



# INTERIM REPORT

## FIRST-HALF 2008

Financial Highlights .....	page	2
Business Review .....	page	3
Consolidated Financial Statements .....	page	13
Statement by the Person Responsible for the Interim Report .....	page	32
Statutory Auditors' Report .....	page	33

## Financial Highlights

Financial highlights of first-half 2008 are as follows:

Continuing operations*				
<i>in € millions</i>	First-half 2007	First-half 2008	Reported change	Change at constant exchange rates
Total business volume excl. VAT <sup>(1)</sup>	17,146	18,246	6.4%	6.4%
Net sales	11,547	13,813	+19.6%	+20.7%
Gross profit	2,993	3,414	+14.1%	
EBITDA <sup>(2)</sup>	776	863	+11.2%	+12.2%
Depreciation and amortisation expense	(285)	(324)	+13.7%	
Trading profit	492	540	+9.8%	+10.8%
Other operating income and expense, net	(17)	(15)		
Net financial expense, of which:	(120)	(161)		
<i>Finance costs, net</i>	(127)	(163)		
<i>Other financial income and expense, net</i>	7	2		
Profit before tax	354	363	+2.5%	
Income tax expense	(111)	(89)		
Share of profits of associates	11	7		
Net profit from continuing operations	254	281		
Attributable to equity holders of the parent	208	230	+10.7%	
Attributable to minority interests	46	51		
Net profit from discontinued operations	164	(2)		
Attributable to equity holders of the parent	159	(2)		
Attributable to minority interests	5	0		
Net profit for the period	418	280		
Attributable to equity holders of the parent	367	229	-37.7%	
Attributable to minority interests	51	51		

\*In accordance with IFRS 5, the results of the Polish and US operations, divested at the end of 2006 and in first-half 2007, are presented in the income statement under "Net Profit from discontinued operations".

<sup>(1)</sup> Includes all revenue from consolidated companies, associates and franchisees, on a 100% basis.

<sup>(2)</sup> EBITDA = Trading profit + amortisation and depreciation expense

## Business Review

---

### SIGNIFICANT EVENTS OF THE PERIOD

- The Group reported good first-half results, attesting to effectiveness of the business model in France and in international markets.
- Net sales rose by a robust 19.6%, led by:
  - Sustained organic growth\* of 6.9%.
  - The consolidation of Super de Boer from 1 January 2008 and Exito from 1 May 2007.
- Faster organic growth, at 6.9% versus 3.8% in 2007, reflected the favourable positioning of the Group's asset portfolio, with:
  - Sales up 4.8% in France, led by the discount and convenience formats and the success of the sales revitalisation programme at Franprix and Leader Price.
  - Sustained double-digit organic growth (13.3%) in international operations, both in South America and Asia, reflecting the vitality of these two priority host regions.
- Trading profit increased by a significant 9.8% on a reported basis. Organic growth\* came to 8.0%, in line with organic sales growth.
- Trading margin remained virtually unchanged on an organic\* basis:
  - Trading margin in France was stable on an organic\* basis.
  - Organic\* trading margin in international operations widened sharply, reflecting improvement in South America and sustained high margins in Asia.
- The Group now owns 57% of Super de Boer following the acquisition of a 12% stake from Amber in the first quarter.

*\* Based on constant scope of consolidation and exchange rates, and excluding the impact of asset disposals to OPCIs property mutual funds.*

*Note: In October 2007, Casino sold store properties in France and Réunion for €635 million and transferred the Vindémia shopping centre properties to Mercialis. The stores were sold to two OPCIs—AEW Immo commercial and IMMOCIO. An OPCIs (undertaking for property investment mutual fund) is a tax-advantaged vehicle created in France to promote investment in property stocks. These disposals had a negative impact on first-half 2008 trading profit of €13.8 million (of which €6.1 million in France and €7.7 million internationally), corresponding to additional rental expense net of the reduction in depreciation.*

## FRANCE

(65% of consolidated net sales and 71% of consolidated trading profit)

<i>in € millions</i>	First-half 2007	First-half 2008	% Change
Net sales	8,601	9,010	+ 4.8%
Trading profit	378	385	+1.9%
<i>Trading margin</i>	4.4%	4.3%	

**Sales in France** rose by 4.8% to €9,010 million in first-half 2008, from €8,601 million in first-half 2007.

This good performance reflected the Group's presence in the most promising formats, the effectiveness of the banners' marketing strategies and the success of the sales revitalisation programme at Franprix and Leader Price.

**Trading profit increased by 1.9%** to €385 million in the first half, despite the negative impact of the end-2007 asset disposals to OPCI property mutual funds. These disposals had a negative impact on trading profit of €6.1 million, corresponding to additional rental expense net of the reduction in depreciation. On an organic basis, trading profit grew 3.5% and trading margin was virtually unchanged, down just 5 bps. The margin's stability reflects the stable retailing margin, excluding Franprix-Leader Price, for the period, the impact of the sales revitalisation program at Franprix-Leader Price and the ramp-up of the Alcudia programme, which generated costs of €5 million.

Increases in operating costs were in line with sales growth.

Highlights by format were as follows:

- Franprix-Leader Price** sales were up a sharp 8.7% to €2,138 million, versus €1,968 million in first-half 2007, reflecting the faster pace of recovery at both banners since the second half of 2007 after Casino took over the operational management of the businesses. Leader Price enjoyed a return to same-store sales growth, up 3.0%, while Franprix's same-store sales were 6.9% higher. At both banners, same-store growth was driven mainly by higher checkout flowthroughs, demonstrating the effectiveness of marketing initiatives deployed since mid-2007 and the customer appeal of their concepts. Trading margin declined by 34 basis points to 6.5%, reflecting the impact of the sales revitalisation plans. Leader Price's action plan mainly involved renovating and developing the Prix Gagnant range of value-line products, stepped-up advertising and price cuts. Franprix's action plan primarily consisted of developing the snack lines, enhancing the fresh food selection and stepped-up advertising. The second half will see faster expansion at Franprix and Leader Price, two cash-efficient concepts that are aligned with customer expectations.
- Géant Casino** hypermarket sales were stable at €2,942 million, versus €2,941 million in first-half 2007. Excluding petrol, same-store sales were down 2.3%, mainly due to a 7% drop in non-food sales. Consumers reduced their spending on non-essential items in a lacklustre retail environment shaped by high energy prices. Checkout flowthroughs declined by 2.4% in the second quarter, representing an improvement compared with the 3.6% fall observed in the first quarter. The banner's trading margin improved during the period. This good performance reflected the effectiveness of the banner's marketing strategy, led by the development of private-label sales, whose share of total FMCG and refrigerated product sales rose by 3 points during the period, and by improved price competitiveness following deployment of the dunnhumby approach. In addition, Géant Casino pursued its operational excellence plan during the period by continuing to roll out the program to reallocate retail space and optimise inventory management. Operating costs were reduced during the period. In a fairly unfavourable economic environment for hypermarkets, Géant Casino ultimately reported very satisfactory results.

- **Casino Supermarkets** reported a robust 9.6% increase in sales to €1,668 million in first-half 2008 from €1,522 million in the prior-year period. Same-store sales excluding petrol rose 4.3%, supported by steadily increasing traffic (up 1.4%). These very good results attest to the success of the sales strategy, which generated a further market share gain of 0.1 point in the year to date on the back of a 0.1 point gain in 2006 and 2007. The Casino brand once again delivered an excellent performance, with sales growing twice as fast as the market at a rate of more than 15%. Very strong sales of the brand's private label products helped to improve the sales mix. Trading margin was stable, excluding the impact of disposals to OPCI property mutual funds, despite the higher costs resulting from the banner's assertive expansion strategy.
- Sales at **Monoprix** were up 3.3% to €903 million, versus €874 million in first-half 2007. On a same-store basis, the increase was 1.3%. The banner's differentiated positioning, especially in textiles, helped to drive a satisfactory performance in both the food and non-food segments. Monoprix pursued its policy of rapid expansion, in particular by developing new concepts. During the period, seven Monoprix' units and one Daily Monoprix' were opened. Monoprix also announced the acquisition of Naturalia, a leading organic product retailer with a 38-store network, thereby strengthening its presence in this fast-growing segment. Profitability was maintained at a high level.
- **Superettes** sales inched up 0.5% to €762 million from €758 million in the prior-year period. Growth was held back mainly by the unfavourable impact of weather conditions on fruit & vegetable and beverage sales, which account for nearly 35% of net sales. Development and modernisation of the store base continued, with 280 openings for 170 closures during the period. Trading margin declined from a high first-half 2007 base of comparison.
- The **other businesses**, primarily including Cdiscount, Mercialis, Banque Casino and Casino Restauration, reported fast 10.9% growth, led by Cdiscount's robust performance. Revenues from other businesses totalled €597 million, versus €538 million in first-half 2007. Cdiscount sales came to €359 million, outperforming the market with very strong 16.4% growth for the period. This excellent performance reflected the company's very attractive price positioning and fast customer response. The additional Cdiscount sales offset the decline in hypermarket non-food sales, keeping total non-food sales in France stable in the first half. The company's trading profit was at breakeven for the period. Mercialis once again reported double-digit growth in revenue and trading profit. The key features of its highly promising business model are high reversionary potential, an asset portfolio comprising mainly inter-community shopping centres in France's fastest growing regions and an active acquisitions strategy supported by Casino's development pipeline. In addition, ramping up the Alcludia programme with the transfer of the first shopping centres to Mercialis in second-half 2008 will create significant value for the Group.

## INTERNATIONAL

(35% of consolidated net sales and 29% of consolidated trading profit)

<i>in € millions</i>	First-half 2007	First-half 2008	Reported change	Change at constant exchange rates
Net sales	2,946	4,802	+63.0%	+67.3%
Trading profit	114	155	+36.1%	+40.5%
Trading margin	3.9%	3.2%		

International sales surged 63.0% to €4,802 million from €2,946 million in first-half 2007, led by very robust 13.3% organic growth and the consolidation of Super de Boer and Exito.

The Group's two priority host regions maintained high levels of organic growth, with South America up 15.5% and Asia up 13.1%.

Confirming their role as a growth driver, international operations now account for 35% of consolidated sales.

Trading profit in international operations came to €155 million in the first half of 2008, versus €114 million in the year-earlier period, representing an increase of 36.1%. This sharp improvement was attributable to robust 25.7% organic growth in trading profit and the consolidation of Super de Boer and Exito.

Reported trading margin contracted 64 basis points to 3.2%, reflecting the dilutive impact of changes in scope of consolidation concerning mainly Super de Boer and Exito as well as the Vindémia property disposals. Like-for-like trading margin improved by a substantial 38 basis points.

### South America

*Brazil (CBD proportionately consolidated on a 32.9% basis, Assaï fully consolidated by CBD since 1 November 2007).*

*Argentina*

*Uruguay (Disco proportionately consolidated on a 62.5% basis from 1 August 2007, compared with 58% previously; Devoto fully consolidated)*

*Venezuela*

*Colombia, (Exito fully consolidated since 1 May 2007, previously accounted for by the equity method).*

<i>in € millions</i>	First-half 2007	First-half 2008	Reported change	Change at constant exchange rates
Net sales	1,793	2,874	+60.3%	+63.1%
Trading profit	60	99	+65.7%	+66.8%
Trading margin	3.3%	3.4%		

Sales in South America surged by 60.3% to €2,874 million in first-half 2008.

The region recorded very strong organic growth of 15.5%, driven by a 10.9% increase in same-store sales. In Brazil, CBD saw same-store sales rise at a faster rate of 8.1%, reflecting the effectiveness of its marketing strategy of competitive price positioning and product line-up renewal. CBD recorded a good performance in both food and non-food. Operations in Argentina, Venezuela and Uruguay continued to deliver very high same-store sales growth.

In a less favourable macroeconomic environment, Exito delivered a satisfactory performance. Growth in same-store sales stood at 2.1% (reported data in local currency), reflecting a contraction in non-food sales. Exito pursued its banner rationalisation programme in the first half of the year, completing the re-branding of Vivero hypermarkets as Exito units.

Trading profit climbed 65.7% to €99 million in first-half 2008, mainly reflecting the sharp rise in CBD's trading profit and the full consolidation of Exito over six months versus two months in first-half 2007.

Trading margin for South America improved by 11 basis points as reported and by 40 basis points on an organic basis due to the sharp increase in CBD's profitability, which offset the decline in Exito's trading margin. Profitability in other countries in the region was satisfactory.

## Asia

*Thailand*

*Vietnam*

<i>in € millions</i>	First-half 2007	First-half 2008	Reported change	Change at constant exchange rates
Net sales	752	773	+ 2.8%	+13.1%
Trading profit	40	40	+ 1.9%	+12.2%
<i>Trading margin</i>	5.3%	5.2%		

Organic growth in Asia came to 13.1%, led by a dynamic expansion strategy and satisfactory 4.7% same-store growth.

Trading profit rose 1.9% on a reported basis to €40 million and 12.2% on an organic basis. Trading margin was stable.

Big C (Thailand) delivered a satisfactory first-half performance, with sales up 9.9% in local currency, reflecting the company's stepped up expansion programme. Six hypermarkets were opened during the period versus five in all of 2007, bringing the total number of hypermarkets to 60 at 30 June 2008. The company maintained a high level of profitability.

## Indian Ocean

*Vindémia*

<i>in € millions</i>	First-half 2007	First-half 2008	Reported change	Change at constant exchange rates
Net sales	401	407	+1.6%	+1.5%
Trading profit	18	10	-41.9%	-42.0%
<i>Trading margin</i>	4.5%	2.6%		

Vindémia reported organic sales growth of 3.7% and a 3.3% increase in same-store sales.

The decrease in trading profit was due to the disposals of Quick restaurants, store properties and shopping centres. These disposals had a negative impact on trading profit of €10.6 million, of which €7.7 million corresponded to the impact of asset sales to OPCI property mutual funds. Excluding the impact of these disposals, Vindémia's trading margin rose by a substantial 74 basis points.

## Netherlands

*Super de Boer (fully consolidated since 1 January 2008, previously accounted for by the equity method).*

<i>in € millions</i>	First-half 2007	First-half 2008	Reported change	Change at constant exchange rates
Net sales	0	747	n.m.	n.m.
Trading profit	0	8	n.m.	n.m.
Trading margin	<i>n.m.</i>	<i>1.1%</i>		

The Casino Group now owns 57% of Super de Boer following the acquisition of a 12% stake from Amber in the first quarter of 2008.

Super de Boer reported a significant improvement in its operating and financial performance during the period. Sales amounted to €747 million, with same-store growth of 4.2%. The company generated trading profit of €8 million, representing a significant improvement compared with the trading loss of €1 million reported in first-half 2007. Net debt was reduced to €64 million at 30 June 2008 compared to €77 million at 31 December 2007.

## International Associates

*Super de Boer (Netherlands – until 1 January 2008, when the company was fully consolidated)*

*Associates of CBD (Brazil)*

*Exito (Colombia – until 1 May 2007, when the company was fully consolidated)*

<i>in € millions</i>	First-half 2007	First-half 2008
<b>CBD (Brazil)</b>		
Share in profit (loss)	(2)	0
<b>Exito (Colombia)</b>		
Share in profit (loss)	7	0
<b>Super de Boer (Netherlands)</b>		
Share in profit (loss)	1	0
<b>Other</b>		
Share in profit (loss)	0	(1)
<b>TOTAL</b>	<b>6</b>	<b>(1)</b>

The Group's share in the profit (loss) of international associates was a negative €1 million in first-half 2008 versus a positive €6 million in first-half 2007. The negative swing was mainly attributable to the change in consolidation method applied to Exito and Super de Boer, which were fully consolidated as from 1 May 2007 and 1 January 2008, respectively.

# Comments On The Consolidated Financial Statements

## Summary of significant accounting policies

Pursuant to European regulation 1606/2002 of 19 July 2002, the consolidated financial statements for the six months ended 30 June 2008 have been prepared in accordance with the standards and interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

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

They are presented in condensed format with selected explanatory notes, and do not therefore comprise all the information and notes included in a complete set of annual financial statements. For this reason, they should be read in conjunction with the consolidated financial statements for the year ended 31 December 2007, which are available from the Company's headquarters, 1 Esplanade de France, Saint-Etienne, France and can be downloaded from the Company's website, [www.groupe-casino.fr](http://www.groupe-casino.fr).

The accounting policies used to prepare the condensed interim consolidated financial statements are unchanged compared with those applied in the 2007 consolidated financial statements, with the exception of new standards and interpretations described in Note 2 (see page 20 of this document).

## Changes to previously published financial statements

Effective from first-half 2008, expenses are classified in the income statement by function rather than by nature. This presentation change has been adopted to align the Group's practice with that of other international retailers and to provide better comparative information. Certain expenses classified by nature are presented in Note 10 to the consolidated financial statements. The comparative financial information for the six months ended 30 June 2007 is presented on the same basis (see Note 11).

Under the new presentation:

- The definition of "Cost of goods sold" is unchanged compared to the previous presentation.
- "Logistics costs" correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred before or after goods are first received at one of the Group's stores or warehouses. Transport costs included in suppliers' invoices (e.g. for goods purchases on a "delivery duty paid" or "DDP" basis) are included in purchase costs, while the cost of outsourced transport services is included in "Logistics costs".
- "Gross profit" is now stated before "Other income".
- "Other income" consists mainly of trademark and other royalties and sub-leasing revenues.
- "Selling expenses" consist of point-of-sale costs.
- "General and administrative expenses" correspond to overheads and the costs of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

## Main changes in the scope of consolidation

The main changes in the scope of consolidation are as follows:

- Disco (Uruguay) has been proportionately consolidated on a 62.5% basis since 1 August 2007 (compared with 58% previously).
- Exito (Colombia), which was previously accounted for by the equity method, has been fully consolidated since 1 May 2007.
- Assai (Brazil) has been fully consolidated within CBD since 1 November 2007.
- Super de Boer (Netherlands), which was previously accounted for by the equity method, has been fully consolidated since 1 January 2008.
- In accordance with IFRS 5, the results of the Polish and US businesses divested at the end of 2006 and in first-half 2007 respectively have been recognised in "Profit from discontinued operations."

## Net sales

Consolidated net sales for first-half 2008 rose 19.6% to €13,813 million from €11,547 million in the year-earlier period. Changes in scope of consolidation had a positive impact of 13.8%, stemming primarily from the consolidation of Super de Boer and Exito, which generated growth of 6.5 points and 6.6 points, respectively. The currency effect was a negative 1.1%, due primarily to the decline in the Thai, Colombian and Venezuelan currencies against the euro, partially offset by the appreciation of the Brazilian real during the period. A detailed review of sales growth is presented above, in the sections on French and International operations.

## Trading profit

Trading profit grew by 9.8% over the period to €540 million. The currency effect was a negative 1.1%. Changes in scope of consolidation had a positive impact of 2.9%, mainly attributable to the consolidation of Exito and Super de Boer and partly held back by the negative impact of asset disposals to OPCI property mutual funds. Organic growth in trading profit amounted to 8.0%.

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

## Operating profit

**Other operating income and expense** represented a net expense of €15 million in first-half 2008, compared with a net expense of €17 million in first-half 2007.

The first-half 2008 figure primarily included:

- Gains on asset disposals (including a €23 million gain on the sale of shares in Mercialys) and impairment losses on non-current assets for a net amount of €22 million.
- €14 million in provisions for contingencies.
- €11 million in restructuring provisions, mainly at Exito and CDB.
- A €5 million dilution loss on the Group's interest in CBD, following a share issue.

The net expense of €17 million in first-half 2007 mainly included:

- Asset impairments for €7 million.
- €19 million in provisions for disputes.
- An €11 million reversal of an impairment loss on the Group's stake in Laurus (renamed Super de Boer on 1 January 2008).

After other operating income and expense, operating profit amounted to €525 million, up 10.5% from €475 million in first-half 2007.

## **Profit before tax**

**Profit before tax** for the period rose by 2.5% to €363 million from €354 million in first-half 2007, after deducting net financial expense of €161 million compared with €120 million in the first six months of 2007. The total includes:

- Finance costs, net of €163 million versus €127 million in first-half 2007. The period-on-period increase stemmed from higher finance costs for international businesses, mainly due to the impact of changes in consolidation scope, particularly the consolidation of Exito.
- Other financial income, net of €2 million compared with €7 million in the year-earlier period.

## **Profit attributable to equity holders of the parent**

**Income tax expense** came to €89 million in first-half 2008 compared with €111 million in the year-earlier period. The effective tax rate in first-half 2008 was 24.6%.

The Group's **share in profit of associates** fell to €7 million from €11 million in first-half 2007, mainly due to the change in consolidation method applied to Exito and Super de Boer, which were fully consolidated as from 1 May 2007 and 1 January 2008, respectively.

Profit attributable to **minority interests** totalled €51 million in first-half 2008, up from €46 million in first-half 2007. The increase was mainly attributable to the recognition of Exito minority interests over six months versus two months in first-half 2007, recognition of Super de Boer minority interests as from 1 January 2008 and the increase in minority interests in Mercialys and Cdiscount, partly offset by the decline in minority interests in Vindémia following Bourbon's exercise of its put option and in Franprix-Leader Price on the exercise of several put options.

In light of these factors, **profit for the period from continuing operations attributable to equity holders of the parent** rose by 10.7% to €230 million from €208 million in first-half 2007.

The **loss from discontinued operations attributable to equity holders of the parent** amounted to €2 million, versus profit of €159 million in first-half 2007. In first-half 2008, the loss corresponded to expenses associated with businesses disposed of in prior periods. The first-half 2007 profit included €152 million in capital gains on asset disposals (primarily US operations) and €7 million in net profit from divested businesses.

**Total profit attributable to equity holders of the parent** fell 37.7% to €229 million from €367 million in first-half 2007.

Lastly, **cash flow** increased 14.0% to €613 million from €537 million in first-half 2007.

## **Capital expenditure, acquisitions and disposals**

**Capital expenditure** totalled €542 million versus €512 million in first-half 2007, representing an increase of 5.9%, which was slower than the pace of revenue and cash flow growth. The Group continued to expand in promising formats in France and key countries abroad.

The first-half 2007 figure includes capital expenditure for the US operations for €12 million.

**Acquisitions** came to €314 million, corresponding mainly to the acquisition of 12% of Super de Boer for €105 million, including assumed debt of €49 million, and several acquisitions relating to Franprix/Leader Price for €118 million.

**Disposals** amounted to €96 million, of which €37 million from the sale of Mercialys shares and €21 million from the sale of assets by Vindémia including derecognition of the related debt.

## **Financial position**

At 30 June 2008, the Group had **net debt** of €5,868 million versus €4,410 million at 31 December 2007 and €6,015 million at 30 June 2007. The net debt to EBITDA<sup>(1)</sup> ratio was reduced to 3.1 at 30 June 2008 from 3.6 at 30 June 2007 and gearing was reduced to 83% from 95% a year earlier.

The Group's balance sheet will be strengthened by the improvement in free cash flow, led by targeted expansion in France in promising and low capital-intensive formats, capital expenditure in international markets in line with growth in international sales and a dynamic asset turnover strategy.

**Equity** came to €7,049 million at 30 June 2008 compared with €7,124 million at 31 December 2007.

## **Related party transactions**

The main related party transactions are described in Note 19 to the interim consolidated financial statements (see page 30 of this document).

## **Outlook for 2008 – Areas of risk and uncertainty in the next six months**

In light of its first-half performance, Casino has confirmed its targets for 2008:

- **Faster organic growth in sales.**
- **Further growth in trading profit.**

These forward-looking statements are based on what the Group believes to be reasonable assumptions, but are not an indication of future profits. They are subject to the risks and uncertainties inherent in the Group's businesses that could cause actual results to differ materially from the targets and outlook provided above. A fuller discussion of these risks and uncertainties is provided in the 2007 registration document.

The 2007 financial statements of the Franprix-Leader Price sub-group's main subsidiaries have not been approved, pending the final results of additional independent valuations of the stores. However, the remaining uncertainties are not likely to have a material impact on the Group's consolidated financial statements.

## **Subsequent events**

The main events that occurred after the closure date are described in Note 20 to the interim consolidated financial statements.

(1) Earnings before interest, taxes, depreciation and amortisation.  
Calculated on a sliding 12-month basis.

# Interim Consolidated Financial Statements

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

## CONSOLIDATED INCOME STATEMENT

For the six-month periods ended 30 June 2008 and 30 June 2007

In € millions	Notes	Six months ended 30 June 2008	Six months ended 30 June 2007 *
<b>CONTINUING OPERATIONS</b>			
Net sales	8	13,813	11,547
Cost of goods sold	9	(10,399)	(8,554)
<b>Gross profit</b>		<b>3,414</b>	<b>2,993</b>
Other income	8	83	52
Selling expenses	10	(2,461)	(2,120)
General and administrative expenses	10	(496)	(434)
<b>Trading profit</b>		<b>540</b>	<b>492</b>
<i>as a % of sales</i>		3.9	4.3
Other operating income and expense, net	12	(15)	(17)
<b>Operating profit</b>		<b>525</b>	<b>475</b>
<i>as a % of sales</i>		3.8	4.1
Income from cash and cash equivalents		27	30
Finance costs		(190)	(157)
<b>Finance costs, net</b>		<b>(163)</b>	<b>(127)</b>
Other financial income		48	49
Other financial expense		(46)	(42)
<b>Profit before tax</b>		<b>363</b>	<b>354</b>
<i>as a % of sales</i>		2.6	3.1
Income tax expense		(89)	(111)
Share of profits of associates		7	11
<b>Profit from continuing operations</b>		<b>281</b>	<b>254</b>
<i>as a % of sales</i>		2.0	2.2
Attributable to equity holders of the parent		230	208
Attributable to minority interests		51	46
<b>DISCONTINUED OPERATIONS</b>			
<b>Profit from discontinued operations</b>		<b>(2)</b>	<b>164</b>
Attributable to equity holders of the parent		(2)	159
Attributable to minority interests		0	5
<b>CONTINUING AND DISCONTINUED OPERATIONS</b>			
<b>Profit for the period</b>		<b>280</b>	<b>418</b>
Attributable to equity holders of the parent		229	367
Attributable to minority interests		51	51

\* Comparative information for first-half 2007 has been restated to reflect the presentation changes adopted in first-half 2008 (see Note 2.4).

**Earnings per ordinary share**

In euros	Six months ended 30 June 2008	Six months ended 30 June 2007
<b>From continuing operations</b>		
Basic earnings per share	1.79	1.59
Diluted earnings per share	1.78	1.59
<b>From continuing and discontinued operations</b>		
Basic earnings per share	1.78	3.02
Diluted earnings per share	1.77	3.01

**Earnings per preferred non-voting share**

In euros	Six months ended 30 June 2008	Six months ended 30 June 2007
<b>From continuing operations</b>		
Basic earnings per preferred non-voting share	1.83	1.63
Diluted earnings per preferred non-voting share	1.82	1.63
<b>From continuing and discontinued operations</b>		
Basic earnings per preferred non-voting share	1.81	3.05
Diluted earnings per preferred non-voting share	1.81	3.05

## CONSOLIDATED BALANCE SHEET

At 30 June 2008 and 31 December 2007

<b>ASSETS</b> In € millions	Notes	30 June 2008	31 December 2007
Goodwill		6,482	6,177
Intangible assets		550	532
Property, plant and equipment	13	5,916	5,726
Investment property	13	1,040	1,040
Investments in associates		95	277
Non-current financial assets		500	446
Non-current hedging instruments		54	55
Deferred tax assets		174	170
<b>Total non-current assets</b>		<b>14,809</b>	<b>14,422</b>
Inventories		2,679	2,460
Trade receivables		1,657	1,659
Other assets		1,200	1,168
Current tax receivables		72	47
Current hedging instruments		81	163
Cash and cash equivalents	14	1,549	2,534
Non-current assets held for sale		7	-
<b>Total current assets</b>		<b>7,245</b>	<b>8,031</b>
<b>Total assets</b>		<b>22,055</b>	<b>22,454</b>
<b>EQUITY AND LIABILITIES</b> In € millions	Notes	30 June 2008	31 December 2007
Share capital		172	172
Additional paid-in capital, treasury shares and reserves		5,628	5,136
Profit attributable to equity holders of the parent		229	814
<b>Equity attributable to equity holders of the parent</b>		<b>6,029</b>	<b>6,122</b>
Minority interests in reserves		969	896
Minority interests in profit for the period		51	107
<b>Minority interests</b>		<b>1,020</b>	<b>1,002</b>
<b>Equity</b>		<b>7,049</b>	<b>7,124</b>
Provisions		351	297
Non-current financial liabilities	14	5,399	4,662
Other non-current liabilities		48	53
Deferred tax liabilities		425	412
<b>Total non-current liabilities</b>		<b>6,223</b>	<b>5,424</b>
Provisions		242	224
Trade payables		3,875	4,432
Current financial liabilities	14	2,154	2,499
Current taxes payable		37	119
Other current liabilities		2,476	2,632
Liabilities associated with non-current assets held for sale		-	-
<b>Total current liabilities</b>		<b>8,783</b>	<b>9,906</b>
<b>Total equity and liabilities</b>		<b>22,055</b>	<b>22,454</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the six-month periods ended 30 June 2008 and 30 June 2007

In € millions	Six months ended 30 June 2008	Six months ended 30 June 2007
Profit attributable to equity holders of the parent	229	367
Profit attributable to minority interests	51	51
<b>Profit for the period</b>	<b>280</b>	<b>418</b>
Depreciation and amortisation expense	329	283
Unrealised gains and losses arising from changes in fair value	(4)	(20)
Income and expenses on share-based payment plans	4	6
Other non-cash items	16	11
<b>Depreciation and amortisation and other non-cash items</b>	<b>345</b>	<b>281</b>
(Gains)/losses on disposal of non-current assets	(22)	(159)
Dilution gains and losses	5	-
Share of profit of associates	(7)	(11)
Dividends received from associates	13	8
<b>Cash flow</b>	<b>613</b>	<b>537</b>
Finance costs, net (excluding changes in fair value and amortisation)	151	146
Current and deferred tax expenses	89	125
<b>Cash flow before finance costs, net and tax</b>	<b>853</b>	<b>809</b>
Income tax paid	(159)	(111)
Change in operating working capital (i)	(901)	(361)
<b>Net cash (used)/provided by operating activities</b>	<b>(207)</b>	<b>338</b>
Outflows of acquisitions:		
• Property, plant and equipment, intangible assets and investment property	(539)	(507)
• Non-current financial assets	(63)	(59)
Inflows of disposals:		
• Property, plant and equipment, intangible assets and investment property	12	29
• Non-current financial assets	21	8
Effect of changes in scope of consolidation (ii)	(188)	204
Change in loans granted	1	1
<b>Net cash used by investing activities</b>	<b>(756)</b>	<b>(324)</b>
Dividends paid:		
• To equity holders of the parent	(258)	(241)
• To minority shareholders	(35)	(26)
• To holders of deeply-subordinated perpetual bonds (TSSDI)	(53)	(45)
Increase in share capital	52	24
Proceeds received from the exercise of stock options	3	1
(Purchases)/sales of treasury shares	(48)	(23)
Additions to debt	1,578	1,256
Repayments of debt	(1,333)	(596)
Interest paid, net	(149)	(152)
<b>Net cash (used)/provided by financing activities</b>	<b>(243)</b>	<b>198</b>
<b>Translation adjustment</b>	<b>0</b>	<b>30</b>
<b>Change in cash and cash equivalents</b>	<b>(1,206)</b>	<b>241</b>
Cash and cash equivalents at beginning of period	2,066	1,653
Less cash and cash equivalents related to non-current assets held for sale	-	(14)
<b>Net cash and cash equivalents of continuing operations at beginning of period</b>	<b>2,066</b>	<b>1,639</b>
Cash and cash equivalents at end of period	860	1,894
Less cash and cash equivalents related to non-current assets held for sale	-	-
<b>Net cash and cash equivalents of continuing operations at end of period</b>	<b>860</b>	<b>1,894</b>

**(i) Change in operating working capital**

In € millions	Six months ended 30 June 2008	Six months ended 30 June 2007
Inventories	(186)	(85)
Trade payables	(571)	(190)
Trade receivables	97	109
Finance receivables (credit activity)	(42)	(31)
Finance payables (credit activity)	22	2
Other	(221)	(166)
<b>Change in operating working capital</b>	<b>(901)</b>	<b>(361)</b>

**(ii) Effect of changes in scope of consolidation**

In € millions	Six months ended 30 June 2008	Six months ended 30 June 2007
<b>Disposal proceeds, of which:</b>	<b>42</b>	<b>404</b>
Groupe Casino USA		265
Far Eastern Geant		35
Géant Polska		94
Leader Price Polska		10
Mercialys	37	
Vindémia (Mauritius)	1	
Easydis Service	3	
<b>Acquisition cost, of which:</b>	<b>(222)</b>	<b>(439)</b>
Exito (equity method)		(43)
Exito	(12)	(299)
Vegas Argentina		(63)
Cdiscount		(13)
Vindémia sub-group (EBT)		(15)
Franprix – Leader Price (newly-consolidated units)	(49)	
Franprix – Leader Price (changes in scope)	(87)	
SCI La Diane	(17)	
Super de Boer	(56)	
CBD	(2)	
<b>Cash of subsidiaries acquired or sold during the period, of which:</b>	<b>(7)</b>	<b>239</b>
Exito		143
Latic		80
Exito sub-group (Carulla)		19
Franprix - Leader Price sub-group	3	
CBD sub-group (change in % interest)	(6)	
Easydis Service	1	
Vindémia (Mauritius)	(1)	
Super de Boer	(4)	
<b>Effect of changes in scope of consolidation</b>	<b>(188)</b>	<b>204</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
BEFORE APPROPRIATION OF PROFIT

In € millions	Share capital	Additional paid-in capital (i)	Treasury shares	Retained earnings and profit for the period	Deeply subordinated perpetual bonds	Net income recognised directly in equity	Equity attributable to equity holders of the parent	Minority interests	Total equity
<b>At 1 January 2007</b>	<b>171</b>	<b>3,894</b>	<b>(8)</b>	<b>443</b>	<b>600</b>	<b>306</b>	<b>5,406</b>	<b>566</b>	<b>5,972</b>
Income and expense recognised directly in equity						254	254	13	267
Profit for the period				367			367	51	418
<b>Total recognised income and expense</b>				<b>367</b>		<b>254</b>	<b>621</b>	<b>65</b>	<b>685</b>
Issue of share capital	0	14					14		14
Purchases and sales of treasury shares			(29)	5			(24)	0	(24)
Dividends paid				(241)			(241)	(26)	(267)
Dividends paid to deeply subordinated perpetual bond holders				(30)			(30)		(30)
Changes in scope of consolidation (ii)							-	103	103
Other movements (iii)				3			3	(18)	(16)
<b>At 30 June 2007 (iv)</b>	<b>172</b>	<b>3,908</b>	<b>(37)</b>	<b>548</b>	<b>600</b>	<b>560</b>	<b>5,749</b>	<b>689</b>	<b>6,438</b>
Income and expense recognised directly in equity						(89)	(89)	(35)	(123)
Profit for the period				447			447	55	502
<b>Total recognised income and expense</b>				<b>447</b>		<b>(89)</b>	<b>358</b>	<b>21</b>	<b>379</b>
Issue of share capital	0	4					5		5
Purchases and sales of treasury shares			15	(6)			10		10
Dividends paid				0			0	(13)	(13)
Dividends paid to deeply subordinated perpetual bond holders				0			0	0	0
Changes in scope of consolidation (v)							-	321	321
Other movements (vi)				0			0	(15)	(14)
<b>31 December 2007</b>	<b>172</b>	<b>3,912</b>	<b>(22)</b>	<b>989</b>	<b>600</b>	<b>471</b>	<b>6,122</b>	<b>1,002</b>	<b>7,124</b>
Income and expense recognised directly in equity						(8)	(8)	(37)	(45)
Profit for the period				229			229	51	280
<b>Total recognised income and expense</b>				<b>229</b>		<b>(8)</b>	<b>221</b>	<b>14</b>	<b>235</b>
Issue of share capital	0	16					16		16
Purchases and sales of treasury shares			(44)				(44)		(44)
Dividends paid				(258)			(258)	(35)	(293)
Dividends paid to deeply subordinated perpetual bond holders				(30)			(30)		(30)
Changes in scope of consolidation (vii)							-	48	48
Other movements (vi)				1			1	(8)	(7)
<b>At 30 June 2008</b>	<b>172</b>	<b>3,929</b>	<b>(65)</b>	<b>931</b>	<b>600</b>	<b>463</b>	<b>6,029</b>	<b>1,020</b>	<b>7,049</b>

(i) Additional paid-in capital: premiums on shares issued for cash or in connection with mergers or acquisitions, and statutory reserves.

(ii) Changes in scope of consolidation correspond mainly to the recognition of minority interests upon full consolidation of Exito and the derecognition of minority interests following the sale of Casino USA (Smart & Final).

(iii) The decrease in minority interests relates to the Asinco and Vindémia puts and to Exito. Other movements correspond to the recognition of the periodic costs of share-based payment plans.

(iv) Equity at 30 June 2007 has been adjusted for the effect of fair value adjustments to Exito assets and liabilities determined in the second half of 2007.

(v) The change in minority interests is mainly due to the recognition of minority interests in Exito following the decision by this company's external shareholders not to exercise their puts.

(vi) Other movements include recognition of the periodic costs of share-based payment plans and changes in minority interests related to the Asinco puts.

(vii) The increase in minority interests primarily reflects the full consolidation of Super de Boer, the increase in the capital of the Polish property development fund Fonds Immobilier Promotion and the sale by the Group of Mercialys shares.

## CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the six-month periods ended 30 June 2008, 31 December 2007 and 30 June 2007

In € millions	From 1 January 2008 to 30 June 2008	From 1 July 2007 to 31 December 2007	From 1 January 2007 to 30 June 2007
Exchange differences on translating foreign operations	(44)	(133)	172
Actuarial gains and losses	1	0	8
Gains and losses from remeasurement at fair value of assets and liabilities held in prior periods (i)	-	0	90
Gains and losses from remeasurement at fair value of available-for-sale financial assets (i)	(2)	7	0
Hedge accounting	0	3	(3)
<b>Income and expense recognised directly in equity</b>	<b>(45)</b>	<b>(123)</b>	<b>267</b>
Profit for the period	280	502	418
<b>Total recognised income and expense for the period</b>	<b>235</b>	<b>378</b>	<b>685</b>
Attributable to equity holders of the parent	221	358	621
Attributable to minority interests	14	21	65

(i) Net of tax.

**GROUPE CASINO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Six months ended 30 June 2008**

**Note 1: General information**

Casino, Guichard-Perrachon (“the Company”) is a *société anonyme* governed by French law. Its shares are listed on Euronext Paris, in compartment A. The Company and its subsidiaries are referred to in these notes as “the Group” or “Casino”.

The interim consolidated financial statements for the six months ended 30 June 2008 reflect the accounting situation of the Company, its subsidiaries and jointly controlled companies, as well as the Group’s interests in associates. They have been the subject of a limited review by the Auditors.

The interim consolidated financial statements were approved for publication by the Board of Directors on 27 August 2008.

**Note 2: Basis of preparation of the financial statements and accounting policies**

**2.1. Statement of compliance**

In accordance with European regulation 1606/2002 of 19 July 2002, the consolidated financial statements for the six months ended 30 June 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, and the interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). These standards and interpretations may be downloaded from the European Commission’s website ([http://ec.europa.eu/internal\\_market/accounting/ias\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias_fr.htm)).

**2.2. Basis of preparation**

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

They are presented in condensed format with selected explanatory notes, and do not therefore comprise all the information and notes included in a complete set of annual financial statements. For this reason, they should be read in conjunction with the consolidated financial statements for the year ended 31 December 2007, which are available from the Company’s headquarters, 1 Esplanade de France, Saint-Etienne, France and can be downloaded from the Company’s website, [www.groupe-casino.fr](http://www.groupe-casino.fr)

**2.3. Summary of significant accounting policies**

The accounting policies used to prepare the condensed interim consolidated financial statements are unchanged compared with those applied in the 2007 consolidated financial statements, with the exception of the new standards and interpretations described below.

### **2.3.1. New standards and interpretations applicable in 2008**

IFRIC 11 “IFRS 2: Group and Treasury Share Transactions”. This interpretation, which provides guidance on the accounting treatment of share-based payments involving an entity's own equity instruments and share-based payments involving equity instruments of the parent, has been applied by the Group from 1 January 2008. It has no effect on the consolidated financial statements.

### **2.3.2. New standards and interpretations not yet applicable, adopted by the European Union**

IFRS 8 “Operating Segments”. This standard requires disclosures to be made about the Group's operating segments and replaces the provisions concerning primary and secondary reporting segments (business or geographical segment). The Group has not elected for early adoption of this standard, which is compulsory as of 1 January 2009. The potential impacts on the notes to the consolidated financial statements are currently being analysed.

### **2.3.3. New standards and interpretations not yet applicable, not yet adopted by the European Union**

The following standards and interpretations issued by the IASB have not yet been adopted by the European Union:

- IAS 23 (revised) “Borrowing Costs”.
- IAS 1 (revised) “Presentation of Financial Statements”
- IFRS 3 (revised) “Business Combinations”
- IAS 27 (revised) “Consolidated and Separate Financial Statements”
- Amendment to IFRS 2 “Vesting Conditions and Cancellations”
- Amendments to IAS 32 and IAS 1 “Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation”
- Amendments to IFRS 1 and IAS 27 “Measuring Investments in Subsidiaries, Jointly Controlled Entities and Associates”
- IFRIC 12 “Service Concession Agreements”
- IFRIC 13 “Customer Loyalty Programmes”
- IFRIC 14 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”
- Improvements to IFRSs concerning government loans with a below-market rate of interest (IAS 20), reversals of goodwill impairment losses (IAS 28), the accounting treatment of advertising and promotional activities (IAS 38) and use of the unit-of-production amortisation method (IAS 38).

In line with the option available under European Union regulations, the Group chose not to early adopt the improvements to IFRSs and IFRIC 12, 13 and 14.

The impacts of these standards and interpretations on the consolidated financial statements are currently being analysed, and more particularly the impacts of IFRIC 13 and revised IAS 23.

### **2.4. Changes to previously published financial statements**

Effective from first-half 2008, expenses are classified in the income statement by function rather than by nature. This presentation change has been adopted to align the Group's practice with that of other international retailers and provide better comparative information. Certain expenses classified by nature are presented in Note 10. The comparative financial information for the six months ended 30 June 2007 is presented on the same basis (see Note 11).

Under the new presentation:

- The definition of “Cost of goods sold” is unchanged compared to the previous presentation.
- “Logistics costs” correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred before or after goods are first received at one of the Group’s stores or warehouses. Transport costs included in suppliers’ invoices (e.g. for goods purchases on a “delivery duty paid” or “DDP” basis) are included in purchase costs, while the cost of outsourced transport services is included in “Logistics costs”.
- “Gross profit” is now stated before “Other income”.
- “Other income” consists mainly of trademark and other royalties and sub-leasing revenues.
- “Selling expenses” consist of point-of-sale costs.
- “General and administrative expenses” correspond to overheads and the costs of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

## 2.5. Use of estimates

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

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

- Commercial cooperation fees.
- Impairment losses on inventories and receivables.
- Provisions.
- Put options granted to minority shareholders and earn-out payments on business combinations.
- Impairment losses on intangible assets and goodwill.
- Impairment losses on investments in associates accounted for by the equity method.
- Valuation of employee stock options.
- Deferred taxes.
- Financial assets and liabilities.

### Note 3: Significant events of the period

- The Group has a call option on 6.24% of the capital of Super de Boer (formerly Laurus), which is exercisable between 1 January 2008 and 31 March 2009. Super de Boer has therefore been fully consolidated from 1 January 2008.

During the first-half, the Group acquired an additional 12% of Super de Boer (6% on 19 February for €27 million and another 6% on 17 March for €30 million), raising its total interest to 57% of the capital and voting rights.

These transactions are described in Note 5.1.

- On 3 April, the Group sold 1,357,962 Mercialys shares off-market, at a price of €27.75 per share. The total sale proceeds came to €38 million, generating a capital gain of €23 million. The transaction had the effect of reducing Casino’s interest in Mercialys from 61.48% to 59.67%, in line with the requirements of “SIIC 4” under which the continued benefit of this REIT-style tax regime is dependent on the SIIC’s principal shareholder owning less than 60% of the capital and voting rights.

- In connection with the ongoing dispute between Casino and the Baud family, in May a temporary administrator was appointed to run Geimex, owner of the rights to the Leader Price brand in international markets (outside mainland France and the overseas departments and territories). Geimex is 50%-owned by Casino and 50% by the Baud family. The Group had applied for an administrator to be appointed in September 2007.

Geimex is proportionately consolidated in the Group's financial statements. Casino's interest in this company amounts to €70 million, of which €60 million corresponds to goodwill.

#### **Note 4: Changes in the scope of consolidation**

At 30 June 2008, Groupe Casino comprised some 1,100 companies, compared with 1,077 at 31 December 2007.

The main changes in scope of consolidation during the period are described in Note 5 – Business combinations.

#### **Note 5: Business combinations**

##### **5.1 Super de Boer (ex Laurus)**

On 1 January 2008, Laurus was renamed Super de Boer.

The potential voting rights represented by the Group's call option on 6.24% of the capital of Super de Boer, which is exercisable between 1 January 2008 and 31 March 2009, were taken into account in assessing whether the Group had the power to govern Super de Boer's financial and operating policies at 1 January 2008. With 45% of the capital and 51% of the potential voting rights at that date, the Group was considered as exercising control over Super de Boer based on the criteria set out in IAS 27 and the company was therefore fully consolidated in the first half.

The deemed business combination with Super de Boer was accounted for by the purchase method. However, since control resulted from taking into account the potential voting rights represented by the call option, the cost of the business combination at 1 January 2008 was zero and Super de Boer was consolidated on the basis of a 45% interest, with the other 55% treated as minority interests.

The fair value of the assets acquired and liabilities and contingent liabilities assumed is in the process of being determined and therefore no fair value adjustments were made to the Group's existing interest at 30 June 2008.

The provisional fair values of the assets acquired and liabilities and contingent liabilities assumed at the date when control of Super de Boer was acquired were as follows:

In € millions	Carrying amount (i)	Fair value adjustments and alignments (ii)	Fair value recognised when control was acquired (iii)
Goodwill	20	(20)	0
Intangible assets	6	-	6
Property, plant and equipment	114	(10)	104
Investment property	24	-	24
Non-current financial assets	17	8	25
Deferred tax assets	13	-	13
<b>Total non-current assets</b>	<b>194</b>	<b>(22)</b>	<b>172</b>
Inventories	57	-	57
Trade receivables	59	-	59
Current tax receivables	6	-	6
Cash and cash equivalents	17	-	17
Non-current assets held for sale	10	-	10
<b>Total current assets</b>	<b>149</b>	<b>-</b>	<b>149</b>
Provisions	39	-	39
Non-current financial liabilities	73	-	73
Deferred tax liabilities	13	-	13
<b>Total non-current liabilities</b>	<b>125</b>	<b>-</b>	<b>125</b>
Provisions	34	4	38
Trade payables	103	-	103
Current financial liabilities	21	-	21
Other current liabilities	10	2	12
<b>Total current liabilities</b>	<b>168</b>	<b>6</b>	<b>174</b>
<b>Total identifiable assets and liabilities, net</b>	<b>50</b>	<b>(28)</b>	<b>21</b>
<b>Identifiable assets and liabilities acquired, net</b>	<b>22</b>	<b>(13)</b>	<b>10</b>
Goodwill			<b>168</b>
<b>Carrying amount under the equity method</b>			<b>178</b>

(i) Carrying amounts were measured in accordance with IFRS immediately prior to the acquisition of control.

(ii) The amounts reported in this column will be adjusted when the final fair values have been determined.

(iii) The fair values shown in this column are provisional. In particular, they do not include the fair value of intangible assets acquired and liabilities and contingent liabilities assumed.

The final fair values will be determined within 12 months, as provided for in IFRS 3.

The Group acquired an additional 6% of Super de Boer on 19 February for €27 million and another 6% on 17 March for €30 million. These bolt-on acquisitions were treated as acquisitions of minority interests, leading to the recognition of additional goodwill of €25 million and €28 million respectively in accordance with Group accounting policies. These goodwill amounts may be adjusted based on the final fair values of Super de Boer assets and liabilities to be determined as explained above.

Super de Boer goodwill in the consolidated balance sheet at 30 June 2008 amounted to €221 million, corresponding to (i) goodwill arising prior to the acquisition of control and previously included in the carrying amount of the Group's investment as determined by the equity method, and (ii) goodwill arising since control was acquired. The Group continues to have a call option on 6.24% of Super de Boer's capital, as explained above.

## Impact on the consolidated financial statements

The impact on the Group's cash position was as follows:

In € millions	
Net cash and cash equivalents acquired with the company at 1 January 2008	(4)
Payments for the two interests acquired in February and March 2008	(56)
<b>Net cash outflow (reported on the line "Effect of changes in scope of consolidation" in the consolidated cash flow statement)</b>	<b>(60)</b>

## 5.2 Exito and CBD

The first-half 2007 acquisition of additional interests in Almacenes Exito and Carulla did not lead to any adjustments to goodwill during the 12-month period allowed under IFRS 3.

At 30 June 2008, the 12-month period for the completion of CBD Group's final accounting of the Rossi and Assai acquisitions had not yet expired and work to determine the fair value of the assets acquired and liabilities and contingent liabilities assumed was still in progress. No adjustments to the provisional amounts were recorded at that date.

## Note 6: Seasonal fluctuations in business

Seasonal fluctuations in business are limited. Net sales for 2007 at constant exchange rates and based on a comparable scope of consolidation broke down as 48% for the first-half and 52% for the second-half.

## Note 7. Segment information

Casino's primary segment reporting format is the geographic segment, reflecting the Group's management and internal reporting structure.

The negative €15 million in other operating income and expense reported in the income statement primarily concerns operations in South America and the Indian Ocean (see Note 12).

## Six months ended 30 June 2008

In € millions	France	Europe excluding France	Latin America	Asia	Indian Ocean	Continuing operations	Discontinued operations	Total
Segment revenue	9,010	748	2 874	773	407	13,813	1	<b>13,814</b>
Segment profit*	385	4	99	40	11	539	0	<b>539</b>

## Six months ended 30 June 2007

In € millions	France	Europe excluding France	Latin America	Asia	Indian Ocean	Continuing operations	Discontinued operations	Total
Segment revenue	8,601	1	1,793	751	401	11,547	624	12,172
Segment profit*	378	(4)	60	40	18	492	22	514

\* Segment profit = Trading profit before goodwill impairment losses.

## Note 8: Revenue

In € millions	Six months ended 30 June 2008	Six months ended 30 June 2007*
Net sales	13,813	11,547
Other income	83	52
<b>Total revenue</b>	<b>13,895</b>	<b>11,599</b>

\* "Other income" in the above table is different from the amount reported in first-half 2007 (see Note 11).

## Note 9: Cost of goods sold

In € millions	Six months ended 30 June 2008	Six months ended 30 June 2007*
Purchases and change in inventories	(9,854)	(8,084)
Logistics costs	(545)	(470)
<b>Cost of goods sold</b>	<b>(10,399)</b>	<b>(8,554)</b>

\* "Logistics costs" in the above table are different from the amount reported in first-half 2007 (see Notes 10 and 11).

## Note 10: Expenses by nature and function

### Six months ended 30 June 2008

In € millions	Logistics costs (i)	Selling expenses	General and administrative expenses	Total
Employee benefits expense	(177)	(1,123)	(266)	(1,566)
Other expenses	(349)	(1,072)	(193)	(1,613)
Depreciation and amortisation expense	(20)	(267)	(37)	(324)
<b>Total</b>	<b>(545)</b>	<b>(2,461)</b>	<b>(496)</b>	<b>(3,502)</b>

### Six months ended 30 June 2007

In € millions	Logistics costs (i)	Selling expenses	General and administrative expenses	Total
Employee benefits expense (ii)	(139)	(974)	(228)	(1,341)
Other expenses (ii)	(314)	(911)	(174)	(1,399)
Depreciation and amortisation expense (ii)	(18)	(235)	(32)	(285)
<b>Total</b>	<b>(470)</b>	<b>(2,120)</b>	<b>(434)</b>	<b>(3,024)</b>

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

(ii) The above amounts are different from those reported in first-half 2007 (see Note 11).

## Note 11: Reconciliation to first-half 2007 reported amounts by nature

	2007 reported	Logistics costs reclassified by nature	Reclassifications				2007 after reclassifications	
			Other income (i)	Transport costs (ii)	Outside personnel (iii)	Provisions (iv)		
Sales	11,547						11,547	Sales
Other income	104		(52)				52	Other income
Purchases and change in inventories	(8,146)			62			(8,084)	Purchases and change in inventories
Logistics costs	(408)	408					-	
Employee benefits expense	(1,173)	(102)	14		(76)	(4)	(1,341)	Employee benefits expense (v)
Other expenses	(1,090)	(293)	38	(62)	76	(68)	(1,399)	Other expenses (v)
Depreciation, amortisation and provisions	(343)	(14)				72	(285)	Depreciation and amortisation (v)
<b>Trading profit</b>	<b>492</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>492</b>	

(i) Rebilled costs are now presented as a deduction from “Other expenses” and “Employee benefits expense”.

(ii) Transport costs to the initial point of delivery at Group sites that are not included on the goods invoice are now presented in “Other expenses” of the logistics function and no longer in “Purchases”.

(iii) Employee benefits expense now includes external staff costs (temporary staff, etc.), which were previously reported under “Other expenses”.

(iv) Provision movements are now reported under expenses analysed by nature.

(v) These natures of expenses are analysed by function (logistics costs, selling expenses and general and administrative expenses) in Note 10.

## Note 12: Other operating income and expense

Other operating income and expense for first-half 2008 represented a net expense of €15 million. The main items were capital gains on asset disposals for €24 million (including the €23 million gain on the sale of Mercialis shares), impairment losses on non-current assets for €2 million, charges to provisions for €14 million (including restructuring provisions of €11 million, mainly concerning Exito and CBD) and a dilution loss on the Group’s interest in CBD for €5 million.

## Note 13: Property, plant and equipment and investment property

**Acquisitions and disposals:** In first-half 2008, purchases of property, plant and equipment and investment property totalled €462 million versus €397 million in the year-earlier period.

**Impairment losses:** No new impairment losses were recorded during the period.

## Note 14: Cash and cash equivalents and net debt

Cash and cash equivalents and net debt can be analysed as follows:

### Cash and cash equivalents

In € millions	30 June 2008	31 December 2007
Cash equivalents	479	806
Cash	1,070	1,728
<b>Cash and cash equivalents</b>	<b>1,549</b>	<b>2,534</b>
Spot loans and confirmed credit facilities	0	0
Bank overdrafts	(689)	(468)
<b>Net cash and cash equivalents</b>	<b>860</b>	<b>2,066</b>

### Net debt

In € millions	30 June 2008	31 December 2007
<b>Net cash and cash equivalents</b>	<b>860</b>	<b>2,066</b>
Borrowings (other than bank overdrafts)	(6,728)	(6,476)
<b>Net debt</b>	<b>(5,868)</b>	<b>(4,410)</b>

“Cash” includes the €108 million proceeds from the sale of receivables fulfilling the derecognition criteria of IAS 39 (31 December 2007: €163 million).

“Borrowings” include put options granted to minority shareholders. See specific comment on the put options granted to minority shareholders of Franprix Holding and Leader Price Holding in Note 18.

## Note 15: Dividends

At the Annual General Meeting of 29 May 2008, shareholders approved payment of a dividend of €2.30 per ordinary share and €2.34 per preferred non-voting share. The dividend paid to holders of deeply subordinated perpetual bonds amounted to €88.63 (of which €75 paid in January and €13.63 paid in April).

Dividends deducted from equity at 30 June 2008 totalled €258 million.

## Note 16: Share-based payments

The terms and conditions of the plans and the methods used to calculate the fair value of the options are described in Note 3.15.4 to the consolidated financial statements for the year ended 31 December 2007.

At its meeting on 14 April 2008, the Board of Directors decided to set up a stock option plan and five share grant plans for Group managers and senior executives. A total of 431,134 options with a 3 ½-year vesting period were granted under the stock option plan. Under the share grant plans, 8,017 shares were granted without any performance conditions, and 179,274 shares were granted with performance conditions related mainly to 2008 and 2009 sales and/or earnings.

Details of the 14 April 2008 stock option plan and the main assumptions applied to value the options are presented below:

- Share price on the grant date: €75.10
- Option exercise price: €76.72
- Projected dividend yield: 5%
- Projected volatility: 24.04%
- Estimated life of the options: 5.5 years
- Risk-free interest rate: 4.168%.

On the above basis, the fair value of each option is €13.61.

The fair value of shares granted under the new plans is €61.92, corresponding to the share price on the date of grant less dividends not received during the vesting period and a discount for the lock-up period.

The compensation cost recognised in first-half 2008 in respect of share-based payment plans was €8 million (first-half 2007: €7 million).

During the period, 266,064 stock options were exercised, leading to a €16 million capital increase.

#### **Note 17: Borrowings and other financial liabilities**

The main movements in the six months ended 30 June 2008 were as follows:

- On 3 March 2008, Casino Guichard-Perrachon redeemed early part of the second tranche of the 2004-2008 indexed bond issue due 31 March 2008. The remaining bonds in the tranche were redeemed at maturity. The nominal amount of the bonds was €78 million. In view of their characteristics, the net payment (including accrued interest) was €36 million for bonds redeemed early on 3 March 2008 and €36 million for the remaining bonds in the tranche.
- The bond issue due 2008 was redeemed on 6 March 2008 for a nominal amount of €882 million.
- On 26 March 2008, the Group carried out a €650 million bond issue due 4 April 2013. The bonds are redeemable at par. The nominal interest rate is 6.375% for an effective rate of 6.396%. The fixed rate has been swapped for the 3-month Euribor + 234 bps. On 2 June 2008, the issue was topped up by €300 million, with the same maturity and same terms, raising the total nominal amount to €950 million at 30 June 2008.
- The €38 million third tranche of the 2004-2009 indexed bond issue was redeemed early on 19 May 2008. In view of the bonds' characteristics, the net payment (including accrued interest) was €32 million. The outstanding bonds represented €38 million at 30 June 2008.
- On 27 May 2008, the Group obtained a €130 million variable rate loan at the 3-month Euribor + 150 bps, due 27 May 2013.
- On 2 June 2008, the 16 April 2007 bond issue due 2014 was topped up by €100 million, with the same maturity and the same terms.

### Note 18: Contingent assets and liabilities

- In first-half 2008, an arbitration board ruled against the Group in respect of a claim received under a seller's warranty granted in 2006 that was capped at €17 million. The Group considers that the claim is without merit and has appointed its own expert to examine it. It is not possible to estimate the possible outflow of economic resources at this stage.
- The arbitration board set up to rule on the terms and conditions governing the transfer of operational management responsibility for the Franprix and Leader Price businesses to Groupe Casino in March and April 2007, as well as to determine whether the members of the Baud family could validly exercise their put option has not yet handed down its conclusions. The Group has notified the minority shareholders that their rights have lapsed and is confident that the arbitration board will rule in its favour. However, pending the arbitration board's decision, the value of the put option – as calculated based on the contractual terms – has been maintained in current liabilities for an amount of €422 million at 30 June 2008. This is less than the amount claimed by the Baud family, which ranges from €475 million to €581 million depending on the assumptions applied. The Group contests this latter amount, which is based on incorrect underlying data.

Additional independent valuations are currently underway of the construction cost of Franprix and Leader Price stores. The results should be known during the second half and the accounting impact, if any, will be recognised in the annual consolidated financial statements. The remaining uncertainties would not have a material impact on the consolidated financial statements at 30 June 2008.

### Note 19: Related parties that control the Group

Casino, Guichard-Perrachon is controlled by Groupe Rallye, which in turn is owned by Foncière Euris. At 30 June 2008, Groupe Rallye held 48.56% of the Company's capital and 62.22% of the voting rights.

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

Related party transactions, including senior management compensation packages, were comparable to those in 2007. No transactions of an unusual nature or amount were carried out during the period.

The main related party transaction during the period between Casino and Rallye concerned the payment of the 2007 dividend for €126 million.

### Note 20: Subsequent events

- On 24 July, Casino acquired 5.6 million CBD ordinary shares with voting rights, representing 2.4% of the capital. The shares were purchased at a price of BRL 22.9 per share through the exercise, at maturity, of a call option granted by the Diniz family in June 2005. The €52-million transaction increases Casino's interest in CBD to 35.3%. CBD's corporate governance structure is unchanged and the company will continue to be proportionately consolidated by Casino.
- On 10 July, Casino acquired 914,349 shares in International Textiles Associés (Intexa) from the majority shareholders in an off-market transaction, representing 90.35% of the capital and 89.70% of the voting rights. The shares were purchased at a price of €5.96 per share, representing a total investment of €5,449,520.04. Prior to the transaction, Intexa transferred all the assets and liabilities of its textile design, manufacturing and trading business, as well as its property assets, to two subsidiaries, Intexalia and MB2. These two companies were sold to Intexa's historical shareholders on 10 July. Intexa is therefore currently a shell company.

The purpose of the acquisition was to provide the Group with a listed vehicle for the development projects currently being examined in the area of renewable energies.

On 31 July, HSBC filed a simplified tender offer with the French securities regulator (AMF) on Casino's behalf, for the remaining Intexa shares at an offer price of €5.96 per share.

## **Statement by the Person Responsible for the Interim Report**

---

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

Paris - 28 August 2008

Jean-Charles Naouri  
Chairman and Chief Executive Officer

# Statutory auditors' review report

on the first half-year financial information for 2008 - Period from January 1 to June, 30, 2008

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

To the Shareholders,

In our capacity as statutory auditors and in accordance with articles L. 232-7 of the French Company Law (Code de commerce) and L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of Casino Guichard-Perrachon, for the period from January 1 to June 30, 2008, and
- the verification of the information contained in the interim management report.

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

## 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatements. This level of assurance is less than can be obtained from an audit.

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

Without qualifying the conclusion expressed above, we draw attention to:

- The change of accounting method related to the adoption of an income statement by function as described in the note 2.4 " Changes to previously published financial statements " to the consolidated financial statement and as disclosed, for the restatements of the comparative period, in the note 11 " Reconciliation to first-half 2007 reported amounts by nature " of the consolidated financial statements ;
- The circumstances that led the Group, in compliance with the international accounting standard IAS 27, to fully consolidate Super de Boer as of January 1, 2008, as described in the note 5 "Business combinations" of the consolidated financial statements.

## 2. Specific verification

We have also verified the information provided in the interim management report in respect of the half-yearly financial statements that were the object of our review.

We have nothing to report on the fairness and consistency of this information with the condensed half-yearly financial statements.

Paris et Lyon, August 28, 2008

The statutory auditors  
*French original signed by*

**Cabinet Didier Kling & Associés**

**Didier Kling Bernard Roussel**

**Ernst & Young Audit**

**Jean-Luc Desplat**