
Average rate	0.438	0.564	0.551

NOTE 25. Off-balance sheet commitments

• Commitments related to ordinary business

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Bank guarantees received	10.9	8.4	8.0
Loan guarantees	62.9	47.1	55.9
Unused confirmed credit lines	1,693.7	1,710.3	1,728.6
Total commitments received	**1,767.6**	**1,765.8**	**1,792.5**
Bank guarantees given	39.4	32.9	33.9
Collateral given	33.4	36.7	34.7
Authorised credit facilities granted to customers	763.0	731.7	746.8
Discounted trade receivables	50.0	112.0	95.4
Other commitments given	61.2	35.6	53.6
Total commitments given	**947.1**	**948.9**	**964.4**
Interest rate hedging instruments - nominal	10,094.6	12,536.8	8,266.7
Interest rate swaps (nominal)	*7,290.9*	*8,883.3*	*6,932.1*
F. R. A.s	*1,530.0*	-	-
Floors	-	*600.0*	-
Caps	*49.0*	*492.2*	*49.0*
Collars	*1,024.7*	*1,911.3*	*1,285.6*
Swaptions	*200.0*	*650.0*	-
Currency swaps and purchases	99.0	114.6	115.7
Other reciprocal commitments (1)	535.3	17.5	18.1
Total reciprocal commitments	**10,728.9**	**12,668.9**	**8,400.5**

(1) In May 2004, Casino sold credit spread warrants, which upon expiry allow investors to purchase a Casino bond issue due 2014.

A total of 500,000 warrants were sold, each of which gives the holder the option to purchase bonds with a face value of EUR1,000 during the five business days preceding the December 8, 2004 expiry date of the warrants.

The characteristics of the underlying bonds are as follows:
Issue date: December 15, 2004
Due: December 15, 2014
Yield: mid-swap rate plus 85 basis points, rounded to 5 basis points.

• Commitments related to exceptional transactions

EUR millions	**June 30, 2004**	June 30, 2003	Dec. 31, 2003
Call options received	81.2	75.4	79.8
Banque du Groupe Casino	*12.5*	*9.1*	*12.5*
Laurus	*68.7*	*66.4*	*67.3*
Total commitments received	**81.2**	**75.4**	**79.8**
CVRs issued upon the Monoprix stock offer	26.5	26.5	26.5
Total commitments given	**26.5**	**26.5**	**26.5**
Deutsche Bank/Cora equity swap	932.9	975.1	951.8
Put options	2,624.8	2,335.7	2,569.9
Monoprix	*833.8*	*845.6*	*864.3*
Franprix / Leader Price	*1,273.5*	*965.3*	*1,163.4*
Vindémia	*308.7*	*330.2*	*308.6*
Disco	*91.8*	*93.8*	*86.6*
Others	*117.0*	*100.8*	*147.0*
Total reciprocal commitments related to exceptional transactions	**3,557.7**	**3,310.8**	**3,521.7**

Franprix/Leader Price: During the six-month period ended June 30, 2004, the Casino group signed a new partnership agreement with the Baud family.

Under the terms of the agreement, Casino will increase its equity interests in Franprix Holding from 70% to 95% and in Leader Price Holding from 70% to 75%, for an aggregate investment of EUR260 million.

The crossed call and put options held by the Baud family and Casino, covering the interests owned in Franprix Holding and Leader Price Holding, have been renewed under identical terms, with the following adjustments:

- The put option held by the Baud family has been frozen for four years.
- The call option held by Casino has been frozen for five years.
- The call and put options on 5% of outstanding Leader Price Holding shares are at a fixed price indexed to EURIBOR.

Exito: The leading shareholders have been granted a put option by Casino on 47.4% of the capital. Exercise of the option is dependent on Casino acquiring control of Exito or having the right to appoint over one-half of the members of the Board of Directors.

NOTE 26. Main consolidated companies at June 30, 2004

In first-half 2004, the Group comprised almost 860 consolidated companies, the major ones being as follows:

Company	% voting rights	% interest	Consolidation method
Casino, Guichard Perrachon			Parent company
FRANCE			
Retailing			
Acos SNC	100.00	100.00	FC
Casiband SAS	10.00	10.00	FC
Casino Carburants SAS	100.00	100.00	FC
Casino Services SAS	100.00	100.00	FC
Casino Vacances SNC	100.00	100.00	FC
Casino Information Technology	100.00	100.00	FC
Club Avantages	66.00	66.00	PC
Comacas SNC	100.00	100.00	FC
Distribution Casino France SAS	100.00	100.00	FC
Distridyn SA	49.99	49.99	PC
Easydis SAS	100.00	100.00	FC
EMC Distribution SNC	100.00	100.00	FC
Finovadis SNC	1.00	1.00	FC
Floréal SA	100.00	100.00	FC
Fox	99.70	99.70	FC
Géant Carburants SAS	100.00	100.00	FC
Germinal SNC	100.00	99.80	FC
Groupe Feu Vert	38.00	38.00	EM
Groupe Monoprix .(quoted company)	50.00	50.00	PC
Jaceli SA	100.00	99.99	FC
Kamili SA	99.83	99.83	FC
Messidor SNC	99.80	99.80	FC
Nazairdis SAS	100.00	100.00	FC
Nésitic SA	99.01	98.81	FC
Régie Média Trade SAS	50.00	50.00	PC
RMC 2 SNC	100.00	100.00	FC
SCI Opéra	50.00	50.00	PC
Serca SAS	100.00	100.00	FC
SFEHS	100.00	100.00	FC
Thor SNC	100.00	100.00	FC
TPLM SARL	100.00	100.00	FC
Asinco Group			
Asinco	100.00	100.00	FC
Baud SA	100.00	70.00	FC
Distribution Leader Price	100.00	70.00	FC
Franprix Holding	70.00	70.00	FC
Groupe Cogefisd	60.00	60.00	FC
Groupe Figeac	60.00	60.00	FC
Groupe Sofigep	58.50	58.50	FC
H2A	60.00	60.00	FC
L.C.I.	60.00	60.00	FC
Leader Price Holding	70.00	70.00	FC
Leadis	70.00	70.00	FC
Minimarché	100.00	70.00	FC
Retail Leader Price	100.00	70.00	FC
R.L.P. Investissement	100.00	70.00	FC
Sarjel	60.00	60.00	FC
Sédifrais	100.00	64.55	FC
Société Générale de logistique	100.00	70.00	FC
Sodigestion	60.00	60.00	FC

Company	% voting rights	% interest	Consolidation method
Codim Group			
Balcadis 2 SNC	100.00	100.00	FC
Codim 2 SA	100.00	100.00	FC
Fidis 2 SNC	100.00	100.00	FC
Hyper Rocade 2 SNC	100.00	100.00	FC
Lion de Toga 2 SNC	100.00	100.00	FC
Pacam 2 SNC	100.00	100.00	FC
Poretta 2 SNC	100.00	100.00	FC
Prodis 2 SNC	100.00	100.00	FC
Semafrac SNC	100.00	100.00	FC
SNC des Cash Corses	100.00	100.00	FC
Sodico 2 SNC	100.00	100.00	FC
Sudis 2 SNC	100.00	100.00	FC
Unigros 2 SNC	100.00	100.00	FC
Real Estate Group			
L'Immobilière Groupe Casino SAS	100.00	100.00	FC
SCI Bourg en Bresse Kennedy	96.26	96.26	FC
SCI de l'Océan	100.00	100.00	FC
SC Dinetard	100.00	100.00	FC
SCI Kerbernard	98.31	98.31	FC
SCI Les Béguines	100.00	100.00	FC
Soderip SNC	100.00	100.00	FC
Sudéco SAS	100.00	100.00	FC
Uranie SAS	100.00	100.00	FC
New activities			
Banque du Groupe Casino SA	51.00	51.00	PC
Casino Entreprise SAS	100.00	100.00	FC
C'Discount SA	51.01	51.01	FC
Imagica SAS	100.00	100.00	FC
Komogo SA	100.00	100.00	FC
Store Consumer Finance	51.00	51.00	PC
Foodservices			
Casino Cafétéria SAS	100.00	100.00	FC
Restauration Collective Casino SAS	100.00	100.00	FC
INTERNATIONAL			
United States - Mexico			
Casino USA Inc	99.74	99.74	FC
Smart & Final Inc. - SFI. (quoted company)	58.41	58.25	FC
Poland			
Domy Towarowe Casino	100.00	100.00	FC
Espace Gdansk	100.00	100.00	FC
Géant Kredyt	40.00	50.20	PC
Géant Polska	100.00	100.00	FC
Leader Price Pologne	100.00	100.00	FC
NRG	100.00	100.00	FC
Netherlands			
Laurus	38.72	38.72	EM
Marushka Holding BV	100.00	100.00	FC

Company	% voting rights	% interest	Consolidation method
Taiwan			
Far Eastern Géant Company Ltd	50.00	50.00	PC
Thailand			
Big C Group (quoted company)	63.19	63.19	FC
Saowanee	100.00	100.00	FC
Argentina			
Géant Argentina	100.00	100.00	FC
Leader Price Argentina SA	100.00	100.00	FC
Libertad SA	100.00	100.00	FC
Servamsur	100.00	100.00	FC
Uruguay			
Géant Inversiones	100.00	100.00	FC
Grupo Disco de Uruguay (Anfilco)	50.00	50.00	PC
Devoto	100.00	95.05	FC
Lanin	95.05	95.05	FC
Larenco	100.00	100.00	FC
Brazil			
CBD Group (quoted company)	27.38	27.38	EM
Spice 2000 Investment SA	100.00	100.00	FC
Colombia			
Exito Group (quoted company)	35.06	35.06	EM
Venezuela			
Bonuela	100.00	100.00	FC
Cativen	50.01	60.04	FC
Indian Ocean			
Vindémia	33.34	33.34	PC
Switzerland			
IRTS	50.00	50.00	PC
Holding companies			
Bergsaar BV	100.00	100.00	FC
Coboop BV	100.00	100.00	FC
Cuersup SA	99.88	99.88	FC
Géant Foncière BV	100.00	100.00	FC
Géant Holding BV	100.00	100.00	FC
Géant International BV	100.00	100.00	FC
Gelase SA	100.00	100.00	FC
Pachidis SA	100.00	100.00	FC
Paglop SA	100.00	100.00	FC
Plesia SA	100.00	100.00	FC
Ségisor SA	100.00	100.00	FC
Smilodon SA	100.00	100.00	FC
Tevir SA	100.00	100.00	FC
Casino International	99.99	99.99	FC

Review report of the Statutory Auditors

On the Interim Consolidated Financial Statements
(free translation of the French original)
Six months ended June 30, 2004

In our capacity as statutory auditors of Casino Guichard-Perrachon, and in accordance with Article L.232-7 of French Company Law *(Code de Commerce),* we have performed the following procedures:

- a review of the accompanying summary of operations and income statement as they appear in the interim consolidated financial statements of Casino Guichard-Perrachon for the six-month period ended June 30, 2004.
- an examination of the information provided in the Company's interim report.

These interim consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with French professional standards. These standards require that we plan and perform the review to obtain moderate assurance, lesser than that which would result from an audit, as to whether the interim consolidated financial statements are free from material misstatement. The review excluded certain audit procedures and was limited to performing analytical procedures and to obtaining information from Company management and other appropriate sources.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Group and the results of its operations for the period then ended in conformity with French accounting principles.

However, we draw your attention to the following matters disclosed in the note "Significant accounting Policies" to the interim consolidated financial statements relating to changes in accounting policies on employee benefits and on consolidation of special purpose entities.

We have also examined, in accordance with French professional standards, the information contained in the interim report on the interim consolidated financial statements that were the subject of our review.

We have nothing to report with respect to the fairness of such information and its consistency with the interim consolidated financial statements.

October 15, 2004

Statutory Auditors

Cabinet Didier Kling et associés — ERNST & YOUNG Audit

Didier Kling — Bernard Roussel — Jean-Luc Desplat